Finding answers...

Hindusthan National Glass & Industries Limited

65th Annual Report, 2010-11

Across the pages

....that shape
our future

Corporate information

Chairman
Chandra Kumar Somany

Vice Chairman & Managing Director
Sanjay Somany
Mukul Somany

Directors
Dipankar Chatterji
Indrajit Kumar Saha (Dr.)
Kishore Bhimani
Ratna Kumar Daga
Rakesh Sharma
Shree Kumar Bangur
Sujit Bhattacharya
Venkatesan Sridar

Chief Financial Officer
Laxmi Narayan Mandhana

Company Secretary
Priya Ranjan

Registered office
2, Red Cross Place
Kolkata 700 001

Works
Rishra
Bahadurgarh
Rishikesh
Puducherry
Nashik
Neemrana

Auditors
Lodha & Co.,
Chartered Accountants

Banks/Financial Institutions
State Bank of India

HDFC Bank Limited

The Hongkong and Shanghai Banking Corporation Limited

ICICI Bank Limited

Bank of Baroda

Axis Bank Limited

General Insurance Corporation of India

Export Import Bank of India

Life Insurance Corporation of India

Standard Chartered Bank

.....that shape our future

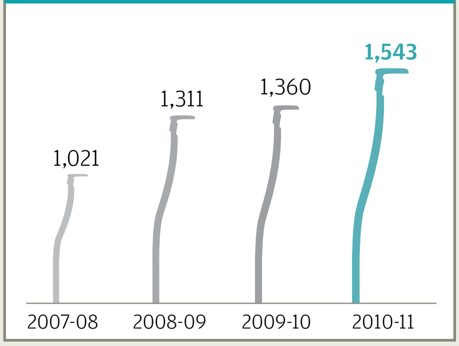
At Hindusthan National Glass and Industries Limited (HNG), we have evolved and demonstrated continued strength over the preceding six decades. This is the moment for deeper introspection to define our future role in business and society. To identify our priorities and to set the pace for sustained momentum.
To formulate a vision of multi-dimensional growth, aligned to an environment and community focus.

This growth in a new era will be propelled by strategic global alliances and acquisitions, technological innovations in automation and energy efficiency and above all consolidation of resources and capabilities.

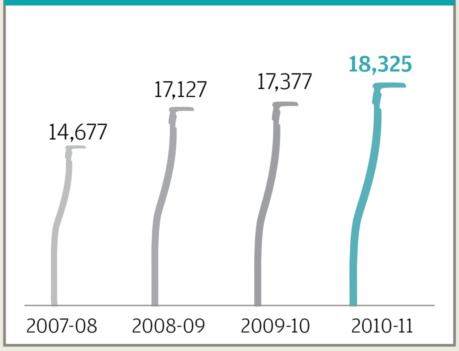
To make a visible difference in the way we shape the future.

Future is shaped by the performance of each day

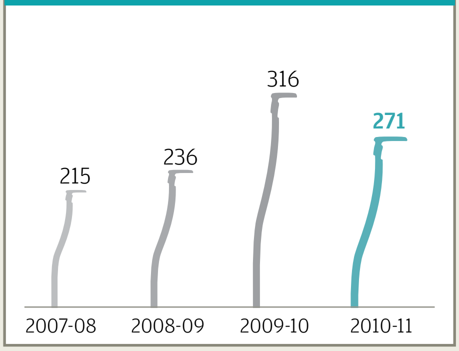
Net Turnover
(Rs. in crore)



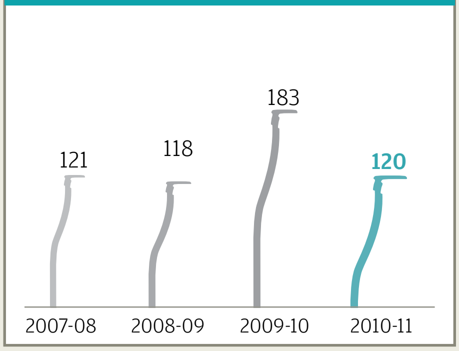
Net Realisations
(Rs. per tonne)



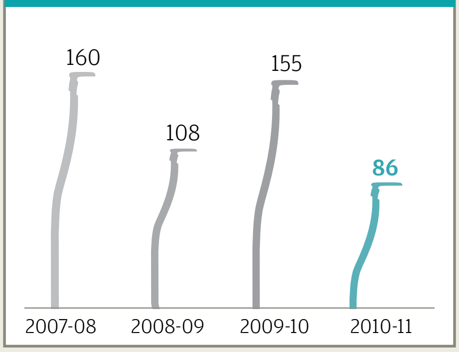
EBIDTA
(Rs. in crore)



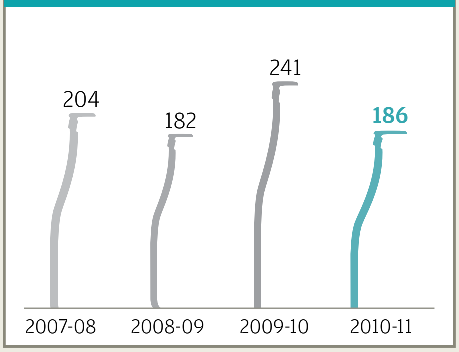
Pre-tax Profit
(Rs. in crore)



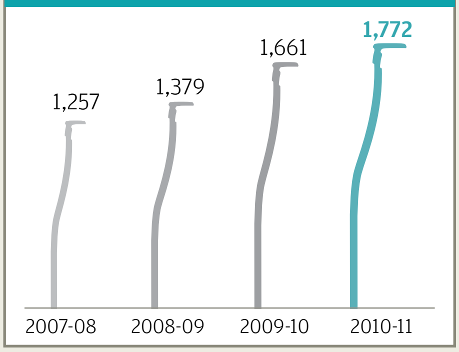
Post-tax Profit
(Rs. in crore)



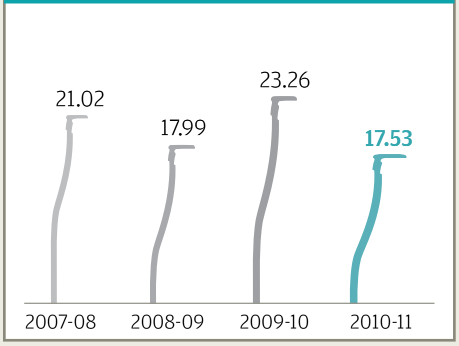
Cash Profit
(Rs. in crore)



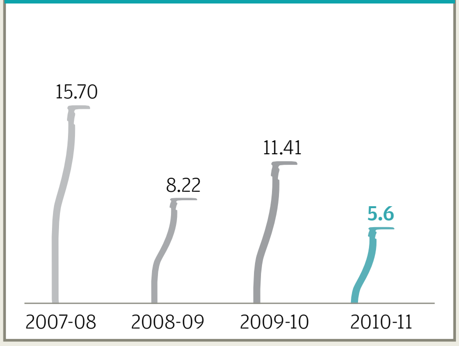
Gross Block
(Rs. in crore)



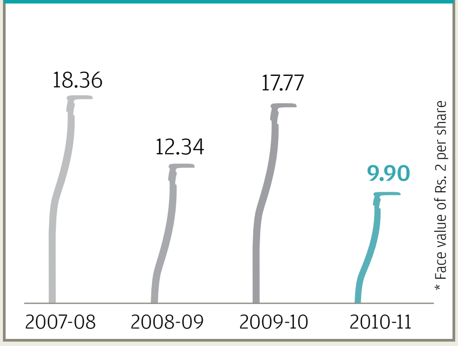
EBITDA Margin (%)



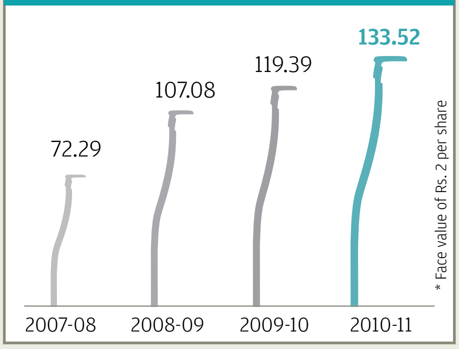
Post-tax Profit Margin (%)



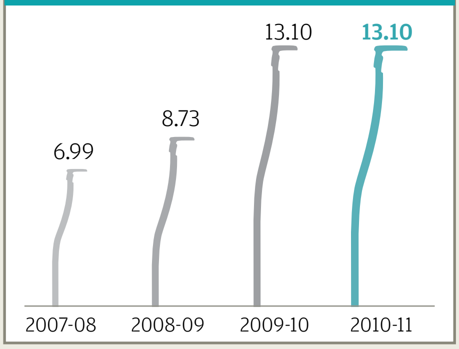
Earnings per Share (basic)* (Rs.)



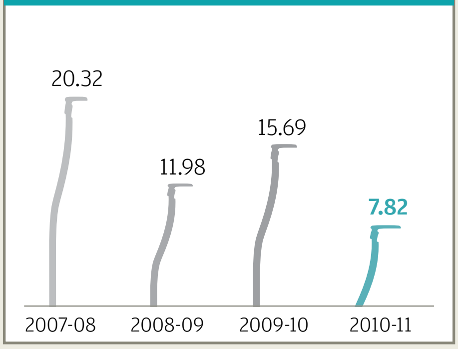
Book Value Per Share* (Rs.)



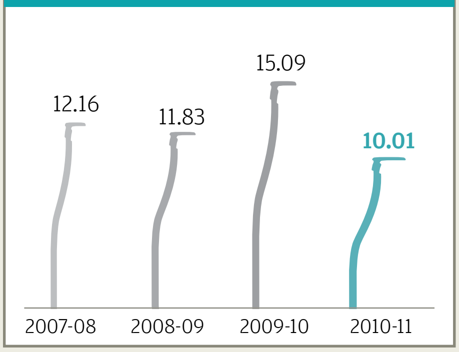
Dividend Payout (Rs. in crore)



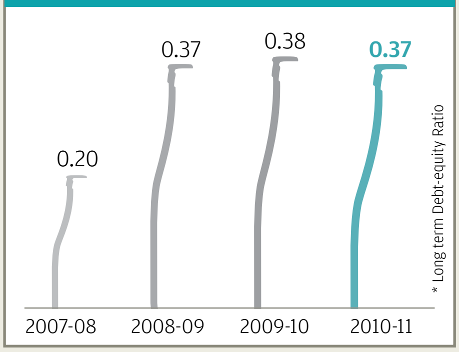
Return on Networth (average) (%)



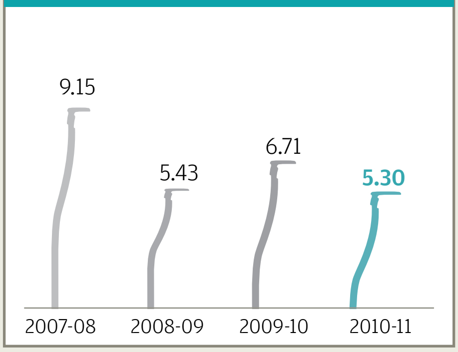
Return on Capital Employed (average) (%)



Debt-equity Ratio*



Interest cover (times)



Cost-smart operations ➤ Environment sensitivity ➤ Future readiness

As India's largest container glass manufacturer, HNG drives some of the most respected national and international brands, catering to their glass packaging needs through multi-locational facilities.

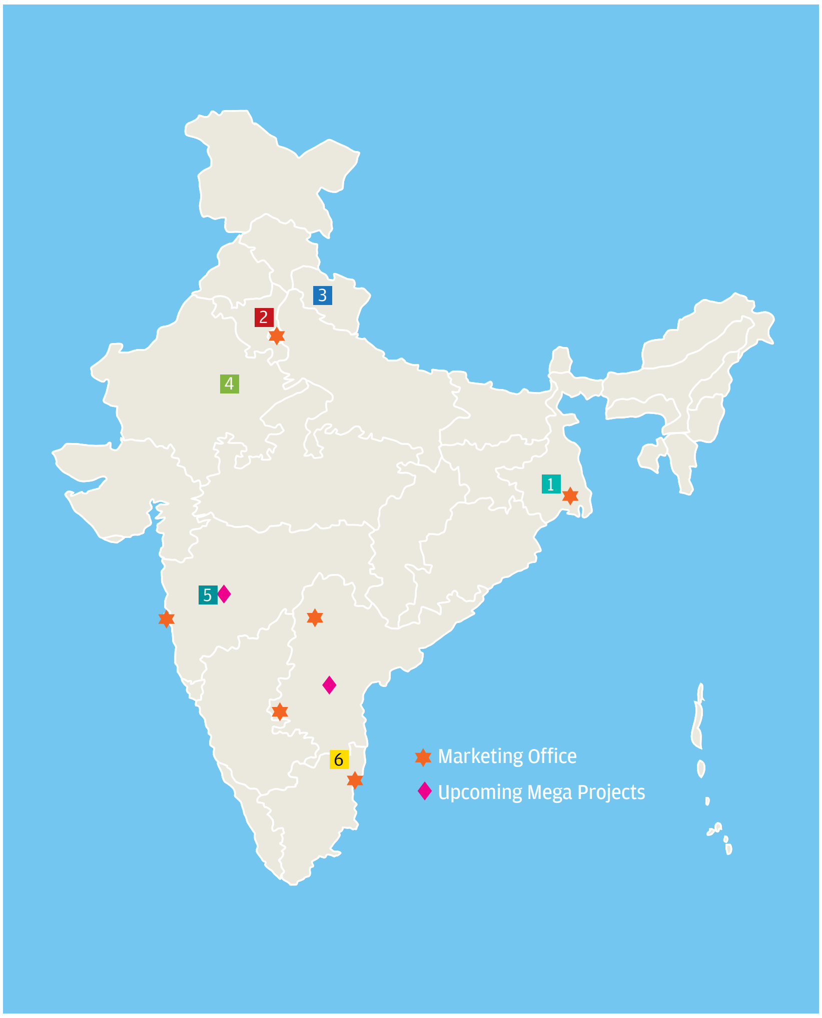
Vision

To create a world-class glass manufacturing plant that pursues quality, cost reduction and productivity improvement in a truly holistic manner leading to customers', shareholders', employees' and suppliers' satisfaction. This integrated effort will result in the Company becoming an industry benchmark and a role model for systems, processes and results.

HNG, a portrait

- HNG was incorporated in 1946 by the Somany family who are the pioneers of the Indian glass manufacturing industry for the last six decades. HNG leads India's container glass industry with around 55% market share
- Headquartered in Kolkata (West Bengal); with manufacturing facilities across six locations in Rishra, Nashik, Neemrana, Rishikesh, Bahadurgarh and Puducherry. Marketing offices across six key cities of Delhi, Kolkata, Mumbai, Hyderabad, Bengaluru and Chennai
- Possesses an operational capacity of 11 furnaces and 44 production lines with fully-automated IS machines
- Possesses one of the widest portfolios for container glass, ranging from 5 ml to 3200 ml across multi-coloured bottles (amber, flint and green)
- Products are available in over 30 countries
- Listed on the National Stock Exchange (NSE), Bombay Stock Exchange (BSE) and The Calcutta Stock Exchange (CSE)
- Accredited with ISO 9000:2000 certification, ensuring stringent quality protocol and ISO 22000 for food and safety; focusing on ISO 14000/18000 certifications to attain global benchmarks and ISO 9001:2008 certification, ensuring quality management standard system

Pan-India presence



1 Rishra, West Bengal (Capacity: 805 TPD)

2 Bahadurgarh, Haryana (Capacity: 780 TPD)

3 Rishikesh, Uttarakhand (Capacity: 425 TPD)

4 Neemrana, Rajasthan (Capacity: 180 TPD)

5 Nashik, Maharashtra (Capacity: 370 TPD)

6 Pondicherry (Capacity: 370 TPD)

◆ Naidupeta, Andhra Pradesh (Capacity: 650 TPD)

◆ Nashik, Maharashtra (Capacity: 650 TPD)

✸ Delhi, Kolkata, Mumbai, Bengaluru and Chennai

HNG Group: Corporate structure

Hindusthan National Glass & Industries Limited

Glass Equipment (India) Ltd.
Capital Goods & Spares Supplier to Glass Industry
(100% Subsidiary)

Quality Minerals Ltd.
Mineral Supplier to Glass Industry
(100% Subsidiary)

HNG Float Glass Ltd. (Associate Company)
Manufacturer of Clear Float Glass
(HNG holding: 47.5%)

Brands we serve*

UB Group United Spirits	Pernod Ricard	DIAGEO	BACARDI	ABD Allied Blenders & Distillers	Radico Radico Khaitan Ltd.
Pfizer	gsk GlaxoSmithKline	Cipla Caring for life	RANBAXY	Himalaya Herbal Healthcare	Reckitt Benckiser
Unilever	Nestlé	Koeleman India Pvt. Ltd.	The Global Green Company	Dabur Celebrate Life!	Coca-Cola
PEPSI	UB Group	SAB Miller India	Carlsberg India		

* This is only an indicative list

Demonstrating continued strength

1952
India's first fully automated glass manufacturing plant, with an installed capacity of 30 TPD was commissioned

1964
Put up second Greenfield plant at Bahadurgarh, with 90 TPD of capacity

2001
Installed capacity was raised to 1100 TPD and was certified with ISO 9001:2000

2002
Production strength was raised to 1800 TPD with the acquisition of Owens Brockway (India) Ltd. at Rishikesh and Puducherry

2005
Installed capacity was increased to 2150 TPD through the acquisition of Larsen & Toubro Plant (Nashik)

2006
Incorporated HNG Float Glass Ltd. to set up a Float Glass Plant in Halol

Merged with Ace Glass Containers Limited and installed capacity of container glass was increased to 2435 TPD through debottlenecking

2007
Acquired Neemrana Plant through the merger of Haryana Sheet Glass and installed capacity was increased to 2540 TPD

2008
ERP was introduced to facilitate timely decision-making, superior inventory management and eliminate data redundancies

2010
Strategic alliances with reputed international organisations

2011
Constructing South East Asia's largest glass manufacturing unit at Naidupeta (A.P); it will have the world's largest batch house and single largest furnace, with 650-TPD capacity

Additional capacity of 650 TPD, under execution in Nashik, production expected by January, 2012

Chairman's message

"At HNG, we are creating efficiencies to drive the growth of the container glass industry in India in line with global standards.

Shri Chandra Kumar Somany, Chairman, reflects on industry evolution and HNG's catalytic role.

"The Indian glass packaging industry has been growing at around 7-8% and is expected to grow at 12-15% over the next 10 years, far surpassing the global average.

Dear Shareholders,

This is a moment of justifiable pride for all Indians: the economy is suitably aligned to a globalised environment and is expected to grow by around 8.5-9%, despite challenges of inflation; the balance of payments continues to be favourable and India has comfortable foreign exchange reserves; home to more than a sixth of the world's population with a burgeoning middle class, India offers a vast market both to national and international players; the Indian consumer is today more discernable than ever before, compelling industries to revisit old strategies, modernise plants and institutionalise globally acclaimed quality parameters.

The Indian glass packaging industry has been growing at around 7-8% and is expected to grow at 12-15% over the next 10 years, far surpassing the global average. The market is driven by rising disposable income and increasing consumer demand for pure, green and sustainable food and beverage packaging. Besides, glass requires low energy (during manufacture) compared to plastic that requires about four times as much energy. Glass is preferred as a packaging material in view of its transparency, chemical inertness, impermeability and ability to maintain the optimum freshness of its contents.

We are making light weight bottles and bottles of fancy shapes and sizes, of different colors, and with frosted finish. This has enhanced glass aesthetics, compared to PET and Tetrapack. We are focusing more on narrow neck press and blow process (NNPB) to enhance lightweight bottles manufacture. This has ensured higher per tonne realisation, while reducing the per bottle cost for the customer (up to 33% lower weight, lower transport cost, less breakage).

Operating in such a business scenario, my conviction is that future readiness is the need of the hour. We are making ourselves future-ready in operations and human resource management to grow our capacities and capabilities in line with market demand. I also want to emphasise that our people have always been supportive of our vision to pursue excellence and would continue to make commendable efforts in setting the pace for level-next growth. On behalf of HNG management, I want to thank all our shareholders, business partners, employees and last, but not the least, our customers for their faith in our capability to innovate, execute and mature the container glass industry in India.

Sincerely,

Chandra Kumar Somany
Chairman

Management review

Shri Sanjay Somany and Shri Mukul Somany (Vice Chairmen and Managing Directors) jointly review the Company's performance and unveil the future strategy for action.

> Future readiness entails action on ground today. In other words, the strategies that we formulate 'now' and the discipline with which we carry forward execution will ultimately shape the 'face of our future'.

> We also have plans to create Mega Greenfield Glass manufacturing complex at Naidupeta, located at the crossroads of Chennai, Venkatagiri, Nellore and Tirupathi.

2010-11 was a study in contrasts. On the one hand, we achieved topline growth, which encouraged us to enhance investments for resource consolidation and scale. On the other hand, we witnessed one of the steepest hikes in input costs impacting our bottomline and warranting a stronger focus on cost rationalisation and operational excellence. We had to increase product price by around 10% in February 2011. Our customers, however, on account of long-standing cordial relationships accepted this proposition in the right spirit.

Our total revenue for 2010-11 stood at Rs. 1,553 crore (Rs. 1,397 crore in 2009-10), profit before tax was Rs. 120 crore (Rs. 183 crore in 2009-10) and profit after tax was Rs. 86 crore (Rs. 155 crore in 2009-10). However, this is a temporary phenomenon, which is expected to be corrected following a stabilising trend in key input costs.

Face of our future

Future readiness entails action on ground today. In other words, the strategies that we formulate 'now' and the discipline with which we carry forward execution will ultimately shape the 'face of our future'. We are planning to enhance our capacity organically and inorganically. Acquisition is top on the agenda: we have targeted geographies in the Middle Eastern and North African Region (MENA), Europe and Southeast Asia. Discussions are afoot regarding an alliance with a glass manufacturer, which can engender unique business synergies.

We also have plans to create Mega Greenfield Glass manufacturing complex at Naidupeta, located at the crossroads of Chennai, Venkatagiri, Nellore and Tirupathi. The complex is proximate to Ennore and Krishnapatnam ports, which makes it suitable for both imports and exports. This complex will help HNG capture the market demands from the Middle East, South East Asia, the US and Europe .

About 65% of the demand for glass arises from Southern and Western Indian regions. Besides, Andhra Pradesh is a fast developing state, enjoying high per capita consumption of beer, liquor and soft drinks. As per the 2009-10 survey, Tamil Nadu, Andhra Pradesh, Kerela, Karnataka and Pondicherry, consume about 1395 lac cases of IMFL (Indian made foreign liquor) and 700 lac cases of beer annually, of which sales in Andhra Pradesh account for 412.55 lac cases of IMFL and 249.92 lac cases of beer. The choice of project location was determined by these factors.

Inculcating industry-next practices

We are extending our knowledge and implementing futuristic solutions in order to be globally benchmarked. We have reduced water consumption by 25%, and have installed devices like Graphoidal spray system, resulting in minimal water use for bottle manufacture. A combination of disaster preparedness and close monitoring has resulted in reducing accidents and loss in person-hour substantially. Detailed energy audit has been conducted by Ingersoll Rand and CII. Their observations are under implementation stage, and are expected to reduce energy cost to an appreciable extent. Our business optimism is enhanced by the following:

- Creation of a greenfield unit at Naidupeta (650 TPD) by March 2012 and enhanced capacity at Nashik (650 TPD), which are expected to grow volumes by 30% in 2011-12
- Enhanced focus on NNPB technology, delivering higher margins, lowering transportation costs
- Lower resource consumption (energy and water) through Servoshear and Graphoidalshear spray system technologies
- Higher productivity through sophisticated furnace control mechanisms
- Replacing furnace oil with natural gas at the Bahadurgarh and Neemrana units
- Installation of a captive 1.2 MW power plant, based on waste heat recovery in Rishra
- Strong intellectual capital through prudent recruitment followed by proactive training
- Wide portfolio of value-added products

We know we are on the right course and will continue to accelerate our pace towards sustainable growth, and in turn, create greater value for all stakeholders.

Expansion roadmap

Year	Project	Capacity addition	Cumulative capacity
2010-11	Current capacity		2930 TPD
2011-12	Brownfield project at Nashik	650 TPD	3580 TPD
2012-13	Greenfield project at Naidupeta	650 TPD	4230 TPD
2013-14	Greenfield project in North	650 TPD	4880 TPD
2013-14	Rebuilding of existing furnaces over 3 years from 2010-11 to 2013-14	1095 TPD	5975 TPD

Making tomorrow sustainable

Value driven
HNG has emerged as a value-driven manufacturer through increasing production of light-weight bottles thus enhancing margins.

Synergy
We are driving synergy between float and container glass businesses as nearly 60% of the manufacturing process is common.

Intelligent operations
We are implementing cutting-edge information systems (Business Intelligence modules and Performance Management Systems) to closely monitor and improve key operating metrics.

Turnaround expertise
Our expertise for acquiring and turning around assets in India will be replicated globally.

Group integration
We are enjoying higher complementary cost advantages in sourcing enhanced volumes of IS machines and spares from GEIL, a 100% subsidiary.

Penetration
We are focusing on widening and deepening geographic presence and acquisition of new customers.

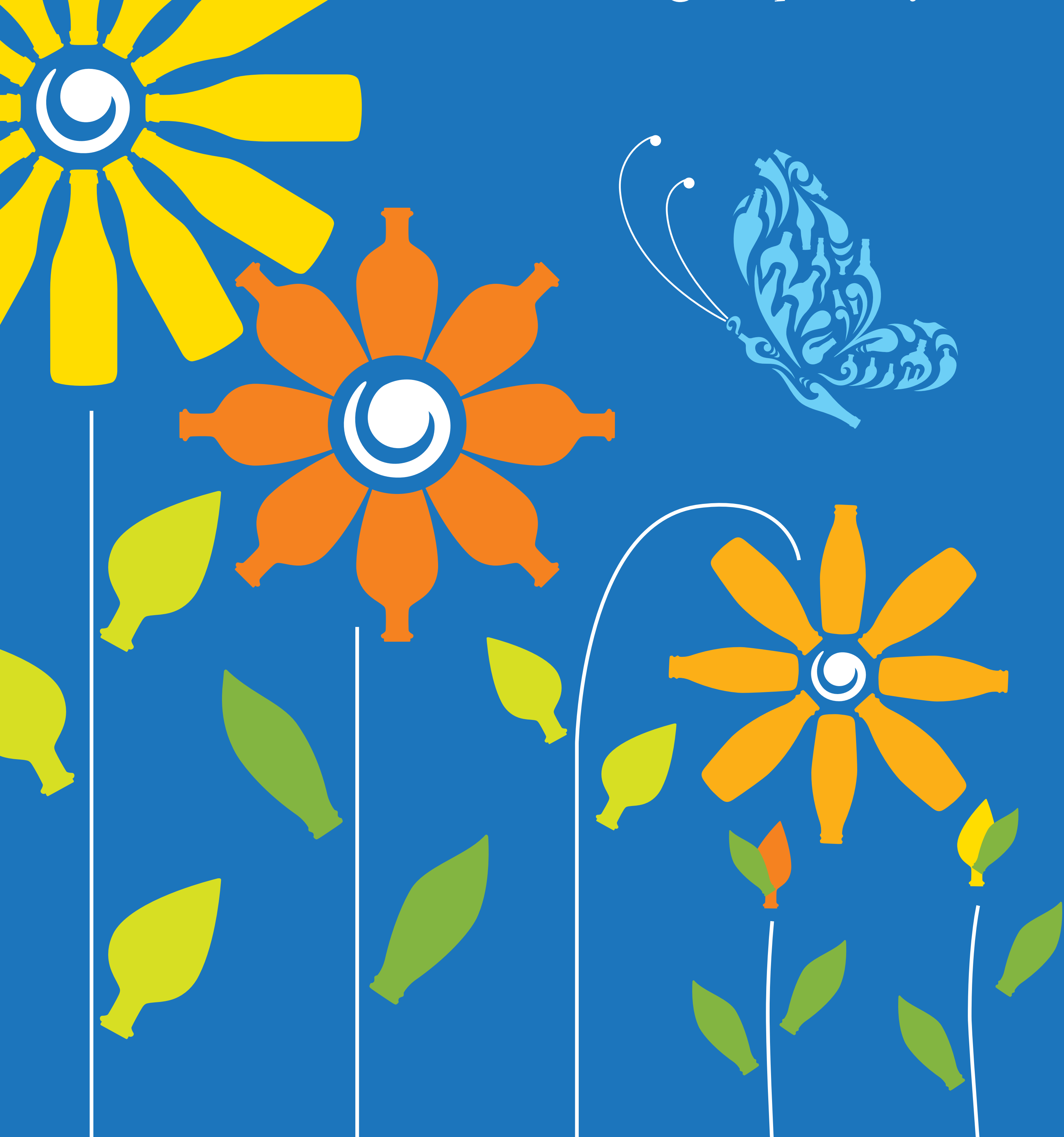
Repeat business
We are leveraging existing relationships with customers and service their growing needs.

Diversification
We enjoy 18% market share in clear float glass business, which is expected to grow substantially. Further capacity addition of 900 TPD is planned to the existing 600-TPD capacity by 2013-14.

Global alliances
Our technology tie-ups with global majors will continue to strengthen operations.

Expansion ➤ Consolidation ➤ Future readiness

How we drive expansion plans to almost double the existing capacity?



The demand for our products is suitably aligned to India's economic growth. The challenge is to match that demand by enhanced scale and resource consolidation to leverage emerging market opportunities.

India's container glass industry is growing 7-8% annually and is poised to grow at 12-15% over the next 10 years. To cater to this multi-sectoral demand (liquor, beer, FMCG and pharmaceuticals), we are enhancing capacities through Greenfield and Brownfield expansions. This would involve a Rs. 2,900-crore investment.

We have commenced the first phase of construction of the largest glass manufacturing complex in Southeast Asia at Naidupeta, in Nellore District in Andhra Pradesh, involving around Rs. 800-crore capital expenditure. Spread across 210 acres, the complex accommodates the world's largest batch house, the single largest furnace in India having a capacity of 650 TPD and the world's largest container glass end port fired furnace of 175 sq.mt. The facility, on completion, will house three Container Glass and two Float Glass plants. It is expected to be the largest glass complex in Southeast Asia with a 3,500 TPD capacity. It will leverage the advanced NNPB technology for the production of light weight glass containers.

We are also expanding our existing Nashik (Maharashtra) plant and intend to commission a 650-TPD furnace, commencing production towards the end of 2011.

We have also identified three locations - in two we are at an advanced stage of conducting due diligence - for investment in global container glass manufacture. The acquisition size could vary between Rs. 200 and 500 crore. HNG has shortlisted growth potential locations, where the production cost is either less than or similar to our production cost here in India.

2,930 TPD
installed capacity
in 2010-11

5,975 TPD
installed capacity
in 2013-14

Global alliances ➤ Enhanced capabilities ➤ Future readiness

How we leverage global alliances and partnerships in our pursuit for excellence?

Our global alliances and partnerships will enhance knowledge repository and reinforce our capability to compete in international markets, where customer perceptions and standardisations evolve fast.

We are collaborating with noted international companies, such as Emhart Glass (U.S), HEYE Glass (Germany), Pennekemp (Germany), Horn Glass (Germany) and Zippe (Germany).

Emhart Glass, world's leading supplier of equipment, controls and parts to the glass container industry will be providing HNG with the latest glass bottle forming machines. It will also be supplying state-of-the-art BIS machines to be installed for the first time in Asia.

To strengthen our focus on the development of the unique Narrow Neck Press and Blow (NNPB) technology, we are getting advanced equipment from HEYE Glass, a leading global equipment supplier for the glass container industry. Besides, the annealing lehrs would be provided from Pennekemp, a frontrunner in offering technically advanced solutions.

For the Greenfield project in Naidupeta, HNG will be setting up the world's largest batch house to be supplied by ZIPPE and the world's largest furnace for container glass to be provided by HORN Glass.

In addition, we leverage technological innovations in automation and energy efficiency from Siemens, our trusted technology partner.

Strategic alliances with reputed international organisations

Cost-smart operations ➤ Environment sensitivity ➤ Future readiness

How we make operations cost-effective and help create a greener tomorrow?

Operating in a persistently inflationary economy is a mounting challenge for most industries. Besides, container glass manufacture is power and fuel intensive: power and fuel cost constitutes 29% of our sales and 36% of total costs. The green alternative is gas usage, which considerably lowers our energy cost, while keeping the environmental impact minimal.

Currently, we are using gas at our Bahadurgarh and Neemrana unit, which has 780 TPD and 180 TPD capacity, respectively. The fuel-gas conversions at Rishra plant is expected to be complete in this calendar year. (We have signed an agreement with Essar Oil for coal bed methane gas in Rishra). Nashik unit will shift to Gas in 2012. These initiatives will also reduce our carbon emission and help create a cleaner, greener environment.

Zero tolerance approach to cost-inefficiencies

- Enhancing automation to reduce cost and improve efficiency
- Developing waste heat recovery projects sites for power generation
- Sourcing of equipment from 100% owned subsidiary, Glass Equipment India Limited, resulting in lower capital cost
- Sourcing of amber sand for Rishra unit from Bankura (West Bengal) has reduced sand cost for that unit by 40%; replicating similar strategy for other units

HNG's multiple initiatives are reducing carbon footprints and enhancing its green quotient

How we make our people future-ready?

At HNG, the overriding objective is to align the human resources strategy with the existing business plan to enhance the future preparedness of our people.

Some of the initiatives comprise the following:

- The vision, mission and values of HNG are being communicated to all new recruits and existing employees to create homogeneity in employee aspirations and organisational goals
- We collaborated with Ernst & Young to prepare a value score card, known as the value score card system. The score cards across multiple hierarchies are functional, facilitating the evaluation of individual-and-group performance
- We are also focusing on hiring able professionals, who will drive the organisation's level-next growth. HNG has successfully hired professionals both at the senior and junior levels
- The resources are periodically trained internally and externally, so that new recruits can get innovative ideas and learn about the industry comprehensively. Knowledge is imparted with the aid of advanced technology
- Managers are taught about feedback analysis for appropriate appraisal and remedial action. We believe timely appraisals and implementation of the rewards and recognition programme can induce healthy competition
- An HR strategy cell has been set up to implement various dormant HR practices

  Reader's dialogue is one such initiative that involves organisational veterans to share their experience and knowledge to benefit their peers and colleagues
- The Young Manager's Programme will enable us to select potential managers, who will be nurtured and groomed to meet emerging challenges
- We are aiming at a succession plan to develop tomorrow's thought leaders with execution brilliance

5026.5 man days per year of training

in 2010-11 from 3,125 man days per year of training in 2009-10

Our future credibility depends on what we deliver today

- HNG is India's largest container glass manufacturer, enjoying about 55% market share and catering to multi-sectoral container bottle needs. This is reflected in our approximately Rs. 1,800 crore market capitalisation as on 31 March, 2011 and net sales of Rs. 1,543 crore in 2010-11.
- We possess a strong balance sheet (debt equity ratio of 0.37) with adequate cash reserve for funding expansion and modernisation initiatives.
- We are striving to drive our growth through international acquisitions.
- We are committed to corporate governance and transparency in financial reporting.

2010-11 in perspective

- Escalated sales from 7,82,584 MT in 2009-10 to 8,42,246 MT in 2010-11
- Rated No. 35 of the best 500 companies by Inc. India (comprehensive ranking of India's best performing mid-sized companies)
- The Company has entered into a sale-purchase Agreement for acquisition of a Glass Manufacturing Plant (325 TPD) in Germany
- HNG and OMCO International NV (world's leading glass mould manufactures), are jointly (50:50) setting up mould manufacturing facilities under the name of OMCO HNG Engineering Limited for designing, manufacture, marketing and sales of moulds for glass packaging products like beverages, liquor, food, pharmaceutical and cosmetic use.

14%
Topline increase in 2010-11

Rs. 1.50 per share
Proposed dividend in 2010-11

8,29,374 tonnes
of production achieved in 2010-11 from 7,85,300 tonnes in 2009-10

196
New customers added in 2010-11, totalling 1264

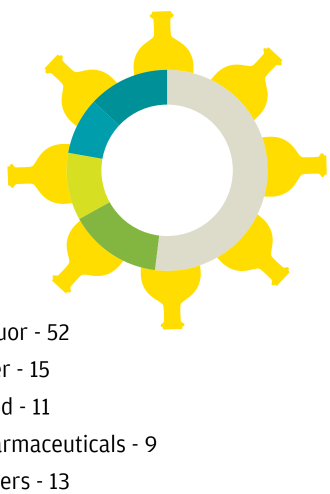
8
New geographies added in 2010-11, totalling 31

Unlocking shareowner value

- Earnings per share stood at Rs. 9.90 in 2010-11
- Return on capital employed stood at Rs. 10.01% in 2010-11
- Book value per share stood at Rs. 133.5 in 2010-11
- Dividend rate stood at 75% in 2010-11

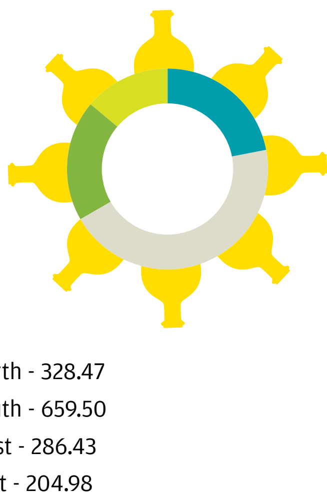
Revenue by end user, 2010-11

(%)



Revenue by geography, 2010-11

(Rs. in crore)



Global operating framework

Vision

Emerge as one of the largest container glass packaging solution providers globally

Blueprint

- **Strategic priority 1:** Grow value of the HNG brand and widen the product portfolio
- **Strategic priority 2:** Transform our go-to-market model to improve efficiency and effectiveness
- **Strategic priority 3:** Attract, develop and retain a highly talented and diverse workforce

Values

- Accountability
- Customer-focused
- Team-driven

World-class capabilities

- Revenue growth management
- Supply chain
- Sales and customer service

Consistent profitable growth

Business division snapshot

Container glass division

Rs.1,543 crore
Revenue

Rs. 271 crore
EBITDA

Industry position
Largest Indian container glass manufacturer; 55% market share

Key initiatives
- Enhanced utilisation of expanded capacity
- Growing volumes
- Escalated average realisation to Rs. 18325 per MT
- Increased market share in core markets
- Explored both organic and inorganic opportunities

Division strengths
- Over six decades of experience in container glass manufacture
- Diversified customer and supplier base
- Pan-India presence
- Focus on product innovation
- Global technological alliance
- Uninterrupted raw material supply
- Turnaround specialist (turned around three non-performing units following acquisition)
- Highly experienced and competent management team driving newer growth strategies
- In-house fleet of over 100 trucks to de-risk supply side logistics

Manufacturing capabilities

Location	Rishra (West Bengal)	Bahadurgarh (Haryana)	Rishikesh (Uttarakhand)	Puducherry (Union Territory)	Nashik (Maharashtra)	Neemrana (Rajasthan)
Year of commencement of operations	1952	1964	2002	2002	2005	2007
Plant area	38.34 acres	57.90 acres	14.34 acres	46.45 acres	70.27 acres	12.34 acres
Installed capacity	805 TPD	780 TPD	425 TPD	370 TPD	370 TPD	180 TPD
Number of furnaces	3	3	2	1	1	1
Number of manufacturing lines	13	14	6	4	4	3

Plants features

Rishra (West Bengal)
- Automated batch-mixing facility
- On-site bottle printing facility with four decorating lines
- Amber, flint and green glass manufacturer
- On-site mould repair shop and design facility

Bahadurgarh (Haryana)
- Lines on-site bottle printing facility with three decorating lines
- Amber and flint glass manufacturer
- Foundry and mould workshop, energy feed through captive power generating facilities

Rishikesh (Uttarakhand)

- Furnace II used for Green glass manufacture
- Off-site printing facility three decoration lines
- Green, flint and Georgia green

Puducherry (Union Territory)

- Fully automated batch-mixing facility
- IS / AIS manufacturing lines
- On-site printing facility with three decorating lines
- Sand beneficiation plant, foundry and mould workshop
- On-line automatic OI / SGCC / B & S inspection machines
- On-site modern finished goods warehouse Automatic palletisers for packing

Nashik (Maharashtra)

- On-site bottle printing facility with three decorating lines
- Manufactures Flint glass
- Mould workshop for product design and manufacture

Neemrana (Rajasthan)

- Manufactures flint and amber glass

Global technology partners

Batch-house	Zippe (Germany)
Furnace	Sorg and Horn (Germany)
Furnace control system	STG (Germany), Sorg (Germany) and Horn (Germany).
Supervisory control and data acquisition systems	Siemens (Germany)
Distributor and Forehearths	Emhart (USA) and BHF (UK)
IS machine control system	Botterro (Italy) and Futronics (UK)
NNPB development technology	HEYE International (Germany)
Hot-end cullet return system	Zippe (Germany) and Carmet (Italy)
Bottle handling machines	Siheppee (UK) and HEYE (Germany)
Annealing and decorating lehrs	Pennekamp (Germany) and Carmet (Italy)
Surface treatment equipment	Graphoidal (UK), Pennekamp (Germany), Arkema (the Netherlands) and IMACA (the Netherlands)
Laboratory inspection machinery	AGR (USA)
Hot-end ware handling equipment	HEYE International (Germany), Pennekamp (Germany) and Sheppee (UK)
Parallel mold brackets machines	AIS (Emhart-Switzerland) and E-MOC (Bottero-Italy)
Plunger mechanism and process control equipment	Quantum-TFA (USA), Emhart-PPC (Switzerland) and HEYE International (Germany)
Palletising system	MSK (Germany)
Bottle inspection machines	SGCC-MSC (France), HEYE International (Germany) and IRIS (France)
Bottle printing equipment	Strutz (USA) and Rosario (the Netherlands)

Float glass division

Rs. 305 crore
Revenue

Industry position

- Possesses a market share of around 35% in western India
- Possesses a market share of around 20% and 18% in northern and southern India respectively

Key initiatives

- Plant achieved global production efficiency benchmarks within a short span of 5 months

Division strengths

- Integrated glass plant having capacity to manufacture toughened, insulated glasses for architectural and automotive application
- 18% raw material source within 100-150 km and 20% of the production is sold within 500 km
- Pan-India presence with distribution network of 758 agents
- Diversified supplier base for each raw material to reduce any business risks on account of non-supply
- Accredited with European standards EN 572-2 and the U.S. standards ASTM C1036 -06.
- Certified for integrated management system conforming to ISO 9001, 14000, OHSAS 18000

Social Responsibility

At HNG, corporate social responsibility programmes are designed to provide long-term benefits to our employees, customers, shareholders, partners and individuals in communities around all our plant locations. We focus on following areas:

Rishra

- Organised blood donation camp; 65 persons donated blood from neighbouring regions
- Helped local municipalities and panchayats to repair roads connecting to the National Highway

Bahadurgarh

- Organised health camp along with Sanjeevni Hospital; five specialty doctors were engaged and around 400 patients were treated
- Organised eye testing camp (67 workers were checked) and dental check-up camp (115 workers benefited)
- Organised Urology camp; several people were diagnosed with stone problems and were recommended further treatment
- Continued support to Bal Bharti school

Neemrana

- Organised training programme by Shri Kuldeep Kumar Sharma at Rai Foundation (An institute for gifted girls from poor families, providing 100% free education)
- Raised concern for social issues like insufficient facilities and less staff in the local post office, which hampered services to local people; and controlled waste water at Neemrana industrial area
- Celebrated International Women's Day and started women empowerment programmes

Puducherry

- Organised eye camp for local villagers
- Supplied around 6 KL of water to the local villagers
- Undertook road building activity near factory entrance area

Nashik

- Extended contribution to 'Prabhodini Deaf and Dumb Child Trust'
- Conducted career counselling session for students across colleges of Nashik
- Conducted blood donation camp
- Received national award for excellence in energy management and water management from CII

Rishikesh

- Organised blood donation camps and free medical check-up camps
- Developing a park with extensive greenery
- Enhanced sanitation by using pesticide and insects control medicines in nearby localities

Steering towards sustainable excellence

Mitigating climate change impact

Glass recycling

We have been continually striving towards improved performance excellence, with a special emphasis on 'triple bottom-line' approach for ensuring sustainable development. In the midst of worldwide growing problem related to energy economy, we have imbibed a culture of constant and structured approach towards climate change mitigation across all operations. Glass recycling and reuse contribute significantly to reducing energy consumption and in turn greenhouse gas (GHG) emissions related to container glass manufacturing. HNG also helps in reducing landfill and also in providing social inclusion of the public and stakeholders into the industry. The use of recycled glass or cullet in batch materials not only replaces the use of virgin raw materials that would otherwise need to be extracted, but it also results in energy savings and in turn in reduction of GHG emissions. Our objective therefore has been to optimise the usage of cullet in batch materials across all our facilities to reduce our total energy consumption and also to reduce the GHG emissions resulting from our over-all operations.

In the last FY, we have been able to utilise from own source and from external sources contributing to 31.5% of total input materials, considering our container glass manufacturing units in Rishra, Bahadurgarh, Nashik and Puducherry.

Direct energy consumption

Application of appropriate measures combined with close and continuous monitoring of all forms of energy at every manufacturing division ensures optimum use of energy. Direct energy consumed in our facilities is generated mainly through the combustion of fossil fuels like;

- LPG in glass melting furnace, distributor, fore-hearth, annealing lehr and in our in-plant canteens
- Furnace oil in glass melting furnace
- Diesel in our generator sets used for power back-up

Our direct energy consumption in the last FY, considering our container glass manufacturing units in Rishra, Bahadurgarh, Nashik and Puducherry, was 5453.1 TJ.

Indirect energy consumption

Our indirect energy consumption across facilities is attributable to electricity drawn from the respective state electricity grids. Major consumption of electricity is in batch mixing, electrical boosting (in glass melting furnaces at Nashik, Rishra, Bahadurgarh and Puducherry facilities), conveyor belts, pumps and blowers apart from lighting

systems. We consumed around 173 GWh of indirect energy in the form of electricity purchased from the grid in the FY 10-11, taking into account our Nashik, Rishra, Bahadurgarh and Puducherry facilities.

Energy conservation

At Hindusthan National Glass and Industries Limited (HNG), we strive to continuously contribute towards energy conservation initiatives by improving the energy efficiency of equipment & also by using non-conventional energy sources. This strategy has helped to meet the twin sustainable objectives of reduced greenhouse gas emissions and improved financial benefits.

- At Puducherry, the installation of Variable Frequency Drives (VFDs) in the air compressors has resulted in the reduction of energy consumption related to cooling.
- At our Rishra unit, energy conservation initiatives include replacement of aluminum blade with Fiber Reinforced Plastic (FRP) blade in cooling tower thereby increasing the cooling efficiency, replacement of the existing 3 stage air end with the 2 stage air end with pressure 45 psi. Installation of a captive power generation plant has also been initiated to utilise the heat loss from the process.
- Solar heater for boiling water in the pantry and above the canteen has been installed at our Nashik plant. There have several energy efficiency improvement initiatives in the form of modification of cooling tower fan to FRP type; power factor improvement to unity by installing capacitor bank of 3 x 185 kVAr, 6.6 kV thereby reducing the maximum demand; modification of the system using gravity for transfer of sand and cullet by installation of tube chute in place of belt conveyors, to name a few. On account of its energy efficiency improvement initiatives, the Nashik unit has received National Award for Excellence in Energy Management 2010 from Confederation of Indian Industry.

Water intake

We at HNG are attuned to the mantra of 'reduce, recycle, re-use' with respect to water utilisation. Our primary sources of water intake are canal water and municipality supplied water at Bahadurgarh unit, water supply from Maharashtra Industrial Development Corporation at our Nashik unit and water drawn from bore-wells in our Puducherry unit. Our total water intake considering the Nashik, Puducherry and Bahadurgarh units in FY 10-11 was to the tune of 392 million litres.

Water conservation

There are constant efforts taken across all our facilities to reduce fresh water intake.

- In our Puducherry unit, the blow down waste water from the cooling tower is been reused by passing it through the sand plant thicken. To avoid the waste expulsion of water, spout water sump cleaning is done on regular interval of time. Frequent water audit is done and in case there is any leakage immediate corrective and preventive action taken. The operators in the internal sections are educated about the water consumption and the technicians are constantly monitoring the usage of water in the machine area.
- At Nashik plant, many awareness building initiatives and programmes have been taken up which include posters carrying slogans about the need for water conservation, displays being been put in front of toilet, canteen, wash basins. There was an installation of cooling tower to eliminate fresh water usage for the hot cullet scraper during heavy draining of gobs. Monthly theme for 'Water conservation' in KAIZEN scheme has been launched & has evoked good response.

The water coming out of the sewage treatment plant is now being used for gardening and also for cullet washing. Moreover, rain water is also harvested in a rain collection pond for use in different processes. On account of its water conservation measures, the Nashik unit has received National Award for Excellence in Water Management 2010 from the Confederation of Indian Industry.

Ensuring Environmental, Health and Safety (EHS) performance excellence

Expense towards EHS initiatives

At HNG, health and safety of all categories of employees are of prime importance. We therefore strive to provide necessary channels for their benefit through regular medical camps, awareness sessions and access to premium healthcare nurturing the values of environment, health and safety (EHS) in the code of conduct of our Company. Our Bahadurgarh unit incurs around Rs. 75,000 every year for purchase of medicines. In addition to monthly budget for purchase of medicines, our Company also organised multi-specialist camp for staff workers and contract workers. The management at Bahadurgarh unit has also sanctioned Rs. 0.25 million on medical examination of workers who are exposed to hazardous processes in the plant. A system has been initiated for internal & external medical examination for new employees. An MBBS Doctor for employees was also appointed in the last FY for taking care of medical consultation.

Our Rishra unit has initiated the process of implementation ISO 14001:2004 and OHSAS 18001:2007. An Aspect-Impact and Hazard- Risk assessment of the plant has already been done and plausible improvement areas have been identified.

In the last FY, HNG incurred an expenditure to the tune of Rs. 8.5 million towards EHS initiatives across its container glass units at Nashik, Bahadurgarh and Puducherry.

Safety first makes us last

We firmly believe our human capital would be yielding maximum output when they maintain a healthy and safe lifestyle in their workplace as well as outside workplace. In

an increasingly competitive global business environment, we come across several challenges everyday such as cost pressures, geographical separation and downsizing, and reorganisation among others. Maintaining the fundamental safety commitment at all locations continues to hold utmost importance despite challenges. Last FY, there was a loss of 1729 mandays owing to reportable incidents, considering Bahadurgarh, Nashik and Rishra units. Our objective is to design and continually develop a robust safety management system in order to reduce the opportunity cost related to loss of mandays owing to safety related issues. Therefore we continually strive to strengthen our safety culture such that it helps us to respond to business challenges in a decisive manner.

Nurturing our human capital on EHS concepts

Employee training programmes or initiatives are an integral part of the HR vision and long-term strategic objectives of an organisation. Through timely, controlled and intelligently developed training programmes, employees develop capabilities and new skills to perform assigned jobs consistently and successfully. Our idea at HNG is that carefully designed and implemented training programs would impact organisational competitiveness, long-term performance and over-all productivity. With key focus on EHS aspects, throughout the last FY we have had regular training programmes organised for updating and upgrading

the knowledge base as well as skill sets of our employees. The total number of training man-hours on EHS related aspects at our Rishra, Bahadurgarh, Puducherry and Nashik units taken together was around 8991.

Responsibility towards society

Our social responsibility has been at the heart of our corporate decision-making since the inception of HNG. At HNG we firmly believe that inclusive growth is the only key to ensuring a sustainable corporate growth. During the last financial year, a health camp was organised by our Bahadurgarh Plant through Sanjeevani Hospital at Line-Par Bahadurgarh in January 2011. Five speciality doctors, comprising General Physician, Gynaecologist, and Child Specialist were engaged. Medicines were purchased on the occasion of organising the medical camp.

Tree plantation was also carried out by our senior management officials in ITI near Jhajjar road on the World Environment Day. On the eve of World Environment day, tree guards were also provided to Shahid Brigadier Hoshier Singh Stadium Welfare Association for the renovation of the Stadium by the management of our Bahadurgarh Plant. The Company is running and managing a CBSE Delhi affiliated +2 level school named 'Bal Bharti Public School' in the premises of the Bahadurgarh Plant for the benefit of the local community. The average student strength during the year 2010-11 was approximately 1600, out of which only 100 students were from the HNG employees' families and rest from the local community. The school is managed by a managing committee, chaired by the Senior President of the Company.

At Nashik, a visit to 'Prabhodini Deaf & Dumb Child Trust' was organised where employees spent time with the children on Diwali day and also counselled them on their methods of studies. A Career Counselling Session was also held for the XIIth Standard in the KTHM, College Nashik. In addition, HNG Nashik plant organised a Blood Donation camp through which a total of 46 bottles of blood were collected.

Path forward

We intend to establish a Sustainability Framework for a systematic and integrated approach towards identification of our significant environment, health, safety and social risks and issues. This would enable us to react and respond to the inquiries as well as needs of all relevant internal and external stakeholders. The establishment of the framework would also entail a standardised reporting process pertaining to our sustainability performance indicators. Going forward, we even intend to integrate the reporting process with our intranet for ensuring a robust data management system and also for welcoming feedback on improvements during the reporting process. Proper functioning of the sustainability framework would also be ensured through proper training across all levels of the organisation for accounting of relevant performance indicators, at the same time monitoring of data along with archiving of various levels of supporting documents.

Report on the review of data of sustainability related performance indicators for the financial year 2010-2011

Deloitte.

The Board of Directors
Hindusthan National Glass & Industries Limited
Kolkata, West Bengal, India

We have, at the request of the Management of Hindusthan National Glass & Industries Limited ("the company"), reviewed the sustainability related Performance Indicators ("PIs") as reported by the company in their Annual Report for Indian Financial Year 2010 - 11 ("the Report"), prepared by the company.

The company is responsible for the identification and presentation of data and related information, as presented in the Report including the responsibility for establishing and maintaining relevant and appropriate performance management systems and internal control framework to facilitate collection, calculation, aggregation and validation of the data with respect to the PIs included in the Report.

Our Scope of Work, as agreed with the company, is focused only on the review of the PIs as stated in the attached "Annexure" for the period of the Indian Financial Year 2010-11 and then to conclude, based on our review, whether the reviewed PIs are in accordance with the evidences and information produced by the company. Four manufacturing units the Company i.e. Rishra, Bahadurgarh, Nashik and Puducherry were considered under the scope of review.

Our work has been performed in accordance with the International Standard on Assurance Engagement ("the ISAE") 3000, issued by the International Federation of Accountants. Our work, included visits to aforesaid manufacturing units of the company; sample test of data of the PIs reported for the Indian Financial Year 2010-11 from the books and records of the company and analytical procedures and discussions with the relevant employees of the company, to the extent we considered necessary and appropriate to provide sufficient evidence for our conclusion. Assessment of the capacity; efficiency and efficacy of any of the utilities of the company, are beyond the scope of our review.

This report is made solely to the Company, in accordance with our terms of engagement. Our work has been undertaken so that we might state to the company those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our work, or for the conclusions we have formed for the PIs reviewed by us.

We believe our work provides an appropriate basis for our conclusion. Based on the analogies drawn, inferences made; and work done by us and the documents and records examined by us, as aforesaid and according to the information and explanations provided to us, nothing has come to our attention that causes us to believe that the reviewed PIs are materially misstated by the company.

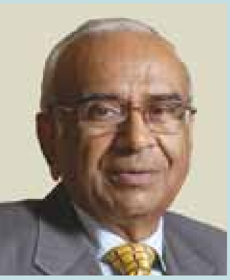
Rajat Banerji
Senior Director
Dated: 17th June, 2011

Annexure

Sl. No.	Performance Indicators	Unit of Reporting	Value
1	Percentage of recyclable glass in total input materials	%	31.5
2	Direct energy consumption by primary energy sources	TJ	5453.1
3	Indirect energy consumption	GWh	172.5
4	Total quantity of water intake	Million Litres	391.6
5	Expenditures on EHS related initiatives[1]	Million Rs.	8.5
6	Total mandays lost due to reportable incidences[2]	Mandays	1729.0
7	EHS related training	Manhours	8990.5

NB: 1-Pertaining to Company's manufacturing units of Nashik, Bahadurgarh and Puducherry;
2-Pertaining to Company's manufacturing units of Nashik, Bahadurgarh and Rishra

Profile of Board of Directors



Shri Chandra Kumar Somany

Shri Chandra Kumar Somany, 78, is the Non-Executive Chairman of the Company. An acknowledged expert in glass technology, he provides policy guidelines for the management and administration. He holds an F.B.I.M (London) degree and a degree in Glass Plant Instrumentation from Honeywell Brown, Minneapolis, U.S.A. He has served as the President of the All India Glass Manufacturers' Association, Bengal Glass Manufacturers' Association and several other commercial and non-commercial organisations. He is the Senior Vice Chairman of Capexil (formerly known as Chemicals & Allied Products Export Promotion Council). He has also served as the Chairman of the Development Panel for Glass Industry formed by the Government of India, Ministry of Industry during 1995-1997. Shri Somany is associated with various charitable and philanthropic organisations, following in the footsteps of his illustrious ancestors. He was inducted into the Board in 1970 and subsequently took over as Executive Director of the Company and thereafter as Managing Director, a post held by him up to September 2000. He holds 26, 66,620 equity shares of the Company of face value of Rs. 2/- each.

Directorships held in other companies

Glass Equipment (India) Limited | The West Coast Paper Mills Limited | HNG Float Glass Limited | Topaz Commerce Limited | Spotlight Vanijya Limited | HNG Cement Limited | HNG Power Limited | Somany Foam Limited | Niket Advisory & Trading Company Limited | Noble Enclave & Towers Pvt. Limited | Microwave Merchants Pvt. Limited | Brabourne Commerce Pvt. Limited | Mould Equipment Limited | OMCO HNG Engineering Limited

Shri Sanjay Somany

Shri Sanjay Somany, 53, is the Vice Chairman & Managing Director of the Company and Ex-Managing Director of Glass Equipment (India) Limited, a subsidiary of HNG. A Commerce Graduate, Shri Somany, has obtained a diploma in diesel engineering. He possesses 30-year-plus glass industry experience and is closely involved in management and administration. He was the President of All India Glass Manufacturers' Federation. He holds 36,05,500 equity shares of the Company at face value of Rs. 2/- each.

Directorships held in other companies

Glass Equipment (India) Limited | Somany Foam Limited | HNG Float Glass Limited | OMCO-HNG Engineering Limited | Mould Equipment Limited | AMCL Machinery Limited | HNG Cement Limited | HNG Power Limited | Somany Foam Limited | Spotlight Vanijya Limited | Topaz Commerce Limited | Niket Advisory & Trading Company Limited | Spotme Tracon Pvt. Limited | Noble Enclave & Towers Pvt. Limited | Khazana Marketing Pvt. Limited | Microwave Merchants Pvt. Limited | Brabourne Commerce Pvt. Limited

Shri Mukul Somany

Shri Mukul Somany, 46 years, is the Vice Chairman & Managing Director of the Company. He is an accomplished entrepreneur with 26 years of enriched experience as Director of leading glass manufacturing corporate in India, M/s. Hindusthan National Glass & Industries Ltd. Primary driving force behind acquisition of Indian Operations of M/s. Owens Brockway and Glass business of M/s. Larsen & Toubro Ltd and to successfully leading the management team for turnaround and integration of the business. Re-engineered business processes across six units covering all four geographical regions of India and catalysed the Company towards high growth trajectory. At presently he is the President of All India Glass Manufacturer's Federation (AIGMF), Executive Committee Member of CII (Eastern Region) & Member of CII National Council. He was the Ex-Chairman, Eastern Region of the Confederation of Indian Industry (CII) and also a member of the Bengal Rowing Club. He holds 41,42,045 equity shares of the Company at face value of Rs. 2/- each.

Directorships held in other companies

Glass Equipment (India) Limited | HNG Float Glass Limited | AMCL Machinery Limited | Niket Advisory & Trading Company Limited | Somany Foam Limited | HNG Cement Limited | HNG Power Limited | Spotlight Vanijya Limited | Topaz Commerce Limited | The Calcutta Stock Exchange Limited | Mould Equipment Limited | OMCO HNG Engineering Limited | Rungamattee Trexim Pvt. Limited | Noble Enclave & Towers Pvt. Limited | Microwave Merchants Pvt. Limited | Saurav Contractors Pvt. Limited | Brabourne Commerce Limited

Shri Dipankar Chatterji

Shri Dipankar Chatterji, 63, 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. Member of Audit Committee of the Company. 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 institute. He was appointed as member of the Padmanabhan Committee (set up to review Reserve Bank of India's supervision over banks) and the committee set up to advice on NABARD's supervisory role over RRBs and co-operative banks, and other committees and task forces. Former President of Indo American Chamber of Commerce (Eastern region). He is Chairman of United Credit Limited and The Calcutta Stock Exchange Limited.

Directorships held in other companies

West Bengal Industrial Development Corporation Limited | Obeetee Textiles Pvt. Limited | Span Motels Private Limited | TRF Limited | Nicco Ventures Limited | Pantheon Data Services Pvt. Limited | Delphi Management Services Pvt. Limited | Viom Networks Limited | Tata Refactories Limited | Texmaco Limited

Dr. Indrajit Kumar Saha

Dr. I. K. Saha, 76, is a Non Executive Director of the Company. He is expert in human resource management, organisational behaviour, industrial relations, business strategy and holds a graduate degree in economics along with a Post Graduate Diploma in Social Science as well as Law. He is a Ph.D. in management. Dr. Saha, is also providing consultancy services on Legal & Human Resource management to the Company & is associated with the National Institute of Personal Management (NIPM). He possesses over five decades of experience in manpower planning, recruitment and training, organisation & business restructuring in various national & multinational companies. He is a fellow & former Chairman of NIPM, Kolkata and former President of Calcutta Management Association (CMA) and a member of the Academic Advisory Board of Mayfair Business School, Kolkata. Recently he has been bestowed with 'Lifetime Achievement Award'.

Directorships held in other companies

HNG Cements Limited | Riga Sugar Limited

Shri Kishore Bhimani

Shri Kishore Bhimani, 72, noted journalist, is an Independent Director of the Company. Graduated from the St. Xavier's College, Kolkata and possesses a B. Sc. (Econ) degree from the London School of Economics. Associated with The Statesman as Senior Assistant Editor, wrote columns on sports, finance and the stock market. Anchored various programmes on TV channels in India and abroad on cricket, foreign affairs and economics. Connected with a number of NGOs dealing with environment and social causes. Writes columns on diverse subjects (lifestyle, business affairs and cricket, among others) and authored several books including the one on the Swedish collaboration of industries in India. Also, the Chairman of the Company's Remuneration Committee.

Directorships held in other companies

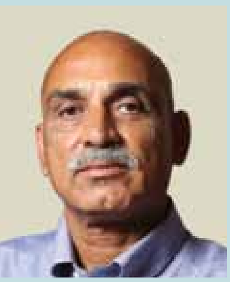
SKP Securities Limited

Shri Rakesh Kumar Sharma

Shri Rakesh Kumar Sharma, 58, is an Executive Director of the Company. He holds a graduate degree in Mechanical Engineering and has done Masters in Marketing Management. Prior to joining HNG, he held a senior position in Larsen & Toubro Limited. He has a demonstrated proven track record in general management, EPC contracts and Business Development. He has an experience of 36 years in top notch corporate sector in India and has acquired requisite experience in managing process industry and large scale projects.

Shri Ratna Kumar Daga

Shri R. K. Daga, 71, is an Independent Director of the Company. Holds Post Graduate degree in Business Management from the UK and he is also the Chairman of the Audit Committee of the Company. He has vast experience in the field of engineering and finance. During his tenure as 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 a 15-member team to Singapore, Malaysia and Hong Kong. Currently, he is the Honorary Secretary of Satyanand Yoga Kendra (Kolkata branch) of Bihar School of Yoga. He is also a Director on the Board of a number of public and private limited companies and is also a trustee in a few trusts.



Shri Shree Kumar Bangur

Shri S. K. Bangur, 62, is an Independent Director of the Company. He is the Past President of Indian Paper Manufacturer's Association and former President of Indian Chamber of Commerce, Kolkata. He is also an Executive Committee member of Federation of Indian Chambers of Commerce & Industry (FICCI). Shri Bangur is the Chairman & Managing Director of The West Coast Paper Mills Ltd., Chairman of Rama Newsprint and Papers Ltd., Jayshree Chemicals Ltd., The Kil Kotagiri Tea & Coffee Estates Co. Ltd., The Diamond Company Ltd., Mothola Company Ltd., Shree Satyanarayan Investments Co. Ltd. and Union Company Limited. He is also a member of the Remuneration Committee of Jayshree Chemicals Ltd.

Directorships held in other companies

Gloster Telecom Limited | The Marwar Textiles (Agency) Pvt. Limited | Shree Satyanarayan Properties Pvt. Limited

Shri Sujit Bhattacharya

Shri Sujit Bhattacharya, 68, Fellow Member of the Institute of Chartered Accountants in England and Wales and of the Institute of Chartered Accountants of India is an Independent Director of the Company and a member of the Company's Audit Committee. Prior to joining the Company's Board he was Senior Partner of Lovelock & Lewes, Chartered Accountants. He has served as an independent director on the board of several companies including as Special Director nominated by the Board for Industrial and Financial Reconstruction, Government of India. His professional experience includes association in an advisory capacity in the fields of accounting and auditing standards, corporate governance, investigations, business valuation and taxation with several leading national and multinational corporations engaged in diversified manufacturing and service activities.

Shri Venkatesan Sridar

Shri Venkatesan Sridar, 64, is an independent non- Executive Director of the Company. He is a Chartered Accountant with 36 years of experience in the field of banking and finance. He was the Ex-Chairman & Managing Director of UCO Bank, Kolkata & National Housing Bank, New Delhi. He was also a member of the Chalapathi Rao Committee and Muniappan Committee appointed by the Reserve Bank of India to suggest ways to improve the working of Regional Rural Banks and NBFCs/Financial Institutions respectively. He has presented a paper on 'Introduction of Mortgage Credit Guarantee-Indian Experience' at the 25th World Congress held by the International Union of Housing Finance (IUHF) in June, 2004 at Brussels.

Directorships held in other companies

Securities Trading Corporation of India Limited | Sheshasayee Paper & Boards Limited | Sarda Metals and Alloys Limited | Ponni Sugars (Erode) Limited | ICICI Bank Limited | STCI Primary Dealers Limited | Lanco Vidarbha Power Company Limited | Aadhar Housing Finance Company Limited | Aban Power Company Limited | Morpheus Capital Advisors Pvt. Limited | Lanfin Ventures Pvt. Limited

Our management team

Shri Jagdish Prasad Kasera, (Senior President)

Shri Jagdish Prasad Kasera, (Senior President), 63, worked with several prominent groups, such as Williamson Magor, Usha Martin, Aditya Birla and Ispat. Fellow member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India and a qualified Cost Accountant from the Institute of Cost and Works Accountants of India. Possesses over 41 years of experience, of which 23 years at senior level management. Joined Hindusthan National Glass on 1 January, 1998, and has contributed to the Company's growth by playing a pivotal role in its mergers and acquisitions.

Shri Ratan Lal Khandelia, (President)

Shri Ratan Lal Khandelia, (President), 58, is a qualified Chartered Accountant from the Institute of Chartered Accountants of India. Possesses over 37 years of industry experience and has worked with various companies, including MP Birla Group and Ferro Alloys Group. He joined HNG on 19 March, 1999 and has experience to handle responsibilities of finance, secretarial, commercial, HR and administration; also implementation and execution of new projects including running and stabilisation of sick units, technical equipments (along with process and systems), and formulation and negotiation of contracts. Previously, he was associated with Ferro Alloys as the Company's General Manager, head of their Charge Chrome Plant. Currently he is looking after Bahadurgarh, Rishikesh and Neemrana Plant.

Shri Laxmi Narayan Mandhana, (Senior Vice President cum CFO)

Shri Laxmi Narayan Mandhana, (Senior Vice President cum CFO), 46, a qualified Chartered Accountant and a Company Secretary, with over 21 years of experience in finance - comprising capital issues, mergers, acquisitions, banking, project activities, business evaluations and monitoring. He is the Senior Vice President and CFO of the Group handling the financial and corporate functions. In addition to his rich experience in asset financing, he is an expert in corporate finance, taxation and accounts. He is a member of the Finance Committee of the Confederation of Indian Industry, eastern region and is associated with the Group for about seven years.

Shri Vinay Saran, (Senior Vice President - Marketing)

Shri Vinay Saran, (Senior Vice President - Marketing), 45, has over 23 years of experience in the field of consumer products and consumer durable marketing. He is a management graduate and has worked with reputed companies like Indo Rama Synthetics, Birla Corporation, Vardhman Textiles and Garware Paints. Currently, he is the Senior Vice President (Marketing) of Hindusthan National Glass & Industries Ltd., Kolkata. He is also the key member of the governing body of the Indian Institute of Packaging, Mumbai, Bureau of Indian Standards - Packaging Panel, CII East - Marketing Committee, All India Management Association, Kolkata, Management Association, National HRD Network and the Indian Institute of Packaging, Kolkata. He is associated with the Group for over 4 years.

Shri Milan Chattaraj, (Senior Vice President - Corporate HR)

Shri Milan Chattaraj, (Senior Vice President - Corporate HR), 45, is a post-graduate from XISS - Ranchi, in Personnel Management. He is having industry experience of over 19 years and before joining HNG, he has worked with several reputed companies like, TATA Motors, DENSO, Taj Hotels, Vodafone Essar and his last assignment was with MTR Foods. He is having multifarious experience and have handled diverse role in the field of Human Resource and IR function.

Shri Bimal Kumar Garodia, (Vice President - Finance)

Shri Bimal Kumar Garodia, (Vice President - Finance), 43, is a Qualified Chartered Accountant, Cost Accountant and a Company Secretary, with over 21 years of industry experience. He joined the Company in April 2008 to manage finance, taxation, accounts and other allied matters. Prior to joining he was working for M/s Bajaj Eco-tech Limited, a wholly owned subsidiary of M/s Bajaj Hindusthan Ltd.

Shri Bishnu Kumar Kedia, (Vice President - Materials)

Shri Bishnu Kumar Kedia, (VP - Materials), 47, B. Com. (Hons.) from St. Xavier's College (Calcutta University), Rank Holder in Calcutta University and recipient of National Scholarship. Pass out of 1986 from The Institute of Chartered Accountants of India - currently a Fellow member. Having a total working experience of 25 years. Have worked at various levels in Accounts, Finance, Taxation, Commercial, Sales and Purchase divisions of Companies of repute.

Shri Devdutta Hoare, (Vice President - Exports Head)

Shri Devdutta Hoare, (Exports Head), 44, is the Vice President of International Business, joined HNG in January 2007. A chemical engineering graduate from Jadavpur University, Kolkata, has over 20 years of experience in marketing of industrial products in India and abroad. He was associated with Dr. Beck & Co in Kolkata, for five years, for their electrical insulation and civil engineering products, Atul Limited, for seven years, for their polymer and specialty chemicals products and Gwalior Chemicals in Mumbai, for four years, for their chlorotoluenes product range.

Shri Animesh Banerjee, (Senior Vice President)

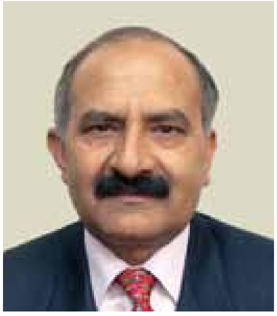
Shri Animesh Banerjee, (Senior Vice President), 46, has 24 years of experience in Polymers, Pharmaceuticals, Chemicals, Fine Chemicals, Petrochemicals, Dyes and Intermediates, Paints and Varnishes, Food Processing and FMCG. Worked in areas like R&D, Production, Strategic Planning, Operations, Marketing and Sales and Region/Business Head with companies like Shaw Wallace, IPCCL, Mafatlal Industries Ltd., TATA Kansai, Berger Paints. His last assignment was as Vice President (Operations) in PEPSICO INDIA for six years where he headed Eastern Region and established Food business, a remarkable success story in the region. He is a post graduate from IIT Kharagpur and an MBA from IIM, Kolkata. He is overall Operational in-charge of four major manufacturing units at Rishra, Nasik and Pondicherry and Naidupeta (Greenfield), reporting to Managing Director.

Shri Jalaj Kumar Malpani (Vice President - Commercial)

Shri Jalaj Kumar Malpani (Vice President - Commercial), 45, is an FCA, AICWA, posted at Rishra plant. He joined HNG in October 2005 as GM (Commercial), heading accounts, MIS, warehouse, stores, excise, packing, and security. Currently heading the Corporate MIS Cell & supervising Corporate functions like MIS Consolidation, Annual business plan, Inter Plant Comparisons, Quarterly Performance Reviews etc. He has been SAP co-ordinator during implementation phase throughout HNG & heading the SAP team thereafter. He is closely involved in Project monitoring & implementation. Graduated from St. Xaviers College, Kolkata. He achieved All India Rank 34th in ICWAI (Final) & 35th in CA(Inter). He has completed a Senior Management Programme at IIM, Ahmedabad for one month. He worked with SAIL for 15 years at Bokaro Steel Plant and CMO, Kolkata, and ICI India Ltd for one year.

Shri Amar Chand Jain (Vice President - Tech Centre)

Shri Amar Chand Jain (VP - Tech Centre), a Science Graduate of 1961, he was selected by HNG to be trained and groomed as Glass Technologist. He started his carrier with the Company as Shift Glass Technologist in 1963 and traversed his way through the tougher route to the present position of Senior Vice President(Ceramics). With a rich and versatile experience of 47 years in all areas of Container Glass Production, his core strengths are: Furnace Designing, Optimisation in Glass Formulations, Energy Conservation, Operational Economisation and Critical Repairs of threateningly damaged furnaces. Has been travelling widely and profusely over last 25 years in search of best in the Industry the world over. He is presently a leading member of the Group Technical Centre, responsible for Research, Development, Technological Absorption, Innovations, Acquisitions and New Projects.



Shri Ram Surat Prasad Gupta (Senior Vice President)

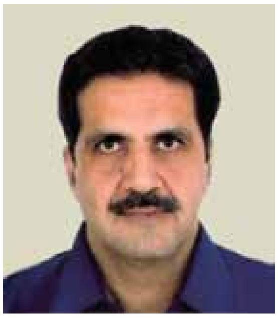
Shri Ram Surat Prasad Gupta (Senior Vice President), BE (Mech) and PGDBM, has 38-years' experience in various industries - Electrical (lighting division Philips), Mechanical (HNG & Ind.), Electronics (Binatone Electronics), Process Industries (Sheela Foam). Started his career as a Management Trainee and reached the level of Sr. Vice President. Throughout his academic career he achieved a first class and distinction in science and engineering.

Shri Shiv Raj Bansal, (Vice President - Commercial)

Shri Shiv Raj Bansal, (Vice President), 51, is a Post Graduate and qualified Chartered Accountant from the Institute of Chartered Accountants of India. Possesses over 26 years of industry experience and has earlier worked with Sumi Motherson Group and was responsible for Corporate Finance Functions & was Operational Head Retail Business. He joined HNG on February, 2011 to handle responsibilities of finance & commercial functions of North India Plants at Bahadurgarh, Rishikesh and Neemrana.

Shri Raman Kumar Poddar (Vice President - Operations)

Shri Raman Kumar Poddar (Vice President - Operations), 42, is an Electrical Engineer from the BITS Pilani and has done Business management diploma in operations from ICFAI Hyderabad. Possesses over 19 years of industry experience in process plants and has worked with various companies, including Aditya Birla Group and H.& R. Johnson (I) Ltd (Raheja Group). He joined HNG on 16 February, 2011 to handle responsibilities of plant operations. Previously, he was associated with Aditya Birla Insulators as the Company's Assistant Vice President, head of their Halol Plant. Currently he is looking after Bahadurgarh Plant.



Shri Chandra Singh. K Mehta, (Plant Head - Nashik)

Shri Chandra Singh. K Mehta, (Plant Head - Nashik), 56, is the Vice President. He started his career in 1976 with M/s Hindusthan Development Corporation Limited as a Production Manager, then moved to M/s Shakti Insulated Wires Limited as a Plant Manager. He again then joined M/S Hindusthan Development Corporation Limited, (subsequently, name changed to M/s Hindusthan Engineering & Industries Limited) as a Unit Head and served the Company for 21 years. He held the position of Assistant Vice President before leaving the Company. From 14 May, 2003, joined M/s Ace Glass Containers Ltd., at Rishikesh as Vice President (continued there till May 2006), from June 2006 he was transferred to M/S Ace Glass Containers Ltd, (Now merged with M/S Hindusthan National Glass & industries Ltd), Nashik.

Shri Kulur Satish Shetty, (Plant Head - Puducherry)

Shri Kulur Satish Shetty, (Plant Head, Puducherry), 52, is the Vice President. Holds a bachelor degree in Mechanical Engineering from a Regional Engineering College, Surathkal, Karnataka. Possesses over 29 years of experience, with over 25 years in the field of glass manufacture and joined HNG from 12 May, 2006. Prior to joining HNG, he has worked with Bharat Electronics Ltd, Taloja, Maharashtra (a public sector company), Videocon Narmada Glass, Bharuch, Gujarat, and Hotline Glass Ltd, Gwalior, Madhya Pradesh.

Shri Vijaya Kumar Chitturi (Plant Head - Virbhadra)

Shri Vijaya Kumar Chitturi (Plant Head - Virbhadra), B Sc , B Tech , MBA , Underwent training programme in Lean Six Sigma - Greenbelt , in KUWAIT, Lead Auditor Course in ISO 9001-2008 from , BVQI. Having over 26 years' of experience with different process industries and extensive experience in managing profit centre operations, project/ process management, revenue expansion, plant operations, process enhancements, quality assurance/environment, health and safety , personnel and administration. Regularly visited foreign countries for new projects, process and product.

Shri Kuldeep Kumar Sharma (Plant Head - Neemrana)

Shri Kuldeep Kumar Sharma (VP, Plant Head - Neemrana), B.Sc., M.A. (Eng), M.Ed., took training at O.I. (USA) for glass operations and Quality Management Systems, did IMS and Lead Auditor course from BVQI, HACCP from DNV, did Sr. Management program (3-Tier Programme for Management Development) from IIMA, possesses glass industry experience of over 32 years, visited foreign countries for product launch, service, troubleshooting and vendor development, General Secretary of NIA (Neemrana Industries Association).

Shri Sanjay Jain, (Vice President - Marketing)

Shri Sanjay Jain, (Vice President - Marketing), 42, has over 21 years of experience in the field of Marketing, General Management of Packaging Materials, Electronics and Heavy Engineering Industry. He is an Engineering graduate from Mumbai University and started his career as an Entrepreneur and later on joined M/s Piramal Glass Ltd as Marketing Head - SAARC countries. Currently, he is Vice President (Marketing) of Hindusthan National Glass & Industries Ltd. and is associated with the HNG Group since four years. He is also in the Executive Committee of AIGMF and WIGMA.

Statutory Reports and Financial Statements

Management discussion and analysis

Indian economic scenario

As the second largest emerging economy in the world, India showed remarkable resilience against the pitfalls of the last FY, 2010-11. In light of the optimistic pick up in the year's GDP of 8.6%, India's return to the 9% seems like a more realistic prospect. Business confidence is bound to solidify. Investments will see sizeable inflow.

India's GDP trend

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
GDP trend*	9.5	9.6	9.3	6.8	8.0	8.6

*Source : * CSO Growth in GDP at factor cost at 2004-2005 prices*

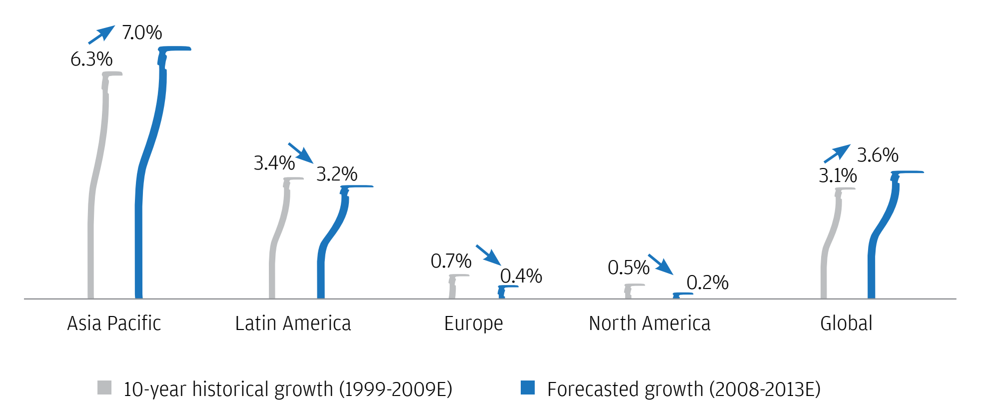
The year at a glance

- The rate of overall inflation stood at 8.23% while food inflation peaked at 15% (January 2011)
- Per capita income grew by 17.3%, from Rs. 46,492 in 2009-10 to Rs. 54,527 in 2010-11
- India attracted FDI equity totalling USD 2,014 million in December, 2010. The cumulative FDI equity inflow from April, 2000 to December, 2010 stood at USD 186.79 billion
- Swift recovery in consumption led to a proportionate rise in the production of consumer durables. Capacity additions and new projects supported industrial production further in 2010-11

Global packaging industry

The global packaging industry today is at an estimated USD 500 billion in revenues, growing at a CAGR of 3.1%, according to the World Packaging Organisation. The industry is projected to grow at 3.6% CAGR in the next five years mainly driven by growth in the emerging markets.

Packaging industry regional trend



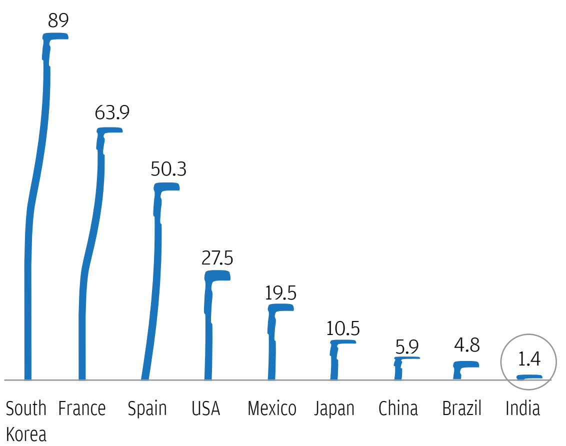
Indian container glass industry

The Indian container glass market is estimated to be a Rs. 30-billion business, accounting for 12% of the packaging industry and is expected to grow at 10% to 12% per annum in the future. India's is one of the lowest per capita glass container consumption at 1.4 kg as compared to 27.5 kg in the USA and 10.5 kg in Japan.

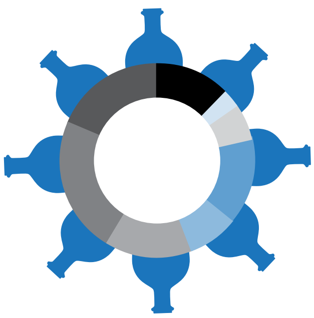
Demand for container glass is driven by the growth in user industry i.e. liquor, beer, pharmaceuticals, cosmetics, perfumery, food and beverages. The liquor and beer industries are the main users of container glass with 70% contribution, followed by pharmaceuticals 10%, food products 10%, beverages 6% and cosmetics 4%.

Business in this industry also differs from one region to another. It is unviable to sell beyond a limited region as freight cost is critical and glass is prone to damages during transport.

World glass container per capita consumption (Kg)

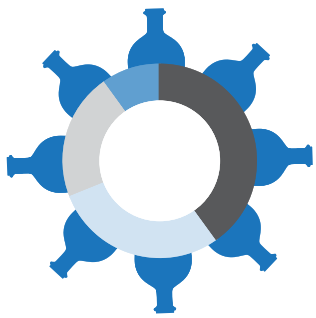


India packaging market (by Value) (%)



- Glass - 12
- Lables - 3
- Caps & Closure - 6
- Others - 14
- Metal Cans - 8
- Printed Cartons - 17
- Flexible Packaging - 22
- Rigid Plastics - 18

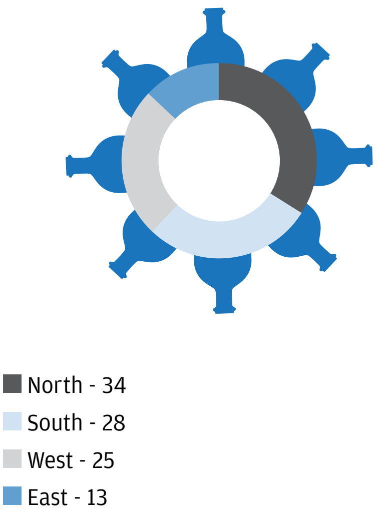
Glass container market (by region) (%)



- North - 40
- South - 29
- West - 21
- East - 10

Glass container capacity (by region)

(%)



Downstream industry optimism

Alcohol and beverage industry

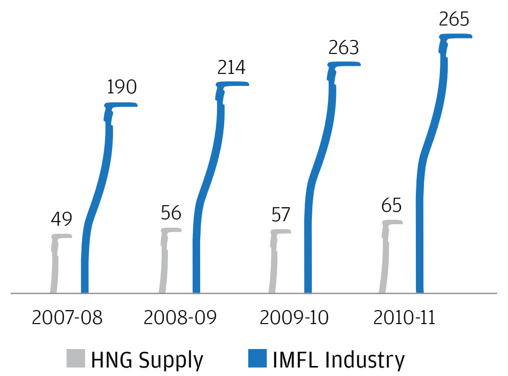
The alcohol and beverage industry, especially IMFL, is expected to sustain 12% CAGR on account of more liberal attitudes and rise in disposable incomes. However per capita alcohol consumption (in India) is a mere 1.8 litres per adult while in Russia it is around 10 litres per adult.

Demand drivers

- Rising consumption among urban women. Expected to increase from 10% to 25% of all consumers in the ten-year period from 2005 to 2015
- Rising disposable incomes and changing lifestyles.
- Higher penetration of international brands like SAB Miller
- Diageo, resulting in the introduction of premium brands

Liquor industry vs HNG

Cases in millions



Pharmaceuticals industry

India's Pharmaceutical Industry is the third largest in the world in volume and 14th in terms of value. The Indian domestic market is currently valued at ~USD 12.3 billion. It has shown growth at the CAGR of 12 to 15%, as compared to the global average of 4 to 7%. It is projected to grow to USD 20 billion by 2015.

Demand drivers

- Increased health awareness
- Expansion of healthcare facilities in rural and remote areas
- Increasing penetration of customised insurance plans will make healthcare services more affordable

Food processing industry

The retail food sector of India is expected to more than double from USD 70 billion in 2008 to USD 150 billion by 2025 (Source: McKinsey) on account of the growing consciousness about hygiene as well as preserving food nutrition, resulting in the preference for glass packaging. (Source: CRISIL)

Demand drivers

- Increasing health consciousness, with a shift from traditional unpackaged or plastic packed forms to packaged, branded products
- Increase in penetration of glass containers - currently 10 to 12% of all food and beverages are packed in glass containers in India as compared to 40-50% in developed markets (Source: CRISIL)

Cosmetics

The Indian cosmetic industry is one of the most rapidly growing industries on account of rising affordability and therefore expanding consumer base, with sales of around Rs. 356.6 billion (USD 7.1 billion) in 2009. Market players leverage the opportunities created by the consciousness for beauty among masses. It is anticipated that the industry will grow at a CAGR of around 17% between 2010 and 2013.

Float glass industry

Float glass has emerged as the preferred flat glass product. It accounts for 90% of total glass consumption with a 12% CAGR. The usage of glass in housing as well as commercial buildings is a rising trend as well owing to its aesthetics and time saving building value. The demand for float glass is expected to increase at 12 to 15% CAGR in the next three to five years.

Indian float glass facts

- India's per capita glass consumption is 1 kg as against China's 12 kg, all of ASEAN's 8.4 to 11 kg, Europe's 12.5 kg and 10.4 kg in USA
- India has only eight float glass lines, as compared to 196 in China
- India's total installed capacity for float glass is estimated to be 4,700 TPD
- Float glass imports were estimated at 0.1 million MT, largely from China and Indonesia. To support indigenous manufacture, the Government has imposed an anti-dumping duty of USD 130 per ton on imports from China and Indonesia

Downstream industry optimism

Real estate

The real estate sector in India is of high importance in the context of the glass industry. An estimated shortage of 26.53 million houses during the Eleventh Five Year Plan (2007-12) provides a big investment opportunity for all ancillary businesses. The Eleventh Five Year Plan estimates the number of urban dwelling units to increase from 58.8 million in 2006-07 to 66.1 million in 2011-12, an annual increase of around 1.5 million units during the period.

Automobile

The India is expected to become the world's seventh-largest automobile market by 2016 and the third largest by 2030, next only to China and the US. This will see significant increase in the production of automobiles resulting in the rise of demand in automobile ancillaries like glass.

Growth drivers

Strong demographics

India is the second most populous country in the world. The 1.15 billion strong population has been growing at 1.3%, much above the world average growth rate of 1.2%. This population surge is bound to show repercussions in various sectors.

Growing middle class

India's middle class is the driving force through its sheer size, in the potential spending power of the country. The generosity of estimates in the group's size and categorisation allows between 30 million to approximately 300 million people to fall under the strata of the middle class - a hefty 30%. As the fastest growing section of the population this segment is intrinsic to the economic progress of the country.

Rising incomes lead to more consumption, which in turn leads to higher economic growth, greater opportunities for employment and subsequently higher wages and the wheel continues to turn.

Rising hygiene concerns

Cleanliness is the cornerstone of good health. People prefer glass packaging to other packing material especially for food, beverages, liquor, pharmaceutical, etc. As a result, the glass bottles segment continues to witness a tremendous growth surge globally.

Hindusthan National Glass & Industries Limited: A profile

Hindusthan National Glass is the largest container glass manufacturer in India with a market share of over 55%. HNG's pan-India manufacturing operations are spread over six centres Rishra, Bahadurgarh, Rishikesh, Puducherry, Nashik and Neemrana and its products are sold in over 30 countries across the globe. The Company's operational capacity comprises 11 furnaces and 44 production lines with fully-automated IS machines, sourced from reputed global technology providers for the glass industry from Europe and the US.

Divisional performance

Container glass division

Input management

At HNG, the primary raw material employed in the manufacture of container glass are sand (Silica and Quartz), Limestone (calcite), Cullet (broken glass), Soda Ash, Dolomite and Feldspar. The timely availability of quality material from the closest vicinity is critical due to the cost, utilisation and realisation implications.

Key highlights, 2010-11

- Renegotiated terms with the established vendor network to source primary inputs to reduce material costs
- The pilot project of white sand processing at Bankura has been made fully operational. Sourcing amber sand for the Rishra unit from Bankura has reduced the cost of sand for the Rishra unit therefore, by 40%. The intent is to replicate the strategy for other units as well
- Plans to acquire sand mines across various strategic locations for uninterrupted supply
- Used 75% local sand for coloured glass at a much lower cost at the Rishra plant

- Strategic shift to black soda ash instead of synthetic soda ash helped lower input cost. Black soda is a by-product of the paper industry but it is extremely useful and cost effective in glass manufacture
- Ensuring high standards of quality of raw material by running it past a comprehensive quality test. Unless stocks have cleared the quality tests, invoice booking is not allowed
- Used 15,000 tonnes of superior quality sand from Egypt for quality enhancement

Outlook

- Replace at least 25% of soda ash consumption with black soda because of the price advantage
- Plan to procure sand from Bangladesh to leverage on the logistical advantage at Rishra
- Engaging more vendors to meet raw material requirements for the consistently growing capacities
- Plan to commission a dry cullet plant which will use minimal water to clean cullet, to get rid of impurities such as plastic, steel, iron, soil and other contamination

Strategic shift to natural gas in manufacturing process at all six plants

Plant location	Progress
Bahadurgarh	Already switched
Neemrana	Commenced in September, 2010
Rishra	By September, 2011
Nashik	By September, 2011
Puducherry	By October, 2012
Rishikesh	By June, 2013

Operations management

In the business of container glass bottle manufacturing success, is measured in terms of the extent of volumes and efficiency. At HNG, the Company consistently revamps its capacity to keep up with the demand-supply dynamics. To improve its production efficiency, the Company has introduced the cutting-edge Narrow Neck Press and Blow (NNPB) technology in Rishra and Bahadurgarh. NNPB technology reduces the bottle weight by 15-35% - translating into lower raw material, energy and transportation costs delivers superior glass strength and quality as a result of uniform glass distribution. The final conclusion: better margins. The Company plans to implement this technology at all its plants in the next few years.

Main features, 2010-11

- Enhanced proportion of cullet usage helped save power and fuel costs and saw a measurable drop in the energy cost
- Possession of 100 trucks to accelerate distribution, reducing the dependence on other modes of transportation and the ensuing extra costs for vehicle rentals
- Increased higher draw ratio and pack ratio (ratio of finished bottles produced to molten material drawn) ensure higher production and lower cost of incremental production; successful in increasing the draw efficiency
- Initiative taken to enhance automation in various processes to increase productivity and quality
- Seek advice from reputed consultants like KPMG, Deloitte, Ernst & Young to achieve improvement in several areas like risk management, sustainability, project advisory and SAP implementation, to set higher benchmarks in operational abilities

Rishra

- Higher melting rate of 3.2 MT/M2 was achieved, compared to the industry benchmark of 3 MT/M2 from two new furnaces which became operational two years ago
- Initiated two CDM projects of intense action on mould cooling blower and reduction of LPG consumption in the Lehr, resulting in substantial energy savings
- Automation of line No. 24 improved productivity substantially
- Underway is the new cullet processing plant, which will deliver metal free cullet, a step towards reducing cost, enhanced furnace life and improved quality
- A Pennekamp stacker and Graphodial Spray system each have been installed for better performance
- Furnace draw increased by 4 - 5%. Maintained efficiency levels of 91% to 92%
- KCR for all 'P' jobs has reduced defect levels by significant 1%
- Entered into an agreement with Essar for Coal Bed Methane gas from Durgapur to replace furnace oil in the production process. This will accumulate significantly in our cost reduction
- Siemens conducted major training programmes for the electrical and instrumentation wing; enhancing the learning curve

Bahadurgarh

- Completed expansion of furnace 4 from 150 MT/day to 300 MT/day; achieved 83% efficiency in the first month of operations
- Absorbed the NNPB technology for DG jobs (the 500 ml Infusion and 700 ml Roohafza series); resulting in a 20% reduction in bottle weight
- Trials have been run for NNPB for 105 Hazmola. More trials continue to be carried out
- Efficiency of small critical jobs in cosmetic vials has been improved by selecting jobs strategically. Installed multi-Gob servo feeder on lines 32/36/51/55 with different weight groups to cater to small customers with less quantity; this has helped improve our market flexibility
- Reduction in rejections in neck rings production by 75%
- Saved 752 m^3/day of water by installing waste water recovery plant. Also installed a cooling tower in the cullet water recycling system and removed underground water tank, pipelines, or old cooling towers
- The switch to using grid power in amber line resulted in cost savings
- Indigenously developed gas/oil skids resulting in saving of Rs. 2 crore. The same will be replicated in Neemrana, Rishra and Nashik
- Indigenously developed a PCS-7 control system on furnace-5 for the hearth from Siemens system house resulting in cost saving
- Built multi storey warehouse (9,324 sq. mts.) for better and hygienic storage of finished goods
- New workshop has been erected with an improved layout
- Better layout of furnace 4 hot end/cold end has improved productivity
- New gas generators installed by modification of existing gas generator room in a multilevel building
- Installation for automatic inspection machines for side wall, bottom and finish in all lines for amber plant is under progress to improve quality and consistency

Puducherry

- Maintained efficiency levels of above 90% in spite of higher number of job changes and power failures
- Water consumption was reduced from 385 KLD to 330 KLD
- Furnace oil consumption reduced from 95 kg/draw to 92 kg/draw
- An SAP - HR Module was successfully implemented.
- A HEYE pusher was installed on Machine 93 for better bottle handling
- Graphoidal system installed to reduce water consumption and improve delivery system
- New picker and placer machine was developed locally for automated packing
- Waste oil from generators is reused
- At palletiser, lowerators and elevators, a record of zero bottle losses was achieved by design modifications
- Started construction of the sewage treatment plant; which will result in further reduction in water consumption
- The wet sand project at the Sand plant has begun. This project will improve the output and will reduce sand processing costs

Nashik

- Recorded power consumption below 200 kWh / tonne of glass draw and LPG consumption below 9 kg / tonne of draw
- Received the CII Energy and Water Efficiency Award
- Achieved TPM level 2 from ECS and was accredited with ISO 22000 and HACCP by SGS
- Online handling system was installed to improve the handling of the containers bottles
- Graphoidal Shear Spray System was installed to improve cutting parameters of the gob
- Two stage compressors are under installation, to further reduce power consumption

Neemrana

- Achieved 90% efficiency levels
- Started the RLNG operations in furnace, fore hearth, lehr and distributor resulting in a cost saving of 30%
- Received United Beverages and SAB MILLER accreditation at first attempt
- Commissioned a 2 MW engine, transferred from Bahadurgarh; this engine will be used during power failures
- Produced 6.64 crore of trouble-free 650 ml beer bottles for AIBA, UB-Kingfisher and Sab Gold

- All three lines made to run with pocket transfer from SHEPPEE equipment commissioned in the plant to achieve a significant reduction in handling losses
- Entered an agreement with JVVNL for uninterrupted power supply during forced power cuts with a provision of paying double tariff for the cut period; resulted in significant cost saving
- Carried out complete audit of air system and compressors to reduce the pressure drop resulting in saving 900 KWH of electrical energy per day
- Saved 3285 KL/year of water and 2555 litre/year of oil by commissioning Graphoidal shear spray system
- Commissioned sand dryers, fired with RLNG
- Installed forced cooling system on booster transformer enabling 110% load on transformer
- Mould cooling blower installed for better product quality and consistency
- Construction of new building for workshop and converting existing workshop in three storeys for gas engine power plant

Rishikesh

- Installed two 6-1/4 centre machines with minimum time taken, for optimising production levels
- Re-commissioned tank no. 7 with enhanced pull from 265 TPD to 308 TPD after installation of side boosters
- Installed a third line for printing on soft drink bottles. Recorded highest volume of 639 lacs soft drink bottles printed, and enhanced the volumes by 45%
- Improved efficiency of ACL plant by nearly 5%
- Power consumption per 1000 bottles reduced from 82 units to 57 units through superior value engineering
- Reduced manpower per 1000 bottles from 1.35 to 0.66 on via enhanced automation
- Installed automatic conveyor system to reduce breakage and multiple handling while shifting bottles from plant for ACL printing
- Installed a Graphaodial shear spray system to save cutting consumption by almost 40% and water 4-5 KL/day
- Increased usage of black Soda from 15 % to 26 %; saved around Rs. 30 lacs per day
- Increased usage of sheet cullet from 7 to 8% to 12 to 15 %; a significant saving in cost of production

Outlook

- We intend to double the overall glass production capacity in the next three years
- We have begun to seek overseas acquisition opportunities to enhance capacities and establish international operations

Rishra

- In 2011-12, we intend to add three new lines, start a 2 MW waste heat recovery power plant, implement the gas cleaning system to comply with environmental norms and improve energy efficiencies by 15% in furnace No. 1
- Rebuild tank No. 1 and 6 in 2011-12 to increase capacity by 450 TPD for better quality glass, reduced wastage, to abide by clean technology norms and use latest machinery
- Target production of 1150 TPD of glass by the end of 2011-12

Bahadurgarh

- We shall install three online shrink packaging machines and two online palletising machines in the Amber line. Gradually, we shall also install automatic packing machines in the flint line
- We also intend to install 132 kv line along with 20 MW sanctioned load (increased from current 6.5 MW load) as an energy cost saving measure
- A new gas-based power generation set of 4 MW will be installed, to reduce power cost substantially
- We shall put into effect the multi-fuel burner/combustion system and individual burner control system on all furnaces which will further reduce energy cost in furnace by 3 to 5%. This will weave in the flexibility of using different fuels as per availability and price, and improve furnace control
- Tie up with HEYE International for implementing their technology for NNPB in line 36 for DG. Once NNPB stabilises with DG, further tie-up for TG jobs will be put in place

Puducherry

- Implementing the Business Excellence system
- Complete automation of packing activities being planned
- Plans to start rain water harvesting

- Feasibility of waste heat recovery will be chalked out
- Feasibility of biogas usage for operation will be explored

Nashik

- Exploring opportunities to acquire few sand and quartz mines
- In the process of commissioning LNG operations, partly replacing LPG and Furnace oil
- Commission a new facility with a capacity of 650 TPD. All the lines will have advanced side wall, bottom inspection and multi inspection machines ensuring superior quality output

Neemrana

- Purchase land alongside exiting facility for expansion
- Commissioning of 2.4 MW gas engine from Bahadurgarh to gear up the plant for 100% power generation by using gas engines during power shut downs
- Installation of water harvesting and water conservation systems

Rishikesh

- Procure additional land for warehousing and storage of finished goods and raw material; saving around Rs. 100 lacs from the annual rental cost
- Install three new back up gen-sets to ensure continuous supply of power and avoid stoppage of IS machines
- Complete the remaining systems of rain water harvesting and water conservation system

Quality management

At HNG, all products undergo stringent quality tests that address various quality parameters. Superior product quality helps meet customer requirements leading to consistent repeat business.

Main features, 2010-11

- Scaled up the quality of HNG glasses bottles to the levels of European glass makers
- Installation of automated inspection machines to enhance the quality of products
- Successfully completed major customer audits
- Maintained quality standards above industry benchmark; registered 0.065% critical defects and 1.05-1.06% major defects
- Rejection rates fell well beneath the acceptable industry norms. Attuned quality standards to the requisite parameters of customers
- Reduction in rejection rate in complex bottle designs
- Conducted regular meetings and brainstorming sessions to consistently churn out ideas for quality improvement

Outlook

- Implement a structured process for data collection which will help detect loopholes and bridge them
- Plan to get accreditation from Hazard Analysis Critical Control Point (HACCP)

Quality check points

Checking of incoming raw materials and packing materials

Tight glass density control as a routine tool for glass properties monitoring

Frequent glass analysis

Online quality checks through computerised camera and light based automatic inspection machines followed by visual inspection

Strength test to control thermal check resistance, internal pressure and uniformity of glass distribution, stacking strengh and stress control

Statistical quality tools check before delivery of products

Strong feedback protocol to minimise defects at manufacturing stage

Logistic management

HNG's competent logistics management facilitates rapid product movement at an economical cost, enhancing customer convenience.

Main features, 2010-11

- Increased total truck fleet size
- To transport sand from Allahabad to the Rishra plant, the Company used its own fleet of vehicles (20 trucks) which proved to be a cost effective and time saving protocol
- At Rishra, used two captive tankers to transport furnace oil to avoid on transit tampering and spill overs
- GPS systems in our trucks enable stringent monitoring over movement. This monitoring has resulted in intervening when required to take necessary action in cases of emergencies, mishaps and delays
- Possession of a captive transport system has resulted in a cost saving of around 5%

Outlook

- Plan to increase the truck fleet size to decrease dependency on external logistics and match the consistently increasing capacities
- We shall also add four tankers at Rishra for furnace oil transportation

Marketing management

HNG has consistently understanding customer requirements to manufacture quality products, deliver in time, provide state-of-the-art technical and product support, and has a prompt customer feedback model.

Main features 2010-11

- Enhanced portfolio of value-added products, helped increase realisations from Rs. 17377 per MT to Rs. 18325 per MT
- Reinforced our position among customers by supplying superior quality bottles, on time, at competitive rates
- Expanded the portfolio for liquor, pharmaceutical and FMCG products, to include varied product categories.
- Maintained the market share and regular repeat clienteles
- Added several new export customers
- Started a 360 degree feedback mechanism in order to understand customer needs and to serve them better
- Launched extensive customer connect initiatives to understand their changing requirements and patterns
- Participated in national and international trade fairs like Asia Pharma Expo, CII Brand Conclave, Glasspex, IndiaPack 2010 and Indspirit in order to enhance brand visibility

Outlook

- Enhance exports in lines with an increase in capacities
- Plan to further expand business in South Asian and SAARC countries
- Enter the lucrative Brazilian market for cosmetic bottles
- Pharmaceutical bottles will play a pivotal role in exports and will add to 10-15 % of the revenue pie. A high emphasis will be placed on pharmaceutical bottles on account of high margins and absence of competition in this segment
- Small bottles will be the key growth driver as it caters to the cosmetic, food and pharmaceutical industries

Driving dispatches

Plant	Dispatch volume (MT) 2008-09	2009-10	2010-11	Percentage growth over 2009-10
Rishra	212592	206336	248030	20.2
Bahadurgarh	170914	179426	186577	3.9
Rishikesh	116515	116644	106215	(8.9)
Nashik	107015	110519	114645	3.7
Neemrama	50343	56297	66209	17.6
Puducherry	50343	113362	120570	6.3
Total	**765478**	**782584**	**842246**	**7.62**

Rising realisations

Segment	Net realisation (Rs. per tonne) 2008-09	2009-10	2010-11	Percentage growth over 2009-10
Food	17730	18378	19594	6.6
Soft drinks	18107	20132	21619	7.4
Beer	15433	16066	16950	5.5
Liquor	16658	16503	17573	6.5
Pharmaceutical	19117	19726	19799	0.4
Toiletries	18788	18560	19117	3.3
Vials	29404	29246	30470	3.6
Household	21445	22364	23429	4.8
Total	**17127**	**17377**	**18325**	**5.45**

Information technology management

Information technology facilitates timing-sensitive and proactive decision-making. HNG functions on the SAP platform. All its units are connected through this platform, ensuring better financial management, material management, sales and distribution, production planning, plant maintenance and quality management. The SAP central site is located at the Bahadurgarh plant and a disaster recovery site is located at the Rishra plant.

Main features, 2010-11

- Consistently upgrading implemented SAP modules (financial, material, production planning, sales and distribution, plant maintenance and quality)
- Rishra plant played a pioneering role in initiating and implementing SAP-HR; we initiated training sessions based on specific requirements
- Implemented the Project System (PS) module to take care of all the new projects added to HNG portfolio
- Warehouse Management System (WMS) has already been rolled out at Nasik, Rishikesh, Puducherry and Neemrana. This module will give us access to valuable information on warehouse capacity and stock levels of finished goods
- Implemented the Treasury Module (TM) for superior finance management
- Numbers of sub modules of the HR module are in the process of implementation
- Integrated platform has facilitated generation of the KCR report which is used on a daily and monthly basis. This has reduced time consumption, enabled real-time and accurate data retrieval and enhanced proactive decision making
- Under the plant maintenance module a report called Downtime Analysis has been developed enabling accurate data collection to improve productivity
- Created a report on the cost of packing for one metric tonne; helping analyze the overall cost - this information has proved beneficial as it indicates the cost of packing and the quantity of material used

Outlook

- Plan to implement organisational management, personnel management, time management, payroll management and recruitment module under SAP
- Develop a portal for customers and sale force empowering them with relevant data for their decision making
- Initiate BI (Business Intelligence) and BO (Business Objectives) modules. This will help streamlining the processes and get the right data in real time. The entire reporting system will undergo a paradigm shift and the management will have correct and accurate reports; enabling them to take quick decisions
- Plan to develop framework to map commission agents
- Develop a customer centric portal where they can easily log in and complaint register for which they will get an ID and the concerned department or person will address the issue in the best possible manner

Float glass division

HNG Float Glass is part of the approximately Rs. 2000 crore HNG Group, a leading Indian container glass manufacturer for nearly six decades. Established in 2006, the Company commenced commercial operations in February, 2010. HNG Float Glass is led by Shri Chandra Kumar Somany (Chairman), Shri Sanjay Somany (Director) and Shri Mukul Somany (Director).

Brief overview

- Largest domestic players - well positioned to capitalise on the high growth potential
- Commenced production in a record time of 21 months
- Plant achieved global production efficiency benchmarks within a short span of 5 months
- Competitors include Saint Gobain, Asahi, Gujarat Guardian, Gold Plus, Sejal, etc
- Certifications: Materials manufactured as per European standards EN 572-2 and ASTM C1036 -06 (U.S. standards) Certification for integrated management system confirming to ISO 9001 & 14000, OHSAS 18000
- Diversified supplier base for each raw material to reduce any business risks on account of non-supply
- Product has been well received in the market and the Company has been increasing presence with a distribution network of 758 agents spread across India
- Manufactures glass to meet the needs of Construction and Auto sectors
- Existing facility is an integrated glass plant with a capacity to manufacture toughened insulated glasses for architectural and automotive applications
- Planned greenfield expansion in the float glass business by setting up a plant at Halol, Gujarat

Financial performance of HNG

(Rs. in crore)

	2010-11	2009-10	Growth / de-growth (%)
Net Turnover	1,543	1,360	13.45
EBIDTA	271	316	(14.56)
Cash profit	186	241	(22.82)
Pre-tax profit	120	183	(34.43)
Post-tax profit	86	155	(44.52)

Risk management

HNG has developed a framework for the reporting of risks and related controls, in line with corporate best-practices. This framework is based on a number of key principles:

Comprehensive scope of risk assessment	Risks are assessed within a framework of defined key risk categories. Regular risk assessments are undertaken to include a description of the risk, an indication of the potential financial impact and the approach taken to mitigate the risk
Regular reporting	HNG's system of internal controls ensures that risks will be addressed, reported and mitigated when they arise. Within the specific risk reporting framework all significant risks are comprehensively assessed and reported to the HNG management on a regular basis. This ensures that necessary action is taken to manage, mitigate or offset risks within the Company.
Buttom-up approach using harmonised reporting tools	Assess risks at the level where they arise, i.e. in our operations. Our operations personnel report on their risk assessment using a common reporting tool thus ensuring consistency in scope and approach.

Industry risk

A downturn in the downstream industries may impact business prospects adversely.

Mitigation

- Industry growth in India is demand-driven. Growth in the liquor, beer, pharmaceuticals, food and beverage, cosmetics and FMCG sectors is inevitable on account of growing population, disposable income and urbanisation
- HNG is India's largest container glass manufacturer enjoying about 55% market share. We strategically entered the float glass business through our associate company. Float glass has high prospects for growth, driven by user industries - real estate and automobiles

Strategy risk

An incorrect strategy could stagger growth.

Mitigation

- HNG makes proactive investments in scale enhancements; increasing global marketing presence and customer proximity to maintain demand supply dynamism

Cost risk

The Company's inability to control rising costs could hamper profits.

Mitigation

- The Company operates six state-of-the-art pan India manufacturing facilities, with an operational capacity of 11 furnaces and 44 production lines and fully-automated IS machines - all these figures refer to the supreme in the country. Thus we enjoy economies of scale
- Control in raw material cost through logistics, planning and procurement strategies
- Superior process planning ensures an optimised cost structure
- Consistent process innovation and re-engineering has resulted in significant cost reductions

Raw material risk

Inadequate availability of key raw material might affect business sustainability.

Mitigation

- Renegotiated terms with vendors to ensure right quality product at the right price and time

- Maintained an average critical raw material inventory of 20-25 days to ensure continuous supply, which helped us save on some of the costs
- Entered into secure raw material supply contracts with suppliers for uninterrupted delivery
- Average procurement price enabled enhance margins

Technology obsolescence risk

Failure to implement technological improvements might affect quality and productivity

Mitigation

- Straegic alliance with eminent international companies such as Emhart Glass (Switzerland), HEYE Glass (Germany), Pennekemp (Germany), Horn Glass (Germany) and Zippe (Germany) to upgrade technologies in line with global quality standards

Quality risk

Quality generates repeat business through brand loyalty. So, poor quality can lead to client attrition.

Mitigation

- Quality enhancement remains HNG's consistent focus. The Company is consistently investing on quality
- All our manufacturing facilities have dedicated teams to continuously monitor production and reduce process rejections
- The ISO 9000:2000 certifications are an assurance of superior quality protocol and ISO 22000 for food and safety

Working capital management risk

Improper working capital management may affect daily operations

Mitigation

- Continuous initiatives to reduce debtor cycle and strengthen us to further optimise working capital use
- Enhancement in working capital arrangements from our bankers to support an increase in operations
- A significant 33% of the Company's total debt comprised working capital loans

Realisations risk

Low realisations of the business may affect business growth.

Mitigation

- The Company produces several value added bottles which fetch higher realisation over standard varieties.
- Average realisations increased from Rs. 17377 per tonne in 2009-10 to Rs. 18325 per tonne in 2010-11
- Consistent cost control initiatives have reinforced the Company's position as one of the lowest costing container glass producers in the industry

Funding risk

Inability to arrange for the requisite funds may affect expansion programmes

Mitigation

- HNG enjoys low a debt-equity ratio of 0.36 enabling it to raise funds for expansion
- The Company's reserves (around 89%) comprise free reserve, which can be used for any funding purpose
- The Company was able to reduce its interest costs through negotiations with financial institutions and banks

Product substitution risk

Growing alternative forms of packaging such as PET bottles and aluminium cans, increasingly being used by food and beverage manufacturers, may stagger the demand for container glass.

Mitigation

- Growing awareness on account of benign and hygienic packaging demand will drive the demand for container glass over other options
- On account of inherent advantages and characteristics of glass, it still remains the most preferred packing medium for liquor, pharmaceutical, food and beverage industries
- Glass, which is chemically inert, is the only suitable packaging material for food and beverages; glass provides a barrier to oxygen and moisture, protecting product taste and preserves it for a longer duration than other packaging materials

- Glass is biodegradable and 100% recyclable, with an estimated 80% of recovered glass containers made into new glass bottles making it a highly preferred choice for downstream users

Internal controls and their adequacy

The Company's robust internal control systems enhance its sustainability. The internal control is in place to avoid unnecessary losses, to ensure proper record of every transaction and to protect against misuse or loss of assets. Internal Controls are adequately equipped, to suggest systematic changes in performance augment and loss minimisation. An independent firm of chartered accountants regularly conducts the Company's internal audit. It is carried out at regular periodic intervals and the audit report is submitted to the Company's Audit Committee. The officers responsible for the same regularly submit their comments on the report and share the steps they take to rectify defects or irregularities.

Knowledge resources

In the area of Talent Acquisition, the Human Resource Department of Hindusthan National Glass & Industries Limited has contributed significantly by attracting talent across all levels in the organisation. Besides, the Management Trainee and GET programmes have been conducted successfully for last few years, wherein fresh graduates from Engineering and MBA Colleges from different parts of the country are inducted into the organisational system as part of the Organisation Capability Development process towards future business requirements. During the First Quarter of 2011-12 the department took the initiative **Ignite the Mind**, to develop and groom young managers for the future. Specific developmental programmes such as **Coaching and feedback** and **Train the Trainer** have been conducted for senior managers based on immediate and future needs.

Industrial relations

The overall IR situation was harmonious and peaceful. There was no major disturbance in work or work stoppage due to IR problems. Units continue to operate at high efficiency levels ranging from 89 to 91%. No dispute has been lodged during this period. No legal action was required to be initiated by statutory authorities against compliances.

Cautionary statement

Certain statements made in the Management Analysis and Report relating to Company's objectives, projections, outlook, expectations, estimates, etc. may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections, etc. whether express or implied. Several factors could make a significant difference to the Company's operations. These include economic conditions, political scenario, pace of country's infrastructure development, Govt. Regulations and taxation, natural calamity, etc. over which the Company does not have any control.

Directors' Report

Dear Members,

We are delighted to present the Annual Report together with the Audited Accounts of our business and operation for the year ended March 31, 2011.

Financial Highlights

(Rs. in lacs)

		Year ended March 31, 2011		Year ended March 31, 2010
Gross sales (including excise duty)		1,67,290		1,44,988
Profit before interest, depreciation and tax		27,051		31,633
Interest and finance charges		5,106		4,717
Profit before depreciation and tax		21,945		26,916
Depreciation		9,967		8,612
Profit before tax		11,979		18,304
Provision for tax		3,337		2,785
Profit after tax		8,642		15,520
Balance brought forward from previous year		3,590		2,575
Provision for proposed dividend including Dividend Distribution Tax - Forgo of right to receive Dividend by HNG Trust and Ace Trust		247		-
Amount available for appropriation		12,480		18,094
Appropriation				
General Reserve	5,000		11,115	
Debenture Redemption Reserve	-		1,875	
Proposed dividend	1,310		1,310	
Tax on dividend	208		204	
Balance carried forward to the next year		5,961		3,590

Review

The year under review was an eventful year which saw huge escalation in cost for most of the critical inputs. In this challenging environment your Company reported a gross sales of Rs. 1,67,290 lacs in 2010-11 compared to Rs. 1,44,988 lacs in 2009-10 on account of increased scale and higher sales. Your Company recorded an EBIBTA of Rs. 27,051.39 lacs and a net profit of Rs. 8,642 lacs in the year under review.

Dividend

Your Directors recommend a dividend of 75% i.e. Rs. 1.50 per share for the year ended 2010-11 which is same as dividend declared for the financial year 2009-10. The outgo as dividend, including applicable tax, this year is Rs. 1,518 lacs.

Outlook

The container glass industry is poised with the growing awareness on account of rising hygienic packaging demand, growing population, increasing per capita income of average Indians and low per capita glass consumption. In order to capitalise the emerging opportunities, your Company is constantly improving, widening and emphasising on the various range of colours, size and design possibilities of glass and investing in technology to improve the weight and strength of glass containers. Your Company is exploring various areas of cost reduction.

Directors

During the year under review, Shri Venkatesan Sridar was appointed as an Additional Director with effect from 2nd November, 2010 and Shri Rakesh Kumar Sharma was appointed as an Executive Director with effect from 1st March, 2011 in place of Shri Ram Raj Soni who had resigned from the services of the Company.

Shri Chandra Kumar Somany, Shri Shree Kumar Bangur and Shri Kishore Bhimani are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment. Your Directors recommend the re-appointment of aforesaid Directors.

Trust Shares

Pursuant to amalgamation of Ace Glass Containers Limited with the Company, 21,41,448* shares and 13,68,872* shares having face value of Rs. 10 each (corresponding to 1,07,07,240 and 68,44,360 shares having face value of Rs. 2 each) were issued to HNG Trust and Ace Trust respectively. In terms of an undertaking given to the Bombay Stock Exchange, the Company is required to make disclosures pertaining to utilisation of proceeds of shares allotted to the said Trusts until they are extinguished. During the financial year ended on March, 31 2011, HNG Trust sold 29,10,000 shares (post split). The proceeds from the sale of shares would be utilised for the purpose of meeting capital expenditure requirement of the Company.

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

Fixed Deposits

Your Company did not accept any deposits from the public within the meaning of section 58A of the Companies Act, 1956 during the financial year 2010-11.

Consolidated Financial Statements

Consolidated financial statements have been prepared in accordance with Accounting Standard 21 read with Accounting Standard 23 issued by the Institute of Chartered Accountants of India and form part of this Annual Report. Applicable disclosures are made in the Notes on Accounts in Schedule 'S'

Auditors' Report

The Auditors Report read along with notes on Accounts is self-explanatory and therefore, does not call for any further comment under section 217(3) of the Companies Act, 1956.

Annual Listing Fees

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

The annual listing fee for the year 2011-12 has been paid to all these exchanges.

Auditors

M/s. Lodha & Company, Chartered Accountants, Registration No. 301051E, Statutory Auditors of the Company are retiring at the conclusion of the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept the office of the Statutory Auditors, if re-appointed. It has been confirmed by M/s. Lodha & Company that they have subjected themselves to peer review process of the Institute of Chartered Accountants of India (ICAI) and they hold a valid certificate issued by the Peer Review Board of the ICAI.

M/s. Singhi & Co., Chartered Accountants, and Branch Auditors of the Company's three Units namely Nashik, Puduchery and Rishikesh will also retire at the conclusion of the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept the office of the Branch Auditors, if re-appointed.

The Board of Directors recommend re-appointment of the aforesaid Auditors.

Directors' Responsibility Statement pursuant to Section 217(2AA) of the Companies Act, 1956

The Directors hereby confirm that:-

i) In preparation of the annual accounts for the financial year 2010-11, applicable accounting standards have been followed along with proper explanations relating to material departures.

ii) They selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year 2010-11 and of the profits of the Company for the said financial year.

iii) They took proper and sufficient care to maintain adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv) They prepared the annual accounts on a 'going concern' basis.

Corporate Governance

The Company has been practising the principles of good 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 conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms a part of this Annual Report.

Subsidiary companies

As on 31.03.2011, your Company has two subsidiaries namely: Quality Minerals Limited and Glass Equipment (India) Ltd.

Pursuant to the Circular No. 2/2011 issued by Ministry of Corporate Affairs, general exemption has been granted to the companies from attaching annual accounts of the subsidiary companies, with that of the Company's accounts. The Board of Directors in its meeting held on 21.05.2011 has given its consent for not attaching the Balance Sheet of its subsidiaries. Accordingly, shareholders of the Company who are interested in obtaining annual accounts of the subsidiary companies may write to the Company Secretary at the Registered Office of the Company. This document will also be available for inspection by the shareholders of the Company at the Company's Registered Office during business hours.

Consolidated financial statements of the Company and its two subsidiaries duly audited for the financial year ended March 31, 2011 forms part of the Annual Report of the Company.

Exports

During the year, direct export turnover was Rs. 6,730 lacs, compared to Rs. 7,668 lacs during the preceding year.

Personnel and Industrial relations

Your Company is consolidating the human resource operations and the internal systems to enhance the operations of the Company. The Human resource team is very active and is involved right from manpower planning to forecasting and conducting regular workshops to enhance the skill sets. The human resource team undertook initiatives such as procurement initiatives and conducted yoga classes. Cordial industrial relations resulted in efficient production at all the plants of your Company.

Statement of employees

Statement of particulars of employees as required under section 217(2A) of the Companies Act, 1956 and rules framed thereunder forms a part of this Annual Report.

Conservation of energy, technology absorption and foreign exchange earning and outgo

The statements containing the required particulars under section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are annexed hereto and forms a part of this report.

Corporate Social Responsibility

HNG is not just a profit driver but it is a responsible corporate citizen. It plays an important role in developing the community by ensuring holistic life enhancement with its initiatives.

HNG actively participates for the sustained development of the community and its employees. Its developmental activities are incessantly expanding in the realms of healthcare, education, women upliftment and green initiatives to maintain the ecological balance.

Acknowledgments

Your Directors wish to express their gratitude and appreciation for assistance, co-operation and encouragement extended by all financial institutions, banks, government authorities, customers, vendors and members during the year and place on record their deep sense of appreciation for the committed services of their executives, staff and workers for an overall performance of the Company.

For and on behalf of the Board

Kolkata
May 21, 2011

Chandra Kumar Somany
Chairman

Annexure to the Directors' Report

Information pursuant to section 217(1)(e) read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming a part of the Directors' Report for the year ended March 31, 2011.

I. ENERGY CONSERVATION

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

- Bahadurgarh:
  - Proposal for Installation of two more gas engines of 4 MW each which would reduce substantially cost of generated power.
  - Capacity of Bahadurgarh Furnace no. 4 enhanced from 160 TPD to 330 TPD, as a result quality of glass has improved considerably, at the same energy consumption level.
- Neemrana Plant: The Plant has been put on RLNG with effect from 1st week of September, 2010, for melting purpose and LPG for conditioning (in Distributors and Fore hearths) and annealing. This has resulted in substantial reduction in energy cost.
- Nashik Plant: Supply of liquid natural gas in cryogenic tankers is likely to commence by September 2011.
- Rishikesh, Pudducherry & Rishra - Switchover to Natural Gas is likely to be in 2012.
- Extended use of Servo technology on forming machines replacing pneumatic processes resulting in significant energy saving.

FORM - A

Disclosure of Particulars with Respect to Conservation of Energy

PARTICULARS	Unit	Year Ended 2010 - 2011	Year Ended 2009 - 2010
A. POWER & FUEL CONSUMPTION			
1. ELECTRICITY			
a) Purchased Unit	000 KWH	231563	199120
Total Amount	Rs. in Lacs	10,625.90	8,181.06
Average Rate/Unit	Rs.	4.59	4.11
b) Own Generation			
i) Through Diesel / H.P.S/Furnace Oil			
By Generator Unit	000 KWH	46869	37815
Units per Litre of Oil		3.90	3.98
Average Rate/Unit	Rs.	7.10	5.88
ii) Through LNG			
By generator unit	000 KWH	52512	46684
Units per Litre of MMBTU of LNG		97.40	103.36
Average Rate/Unit	Rs.	3.87	3.23

PARTICULARS			Unit	Year Ended 2010 - 2011	Year Ended 2009 - 2010
2.	F-Oil / RFO				
	Quantity		KL	77273	77296
	Total Amount		Rs. in Lacs	20,563.94	18,212.27
	Average Rate/Unit		Rs.	26,612.20	23,561.86
3	L.N.G.				
	Quantity		MMBTU	1403966	1274753
	Total Amount		Rs. in Lacs	5,385.06	4,249.13
	Average Rate/Unit		Rs.	383.56	333.33
4	i)	L.P.G.			
		Quantity	MT	8495	9004
		Total Amount	Rs. in Lacs	3,685.21	3,177.33
		Average Rate/Unit	Rs.	43,380.02	35,287.45
	ii)	H.S.D.			
		Quantity	KL	725	96
		Total Amount	Rs. in Lacs	233.23	29.22
		Average Rate/Unit	Rs.	32,172.18	30,594.17
	iii)	H.P.S. Oil			
		Quantity	KL		
		Total Amount	Rs. in lacs		
		Average rate/unit	Rs.		
B	**CONSUMPTION PER UNIT OF PRODUCTION**				
	Glass container & tumblers		MT	829624	785710
	Electricity		KWH	399	360.97
	L.P.G.		KG	10.24	11.46
	F-Oil/ RFO / Equv. Oil		LTR	93.14	98.38
	LNG		MMBTU	1.69	1.62
	H.S.D		LTR	0.87	0.12

Notes: Variation in consumption of power and fuel is attributable to enhanced production capacity.

II FORM B

Disclosure of Particulars with respect to absorption

1. Research and Development (R&D)

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

- Use of black soda extended to flint glass.
- Light weighting of more jobs in Blow and Blow Process and development of NNPB process for new jobs continues.
- Technical tie-up with HEYE Germany for further quality & productivity improvement in NNPB and light weighting technology.
- Development of Mixed Fuel Burners with M/s Flammatec, Germany was undertaken in Neemrana.

ii. Benefits derived as a result of above R & D:

- More light weighted and NNPB jobs launched.
- Reduction in Batch Cost by use of Black Soda.
- Energy saving expected by the use of Mixed Fuel Burners.

iii. Future plans of action -

- Use of Mixed Fuel Burners. This will help in optimising the fuel consummation through enhanced heat transfer to the melt.
- Waste Heat Recovery Systems proposed for Nashik, Nadiupeta and Rishra.
- Control System up-gradation in Bahadurgarh on Furnace # 3, # 4 and # 5 in progress bringing in increased operation parameters in control loop. This is expected to bring in sizable energy saving apart from imparting stability to operation.

iv. Expenditure on R&D

During the year, expenditure incurred on Research and Development are as enumerated below

(Rs. in lacs)

		2010-11	2009-10
a.	Capital	--	--
b.	Recurring	12.83	11.98
c.	Total	12.83	11.98
d.	Total R&D expenditure as a percentage of the total turnover	Insignificant	Insignificant

2. Technology Absorption, Adaption And Innovation

- Installation of industry's largest end fire furnace designed by Horn, Germany having 175 M2 melter area with twin throats and twin distributors to produce 650 TPD glass at Nashik, Naidupeta and Rishra.
- PCS7 integration with Siemens planned for Bahadurgarh plant.
- High end AIS 12 section machines having advanced features including 585 servo feeders, servo takeout & invert, flex radar, plunger process control, temperature control etc planned for Nashik and Naidupeta.
- State of the Art Ware Handling Equipment (3 Axis Servo Pushers) from HEYE, Germany installed on AIS 12 Section TG 41/4" machines in Puducherry to cope up with the high speed non-round production.
- High Speed Servo Technology extended to more functions on newly built Bahadurgarh Furnace # 4 such as Servo Takeout, Twin Axis Pushing, Gob Distribution and Gob Shearing.
- Graphoidal (UK) Centralised Shear Spray System installed in all HNG Plants resulting in reduction of water and oil consumption and reduction of shear related defects.
- On - line Automatic Shrink Packaging Machines for Polypack, USA have been finalised for three Lines at Bahadurgarh Furance # 4 for Pharmaceutical production.
- Integration of individual burner control system from STG, Germany on PCS7 platform.
- Six New Bulk palletizing Systems from MSK, Germany and Emetti, Italy ordered for Nashik, Naidupeta and Bahadurgarh plants.
- Inspection Machines from MSC and SGCC, France with Latest features ordered for Nashik and Naidupeta.

III. Foreign Exchange Earnings and Outgo

The Company has taken initiatives to strengthen its strategic presence globally by constantly exploring new sale avenues in overseas markets of Bangladesh, USA, South Africa, Kenya, Australia, Hong Kong, to name a few. The foreign exchange earnings and outgo of the Company is detailed below:

(Rs. in lacs)

		Current year	Previous year
(i)	Earnings in foreign exchange	6,729.94	7,667.63
(ii)	Expenditure incurred in foreign exchange		
	1. Raw materials	8,520.83	4,973.39
	2. Capital goods	4,394.97	6,660.03
	3. Components, spare parts and repairs	6,374.04	3,793.88
	4. Other expenses	196.61	291.77

For and on behalf of the Board

Kolkata
May 21, 2011

Chandra Kumar Somany
Chairman

The Board of Directors, at its meeting held on October 31, 2005 had appointed Shri Sanjay Somany (Vice Chairman & Managing Director), Shri Mukul Somany (Vice Chairman & Managing Director) as Chief Executive Officers (CEO) of the Company. Further, w.e.f. 5th December, 2009, Shri Laxmi Narayan Mandhana was appointed as Chief Financial Officer (CFO) of the Company.

CEO & CFO Certification

We, Sanjay Somany, Vice Chairman & Managing Director, Mukul Somany, Vice Chairman & Managing Director and Laxmi Narayan Mandhana, Sr. Vice President (Finance) and Chief Financial Officer, responsible for the finance function certify that -

(a) We have reviewed the financial statements and the cash flow statement for the year 2010-11 and that to the best of our knowledge and belief

 (i) These statements do not contain any materially untrue statements 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, with proper explanation as to material departures.

(b) To the best of our knowledge and belief, no transactions entered into, by the Company during the year 2010-11, were fraudulent, illegal or violating the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. 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 we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit Committee

 (i) That no significant changes in internal control over financial reporting during the year 2010-11 have taken place.

 (ii) That no significant changes in accounting policies during the year 2010-11 have taken place and that the same have been disclosed in the notes to the financial statements and

 (iii) That there are no 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.

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

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

Laxmi Narayan Mandhana
Chief Financial Officer

Particulars of Government Companies and Companies in Terms of Section 217(2A) of the Companies act, 1956

Sl. No.	Name	Age (Years)	Qualification & Experience in years	Date of Appointment	Designation (Nature of Duties)	Gross Remuneration (Rs.)	Last Employment held (Designation)
1	Shri Sanjay Somany	52	B. Com. Dip. In Diesel Engg. 31 years	01.10.2005	Vice Chairman and Managing Director (To Manage the affairs of the Company on day to day basis)	33446226	Glass Equipment (India) Ltd. (Managing Director)
2	Shri Mukul Somany	45	B. Com (Hons.) 24 years	01.10.2005	Vice Chairman and Managing Director (To manage the affairs of the Company on day to day basis)	33854234	None
3	Shri Rakesh Kumar Sharma*	59	B.E. (Mech.), MBA-Marketing 38 Years	01.03.2011	Executive Director	550833	Larsen & Toubro Ltd. (Vice President)

* Employed for part of the year and was in receipt of remuneration at the rate of not less than Rs. 5,00,000/- per month.

Notes:

1. Remuneration includes Salary, Commission, and contribution to P.F, Gratuity and other facilities.
2. Shri Chandra Kumar 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.

For and on behalf of the Board

Kolkata
May 21, 2011

Chandra Kumar Somany
Chairman

The Directors present the Company's Report on Corporate Governance

1. Company's philosophy on Code of Governance

We, at HNG, believe good Corporate Governance must lay strong emphasis on transparency, accountability, control, ethical corporate citizenship and integrity. The Company's business objective and that of its management and employees is to manufacture and market the Company's products in such a way as to create value that can be sustained over long term for all its stakeholders including shareholders, employees, customers, government and the lenders. In addition to compliance with the regulatory requirements, the Company endeavours to ensure that the highest standards of ethical conduct are maintained throughout the organisation.

During 2010-11, the Company kept its commitment towards the required norms and disclosures on Corporate Governance under the Listing Agreement entered into with the stock exchanges, on which the shares of the Company are listed.

2. Board of Directors

The Company formed an active, well-informed Board with the majority comprising Independent Directors to uphold the Company's commitment to high standards of ethical values and business integrity.

Present composition and size of the Board

The composition of the Board of Directors as on March 31, 2011 is given below. Out of the total 11 Directors on the Board:

- Three are Executive Directors
- Eight are Non-Executive Directors of which six are Independent Directors

The Chairman of the Company is a Non-Executive, Non-Independent Director. The number of Independent Directors exceeds one-half of the total number of Directors.

Attendance of Directors at the previous Annual General Meeting (AGM)

The last Annual General Meeting was held on September 24, 2010 at CII-Suresh Neotia Centre of Execellence for Leadership, DC - 36, Sector I, Salt Lake City, Kolkata 700 064 and the same was attended by all the Directors except Shri Kishore Bhimani, Shri Sujit Bhattacharya, Shri Shee Kumar Bangur and Shri Ram Raj Soni.

Attendance of Directors at the Board meeting and number of other directorships and other Board Committee memberships, among others, during the year under review.

Name of the Director	Category of directorship	Number of Board meeting(s) attended	Directorship in other companies incorporated in India^	#Number of committees (other than that of the Company) in which he is		
				Chairman	Member	Total
Shri Chandra Kumar Somany	(Chairman) Non-Executive Non Independent	4	11	-	-	-
Shri Sanjay Somany	(Vice Chairman & Managing Director) Executive	4	11	-	-	-
Shri Mukul Somany	(Vice Chairman & Managing Director) Executive	4	12	--	1	1
Shri Kishore Bhimani	Independent	4	1	-	-	-
Shri Sujit Bhattacharya	Independent	4	-	-	-	-
Shri Ratna Kumar Daga	Independent	4	2	2	-	2
Shri Dipankar Chatterji	Independent	3	8	4	2	6
Shri Shree Kumar Bangur	Independent	3	9	-	-	-
Dr. Indrajit Kumar Saha	Non-Executive Non Independent	4	2	-	-	-
*Shri Venkatesan Sridar	Independent	1	9	4	5	9
**Shri Rakesh Kumar Sharma	Executive Director	-	-	-	-	-
***Shri Ram Raj Soni	Executive Director	1	NA	NA	NA	NA

^ excludes directorship of companies u/s 25 of the Companies Act, 1956, private limited companies and foreign companies.

Membership/Chairmanship of Audit Committees and Shareholders'/Investors' Grievance Committees have been considered.

* After appointment of Shri Venkatesan Sridar as Additional Director of the Company, there had been only one meeting of the Board.

** After appointment of Shri Rakesh Kumar Sharma as Executive Director of the Company.

*** Before resignation of Shri Ram Raj Soni from the directorship of the Company, there had been only two meetings of the Board, out of which he attended one.

Board meetings held during the year

During 2010-11, four Board meetings were held. The maximum time gap between two Board meetings does not exceed 120 days. The details of the meetings are as follows:-

Serial number	Date of meeting	During the quarter	No. of Directors present
1	May 19, 2010	April 2010 - June 2010	10
2	August 13, 2010	July 2010 - September 2010	9
3	November 2, 2010	October 2010 - December 2010	7
4	February 7, 2011	January 2011 - March 2011	10

The Board meetings are normally convened on the directions received from the Chairman/Managing Director of the Company. A detailed agenda is circulated to the members of the Board, at least three days prior to the date of the meeting. Agenda items are circulated along with relevant information to enable the Board members to take appropriate decisions. The minutes of the Committees of the Board are regularly placed before the Board.

3. Audit Committee

Terms of reference

The Company constituted an Audit Committee in the year 2000. The terms of reference of the Audit Committee are as follows:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditors, tax auditors and internal auditors of the Company and the fixation of their audit fees.
3. Approval of payment to statutory auditors for any other services rendered by them.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
    a. Matters required to be included in the Director's Responsibility Statement forming a part of the Board's Report in terms of Section 217(2AA) of the Companies Act, 1956.
    b. Changes, if any, in accounting policies and practices and reasons for the same.
    c. Major accounting entries involving estimates based on the exercise of judgment by the management.
    d. Significant adjustments made in the financial statements arising out of audit findings.
    e. Compliance with listing and other legal requirements relating to financial statements.
    f. Disclosure of any related party transactions.
    g. Qualifications in the Auditors' Report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Reviewing with internal auditors any significant findings and follow-up there on.

9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is a suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussion with statutory auditors, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividends) and creditors.
12. Carrying out any other function as mentioned in the terms of reference of the Audit Committee.

Composition, meetings and attendance during the year

During 2010-11, 10 meetings of the Audit Committee were held and the attendance of each member of the Committee is given below

Dates of meetings			
May 10, 2010	May 19, 2010	June 12, 2010	August 13, 2010
August 23, 2010	November 2, 2010	November 23, 2010	December 13, 2010
February 7, 2011	March 22, 2011		

Members of the Audit Committee have the requisite financial and management expertise. The Chairman of the Audit Committee attended the 64th Annual General Meeting of the Company.

Total strength of the Audit Committee: Three

Designation	Members	Category	Number of meetings held	Number of meetings attended
Chairman	Shri Ratna Kumar Daga	Non-Executive, Independent Director	10	10
Member	Shri Sujit Bhattacharya	Non-Executive, Independent Director	10	10
Member	Shri Dipankar Chatterji	Non-Executive, Independent Director	10	9

4. 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

Total strength of the Remuneration Committee: Four

Designation	Members	Category	Number of meetings held	Number of meetings attended
Chairman	Shri Ratna Kumar Daga	Non-Executive, Independent Director	4	4
Member	Shri Kishore Bhimani	Non-Executive, Independent Director	4	4
Member	Shri Dipankar Chatterji	Non-Executive, Independent Director	4	4
Member	*Dr. Indrajit Kumar Saha	Non-Executive, Non Independent Director	4	3

*Dr. Indrajit Kumar Saha was inducted as a member of Remuneration Committee with effect from 19th May, 2010.

The Remuneration Committee approved the increase in remuneration of the Vice Chairmen & Managing Directors and retainership fees payable to Dr. Indrajit Kumar Saha in terms of the agreement entered by the Company with them and approved by the shareholders of the Company.

Remuneration policy of the Company

The remuneration of the Executive Directors are recommended by the Remuneration Committee, based on criteria such as industry benchmarks, the Company's performance vis-a-vis the industry, responsibilities shouldered, performance/track record, macro-economic review, remuneration packages of heads of other organisations. The Company pays remuneration by way of salary, perquisites and allowances, incentive remuneration and /or commission to its Executive Directors.

The remuneration by way of commission to the Non-executive Directors is decided by the Board of Directors and distributed on an equal basis. The members had, at the Annual General Meeting held on September 14, 2007, approved the payment of remuneration by way of commission every year to the Non-Executive Directors of the Company Rs. 1,00,000 or 1% of the net profit for that year (calculated in accordance with the provisions of section 309(5) of the Companies Act, 1956), whichever is less, subject to the approval of Central Government as may be required, for the period of five years commencing from April 1, 2007 and ending on March 31, 2012. The Commission for the financial year 2010-11 will be distributed among the said Directors accordingly.

Details of the remuneration paid to the Directors during 2010-11

To Non-Executive Directors

In addition to the commission as aforesaid, the Independent and Non-Executive Directors are entitled to a sitting fee of Rs. 15,000/- for attending each meeting of the Board and Rs. 10, 000/-for the Audit Committee. The members of Remuneration Committee are paid a sitting fee of Rs. 5,000/- for attending each Committee meeting. Further, no remuneration is paid for attending the meetings of the Share Transfer and Shareholders' Grievance Committee and Treasury Management Committee.

The Company obtained shareholders' approval for the payment of commission to Non-Executive Directors, on September 14, 2007, for a period of five years. The amount of commission will be apportioned and paid among the Non-Executive Directors on the basis of duration of membership on the Board.

The details of sitting fees paid and commission payable during 2010-11 are as follows:

(In Rs.)

Directors	Business relationship with HNG	Sitting fees	Commission	Total
Shri Chandra Kumar Somany*	Promoter	60,000	1,00,000	160000
Shri Kishore Bhimani	None	80,000	1,00,000	180000
Shri Sujit Bhattacharya	None	160,000	1,00,000	260000
Shri Ratna Kumar Daga	None	180,000	1,00,000	280000
Shri Dipankar Chatterji	None	155,000	1,00,000	255000
Shri Shree Kumar Bangur	None	45,000	1,00,000	145000
Dr. Indrajit Kumar Saha	None	75,000	1,00,000	175000
Shri V. Sridar	None	15,000	**41667	56667

* Shri Chandra Kumar Somany is the father of Shri Sanjay Somany, Vice Chairman & Managing Director and Shri Mukul Somany, Vice Chairman & Managing Director. Other Directors are not related to one another.

** Shri Venkatesan Sridar was appointed w.e.f November 2, 2010 and is entitled for commission on pro rata basis

To Executive Directors

The details of remuneration paid to Executive Directors during 2010-11 as per their respective agreements are as follows:

(In Rs.)

Break-up of Remuneration	Executive Directors			
	Shri Sanjay Somany *	Shri Mukul Somany*	Shri Ram Raj Soni	Shri Rakesh Kumar Sharma
	Vice Chairman & Managing Director, Promoter's family	Vice Chairman & Managing Director, Promoter's family	Ex-Executive Director	Executive Director
Salary	18,890,400	18,890,400	1,656,000	400,000
Provident fund	1,547,280	1,547,280	132,480	30,000
Perquisites	114,546	522,554	75,927	20,833
Commission	12,894,000	12,894,000	552,000	100,000
Total	33,446,226	33,854,234	2,416,407	550,833

*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.

Notes

a. The Company in its Annual General meeting held on 24.09.2010 has appointed Shri Sanjay Somany and Shri Mukul Somany as Vice Chairman & Managing Director for a further period of 5 years w.e.f October 1, 2010.

b. Shri Ram Raj Soni resigned from the directorship of the Company.

c. Shri Rakesh Kumar Sharma has been appointed as an Executive Director for a period of two years w.e.f. March 1, 2011. Subject to approval of shareholders in ensuing Annual General Meeting.

d. The commission payable to Shri Sanjay Somany & Shri Mukul Somany has been increased from 1% to 1.5% w.e.f. October 1, 2010 restricted to their annual basic salary. Shri Ram Raj Soni was entitled to a commission of 0.5% of the net profits subject to a ceiling of 50% of his annual salary and Shri Rakesh Kumar Sharma is entitled to a commission of Rs. 12 lacs p.a. subject to provision of the Company's Act, 1956, relating to remuneration of Directors.

e. No stock option is available with the Executive Directors or the employees of the Company.

5. Share Transfer and Shareholders' Grievance Committee

Composition, meetings and attendance during the year

Total strength of the Share Transfer and Shareholders' Grievance Committee : Four

Designation	Members	Category	Number of meetings held	Number of meetings attended
Chairman	Shri Kishore Bhimani	Non-Executive Independent Director	3	1
Member	Shri Ratna Kumar Daga	Non-Executive Independent Director	3	3
Member	Shri Sanjay Somany	Executive Director	3	-
Member	Shri Mukul Somany	Executive Director	3	3

The dates on which the meetings of the Share Transfer and Shareholders' Grievance Committee were held during the year

May 15, 2010 May 19, 2010 February 7, 2011

Shri Priya Ranjan, Company Secretary, is also the Compliance Officer of the Company.

Shareholders' complaints and pending share transfer

Only four investor grievance complaints were received during 2010-11. All complaints were resolved and there were no complaints pending at year ended March 31, 2011.

6. General Body Meetings

The details of day, date, venue and time of the last three Annual General Meetings held are as follows :-

General Meeting	Venue	Day and date	Time
64th Annual General Meeting	CII - Suresh Neotia Centre of Excellence for leadership, DC 36, sector I, Salt Lake city, Kolkata 700 064.	Friday, September 24, 2010	3.00 pm
63rd Annual General Meeting	Rotary Sadan, 94/2, Chowringhee Road, Kolkata- 700 020	Friday, August 14, 2009	11.00 am
62nd Annual General Meeting	Rotary Sadan, 94/2, Chowringhee Road, Kolkata- 700 020	Monday, September 8, 2008	10.00 am

Details regarding special resolutions passed during the previous three years are given below

Shareholders' meeting	Special business requiring special resolution
64th Annual General Meeting	1. Resolution requiring approval for alteration of article no. 110A of Articles of Association in respect of number of Managing Directors that the Company may appoint. 2. Resolution requiring approval for availing services of Dr. Indrajit Kumar Saha, Director of the Company on retainership basis.
63rd Annual General Meeting	1. Resolution requiring approval for inserting the Article 151A of Articles of Association in respect of forfeiture of unclaimed dividends.
62nd Annual General Meeting	1. Resolution requiring approval u/s 31 of the Companies Act, 1956 for altering the Article 85 of Articles of Association in respect to the number of Directors of the Company. 2. Resolution requiring approval u/s 314 of the Companies Act, 1956 for holding an office of profit by the Chairman of the Company in Glass Equipment (India) Limited, a 100% Subsidiary of the Company. 3. Resolution requiring approval u/s 293(1)(d) of the Companies Act, 1956 and all other enabling provisions, to grant consent to the Board of Directors of the Company to borrow sums of money, which may exceed the aggregate for the time being of the paid up capital of the Company and its free reserves. 4. Resolution requiring approval u/s 293(1)(a) of the Companies Act, 1956 and other applicable provisions to grant consent to the Board of Directors to mortgage, create charge(s) and/or hypothecate in addition to the existing mortgage(s), charge(s) and hypothecation(s).

Postal ballot

No resolution requiring postal ballot u/s 192 of the Companies Act, 1956 was recommended for approval during the financial year 2010-11.

Further, no resolution requiring Postal ballot is being proposed at the ensuing Annual General Meeting. The Company will seek shareholders' approval through Postal Ballot in respect of resolutions relating to such business as prescribed in the Companies (Passing of the Resolutions by Postal Ballots) Rules, 2001, as and when the occasion arises.

7. 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, amongst others, that may have potential conflict with the interests of the Company at large. The Register of Contracts containing the transactions in which the Directors are interested is placed before the Board regularly for its approval.
- Related party transactions in the ordinary course of business are reported to the Audit Committee. Such transactions are disclosed in Note No. 27 of Schedule 'S' to the accounts 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.
- Though there is no formal whistle blower policy, the Company takes cognisance of the complaints made and suggestions given by the employees and others. Even anonymous complaints are looked into and whenever necessary, suitable corrective steps are taken. No employee of the Company was denied access to the Audit Committee of the Board of Directors of the Company.
- The Company conducts periodic reviews and report to the Board of Directors regarding risk assessment done by senior executives with a view to minimise risk.
- None of the Non-Executive Directors hold any share in the Company except Shri Chandra Kumar Somany (holding 2,666,620 shares in his personal capacity).
- During 2010-11, the Company didn't make any public or rights issue.
- The financial statements for 2010-11 were prepared in accordance with the applicable Accounting Standards prescribed by the Institute of Chartered Accountants of India and as required under the Companies (Accounting Standards) Rules, 2006.
- The Vice Chairmen & Managing Directors and the Chief Financial Officer of the Company have certified to the Board in accordance with Clause 49(v) of the Listing Agreement pertaining to CEO/CFO certification for the financial year ended March 31, 2011.
- Pursuant to the requirement of Clause 49 of the Listing Agreement as amended, the Company adopted a 'Code of Conduct for Directors and Senior Management' at the meeting of the Board of Directors held on August 13, 2010. The said Code is also placed on the website of the Company viz. www.hngindia.com. The Directors and designated employees of the Company have complied with the provisions of the said Code of Conduct.
- The Management Discussion and Analysis forms a part of this Annual Report.
- According to Articles of Association of the Company, one-third of the Directors retire by rotation and, if eligible, seek re-appointment at the Annual General Meeting of the shareholders. As per Article 90 of the Articles of Association of the Company, Shri Chandra Kumar Somany, Shri Shree Kumar Bangur & Shri Kishore Bhimani will retire at the ensuing Annual General Meeting. The Board recommends re-appointment of all the retiring Directors. The detailed profiles of all these Directors are provided in the "Notice for Annual General Meeting Section" of the Annual Report.
- The Central Government vide its Circular No.2/2011, dated February 8, 2011 has granted general exemption to the companies under Section 212 of the Companies Act, 1956 from attaching the Balance Sheet of the subsidiary companies with the Annual Accounts of the Company. Accordingly, accounts of the subsidiary companies are not annexed hereto in terms of the said circular and resolution passed in Board meetings dated 21.5.2011. Shareholders of the Company who are interested in obtaining

annual accounts of the subsidiary companies may write to the Company Secretary at the Registered Office of the Company. These documents will also be available for inspection by the shareholders of the Company at the Registered Office during the business hours.

8. Means of communication

- The quarterly, half-yearly and annual financial results are published in the proforma prescribed under the Listing Agreement in one English Newspaper (normally in The Financial Express) having nation wide circulation and another in vernacular language in Bengali (normally in Aarthik Lipi).
- The Company's annual results along with various other information are displayed on the Company's web-site www.hngindia.com.

9. General shareholder information

Incorporation	The Company was incorporated in Calcutta, in the Province of Bengal, on 23rd February 1946.
Corporate Identification Number (CIN):	L26109WB1946PLC013294
AGM: Date, time and venue	August 19, 2011, at 3.30 pm at Indian Chamber of Commerce, ICC Towers, 4 India Exchange Place, Kolkata - 700 001
Financial calendar	April to March
■ 1st quarter results by	Last week of July
■ 2nd quarter results by	2nd week of November
■ 3rd quarter results by	2nd week of February
■ 4th quarter results by	3rd week of May of next year
Date of book closure	August 12, 2011 to August 19, 2011 (both days inclusive)
Dividend payment date	Credit/dispatch between August 23, 2011 and August 27, 2011
Listing on stock exchanges	

Your Company's shares are listed on the following stock exchanges

1	National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051 Email: ignse@nse.co.in Website: www.nseindia.com	2	Bombay Stock Exchange Limited 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 Email : is@bseindia.com Website: www.bseindia.com	3	The Calcutta Stock Exchange Limited 7, Lyons Range, Kolkata -700 001 Email: mop@cse-india.com Website: www.cse-india.com

Listing fees Paid upto the year 2011-12 for all the above stock exchanges.

Scrip code/Scrip Symbol -

i. 10018003 on The Calcutta Stock Exchange Limited, Kolkata

ii. 515145 on Bombay Stock Exchange Limited, Mumbai

iii. HINDNATGLS on National Stock Exchange of India Limited, Mumbai

High / Low share price data

1] The Calcutta Stock Exchange Limited has informed that, 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 Bombay Stock Exchange Limited and National Stock Exchange of India Limited during the year and the respective high / low price data are as given below:-

At Bombay Stock Exchange Limited

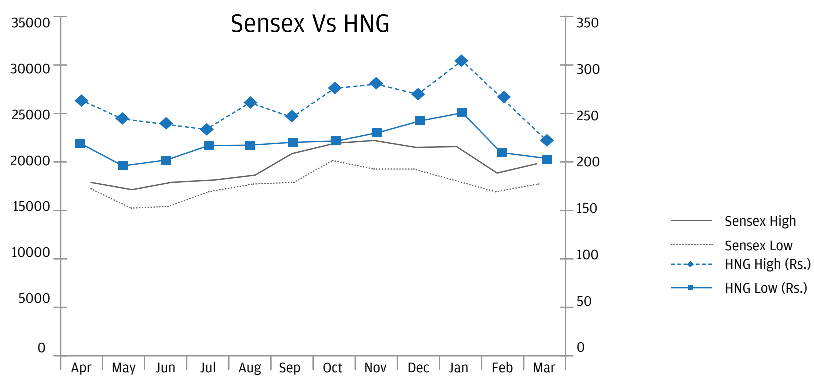
Month	High (Rs.)	Low (Rs.)	Volume (shares)
April, 2010	262.90	216.20	157344
May, 2010	244.00	192.00	1793215
June, 2010	239.95	200.00	8039559
July, 2010	232.00	214.00	590863
August, 2010	262.00	215.70	528633
September, 2010	246.90	218.50	169804
October, 2010	277.70	222.00	279803
November, 2010	284.00	228.10	131009
December, 2010	271.95	243.00	77988
January, 2011	308.00	250.65	49492
February, 2011	267.75	205.00	183607
March, 2011	221.80	200.50	39291

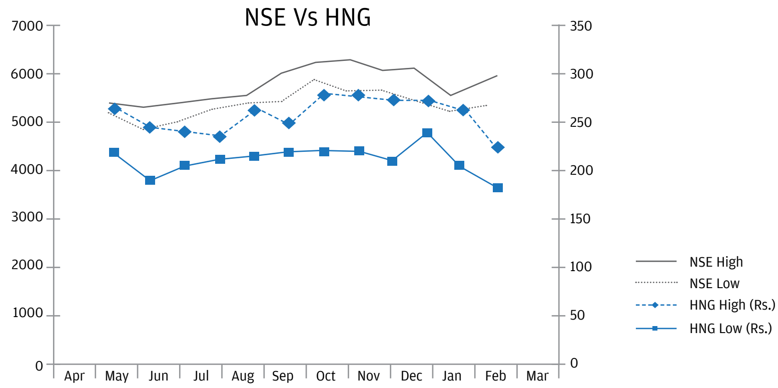
Source: www.bseindia.com

At National Stock Exchange of India Limited

Month	High (Rs.)	Low (Rs.)	Volume (shares)
April, 2010	263.80	219.15	187052
May, 2010	245.00	191.10	2437468
June, 2010	240.00	206.00	1629286
July, 2010	235.00	213.15	605167
August, 2010	262.10	214.50	723335
September, 2010	249.00	220.50	241115
October, 2010	278.00	221.20	604786
November, 2010	278.50	220.00	457630
December, 2010	272.80	210.00	119450
January, 2011	272.00	240.10	75915
February, 2011	262.50	203.00	309522
March, 2011	224.40	183.60	32458

Source: www.nseindia.com





Registrar and Share Transfer Agent

In compliance with the SEBI directive, the Company 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 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 a period of 15 days from the date of receipt thereof, provided all the documents are in order. In case of shares in electronic form, the transfers are processed by the NSDL/CDSL through respective depository participants.

Distribution of shareholding as on March 31, 2011

Number of equity shares held	Folios	%	Shares	%
1 to 5,000	5555	98.2317	839,028	0.9607
5001 to 10000	40	0.7073	162,198	0.1857
10001 to 20000	16	0.2829	133,367	0.1527
20001 to 30000	7	0.1238	83,138	0.0952
30001 to 40000	1	0.0177	18,584	0.0213
40001 to 50000	2	0.0354	50,000	0.0572
50001 to 100000	3	0.0531	104,717	0.1199
100001 and above	31	0.5482	85,947,533	98.4073
Grand total	5655	100	87,338,565	100
Number of shareholders in:				
Physical mode	19	0.3360	14,505	0.0166
Electronic mode				
NSDL	3639	64.3501	81,916,238	93.7916
CDSL	1997	35.3139	5,407,822	6.1918
Total	5655	100	87,338,565	100

Shareholding pattern as on March 31, 2011

Category	Number of shares	%
Promoters and associates	61,123,840	69.9849
Institutions	6,670,572	7.6376
Domestic companies	2,814,115	3.2221
Resident individuals	16,698,440	19.1192
Foreign residents and NRIs	31,259	0.0358
Trust	5	0.0000
Clearing Member	334	0.0004
Total	87,338,565	100

Dividend

The Board recommended dividend @ 75 % or Rs. 1.50 per equity share.

Dematerialisation of shares and liquidity

As on March 31, 2011, 87,324,060 shares comprising 99.98% of the paid-up capital of the Company are in dematerialised mode, as compared with 8,73,19,170 shares as on March 31, 2010. Chandra Kumar Somany Group, promoter of the Company, holds around 69.9849% of the paid-up capital of the Company as on March 31, 2011 as compared to 74.16% as on March 31, 2010, of which all the shares are held in dematerialised mode.

Demat ISIN Number for NSDL and CDSL

INE952A01022

Outstanding GDRSs/ADRs/Warrants or any convertible instruments, conversion date and the likely impact on equity.

None

Plant locations

The Company has six plants, located at:

1. 2, Panchu Gopal Bhaduri Sarani,
Rishra-712 248,
Dist. Hooghly, West Bengal
Phone: (033) 2600 0200,
Fax (033) 2600 0333

2. Bahadurgarh-124507,
Dist: Jhajjar, Haryana.
Phone: (01276) 221400,
Fax (01276) 221666

3. 14, RIICO Industrial Area
Neemrana, Distt. Alwar
Pin - 301705 (Rajasthan)
Tel - 01494 - 246712, 513935
Fax - 01494 - 246713

4. P.O. Virbhadra,
Rishikesh - 249201,
Dist. Dehradun, Uttarakhand
Phone: (0135) 2470700,
Fax (0135) 2470777

5. Thondamanatham
Village, Vezhudavoor S.O.
Puducherry-605 502
Phone: (0413) 2677319,
Fax (0413) 2677366/2677666

6. Nasik Glass Work,
F 1, MIDC, Malegaon,
District - Sinnar, Nasik - 422113
Phone: (025511) 228900
Fax: (025511) 228999

Address for correspondence

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

E-mail ID for investors' grievance

cosec@hngil.com

B. Non-mandatory requirements under Clause 49 of the Listing Agreement

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.

Independent Directors are appointed on the Board based on their requisite qualifications and experiences which enables them to contribute effectively to the Company.

Treasury Management Committee

The Board of Directors at its meeting held on May 9, 2005, constituted a Committee of its member known as the 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 2010-11, 9 meetings of the Treasury Management Committee were held.

Remuneration Committee

The details of the Committee have already been stated at point no. 4 of this Report.

Information to shareholders

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 in two newspapers, one in English having nationwide circulation and another in vernacular language.

Code of Conduct for Prevention of Insider Trading

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, the Company adopted a 'Code of Conduct for Prevention of Insider Trading' at the meeting of the Board of Directors held on August 13, 2010. The Company, its Directors and designated employees, have complied with the provisions of the said Code.

For and on behalf of the Board

Chandra Kumar Somany
Chairman

Kolkata
May 21, 2011

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 2010-11 in terms of Clause 49(I)(D)(ii) of the Listing Agreement with the stock exchanges.

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

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

Kolkata
May 21, 2011

Certificate

The members of Hindusthan National Glass & Industries Limited

We have examined the compliance of the conditions of Corporate Governance by Hindusthan National Glass & Industries Ltd. for the year ended March 31, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was carried out in accordance with the guidance note on certification of Corporate Governance as stipulated in Clause 49 of the Listing Agreement issued by Institute of Chartered Accountants of India and limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

In our opinion and to the best of information and explanations given to us, as well as according to the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

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.

For Lodha and Co. (Chartered Accountants)
Firm's ICAI Registration No. 301051E

(H.K. Verma)
Partner
Membership Number: 055104

Kolkata
May 21, 2011

Code of Conduct for all Employees of Hindusthan National Glass & Industries Limited

Purpose

Code of Conduct addresses certain fundamental issues relating to Company's responsibilities in Corporate Governance.

It is therefore essential to develop insights as to what conduct, behavior and ethical standards are expected from the members engaged in the performance and conduct of the businesses across all boundaries.

Scope

Code of Conduct embodies certain ethics & core principles, which are of basic in nature and values, guiding HNG and its employees, specially the Managerial echelon, in conducting the affairs of business, covering all internalities and externalities.

Process guide

Code of Conduct : Guidelines for all HNG employees

Openness, Transparency and Auditability

Every employee of HNG must ensure that their actions and behaviors in conducting the business and interactions with all stakeholders are totally transparent.

Gifts, donations and entertainment

Employees of HNG shall neither receive, nor offer or make, directly, indirectly any illegal payments, gifts / donations or comparable benefits.

Confidential information and insider trading

In dealing with any one, no employee shall disclose or use any confidential information gained during the course of employment with the Company for any personal gain.

Company Assets

No employee shall misuse Company facilities and utmost care shall be exercised to ensure costs are reasonable and no wastage is made

Non-partisan and non-alignment

All employees of HNG, during the course of work at HNG office/Units/other locations shall not align him/herself with any political party or candidate for political office.

Conflict of Interest

All employees including Senior Management of HNG must avoid situations where their personal interest could make serious conflict with interest of the Company.

Environment, Occupational health and Safety

HNG is committed to best practices in environment matters arising out of its business activities and expects each employee to fully demonstrate this commitment; it shall prevent wasteful use of natural resources.

HNG has always given utmost attention to provide safe work atmosphere. It is duty of every employee to utilise these facilities and work towards creating an accident free workplace.

Equal opportunity employer

All employees will have to comply with HNG's policy of equal opportunity rule to all employees and potential employees with regard to their race, gender, caste, religion, ethnic origin etc.

Regulatory Compliance

Each and every employee of HNG shall be committed to good Corporate citizenship by complying with all relevant laws and regulations of the state.

Waivers

The Code of Conduct shall not apply to :-

a) Joint Ventures and associate companies

b) Membership / positions of responsibility in educational/ professional bodies wherein such association will benefit HNG

c) Nominations/ membership in government bodies/ committees or organisations

d) Exceptional circumstances as determined by Company Management

Auditors' Report

To the Members

We have audited the attached Balance Sheet of Hindusthan National Glass & Industries Limited as at 31st March 2011 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditors Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we further report that:

i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) All the assets 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. In respect of assets verified during the year and to the extent reconciled with book records, there were no material discrepancies.

(c) During the year, the Company has not disposed off a substantial part of its fixed assets. In our opinion, the disposal of such assets has not affected the going concern status of the Company.

ii) (a) The inventory except stock lying with third parties 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.

(b) In our opinion, the procedure for the physical verification of the inventory followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory. As explained to us, discrepancies noticed on physical verification of inventory were not material.

iii) (a) The Company has not granted any loans, secured or unsecured, to companies covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause 4(iii) (a) to (d) are not applicable to the company.

b) The Company had not taken any loans, secured or unsecured from companies covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (e) to (g) are not applicable to the company

iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items are of special nature for which alternative quotations are not available, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to the purchases of inventory, fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system.

v) (a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

(b) In our opinion, having regard to the remarks as given in para (iv) above, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956, and aggregating during the year to five lacs or more in respect of each party have been at prices which are considered reasonable having regard to prevailing market price for such goods and materials.

vi) The Company has not accepted any deposits from the public during the year.

vii) In our opinion, the Company has an adequate internal audit system commensurate with its size and nature of its business.

viii) The Central Government has not prescribed for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 in respect of any of the Company's product.

ix) (a) The company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Wealth Tax, Service Tax, Income Tax, Sales Tax, Custom duty, Excise duty, cess and other material statutory dues with the appropriate authorities. There are no undisputed statutory dues payable for a period of more than six months from the date these dues became payable as at 31st March 2011.

(b) According to the information and explanations given to us, the statutory dues which have not been deposited as on 31st March 2011 on account of disputes are as under:

Name of the Statute	Nature of Dues	Amount (Rs.in lacs)	Period to which the amount relates (Financial year)	Forum where dispute is pending
Employees' State Insurance ACT 1948	ESIC Damages	3.48	2000-01	ESIC Court, Pune
The Central Excise Act 1944	Excise Duty	66.86	2005-06, 2006-07, 2007-08 and 2008-09	Assistant Commissioner Central Excise
		21.65	1993-94, 1994-95, 1995-96, 1996-97, 2007-08, 2008-09 and 2009-10	Asst/Dy-Commissioner Central Excise
		5.79	2004-05 and 2005-06	Addl Commissioner of Central Excise
		156.37	1995-96, 1998-99, 1999-2000, 2004-05, 2005-06, 2006-07, 2007-08 and 2008-09	Commissioner Central Excise
		103.28	1994-95, 1995-96, 1996-97, 2002-03,2003-04, 2004-05, 2005-06, 2006-07, 2007-08 and 2008-09	CESTAT
		4.38	2001-02 and 2007-08	High Court
		1,207.37	1995-96,1996-97, 1997-98, 1999-2000, 2000 - 01	Supreme Court
Industrial Dispute Act 1947	Labour Wages	2.60	1998-2000 & 2000-2003	Labour Court Pune
Mathadi Act	Labour Wages	73.33	1999-2001	High Court

Name of the Statute	Nature of Dues	Amount (Rs.in lacs)	Period to which the amount relates (Financial year)	Forum where dispute is pending
Bombay Sales Tax Act 1959	Sales Tax	42.81	1997-98	Commissioner Sales Tax, Pune
Haryana General Sales Tax Act	Sales Tax	77.52	2002-03	Sales Tax Tribunal, Haryana
Maharashtra Value Added Tax Act, 2002	Sales Tax	36.44	2004-05	Jt Commissioner (Sales Tax Appeal) Nashik
		114.00	2005-06 & 2006-07	Maharashtra Sales Tax Tribunal, Mumbai
The Sales Tax Act, 1932	Sales Tax	6.89	2003-04	J.C. (Appeal), Dehradun
		779.46	2005-06 and 2006-07	JCST
		68.30	2007-08	Senior Joint Commisioner of Commercial Tax Appeal
		58.59	1996-97, 1997-98, 1998-99 & 1999-2000	T.T. Tribunal , Dehradun
Finance Act, 1994	Service Tax	2.95	2006 - 07, 2007 - 08 and 2008 - 09	Commissioner (Appeals)

x) The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the current or in the immediately preceding financial year.

xi) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

xii) According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii) The Company is not a chit fund or a nidhi mutual benefit fund/society. Accordingly, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003, are not applicable to the Company.

xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003, are not applicable to the Company.

xv) In our opinion, the terms and conditions on which the Company has given guarantee for loans taken by a body corporate from bank are not prima facie prejudicial to the interest of the Company.

xvi) According to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.

xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that short term fund have not been used for long-term investment.

xviii) During the year, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.

xix) According to the information and explanation given to us, the Company has not issued secured debentures during the year.

xx) The Company has not raised any money through a public issue during the year.

xxi) Based upon the audit procedures performed and information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

2. Further to above, we report that

   i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.

   ii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.

   iii) 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 these books.

   iv) The report on accounts of units audited by Branch Auditors has been considered by us in preparing our report.

   v) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 to the extent applicable.

   vi) On the basis of the written representations from the Directors and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2011 from being appointed as a Director under Section 274(1)(g) of the Companies Act, 1956.

   vii) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with Notes on Accounts of Schedule "S" give the information required by the Companies Act, 1956 in the manner so required and also give a true and fair view in conformity with the accounting principles generally accepted in India:

      a) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;

      b) In the case of Profit and Loss Account of the Company, of the profit for the year ended on that date; and

      c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

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

H. K. Verma
Partner
Membership No: 55104

Place: Kolkata
Date: 21st May 2011

Balance Sheet as at 31 March, 2011

(Rs. in Lacs)

	Schedules	as at 31.03.2011	as at 31.03.2010
Sources of Funds			
SHAREHOLDERS' FUNDS			
Share Capital	A	1,746.77	1,746.77
Reserves and Surplus	B	114,868.18	102,530.37
		116,614.95	**104,277.14**
LOAN FUNDS			
Secured Loans	C	62,342.96	54,861.68
Unsecured Loans	D	1,610.55	1,710.65
		63,953.51	**56,572.33**
Deferred Tax Liabilities (Net)		7,118.37	6,969.55
Total		**187,686.83**	**167,819.02**
APPLICATION OF FUNDS			
FIXED ASSETS	E		
Gross Block		177,192.16	166,149.15
Less : Accumulated Depreciation		61,519.73	54,520.81
Net Block		115,672.43	111,628.34
Capital Work in Progress		22,781.88	2,746.77
Investments	F	17,753.98	14,706.94
CURRENT ASSETS, LOANS AND ADVANCES			
Current Assets			
INVENTORIES	G	20,427.34	20,994.56
Sundry Debtors	H	24,807.60	22,009.71
Cash and Bank Balances	I	421.51	469.89
Loans and Advances and Other Current Assets	J	12,778.58	22,560.60
		58,435.03	**66,034.76**
LESS: CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	K	21,092.24	17,561.46
Provisions	L	5,864.25	9,736.33
		26,956.49	27,297.79
NET CURRENT ASSETS		31,478.54	38,736.97
Total		**187,686.83**	**167,819.02**
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	S		

The schedules referred to above form an integral part of Balance Sheet.

As per our report of even date.
For **Lodha & Co.**
Chartered Accountants

H. K. Verma
Partner
May 21, 2011

Mukul Somany
Vice Chairman and
Managing Director

Priya Ranjan
Company Secretary

Sanjay Somany
Vice Chairman and
Managing Director

Laxmi Narayan Mandhana
Sr. Vice President and
Chief Financial Officer

Profit & Loss Accounts for the year ended 31 March, 2011

(Rs. in Lacs)

	Schedules		Year ended 31.03.2011		Year ended 31.03.2010
Income					
Sales (Gross)	M		167,289.56		144,988.35
Less: Excise Duty			12,948.92		8,998.00
			154,340.64		135,990.35
Other Income	N		1,795.01		3,454.99
Increase / (Decrease) in Stock	O		(884.35)		263.22
			155,251.30		139,708.56
Expenditure					
Materials	P		41,009.44		38,467.36
Manufacturing and Other Expenses	Q		87,190.47		69,607.80
			128,199.91		108,075.16
PROFIT BEFORE DEPRECIATION, INTEREST AND TAX			**27,051.39**		**31,633.40**
Depreciation	E		10,253.11		8,901.13
Transferred from Revaluation Reserves			(286.52)		(289.50)
			9,966.59		8,611.63
Interest and Finance Expenses	R		5,105.98		4,717.24
			15,072.57		13,328.87
PROFIT BEFORE TAX			**11,978.82**		**18,304.53**
Less: Provision for Income Tax					
Current Tax			3,350.00		-
Minimum Alternate Tax				3,150.00	
Less: MAT Credit Entitlement			-	(365.00)	2,785.00
Income Tax for Earlier Years/(Written Back)			(5.85)		-
Fringe Benefit Tax for earlier years/ (Written back)			(7.58)		-
PROFIT AFTER TAX			**8,642.25**		**15,519.53**
ADD: BALANCE BROUGHT FORWARD FROM LAST YEAR			3,590.17		2,574.80
Add: Provision for Proposed Dividend including Dividend Distribution Tax written back - Forego of right to receive Dividend by HNG Trust and ACE Trust (Refer Note 10(a) of Schedule S)			247.33		-
AMOUNT AVAILABLE FOR APPROPRIATION			**12,479.75**		**18,094.33**
Appropriations					
General Reserve			5,000.00		11,114.75
Debenture Redemption Reserve			-		1,875.00
Proposed Dividend on Equity Shares			1,310.08		1,310.08
Tax (Including Cess) on Proposed Dividend			208.24		204.33
Balance Carried to the Balance Sheet			5,961.43		3,590.17
			12,479.75		18,094.33
Basis and Diluted Earning per Share (In Rs.) (Refer Note No. 10 (b) of Schedule 'S')			9.90		17.77
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	S				

The schedules referred to above form an integral part of Profit & Loss Accounts.

As per our report of even date.
For **Lodha & Co.**
Chartered Accountants

Mukul Somany
Vice Chairman and
Managing Director

Sanjay Somany
Vice Chairman and
Managing Director

Priya Ranjan
Company Secretary

Laxmi Narayan Mandhana
Sr. Vice President and
Chief Financial Officer

H. K. Verma
Partner
May 21, 2011

Cash Flow Statement for the Year ended 31 March, 2011

(Rs. in Lacs)

		2010-11	2009-10
A	**Cash flow from Operating Activities**		
	Net Profit before tax and extraordinary items	11,978.82	18,304.53
	ADJUSTMENTS TO RECONCILE PROFIT BEFORE TAX TO CASH PROVIDED BY operating activities.		
	Depreciation	9,966.59	8,611.63
	Bad Debts and Provision for Doubtful Debts	57.08	(38.84)
	Provision for Loss on Derivative Transactions	469.38	305.20
	Interest Expenses	5,105.98	4,717.24
	Dividend Income	(53.39)	(202.51)
	Interest Received	(282.37)	(612.45)
	(Profit)/Loss on sale of Fixed Assets (Net)	1,329.55	(245.68)
	(Profit)/Loss on sale of Current Investments (Net)	(193.06)	(16.66)
	Liability no longer required written back	(146.92)	(224.73)
	Unrealised Foreign Exchange (Gain)/Loss (Net)	30.54	(481.78)
	Realised Foreign Exchange (Gain)/Loss on Term Loans (Net)	(0.50)	5.73
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**28,261.71**	**30,121.68**
	CHANGES IN CURRENT ASSETS AND LIABILITIES		
	Loans and advances	5,761.06	240.67
	Trade and other receivables	(2,854.49)	728.96
	Inventories	567.22	583.91
	Trade and other payables	2,157.06	(3,037.56)
	NET CASH GENERATED BY OPERATING ACTIVITIES	**33,892.56**	**28,637.65**
	ADJUSTMENTS FOR :		
	Direct Taxes paid	(3,824.22)	(1,627.13)
	Fringe Benefit Tax paid	1.13	(2.64)
	NET CASH FROM OPERATING ACTIVITIES	**30,069.47**	**27,007.88**
B	**Cash Flows from Investing Activities**		
	Purchase of Fixed Assets and changes in capital work in progress	(34,684.56)	(22,953.17)
	Proceeds on Disposal of Fixed Assets	238.43	1,029.11
	Purchase of Long Term Investments	(3,799.09)	(3,500.00)
	Sale of Long Term Investment	5,595.00	-
	Purchase of Current Investments	(65,700.21)	(14,855.66)
	Sale of Current Investments	66,643.27	14,123.85
	Advances for acquiring equity shares	-	(2,799.00)
	Dividend received	53.39	202.51
	Interest received	590.82	642.03
	NET CASH FROM INVESTING ACTIVITIES	**(31,062.95)**	**(28,110.34)**

Cash Flow Statement for the Year ended 31 March, 2011 (Contd.)

(Rs. in Lacs)

		2010-11	2009-10
C	**Cash Flow from Financing Activities:**		
	Proceeds / (Repayment) from long term borrowings (Net)	2,757.13	5,046.27
	Proceeds / (Repayment) from short term borrowings (Net)	4,543.35	989.94
	Interest paid	(5,084.58)	(4,586.96)
	Dividend Paid during the year including Corporate Dividend Tax	(1,270.79)	(1,016.87)
	NET CASH FROM FINANCING ACTIVITIES	**945.11**	**432.38**
	NET CHANGES IN CASH AND CASH EQUIVALENTS	**(48.38)**	**(670.07)**
	OPENING CASH AND CASH EQUIVALENTS	469.89	1,139.97
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	421.51	469.89
	(represents cash in hand and bank balances)		

Note: 1. The above Cash Flow Statement has been prepared under the " Indirect Method" as set out in the Accounting Standard 3 (AS-3) - Cash Flow Statements issued by "The Institute of Chartered Accountants of India".

2. Figures in brackets represent outflows.

3. Previous Year's figures have been regrouped wherever necessary to conform to the Current Year.

As per our report of even date.
For **Lodha & Co.**
Chartered Accountants

H. K. Verma
Partner
May 21, 2011

Mukul Somany
Vice Chairman and
Managing Director

Priya Ranjan
Company Secretary

Sanjay Somany
Vice Chairman and
Managing Director

Laxmi Narayan Mandhana
Sr. Vice President and
Chief Financial Officer

Schedule forming part of the Accounts

(Rs. in Lacs)

	as at 31.03.2011	as at 31.03.2010
Schedule A		
SHARE CAPITAL		
Authorised		
2557500000 Equity Shares of Rs. 2/- each (Previous Year 2557500000 Shares of Rs. 2/- each)	51,150.00	51,150.00
	51,150.00	**51,150.00**
Issued, Subscribed and Paid - up		
87338565 Equity Shares of Rs. 2/- each fully paid up (Previous Year 87338565 Equity Shares of Rs. 2/- each fully paid up) of which 29051800 Equity Shares of Rs.2/- each (Previous Year 29051800 Equity Shares of Rs. 2/- each) were allotted as fully paid up Bonus Shares by capitalisation of General Reserve and 32121725 Equity Shares of Rs. 2/- each (Previous Year 32121725 Equity Shares of Rs. 2/- each) issued as fully paid up pursuant to a scheme of amalgamation and arrangement for consideration other than cash.	1,746.77	1,746.77
	1,746.77	**1,746.77**

	as at 31.03.2011		as at 31.03.2010	
Schedule B				
RESERVES AND SURPLUS				
Debenture Redemption Reserve				
As per last Balance Sheet	3,125.00		1,250.00	
Add: Transfer from Profit and Loss Account	-	3,125.00	1,875.00	3,125.00
General Reserve				
As per last Balance Sheet	77,500.00		66,385.25	
Add: Transfer from Profit and Loss Account	5,000.00	82,500.00	11,114.75	77,500.00
Capital Reserve		5,592.95		-
(Refer Note 7(b) of Schedule S)				
Revaluation Reserve				
As per last Balance Sheet	9,923.38		10,376.55	
Less: Transfer to Profit and Loss Account	(286.52)		(289.50)	
Less: Adjustments on discarding / Sale of Assets	(191.06)	9,445.80	(163.67)	9,923.38
Share Premium				
As per last Balance Sheet	8,391.82		11,184.66	
Less: Deferred Tax Liability	(148.82)	8,243.00	(2,792.84)	8,391.82
Profit and Loss Account				
Surplus as per Profit and Loss Account		5,961.43		3,590.17
		114,868.18		**102,530.37**

Schedule forming part of the Accounts

(Rs. in Lacs)

	Notes	as at 31.03.2011	as at 31.03.2010
Schedule C			
SECURED LOANS			
I) Non Convertible Debentures	1		
(a) 12.75% Redeemble Non Convertible Debentures privately placed with Life Insurance Corporation of India		10,000.00	10,000.00
(b) 10.75% Redeemble Non Convertible Debentures privately placed with General Insurance Corporation of India		2,500.00	2,500.00
II) Rupee Term Loans	2		
From Financial Institution		2,187.50	3,643.05
From Banks		15,661.90	20,023.00
III) Foreign currency Term Loans	2		
From Banks		9,472.22	1,128.87
IV) Working Capital Loans from Banks	3	21,224.16	16,624.36
V) Loans under Vehicle Finance Scheme	4		
From Banks		1,008.73	740.75
From Others		145.53	102.37
VI) Interest Accrued and Due		142.92	99.28
		62,342.96	**54,861.68**

1) 12.75% Secured Non Convertible Debentures amounting to Rs. 100 crores, privately placed (alloted on 22.12.2008) and 10.75% Secured Non Convertible Debentures amounting to Rs. 25 crores, privately placed (alloted on 18.06.2009) are due for redemption at par in three equal installments at the end of 5th, 6th and 7th year from the date of allotment at par at the end of 3rd year from the date of allotment i.e., from 21.12.2011 and 17.06.2012 respectively. However, there is a put and call option available to the issuer / investor which can be exercised at the end of three year from the date of allotment. These debentures are secured by first charge ranking pari-passu with other first charges created on all immovable properties by way of equitable mortgage and hypothecation of all moveable properties both present and future of the Company, save and except specific assets exclusively hypothecated in favour of respective lenders.

2) The loans are secured by first charge ranking pari-passu with other first charges created on all immovable properties by way of equitable mortgage and hypothecation of all moveable properties both present and future of the Company, save and except specific assets exclusively hypothecated in favour of respective lenders.

3) These are secured by hypothecation of inventories (both present and future) and book debts and second charge on all immoveables, moveable properties including land and building in favour of consortium bankers led by State Bank of India.

4) These are secured by hypothecation of the vehicles financed in favour of respective lenders.

Schedule D		
UNSECURED LOANS		
I) Sales Tax Deferment Loan	1,610.55	1,610.55
II) Trade Deposits	-	100.10
	1,610.55	**1,710.65**

Schedule forming part of the Accounts

Fixed Assets
Schedule E

(Rs. in Lacs)

Sl. No.	Particulars	GROSS BLOCK				DEPRECIATION				NETBLOCK	
		Book Value at 01.04.2010	Additions	Deductions Adjustments	Book Value at 31.03.2011	Upto 31.03.2010	For the Year	Deductions/ Adjustments	Upto 31.03.2011	As on 31.03.2011	As on 31.03.2010
Tangible											
1	Land	13,543.82	60.80	2.55	13,602.07	-	-	-	-	13,602.07	13,543.82
2	Leasehold Land	2,048.36	57.04	-	2,105.40	42.44	25.40	-	67.84	2,037.56	2,005.92
3	Buildings	14,940.44	2,153.63	328.50	16,765.57	3,346.94	568.08	106.41	3,808.61	12,956.96	11,593.50
4	Leasehold Buildings	9.18	-	-	9.18	0.48	0.15	-	0.63	8.55	8.70
5	Plant and Machinery	1,31,727.88	12,397.07	4,605.55	1,39,519.40	49,851.13	9,104.56	3,096.61	55,859.08	83,660.32	81,876.75
6	Furniture and Fixtures	326.49	72.54	4.48	394.55	176.70	19.36	3.02	193.04	201.51	149.79
7	Office and Other Equipments	455.16	122.80	1.17	576.79	204.04	36.35	0.52	239.87	336.92	251.12
8	Vehicles	2,493.94	1,027.53	71.47	3,450.00	674.22	290.66	48.13	916.75	2,533.25	1,819.72
Intangible											
9	Computer Software	603.88	165.32	-	769.20	224.86	209.05	-	433.91	335.29	379.02
	Total	**1,66,149.15**	**16,056.73**	**5,013.72**	**1,77,192.16**	**54,520.81**	**10,253.61**	**3,254.69**	**61,519.73**	**1,15,672.43**	**1,11,628.34**
	Previous Year	**1,37,899.43**	**30,828.20**	**2,578.48**	**1,66,149.15**	**47,251.09**	**8,901.13**	**1,631.39**	**54,520.81**	**1,11,628.34**	

Notes:

a) Depreciation for the year includes Rs. 0.50 lacs (Previous Year Rs. NIL) transferred to Pre-Operative Expenses(pending allocation)

b) Additions to Building includes Rs. 1144.89 lacs 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.

(Rs. in Lacs)

	Face Value Rs.	Nos.	as at 31.03.2011	as at 31.03.2010
Schedule F				
INVESTMENTS				
I) Long Term				
UNQUOTED				
TRADE				
Fully Paid-up Equity Shares				
Capexil Agencies Limted	1000	5	0.05	0.05
Ceramic Decorators Limited	10	7	0.00 #	0.00#
# (Rs. 70)				
ASSOCIATE COMPANY				
Fully Paid-up Equity Shares				
HNG Float Glass Limited	10	115000000	11,500.00	7,701.00
[37990000 Equity Shares (P.Y 35000000 Equity Shares) acquired during the year]				
OTHER THAN TRADE				
Fully Paid-up Equity Shares				
Brabourne Commerce Private Limited	10	100	0.09	-
The Calcutta Stock Exchange Association Limited	1	8364	167.28	167.28
Beneficial Interest In Shares Held In ACE Trust			6,009.35	6,009.35
Beneficial Interest In Shares Held In HNG Trust			5.50	7.55

Schedule forming part of the Accounts

(Rs. in Lacs)

	Face Value Rs.	Nos.	as at 31.03.2011	as at 31.03.2010
Investments (Contd.)				
IN SUBSIDIARY COMPANIES				
Fully Paid-up Equity Shares				
Glass Equipment (India) Limited	100	26400	55.82	55.82
Quality Minerals Limited	100	9384	9.38	9.38
GOVERNMENT SECURITIES				
Deposited with Government Authorities*				
(a) 12 Years National Savings Certificate			0.01	0.01
(b) 7 Years National Savings Certificate			0.01	0.01
(c) 6 Years National Savings Certificate			6.49	6.49
II) Current				
Other Than Trade				
Unquoted				
In Units of Mutual Funds (sold during the year)				
Baroda Pioneer Treasury Advantage Fund			-	500.00
Reliance Liquid Fund - Cash Plan - Growth Option - Growth Plan			-	250.00
			17,753.98	**14,706.94**
* Rs 1.07 lacs since matured but not encashed				
Aggregate Book Value of Unquoted Investments			**17,753.98**	**14,706.94**

(Rs. in Lacs)

Schedule G		
INVENTORIES		
(As valued and certified by the Management)		
Raw Materials (Including in transit Rs. 407.75 lacs, previous year Rs. Nil)	4,130.33	3,655.63
Stores and Spare Parts (Including in transit Rs. 99.81 lacs, previous year Rs. 167.67 lacs)	8,680.36	8,969.28
Packing Materials	945.55	860.47
Stock in Process	431.46	384.26
Finished Goods	6,239.64	7,124.92
	20,427.34	**20,994.56**

Schedule H		
SUNDRY DEBTORS		
(Unsecured, Considered Good unless otherwise stated)		
Debts due for a period exceeding six months		
Considered Good	652.73	926.24
Considered Doubtful	749.09	695.06
	1,401.82	1,621.30
Less : Provision for Doubtful Debts	749.09	695.06
	652.73	**926.24**
Other Debts	24,154.87	21,083.47
	24,807.60	**22,009.71**

Schedule forming part of the Accounts

(Rs. in Lacs)

	as at 31.03.2011	as at 31.03.2010
Schedule I		
CASH AND BANK BALANCES		
Cash Balance on Hand	20.99	16.34
Cheques in Hand	60.97	1.01
Balances with Scheduled Banks		
in Current Accounts	325.00	437.51
in Fixed Deposit Accounts *	12.99	14.25
in Dividend Accounts	1.56	0.78
* (Receipts pledged with the banks and government authorities)	**421.51**	**469.89**

	as at 31.03.2011	as at 31.03.2010
Schedule J		
LOANS AND ADVANCES AND OTHER CURRENT ASSETS		
Loans and Advances (Unsecured Considered Good)		
Loans to Bodies Corporate	-	4,796.50
Advances recoverable in cash or in kind or for value to be received	4,778.33	5,383.89
(Net of Advances considered doubtful and provided for Rs. 223.05 lacs, previous year Rs. 231.52 lacs)		
VAT Credit (Inputs) Account	639.66	622.33
Advance Income Tax	2,726.22	6,287.41
Tax Deducted at Source	22.25	402.66
Income Tax Refundable	370.02	60.00
Fringe Benefit Tax Refundable	1.13	-
Advance Fringe Benefit Tax	-	82.05
MAT Credit Entitlement	1,137.57	2,087.57
Deposits and balances with Government Authorities and Other Departments	2,967.48	2,505.55
Other Current Assets		
Interest Recievable	17.01	325.47
Fixed Assets held for disposal (at lower of net book value or estimated net realisable value)	118.91	7.17
	12,778.58	**22,560.60**

Schedule forming part of the Accounts

(Rs. in Lacs)

	as at 31.03.2011	as at 31.03.2010
Schedule K		
CURRENT LIABILITIES		
Sundry Creditors		
Dues to Micro, Small and Medium Enterprises	55.79	39.07
Others for Capital Items	3,806.39	2,399.14
Others for Goods & Services	15,574.67	12,811.14
Subsidiary Companies	-	980.63
Interest accrued but not due on loans	606.31	584.92
Other Liabilities	766.10	583.26
Commission to Directors	281.42	162.52
Unpaid Dividend *	1.56	0.78
* This is not due for payment to Investor Education and Protection Fund.	**21,092.24**	**17,561.46**

Schedule L		
PROVISIONS		
For Taxation	2,457.45	6,571.27
For Wealth Tax	6.00	3.83
For Fringe Benefit Tax	-	88.50
For Gratuity and Unavailed Leave	1,882.48	1,553.83
For Proposed Dividend	1,310.08	1,310.08
For Tax on Proposed Dividend	208.24	208.82
	5,864.25	**9,736.33**

	as at 31.03.2011	as at 31.03.2010
Schedule M		
SALES		
Finished Goods	167,289.56	144,976.67
Trading Materials	-	11.68
Total Sales	167,289.56	144,988.35
Less: Excise Duty	12,948.92	8,998.00
	154,340.64	**135,990.35**

Schedule forming part of the Accounts

(Rs. in Lacs)

	as at 31.03.2011	as at 31.03.2010
Schedule N		
OTHER INCOME		
Dividend Income on Long term Investments (other than trade)	53.39	202.51
Interest Income		
Loan	130.91	533.38
Deposits	13.01	20.97
Others	12.55	6.82
Tax Refunds	125.89	51.28
Rent	54.42	53.47
Hire charges	21.20	21.20
Insurance Claims	4.56	164.46
Profit on Sale of Current Investments - other than trade	193.06	16.66
Profit on Assets sold / discarded	81.37	245.68
Liabilities/Provisions no longer required written back	146.92	224.73
Foreign Exchange Fluctuation (net)	19.42	518.37
Provision for Bad and Doubtful debt written Back	142.85	137.60
Miscellaneous Receipts	795.46	1,257.86
	1,795.01	3,454.99

	as at 31.03.2011	as at 31.03.2010
Schedule O		
INCREASE / (DECREASE) IN STOCK		
Closing Stock		
Finished Goods	6,239.64	7,171.19
Work-in-Progress	431.46	384.26
	6,671.10	7,555.45
Less:		
Opening Stock		
Finished Goods	7,171.19	6,990.08
Work-in-Progress	384.26	302.15
	7,555.45	7,292.23
Increase / (Decrease)	(884.35)	263.22

	as at 31.03.2011	as at 31.03.2010
Schedule P		
MATERIALS		
Raw Materials Consumed	41,009.44	38,459.70
Purchase of Trading Material	-	7.66
	41,009.44	38,467.36

Schedule forming part of the Accounts

(Rs. in Lacs)

		Year ended 31.03.2011		Year ended 31.03.2010
Schedule Q				
MANUFACTURING AND OTHER EXPENSES				
Stores and Spare Parts Consumed		9,615.61		7,122.08
Power and Fuel		45,744.13		37,558.50
Packing Material Consumed and Packing Charges		12,098.39		9,513.63
Salaries,Wages and Bonus etc		8,541.81		7,147.77
Contribution to Provident and Others Funds		825.70		851.04
Workmen and Staff Welfare Expenses		313.03		262.22
Rent		375.51		233.72
Rates and Taxes		61.88		49.95
REPAIR AND MAINTENANCE:				
Buildings		263.04		203.96
Plant and Machinery		1,279.98		922.56
Others		391.12		302.03
Freight outwards, Transport and Other Selling Expenses (Net of Realisation Rs. 4466.03 lacs, previous year Rs. 3676.38 lacs)		1,233.50		1,273.26
Commission on Sales		130.45		202.12
Insurance		246.84		166.01
Excise Duty on Increase/(Decrease) of Stock		(61.88)		261.05
Bad Debts/Advances Written Off	6.90		98.35	
Less: Provision for Doubtful Debts / advances written back	(6.44)	0.46	(85.74)	12.61
Provision for Doubtful Debtors/Advances		199.48		86.15
Charity and Donation		24.00		0.88
Director's Remuneration		710.09		429.84
Loss on Assets sold / discarded		1,410.92		-
Provision For Loss on Derivative Transaction		469.38		305.20
Other Miscellaneous Expenses		3,317.03		2,703.22
		87,190.47		**69,607.80**

Schedule R				
INTEREST AND FINANCE EXPENSES				
On Debentures		1,568.75		1,505.97
On Term Loans		2,171.01		1,865.02
Bank and Others		1,216.32		1,076.09
Finance Expenses		149.90		270.16
		5,105.98		**4,717.24**

Schedule forming part of the Accounts

Schedule S

ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1. **Significant Accounting Policies**

a. Accounting Convention

The accounts, except in respect of certain Fixed Assets, which are stated at fair value or revalued amounts, have been prepared on the basis of the historical cost and on the accounting principles of a going concern. The accounts have been prepared in accordance with the provisions of the Companies Act, 1956 and Accounting Standards as notified vide Companies (Accounting Standards) Rules, 2006.

b. Use of Estimates

The preparation of financial statements require management to make estimates and assumption that affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities and assets as at the Balance Sheet date and the reported amounts of income and expenses during the year. Difference between the actual results and the estimates are recognised in the year in which the results are known /materialised.

c. Fixed Assets

Fixed Assets are stated at cost of acquisition or cost of construction or at revalued amounts wherever such assets have been revalued or at fair value as the case may be.

d. Depreciation and Amortization

Tangible Assets

i. Depreciation except otherwise stated has been provided at the rates specified under Schedule XIV to the Companies Act, 1956 on assets installed/acquired up to 31 March, 1990 on written down value method and in respect of additions thereafter on straight line method.

ii. Certain Plant and Machinery have been considered as continuous process plant as defined under Schedule XIV to the Companies Act, 1956 on the basis of technical evaluation.

iii. Depreciation on increase in value of Fixed Assets due to revaluation is provided on the basis of remaining useful life as estimated by the valuer on the straight line method and is transferred from Revaluation Reserve to Profit and Loss Account.

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

v. Second hand machines are depreciated on straight line method based on their useful lives as estimated by independent technical experts.

Intangible Assets

vi. Computer Softwares are amortised on straight line method @ 33.33% over a period of three years.

e. Impairment

Fixed Assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of fixed assets is determined. An impairment loss is recognised, whenever the carrying amounts of assets belonging to Cash Generating Unit (CGU) exceeds recoverable amount. The recoverable amount is the greater of assets net selling price or its value in use. In assessing the value in use, the estimated future cash flows from the use of assets are discounted to their present value at appropriate rate. An impairment loss is reversed if there has been change in the recoverable amount and such loss either no longer exists or has decreased. Impairment loss/reversal thereof is adjusted to the carrying value of the respective assets, which in case of CGU, are allocated to its assets on a prorata basis.

Schedule forming part of the Accounts

f. Investments

Long Term Investments are stated at cost, less provision for diminution in value other than temporary, if any. Current Investments are valued at cost or fair value whichever is lower.

g. Inventories

Inventories are valued at the lower of cost or estimated net realisable value. In respect of Raw Materials, Stores, Spare Parts, Fuel, Building and Packing Materials the cost includes the taxes and duties other than those recoverable from taxing authorities and other expenses incurred for procuring the same. In respect of Finished Goods and Work-in-Process the cost includes manufacturing expenses and appropriate portion of overheads. The cost of inventories is determined on the weighted average basis.

Own manufactured moulds used for the manufacture of glass items are recorded at weighted average cost, which includes prime cost, factory and general overheads and the same are classified as stores and spare parts under inventories.

h. Foreign Exchange Transactions and Derivatives

Transactions in foreign currencies are accounted for at the exchange rate prevailing on the date of the transaction. Foreign currency monetary assets and liabilities at the year-end are translated using closing exchange rates. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transaction during the year are recognised as income or expenses in the profit and loss account.

Exchange differences arising with respect to forward contracts other than those entered into, to hedge foreign currency risk on unexecuted firm commitments or of highly probable forecast transactions are recognised in the period in which they arise and the difference between the forwards rate and exchange rate at the date of transaction is recognised as income/expense over the life of the contract.

Keeping in view the announcement of "The Institute of Chartered Accountants of India" dated 29 March 2008 regarding accounting for derivatives, mark to market losses on all other derivatives contracts (other than forward contracts dealt as above) outstanding as at the year end, are recognised in the accounts.

i. Revenue Recognition

i) All Expenses and Income are accounted for on mercantile basis except otherwise stated.

ii) Income from Export Incentives, Insurance and other claims etc. is recognised on the basis of certainties as to its utilisation and related realisation.

iii) Sales are inclusive of Packing Charges and Excise Duty but exclusive of Value Added Tax, Rebates, Discounts and Claims etc.

j. CENVAT / Value Added Tax (VAT) Credit

Cenvat / VAT credit whenever availed on Fixed Assets is set off with the cost of the assets. Other Cenvat / VAT credit wherever availed is adjusted with the cost of purchases of Raw Material or Stores as the case may be.

k. Employee Benefits

Employee Benefits are accrued in the year services are rendered by the employees. The Company has Defined Contribution Plan for its employees comprising of Provident Fund and Pension Fund. The Company makes regular contribution to Provident Fund which are fully funded and administered by the Trustees / Government. The Company contributes to the Employees' Pension Scheme, 1995 for certain categories of employees. Contributions are recognised in the Profit and Loss account on accrual basis.

Long-term employee benefits under defined benefit plans and other long term employee benefits are determined at the close of each year at the present value of the amount payable using actuarial valuation techniques.

Actuarial gains and losses are recognised in the year when they arise.

Schedule forming part of the Accounts

l. Research and Development

Revenue Expenditure on Research and Development is charged to the Profit and Loss Account in the year in which it is incurred.

m. Subsidies and Grants

Cash Subsidy related to Fixed Assets to the extent received is adjusted to the cost of respective fixed assets. Subsidy related to the total investment in the project is treated as Capital Reserve. Other Government grants including incentives etc. are credited to Profit and Loss Account or deducted from the related expenses.

n. Borrowing Cost

Borrowing costs that are attributable to the acquisition/construction of Fixed Assets are capitalised as part of the cost of respective assets. Other borrowing costs are recognised as an expense in the year in which they are incurred.

o. Income Tax

Provision for Tax is made for current tax and deferred tax. Current tax is provided on the taxable income using the applicable tax rates and tax laws. Deferred tax assets and liabilities arising on account of timing difference, which are capable of reversal in subsequent periods are recognised using tax rates and tax laws, which have been enacted or substantively enacted. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets will be realised. In case of carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognised only if there is "virtual certainty" that such deferred tax assets can be realised against future taxable profits.

p. Lease

Where the Company is the lessee, finance leases which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item are capitalised at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalised.

Leases rentals in respect of assets taken under finance lease up to 31 March 2081 are amortised over the total term of the lease (including extended secondary lease term).

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the Profit and Loss Account on a straight-line basis over the lease term.

q. Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Assets are neither recognised nor disclosed in the financial statements. Contingent Liabilities, if material are disclosed by way of notes.

Schedule forming part of the Accounts

(Rs. in Lacs)

			2010-2011	2009-2010
2)	**Contingent liabilities not provided for**			
	a)	Outstanding Bank Guarantees/Letter of Credit	8,939.96	4,336.91
	b)	Guarantee furnished to a bank on behalf of an entity over which directors of the Company has significant influence.	3,600.00	3,600.00
	c)	Sales Tax matter under appeals	1,088.94	1,345.17
	d)	Excise Duty and Octroi demand issued against which the Company has preferred appeals and which in the opinion of the management are not tenable.	1,120.00	958.37
	e)	Cases pending with labour courts (to the extent ascertainable)	507.28	530.92
	f)	Claim for increased price of land acquired at Bahadurgarh by the then Punjab Government and given to the Company against which the claimants have preferred an appeal in the Supreme Court against the order of the High Court.	0.30	0.30
	g)	Other Claims against the Company not acknowledged as debt.	379.61	304.63
	h)	Disputed entry Tax for the Financial Year 2007-08, 2008-09 and 2009-10	248.22	167.37
	Notes :	On the basis of current status of individual cases and as per the legal advice obtained, wherever applicable the management is of the view that no provision is required in respect of these cases. Further Cash outflow in respect of item no. c) to i) as mentioned above is dependent upon outcome of final judgment/decision.		
3)	In respect of Neemrana Plant a notice has been received from Civil Court filed by the creditors of Haryana Sheet Glass Limited demanding their outstanding payments and stating that plant cannot be transferred unless their dues are paid. However the matter is under dispute/litigation.		-	-
4)	Capital commitments (Net of advance of Rs. 7,595.72 lacs previous year Rs. 563.55 lacs)		37,295.66	4,012.62
5)	Capital work in progress includes pre-operative expenses pending allocation.			
	a)	Salary and Wages	27.22	-
	b)	Contribution to Provident Fund	1.93	
	c)	Power and Fuel	-	82.96
	d)	Miscellaneous expenses	173.85	-
	e)	Interest on Term Loan	-	263.17
	f)	Fabrication/Erection Charges	125.21	-
	G)	Professional Fees	285.34	-
	h)	Stores & Spares Consumed	2,864.02	-
	i)	Payment to Contractors	1,468.24	-
	j)	Depreciation	0.50	-
	Add: Brought Forward from previous year		-	-
	Less: Capitalised during the year		1,226.55	346.13
	Total Carried Forward		3,719.76	Nil

Capital work in progress includes Rs. 7,595.72 lacs (Previous year Rs. 563.55 lacs) on account of advances and Rs. 2,969.64 lacs (Previous year Rs. 490.77 lacs) on account of equipments/materials procured

Schedule forming part of the Accounts

6. Fixed Assets at Nashik Plant are estimated to have lower residual lives than that envisaged as per the rates provided in Schedule XIV of the Companies Act, 1956. Depreciation has been provided based on the estimated shorter residual lives as follows:

(Rs. in Lacs)

Particulars of Fixed Assets	Rates as prescribed by Schedule XIV to the Companies Act, 1956	Rates of Depreciation on assets applied
Buildings (other than factory buildings)	1.63	2.04
Factory Buildings	3.34	5.21
Plant and Machinery		
Used for single shift operations	4.75	11.44
Continuous Process Plant	5.28	11.44
Used for Triple Shift operations	10.34	11.44
Furniture and Fixtures	6.33	17.37
Computers	16.21	17.95

				2010-2011	2009-2010
7)	**a)**	i)	Land and Buildings of Rishra and Bahadurgarh units were revalued by an approved valuer on 1 April 1992 and on 31 March 2006 on current replacement cost basis. Accordingly net amount transferred to Revaluation Reserve Account.	10,891.99	10,891.99
		ii)	Plant and Machinery of Rishra and Bahadurgarh units were revalued by an approved valuer on 1 April 1995 on current replacement cost basis. Accordingly, net amount transferred to Revaluation Reserve Account.	4,831.31	4,831.31
		iii)	Depreciation transferred from Revaluation Reserve Account to Profit and Loss Account.	286.52	289.50

b) (i) In terms of Scheme of Arrangement pursuant to the Order of Hon'ble High Court at Calcutta dated 7 April 2008 and by the Hon'ble High Court at Delhi dated 19 March 2008 (the Scheme) sanctioning the amalgamation of Ace Glass Containers Limited (AGCL) with the Company, 2141448 and 1368872 equity shares of the Company issued in lieu of the shares of AGCL held by the Company and shares of the Company held by AGCL were transferred to HNG Trust and Ace Trust respectively in earlier years.

(ii) These shares have been held for the benefit of the Company. Therefore proceeds of Rs.5592.95 Lacs arising on sale of 29,10,000 shares by the HNG Trust during the year being part of the shareholder's fund, based on experts' opinion have been credited to the Capital Reserve and the corresponding book value of beneficial interest in these shares have been adjusted from the said reserve. The remaining beneficial interest represented by 14641600 shares of the Company have been continued to be shown under investments at book value, as originally classified in terms of the Scheme.

Schedule forming part of the Accounts

(Rs. in Lacs)

			2010-2011	2009-2010
8)	Miscellaneous Expenses include			
	a)	Payment to Statutory Auditors:*		
		i) Audit Fees	10.50	6.50
		ii) Tax Audit Fees	4.18	1.50
		iii) Management Services and Certification work	8.93	2.68
		iv) Reimbursement of Expenses	1.15	0.21
	b)	Payment to Branch Auditors*		
		i) Audit Fees	9.00	5.00
		ii) Management Services and Certification work	1.31	3.21
		iii) Reimbursement of Expenses	1.64	0.29
		* excluding Service Tax		
	c)	Directors Travelling Expenses	43.46	31.25

			2010-2011	2009-2010
9)	Sundry Creditor include acceptances		2,297.27	228.80
10)	(a)	In respect of 14641600 Equity Shares held by HNG Trust and ACE Trust, the trustees had informed the Company of their decision to forego their rights to dividend on shares held by them for the year 2009-10 and accordingly dividend was not declared on these shares. Consequently, proposed dividend and dividend distribution tax amounting to Rs. 219.62 Lacs and Rs. 27.71 Lacs respectively has been written back during the year.		
	(b)	**Earnings per share**		
		Profit after Tax (Rs. in Lacs)	8,642.25	15,519.53
		Weighted Average Number of shares outstanding (Face Value per share Rs.2/-)	87338565	87338565
		Earnings per share (Basic) (Rs.)	9.90	17.77

			2010-2011	2009-2010
11)	**Computation of Net Profit in accordance with Section 198 of the Companies Act, 1956 and Commission payable to Directors**			
	Profit before tax as per Profit and Loss Account		11,978.82	18,304.53
	Less:	Profit on sale of fixed assets	81.37	245.68
		Provision for bad debts written back	142.85	137.60
		Profit on Sale of Current Investment	193.06	16.66
	Add:	Provision for bad and doubtful debts	199.48	86.15
		Loss on Sale/Discard of Fixed Assets	1,410.92	-
		Directors' Remuneration	696.15	413.24
		Executive Directors' Commission	6.52	9.60
		Non Executive Directors' Commission	7.42	7.00
		Total	**13,882.03**	**18,420.58**

Schedule forming part of the Accounts

(Rs. in Lacs)

		2010-2011	2009-2010
11)	**Computation of Net Profit in accordance with Section 198 of the Companies Act, 1956 and Commission payable to Directors (Contd.)**		
	Profit under Section 198 of the Companies Act, 1956.	13,882.03	18,420.58
	Commission Payable		
	a) To the Vice Chairman and Managing Director @ 1.50% of Net Profit Restricted to Annual Salary*	257.88	145.92
	b) To the Executive Director @ 0.50% of Net Profit restricted to Annual salary	6.52	9.60
	c) To the Non Executive Directors @1.00 % of Net Profit restricted to Rs. 1.00 lac per Director (Previous Year Rs. 1.00 lac per Director)	7.42	7.00

* Shri Sanjay Somany, Managing Director and Shri Mukul Somany, Joint Managing Director, both of them have been re-designated as Vice- Chairman and Managing Director w.e.f 1 October 2010

- The appointment and remuneration of Rs. 28.04 Lacs for the Executive Director is awaiting Shareholders approval at the ensuing Annual General Meeting.

		2010-2011	2009-2010
12)	**Directors' Remuneration include:**		
	i) Salaries	398.37	240.38
	ii) Contribution to Provident and Other Funds	32.57	19.82
	iii) Other Perquisites	7.33	7.12
	iv) Commission	271.82	162.52
		710.09	**429.84**

13) **Financial and Derivative Instruments:**

a) The Company had entered into certain derivative transactions in earlier years which are being disputed by the Company. However, in pursuance of announcement dated 29 March 2008 of "The Institute of Chartered Accountants of India" on "Accounting for derivatives" and as a matter of prudence the claims as crystallised as on the date of knock out intimation on such transaction and interest thereon amounting to Rs. 2827.18 Lacs (including Rs. 2,452.19 Lacs provided in the previous year) remains provided in these accounts.

The matters are subjudice and the Company has been legally advised that these contracts are void ab- initio.

		2010-2011	2009-2010
b)	Foreign currency exposure outstanding as on 31 March 2011 which has not been hedged by the derivative instruments:		
	Loans	558.94	1128.88
	Creditors	4,335.53	1,980.52
	Debtors	304.98	144.79
c)	The amount of Exchange Gain/(Loss) of Foreign Currency Transaction adjusted to respective heads of accounts of the Profit and Loss Account		
		39.37	**518.37**

Schedule forming part of the Accounts

(Rs. in Lacs)

			2010-2011	2009-2010
14)	a)	Electricity duty waiver benefit under State Incentive Schemes and subsidy received under State Incentive has been credited to Power and Fuel Account.	-	72.14
	b)	Interest subsidy towards Interest on Term Loan receivable under State Investment Promotion Policy has been adjusted with Interest on Term Loan paid.	95.40	76.18
	c)	Amount included in VAT Credit Inputs Account shown under Loans and Advances can be utilised only after repayment of corresponding amount of Sales Tax Deferred Loan.	515.23	515.23
	d)	Industrial Promotion Assistance received under State Incentive Scheme has been included under Other Income	346.69	-

		2010-2011	2009-2010
15)	The following expenses, incurred on manufactured Moulds have been netted from the respective heads of account in the Profit and Loss Account :		
		2010 - 2011	2009 - 2010
	Stores and spares parts consumed	659.76	754.48
	Power and Fuel	47.13	38.01
	Salaries, Wages, Bonus and others	265.05	116.77
	Repair and Maintenance-Machinery	8.19	4.99
	Repair and Maintenance - Others	2.17	34.99
	Miscellaneous expenses	47.55	12.90
	Total	**1,029.85**	**962.14**

			Opening as on 1 April 2010	(Charge)/ Credit during the year	Closing as at 31 March 2011
16)	a.	The break up of Deferred Tax Assets and Deferred Tax Liabilities is as given below:			
		Deferred Tax Assets			
		Brought Forward Losses and unabsorbed depreciation			
		Expenses Allowable on Payment Basis	744.81	144.76	889.57
		Provision for Loss on Derivative Transactions	833.51	136.97	970.48
		Provision for doubtful debts	29.28	293.64	322.92
		Total Deferred Tax Assets	1,607.60	575.37	2182.97
		Deferred Tax Liabilities			
		Depreciation	8,577.15	724.19	9301.34
		Total Deferred Tax Liabilities	8,577.15	**724.19**	**9301.34**
		Net Deferred Tax Liabilities	6,969.55	148.82	**7118.37**

b. In terms of Scheme of Amalgamation under section 391 to 394 of the Companies Act, 1956 as sanctioned by the Hon,ble High Court of Calcutta vide its Order dated 7 April 2008 and by Hon,ble High Court at Delhi vide its Order dated 19 March 2008, deferred tax liability of Rs.148.82 Lacs (previous year Rs.2792.84 Lacs) for the year has been adjusted to Share Premium Account.

c. The Company has provided for Minimum Alternate Tax (MAT). The Company is entitled to MAT Credit and accordingly based on evidences MAT Credit of Rs. NIL Lacs (previous year Rs. 365.00 Lacs) has been recognised in these accounts.

d. Provision for Income Tax has been made after considering the set off of unabsorbed depreciation and bought forward business loss of erstwhile Ace Glass Containers Limited merged with the Company with effect from 1 April 2006.

Schedule forming part of the Accounts

			Outstanding as on 31.03.2011	Maximum balance outstanding during the year
17)	**Disclosure pursuant to clause 32 of Listing Agreement**			
	1)	No interest or interest below the rates specified in section 372 A of Companies Act 1956*	16.07	
	2)	Repayment beyond seven years or no repayment schedule	-	
	3)	Repayment on Demand	-	
	4)	Loan to Associates	-	
	5)	Investment by Associates	-	

*Advance to employees pursuant to general business practice and employees welfare.-

18) The Company has incurred Rs. 12.83 Lacs (Previous year Rs. 11.98 Lacs) on account of Research and Development expenses which has been charged to Profit and Loss Account.

19) As per Accounting Standard 15 "Employee Benefits" (AS - 15), the disclosures of Employee benefits as defined in the Accounting Standard are given below:

Defined Contribution Scheme

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

(Rs. in Lacs)

	2010 - 11	2009 - 10
Employer's Contribution to Provident Fund	560.40	228.16
Employer's Contribution to Pension Fund	480.71	176.48
Employer's Contribution to Superannuation Fund	26.46	17.83

The guidance on implementing Accounting Standard - 15 (Revised 2005) on Employees Benefits issued by Accounting Standard Board (ASB) states that provident fund trustees set up by the employers which require the interest shortfall to be made by the employers needs to be treated as "Defined Benefit Plan". According to the management, in consultation to the actuary, it is not practical or feasible to actuarially value the Provident liability in the absence of any guidance from Actuarial Society of India and also due to the fact that the rate of interest as notified by the Government can vary annually. Accordingly, the Company is currently not in a position to provide other related disclosures as required by the AS - 15 read with ASB guidance. However, with regard to the position of the fund and confirmation to the Trustees of such fund there is no shortfall as at year-end.

Defined Benefit Plan

The employees' gratuity fund scheme managed by Insurer 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.

Schedule forming part of the Accounts

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

(Rs. in Lacs)

	Gratuity Funded			
	2010 - 11	2009 - 10	2008 - 09	2007 - 08
Liability at beginning of the year	765.49	726.27	619.29	527.51
Current Service Cost	195.67	57.90	53.44	46.77
Interest Cost	57.76	53.65	44.23	42.83
Actuarial (Gain) / Loss	116.11	39.05	68.53	49.51
Benefits paid	(87.07)	(111.38)	(59.21)	(47.33)
Liability at the end of the year	1,047.96	765.49	726.27	619.29

	Gratuity Unfunded			
	2010 - 11	2009 - 10	2008 - 09	2007 - 08
Liability at beginning of the year	834.50	717.61	726.88	588.57
Current Service Cost	112.99	77.99	66.83	52.57
Interest Cost	77.12	62.08	57.78	52.62
Actuarial (Gain) / Loss	157.29	1.81	(98.01)	59.43
Benefits paid	(88.40)	(24.99)	(35.86)	(26.31)
Liability at the end of the year	1,093.50	834.50	717.61	726.88

	Total Defined Benefit Obligations			
	2010 - 11	2009 - 10	2008 - 09	2007 - 08
Defined benefit obligation (funded) at the end of the year	1,047.96	765.49	726.27	619.29
Defined benefit obligation (unfunded) at the end of the year	1,093.50	834.50	717.61	726.88
Total Defined benefit obligation at the end of the year	2,141.46	1,599.99	1,443.88	1,346.17

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

	Gratuity Funded			
	2010 - 11	2009 - 10	2008 - 09	2007 - 08
Fair value of plan assets at the beginning of the year	684.53	592.24	597.37	537.70
Expected return on plan assets	54.76	47.38	47.79	43.02
Actuarial Gain / (Loss)	42.91	156.29	(34.53)	20.94
Employer contribution		0.00	40.82	43.05
Benefits paid	(87.07)	(111.38)	(59.21)	(47.33)
Fair value of plan assets at the end of the year	695.13	684.53	592.24	597.37
Actual return on plan assets	267.89	170.12	39.57	75.90

Schedule forming part of the Accounts

III. Expense recognised in the Income statement (Under the head "Contribution to provident and other funds" - Refer Schedule Q)

(Rs. in Lacs)

	Gratuity Funded			
	2010 - 11	2009 - 10	2008 - 09	2007 - 08
Current Service Cost	195.67	57.90	53.44	46.77
Interest Cost	57.76	53.65	44.23	42.83
Expected Return on plan assets	(54.76)	(47.38)	(47.79)	(43.02)
Net Actuarial (Gain) / Loss to be recognised	73.20	(117.24)	103.05	28.57
Expenses recognised in Profit and Loss account	271.87	(53.07)	152.93	75.15

	Gratuity Unfunded			
	2010 - 11	2009 - 10	2008 - 09	2007 - 08
Current Service Cost	112.99	77.99	66.83	52.57
Interest Cost	77.12	62.08	57.78	52.62
Expected Return on plan assets		0.00	Nil	Nil
Net Actuarial (Gain) / Loss to be recognised	157.29	1.81	(98.01)	59.43
Expenses recognised in Profit and Loss account	347.40	141.88	26.59	164.62

Iv. Balance Sheet Reconciliation

	Gratuity Funded			
	2010 - 11	2009 - 10	2008 - 09	2007 - 08
Present value of the defined benefit obligations at the end of the year	1,047.96	765.49	726.27	619.29
Fair value of the plan assets at the end of the year	695.13	(684.53)	(592.24)	(597.37)
Amount Recognised in Balance Sheet	352.83	80.96	134.03	21.92

	Gratuity Unfunded			
	2010 - 11	2009 - 10	2008 - 09	2007 - 08
Present value of the defined benefit obligations at the end of the year	1,093.50	834.50	717.61	726.88
Fair value of the plan assets at the end of the year		-	-	-
Amount Recognised in Balance Sheet	1,093.50	834.50	717.61	726.88

	Gratuity funded			
	2010 - 11	2009 - 10	2008 - 09	2007 - 08
Opening Net Liability	80.96	134.03	21.92	(10.18)
Expenses as above	271.87	(53.07)	152.93	75.15
Employers Contribution		0.00	(40.82)	(43.05)
Amount Recognised in Balance Sheet	352.83	80.96	134.03	21.92

Schedule forming part of the Accounts

	Gratuity Unfunded			
	2010 - 11	2009 - 10	2008 - 09	2007 - 08
Opening Net Liability	834.50	717.61	726.88	588.57
Expenses as above	347.40	141.88	26.59	164.62
Employers Contribution	88.40	(24.99)	(35.86)	(26.31)
Amount Recognised in Balance Sheet	1,093.50	834.50	717.61	726.88

V. Compensated Absences

The actuarial liability of Compensated Absences (Unfunded) of accumulated privileged leave of the employees of the Company as at 31.03.2011 is Rs. 342.17 Lacs (31 March 2010 - Rs. 233.92 Lacs).

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.

	Gratuity Funded			
	2010 - 11	2009 - 10	2008 - 09	2007 - 08
Mortality Table	LICI 1994-1996	LICI 1994-1996	LICI 1994-1996	LICI 1994-1996
Discount rate (per annum)	8.00 %	8.00 %	7.50 %	8.50 %
Expected rate of return on plan assets (per annum)	8.00 %	8.00 %	8.00 %	8.00 %
Rate of escalation in salary (per annum)	5.00 %	5.00 %	5.00 %	5.00 %

VII Principal Acdurial assumptions at the Balance Sheet date

	Gratuity Unfunded			
	2010 - 11	2009 - 10	2008 - 09	2007 - 08
Mortality Table	LICI 1994-1996	LICI 1994-1996	LICI 1994-1996	LICI 1994-1996
Discount rate (per annum)	8.00 %	8.00 %	8.00 %	7.50 %
Expected rate of return on plan assets (per annum)	-	-	-	-
Rate of escalation in salary (per annum)	5.00 %	5.00 %	5.00 %	5.00 %

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 2011-12 is yet to be determined.

20) 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 reportable segment, as per the Accounting Standard 17 on Segment Reporting, issued under Companies (Accounting Standards) Rules, 2006.

Geographical Segment

The following table shows the distribution of the Company's Sales by Geographical market.

Sales Revenue by Geographical Market (Rs. in Lacs)

Particulars	2010-2011	2009-2010
Domestic Market	160,559.62	137,320.72
Overseas Market	6,729.94	7,667.63
Total	**167,289.56**	**144,988.35**

Schedule forming part of the Accounts

The following table shows the distribution of the Company's Debtors by Geographical market.

Sundry Debtors by Geographical Market (Rs. in Lacs)

Particulars	2010-2011	2009-2010
Domestic Market	24,991.34	22,224.19
Overseas Market	565.35	480.58
Total	**25,556.69**	**22,704.77**

21) The accounts of some of the customers are pending reconciliation / confirmation and Sales Tax deferment loan of Rs.938.69 Lacs is subject to confirmation and the same have been taken as per the balances appearing in the books.

A provision of Rs.749.09 Lacs (Previous year Rs. 695.06 Lacs) is carried in the books against doubtful debts and the management is of the opinion that the same is adequate and no further provision is required there against.

22) In the opinion of the Management/Board of Directors, the "Current Assets Loans and Advances" have a realisable value on in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

23) Disclosure of "Sundry Creditors under Current Liabilities" 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). There are no delays in payment made to such suppliers. There is no overdue amount outstanding as at the balance sheet date. Based on above the relevant disclosures u/s 22 of the Act are as follows:

(Rs. in Lacs)

1.	Principal amount outstanding at the end of the year	55.79
	Interest amount due at the end of the year	-
	Interest paid to suppliers	-

24) Profit or loss on sale of Raw Materials and Stores has been adjusted in consumption.

25) Stores and Spare Parts consumption includes materials consumed for Repairs and Replacement.

26) Inventories of Stores and Spare Parts include items, which are lying with the Company. A provision of Rs. 685.15 Lacs (Previous year Rs. 706.27 Lacs) towards obsolescence is carried in the books and the management is of the opinion that the same is adequate and no further provision is required there against.

27) Related Party Disclosures as identified by the management in accordance with the Accounting Standard - 18.

A) Subsidiary Companies
- i) Glass Equipment (India) Limited
- ii) Quality Minerals Limited

B) Associate
- i) HNG Float Glass Limited

C) Directors and Relatives
- i) Shri Chandra Kumar Somany - Chairman and Non Executive Director (Relative of Key Management Personnel)
- ii) Shri Sanjay Somany - Vice Chairman and Managing Director and Key Management Personnel*
- iii) Shri Mukul Somany - Vice Chairman and Managing Director and Key Management Personnel*
- iv) Shri Rakesh Sharma - Executive Director and Key Management Personnel w.e.f. 1 March 2011
- v) Shri Ram Raj Soni - Executive Director and Key Management Personnel upto 30 September 2010

* Shri Sanjay Somany, Managing Director and Shri Mukul Somany, Joint Managing Director, both of them have been re-designated as Vice- Chairman and Managing Director w.e.f 1 October 2010

D) Enterprises over which any person described in [C (i) to (iv)] above is able to exercise significant influence and with whom the Company has transactions during the year.
- i) AMCL Machinery Limited
- ii) Ceramic Decorators Limited
- iii) Microwave Merchants Private Limited
- iv) Mould Equipment
- v) Mould Equipment Limited
- vi) Noble Enclave and Towers Private Limited
- vii) Somany Foam Limited
- viii) Rungamatte Trexim Private Limited
- ix) Topaz Commerce Limited

Schedule forming part of the Accounts

The aggregate amount of transactions with the related parties as mentioned in (A) above is as given hereunder:

(Rs. in Lacs)

	2010-2011	2009-2010
Sale of Goods		
Glass Equipment (I) Limited	20.96	13.99
Purchase of Goods		
Glass Equipment (I) Limited	1,205.25	604.19
Quality Minerals Limited	99.02	297.99
Sale of Fixed Assets		
Glass Equipment (I) Limited	0.02	52.06
Purchase of Fixed Assets		
Glass Equipment (I) Limited	1,582.20	3477.95
Receiving of Services		
Glass Equipment (I) Limited	23.17	12.00
Provision of Facilities		
Glass Equipment (I) Limited	22.06	20.00
Dividend Received		
Glass Equipment (I) Limited	52.80	26.40
Surety Taken		
Glass Equipment (I) Limited	50.00	50.00
Payables		
Glass Equipment (I) Limited	-	920.86
Quality Minerals Limited	-	59.77
Receivables		
Glass Equipment (I) Limited	359.19	-

The aggregate amount of transactions with the related party as mentioned in (B) above is as given hereunder:

	2010-2011	2009-2010
Sale of Goods	3.64	-
Purchase of Goods	0.02	5.80
Purchase of Assets	7.14	-
Purchase of DEPB License	30.55	-

The aggregate amount of transactions with the related party as mentioned in (C) above is as given hereunder:

Remuneration	2010 - 11	2009 - 10
1. Shri Sanjay Somany	334.46	176.56
2. Shri Mukul Somany	338.54	201.54
3. Shri Bharat Somany	-	0.21
4. Shri Rakesh Sharma	5.51	-
5. Shri R. R. Soni	24.16	44.74
Sale of Fixed Assets		
1. Shri Sanjay Somany	-	855.30

Schedule forming part of the Accounts

The aggregate amount of transactions with the related parties as mentioned in (D) above is as given hereunder:

(Rs. in Lacs)

	2010-2011	2009-2010
Sale of Goods		
Somany Foam Limited	-	5.72
Purchase of Goods		
Mould Equipment	7.60	17.80
Somany Foam Limited	1.88	8.47
Sale of Fixed Assets		
Mould Equipment	-	-
Somany Foam Limited	80.71	-
Receiving of Services		
Ceramic Decorators Limited	74.15	284.58
Mould Equipment Limited	5.19	-
Mould Equipment	182.38	106.98
Rent Received		
Mould Equipment	17.87	16.32
Interest Received		
Microwave Merchants Private Limited	-	12.01
Noble Enclave & Towers Private Limited	13.04	94.57
Topaz Commerce Limited	25.04	165.30
Rent Paid		
Noble Enclave & Towers Private Limited	1.20	-
Rungamattee Trexim Private Limited	0.60	-
Recovery of Expenses		
AMCL Machinery Limited	-	1.36
Refund of Loan given		
Noble Enclave & Towers Private Limited	614.16	-
Topaz Commerce Limited	1,166.24	-
Receivables	-	-
Noble Enclave & Towers Private Limited (for acquiring investments)	-	500.00
Share Application Money		
HNG Float Glass Limited	-	2,299.00
Investment in Shares	-	-
HNG Float Glass Limited	3,299.00	3,500.00
Purchase of Shares		
Noble Enclave & Towers Private Limited	500.00	-
Loans (including interest accrued net of recovery)		
Noble Enclave & Towers Private Limited *	-	614.16
Topaz Commerce Limited *	-	1,166.24
Payables		
Ceramic Decorators Limited	-	224.78
Mould Equipment	-	5.40
Corporate Guarantee given to bank		
AMCL Machinery Limited	3,600.00	3,600.00

Schedule forming part of the Accounts

28) Units of Bonds and Mutual Funds purchased and redeemed / sold during the year (Face value of Rs. 10 each, except otherwise stated), as current investments - other

(Rs. in Lacs)

		2010-2011		2009-2010	
Sl. No.	Name of Fund	No. of Units	Cost	No. of Units	Cost
1	Baroda Pioneer Liquid Fund- Institutional Growth Plan	35490143	3,806.44	-	-
2	Baroda Pioneer Treasury Advantage Fund- Institutional Growth Plan	18969656	2,000.31	-	-
3	Fidelity Cash Fund-Institutional -Growth	14810340	1,900.00	-	-
4	HDFC Cash Management Fund- Savings Plan- Growth	7712320	1,500.00	-	-
5	HDFC Cash Management Fund- Treasury Advantage Plan-Wholesale-Growth	7348161	1,500.20	-	-
6	HDFC Floating Rate Income Fund	-	-	8656194	1,300.19
7	IDFC Cash Fund-Inst Plan B - Growth	3530762	600.00	-	-
8	IDFC Cash Fund-Super Inst Plan C - Growth	34222937	4,000.66	-	-
9	IDFC -Money Manager Fund-Super Inst Plan C - Growth	36056872	4,100.80	-	-
10	JP Morgan India Liquid Fund-Super Inst. Growth Plan	21064880	2,551.72	-	-
11	JP Morgan India Treasury Fund-Super Inst. Growth Plan	12701111	1,550.25	-	-
12	Reliance Liquid Fund- Cash Plan- Growth Option- Growth Plan	23360025	3,650.00	-	-
13	Reliance Liquid Fund-Treasury Plan-Institutional Option-Growth Plan - Growth Option	19426134	4,400.00	-	-
14	Reliance Liquidity Fund-Growth Option	17918630	2,523.48	-	-
15	Reliance Money Manager Fund-Institutional Option-Growth Plan (FV 1000/-)	19426134	4,400.56	-	-
16	SBI Magnum Insta Cash Fund - Cash Option	1880265	400.00	31809348	5,800.00
17	SBI Premier Liquid Fund - Super Inst- Growth	109109690	1,6200.00	39884539	5,705.47
18	SBI SHF- Ultra Short Term Fund- Inst Plan Growth	79194968	9,615.77	-	-
19	UTI Liquid Cash Plan-Institutional - Growth Option (FV 1000/-)	64109	1,000.00	-	-
20	HDFC Cash Management Fund	-	-	7029848	1,300.00
	Total	**462287137**	**65,700.20**	**87379929**	**14,105.66**

29) a) 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 for Building. The lease term is 3 years for Vehicles, after which the legal title will pass on the Company. The lease has been recognised as an asset at the present value of the minimum lease payments. Minimum lease payments payable in future at the Balance Sheet date and their present value are as under. There is no escalation clause in the lease agreement for vehicles:

(Rs.in Lacs)

Particulars	Lease payments	Present value
Not later than one year	32.07	
Later than one year and not later than five year	55.21	
Later than five years		-

Schedule forming part of the Accounts

b) **Assets taken under operating leases:**

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

30) Details of Products Manufactured, Turnover, Stock, Raw Material Consumed etc.

(Rs. in Lacs)

a. Capacities and Actual Production (in MT):

		2010-2011		2009-2010	
		Installed Capacity	Actual Production	Installed Capacity	Actual Production
I.	Glass Plants				
a.	Glass Bottles and Vials	1030925	829374	1030925	785300
b.	Pressed Tumblers at Bahadurgarh	5000	-	5000	

Notes:

1. Installed Capacity and Actual Production has been given in M.T.
2. Licensed Capacity is not given as licensing has been abolished vide Press Note No.9 dated 2 August 1991 and Notification No. S.O.477 (E) dated 25 July 1991 issued by Government of India, Ministry of Industry and Department of Industrial Development. The installed capacity is as certified by the management.

b. Finished Goods Stocks and Sales: (Rs. in Lacs)

		2010-11			
	Units	**Sales**		**Stock**	
		Qty	**Value**	**Qty**	**Value**
Bottles	MT	842246	167,289.56	36641	6,239.64
Trading Goods - LUG Cups	Nos.	-	-	-	-
Total			**167,289.56**		**6,239.64**

		2009-10			
	Units	**Sales**		**Stock**	
		Qty	**Value**	**Qty**	**Value**
Bottles	MT	782584	144,976.67	49513	7,124.92
Trading Goods - LUG Cups	Nos.	489	11.68	-	-
Total			**144,988.35**		**7,124.92**

* Sales include breakages of bottles.

Schedule forming part of the Accounts

(Rs. in Lacs)

d. i) Raw materials consumed *

Item	Unit	2010-2011 Quantity	2010-2011 Value	2009-2010 Quantity	2009-2010 Value
Silica Sand	MT	402845	6,664.81	374526	5,503.00
Soda Ash	MT	139998	17,530.23	132740	18,117.42
Cullet	MT	257034	11,273.66	340930	10,840.62
Others	MT		5,444.26		3,877.28
TOTAL			**40,912.96**		**38,338.32**

* Excluding Rs. 96.48 Lacs (Previous Year Rs. 121.38 Lacs) being raw material processing charges and General Merchandise purchase amounting to Rs. NIL Lacs (Previous Year Rs. 7.66 Lacs)

ii) Value of Raw Materials, Spare Parts and Components consumed (As certified):

	2010-2011				2009-2010			
	Raw Materials		Spare Parts *		Raw Materials		Spare Parts *	
	Value	%	Value	%	Value	%	Value	%
Imported	8,822.40	21.56	1,332.16	17.91	8,617.24	22.49	845.10	13.95
Indigenous	32,090.56	78.44	61,06.85	82.09	29,721.08	77.51	5,215.11	86.05
Total	**40,912.96**	**100.00**	**7,439.01**	**100.00**	**38,338.32**	**100.00**	**6,060.211**	**100.00**

* Excluding Rs. 2,176.60 Lacs (Previous Year Rs. 1,061.87 Lacs) being Stores consumption.

		2010-2011	2009-2010
e	C.I.F. Value of Imports		
	Raw Materials	8,520.83	4,973.39
	Components, Spare Parts and Stores etc.	6,374.04	3,793.88
	Capital Goods (including CWIP)	4,394.97	6,660.03
f.	Expenditure in Foreign Currency		
	Travelling Expenses	68.79	42.65
	Selling Commission	30.97	98.30
	Finance Charges	9.91	20.11
	Repairs	34.94	92.90
	Professional / Technical Fees	52.00	36.76
	Others	-	1.05
g.	Earnings in Foreign Currency		
	F.O.B. Value of Exports	3,375.10	5,030.26

31) Figures for previous year have been regrouped and/or rearranged wherever considered necessary.

32) Schedule "A" to "L" and "S" form an integral part of Balance Sheet and Schedule "M" to "S" form an integral part of Profit and Loss Account.

As per our report of even date.
For **Lodha & Co.**
Chartered Accountants

H. K. Verma
Partner
May 21, 2011

Mukul Somany
Vice Chairman and
Managing Director

Priya Ranjan
Company Secretary

Sanjay Somany
Vice Chairman and
Managing Director

Laxmi Narayan Mandhana
Sr. Vice President and
Chief Financial Officer

Balance Sheet Abstract

Statement pursuant to Part IV of Schedule VI to the Companies Act, 1956

Balance Sheet Abstract and the Company's General Business Profile

I Registration Details

Registration No.	:	21-13294	State Code	:	21
CIN No.		L26109WB1946PLC013294			
Balance Sheet Date	:	31-03-2011 (Date, Month, Year)			

II. Capital Raised During the year (amount in Rs.' 000)

Public Issue	:	NIL	Right Issue	:	NIL
Bonus Issue	:	NIL	Private Placement	:	NIL

III Position of Mobilisation and Deployment of Funds (amount in Rs.' 000)

Total Liabilities	:	21464332	Total Assets	:	21464332
Sources of Funds					
Paid-up Capital	:	17467	Reserves and Surplus	:	11486818
Secured Loans	:	6234296	Unsecured Loans	:	161055
Deffered Tax Liabilities	:	711837			
Application of Funds					
Net Fixed Assets	:	13845431	Investments	:	1775398
Net Current Assets	:	3147854	Miscellaneous Expenditure	:	NIL
Accumulated Loss	:	NIL			

IV. Performance Of Company (amount in Rs.' 000)

Net Income	:	15434064	Total Expenditure	:	14327248
Profit / Loss Before Tax	:	1197882	Profit / Loss After Tax	:	864225
Earning per share in Rs.	:	9.90	Dividend %	:	75.00

* includes other income

V. Generic Names of Three Principal Products/Services of the Company (as per monetary terms)

Item Code No. (ITC code)	:	701090-01	Product Description	:	GLASS BOTTLES
Item Code No. (ITC code)	:	701300-00	Product Description	:	GLASS WARE

Mukul Somany
Vice Chairman and
Managing Director

Sanjay Somany
Vice Chairman and
Managing Director

Priya Ranjan
Company Secretary

Laxmi Narayan Mandhana
Sr. Vice President and
Chief Financial Officer

Kolkata
May 21, 2011

Statement Regarding Subsidiary Companies Pursuant to Section 212 of Companies Act, 1956

1.	Name of the Subsidiary Company	Glass Equipment (India) Ltd.	Quality Minerals Ltd.
2.	The Financial Year of the Subsidiary Company.	Year ended on 31 March 2011	Year ended on 31 March 2011
3.	Holding Company's interest	Entire Subscribed Capital comprising of 26,400 Equity Shares of Rs. 100/- each.	9,384 Equity Shares of Rs. 100/- each out of the Subscribed and paid up Capital of 9,410 Equity Shares of Rs. 100/-each.
4	Extent of holding	100%	99.72%
5	Net Profit of the Subsidiary	Rs. 17,975,984/-	Rs. 1,416,629/-
6	For the financial year of the Subsidiary		
	A] Profits/(Losses) so far as it concerns the members of the Holding Company and not dealt with in the Holding Company's accounts.	Rs. 17,975,984/-	Rs. 1,412,662/-
	B] Profits/(Losses) so far as it concerns the members of the Holding Company and dealt with in the Holding Company's accounts.	Rs. 2,640,000/-	Nil
7	For previous financial years since it become a Subsidiary.		
	A] Profits/(Losses) so far as it concerns the members of the Holding Company and not dealt with in the Holding Company's accounts.	Rs. 200,885,811/-	Rs. 17,414,505/-
	B] Profits/(Losses) so far as it concerns the members of the Holding Company and dealt with in the Holding Company's accounts.	Rs. 15,534,263/-	Nil

Mukul Somany
Vice Chairman and
Managing Director

Sanjay Somany
Vice Chairman and
Managing Director

Priya Ranjan
Company Secretary

Laxmi Narayan Mandhana
Sr. Vice President and
Chief Financial Officer

Kolkata
May 21, 2011

Statement Pursuant to Exemption received under Section 212(8) of the Companies Act, 1956 relating to Subsidiary Companies for the financial year ended on 31.03.2011

(Rs. in Lacs)

Sl. No.	Particulars	Name of the Subsidiary: Glass Equipment (India) Limited 2010 - 2011	Glass Equipment (India) Limited 2009 - 2010	Quality Minerals Limited 2010 - 2011	Quality Minerals Limited 2009 - 2010
a	Issued & Subscribed Capital	26.40	26.40	9.41	9.41
b	Reserves	2,650.41	2,540.51	188.45	174.28
c	Total Assets	3,889.23	3,565.38	204.96	220.66
d	Total Liabilities	3,889.23	3,565.38	204.96	220.66
e	Investment (other than investment in subsidiary)	-	0.27	-	1.20
f	Turnover (Gross of Excise duty)	2,690.15	3,958.89	95.67	288.54
g	Profit before Tax	285.00	850.89	20.56	43.21
h	Provision for Taxation	105.24	295.06	6.39	13.66
i	Profit after Taxation	179.76	555.83	14.17	29.55
j	Proposed dividend (including Dividend Distribution Tax)	30.68	61.57	-	-

Consolidated Auditors' Report

To the Members

1. We have examined the attached Consolidated Balance Sheet of Hindusthan National Glass & Industries Limited ("the Company") and its subsidiaries and associate as at 31st March 2011, the Consolidated Profit and Loss Account and also the Consolidated Cash Flow Statement for the year then ended on that date, annexed hereto. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material mis-statements. An audit includes, examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

3. We did not audit the financial statements of subsidiary company Quality Minerals Limited for the year ended 31st March, 2011 whose financial statements reflect total assets of Rs. 204.96 lacs as at 31st March, 2011 and total revenues of Rs. 104.60 lacs and cash flows amounting to Rs (9.98) lacs for the year ended as on 31st March, 2011. These financial statements have been audited by other auditors whose report has been furnished to us, and in our opinion, insofar as it relates to the amounts included in respect of the subsidiaries, is based solely on the report of the other auditors.

4. We did not audit the financial statements of associate company HNG Float Glass Limited for the year ended 31st March, 2011 whose financial statements reflect total assets of Rs. 71365.02 lacs as at 31st March 2011 and total revenues of Rs. 27827.81 lacs and cash flows amounting to Rs. (103.90) lacs for the year ended as on 31st March, 2011. These financial statements have been audited by other auditor whose report has been furnished to us, and in our opinion, insofar as it relates to the amounts included in respect of the associate, is based solely on the report of the other auditor.

5. Further subject to Para 3 and 4 above, we report that:

   (i) the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 "Consolidated Financial Statements", Accounting Standard 23 "Accounting for Investment in Associates in Consolidated Financial Statements", and on the basis of the individual financial statements of the Company and its Subsidiary Companies and associate included in the consolidated financial statements.

   (ii) In our opinion, based on our audit and the report of other auditors, the Consolidated Financial Statements referred to above give a true and fair view of the financial position of the Company and its subsidiary companies and associate as at 31st March, 2011 and of the results of their operations for the year then ended in conformity with the accounting principles generally accepted in India:

      (a) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Company and its subsidiary companies and associate as at 31st March, 2011;

      (b) in the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of the Company and its subsidiary companies and associate for the year then ended on that date ; and

      (c) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Company and its subsidiary companies and associate for the year then ended on that date.

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

H. K. Verma
Partner
Membership No: 55104

Place: Kolkata
Date: 21st May 2011

Consolidated Balance Sheet as at 31 March, 2011

(Rs. in Lacs)

	Schedules	as at 31.03.2011	as at 31.03.2010
Sources of Funds			
SHAREHOLDERS' FUNDS			
Share Capital	A	1,746.77	1,746.77
Reserves and Surplus	B	113,208.11	103,704.56
		114,954.88	105,451.33
LOAN FUNDS			
Secured Loans	C	62,441.15	54,953.80
Unsecured Loans	D	1,610.55	1,710.65
		64,051.70	56,664.45
MINORITY INTEREST		0.55	-
Deferred Tax Liabilities (Net)		7,110.20	6,998.67
Total		**186,117.33**	**169,114.45**
Application of Funds			
FIXED ASSETS	E		
Gross Block		177,816.96	166,998.64
Less : Accumulated Depreciation		63,014.16	55,943.22
Net Block		114,802.80	111,055.42
CAPITAL WORK IN PROGRESS		22,422.66	2,746.82
INVESTMENTS	F	14,728.11	14,461.55
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	G	23,257.44	22,233.31
Sundry Debtors	H	24,807.60	22,009.71
Cash and Bank Balances	I	493.61	573.47
Loans and Advances and Other Current Assets	J	13,276.83	23,210.59
		61,835.48	**68,027.08**
LESS: CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	K	21,584.87	16,791.37
Provisions	L	6,086.85	10,385.05
		27,671.72	27,176.42
NET CURRENT ASSETS		**34,163.76**	**40,850.66**
TOTAL		**186,117.33**	**169,114.45**
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	S		

The schedules referred to above form an integral part of Balance Sheet

As per our report of even date.
For **Lodha & Co.**
Chartered Accountants

H. K. Verma
Partner
May 21, 2011

Mukul Somany
Vice Chairman and
Managing Director

Priya Ranjan
Company Secretary

Sanjay Somany
Vice Chairman and
Managing Director

Laxmi Narayan Mandhana
Sr. Vice President and
Chief Financial Officer

Consolidated Profit & Loss Accounts for the year ended 31 March, 2011

(Rs. in Lacs)

	Schedules	Year ended 31.03.2011	Year ended 31.03.2010
Income			
Sales (Gross)	M	168,543.07	147,642.68
Less: Excise Duty		13,190.76	9,298.18
		155,352.31	138,344.50
Other Income	N	1,801.74	3,465.70
Increase / (Decrease) in Stock	O	(370.76)	144.07
		156,783.29	141,954.27
Expenditure			
Materials	P	42,551.75	40,085.74
Manufacturing and Other Expenses	Q	86,927.74	69,941.90
		129,479.49	110,027.64
PROFIT BEFORE DEPRECIATION, INTEREST AND TAX		27,303.80	31,926.63
Depreciation	E	10,407.86	9,026.54
Transferred from Revaluation Reserves		(323.99)	(332.80)
		10,083.87	8,693.74
Interest and Finance Expenses	R	5,114.99	4,723.39
		15,198.86	13,417.13
PROFIT BEFORE TAX		**12,104.94**	**18,509.50**
Less: Provision for Income Tax			
Current Tax		3,492.00	309.97
Minimum Alternate Tax		3,150.00	
Less: MAT Credit Entitlement		(365.00)	2,785.00
Deferred Tax		(37.29)	(1.39)
Income Tax for Earlier Years/(written back)		0.93	-
Fringe Benefit Tax for Earlier Years/(written back)		(7.55)	-
PROFIT AFTER TAX		8,656.85	15,415.92
Add: Share of Profit/(Loss) in Associate for the year		(1,832.00)	-
Add: Share of Profit/(Loss) in Associate for 2009-10		(947.01)	-
NET PROFIT BEFORE MINORITY INTEREST		**5,877.84**	**15,415.92**
- Concern Share		5,877.78	15,416.65
- Minority		0.06	(0.73)
Add: Balance Brought forward from last year		2,736.03	1,945.12
Add: Provision for Proposed Dividend including Dividend Distribution Tax written back - Forego of right to receive Dividend by HNG Trust and ACE Trust (Refer Note 10(a) of Schedule S)		247.33	-
AMOUNT AVAILABLE FOR APPROPRIATION		**8,861.20**	**17,361.77**
Appropriations			
General Reserve		5,390.00	11,174.77
Debenture Redemption Reserve		-	1,875.00
Proposed Dividend on Equity Shares		1,336.48	1,362.88
Tax (Including Cess) on Proposed Dividend		212.52	213.09
Balance Carried to the Balance Sheet		1,922.20	2,736.03
		8,861.20	17,361.77
Basis and Diluted Earning per Share (In Rs.) (Refer Note No. 10 (b) of Schedule 'S')		6.73	17.65
Significant Accounting Policies and Notes on Accounts	S		

The schedules referred to above form an integral part of Profit & Loss Accounts.

As per our report of even date.
For **Lodha & Co.**
Chartered Accountants

H. K. Verma
Partner
May 21, 2011

Mukul Somany
Vice Chairman and
Managing Director

Priya Ranjan
Company Secretary

Sanjay Somany
Vice Chairman and
Managing Director

Laxmi Narayan Mandhana
Sr. Vice President and
Chief Financial Officer

Cash Flow Statement

(Rs. in Lacs)

		2010-11	2009-10
A.	**Cash Flow From Operating Activities :**		
	Net Profit Before Tax and extraordinary items	12,104.94	18,509.51
	ADJUSTMENTS TO RECONCILE PROFIT BEFORE TAX TO CASH PROVIDED BY OPERATING ACTIVITIES.		
	Depreciation	10,083.87	8,693.74
	Interest Expenses	5,114.99	4,723.38
	Realised Foreign Exchange Loss/(Gain) on Term Loans (Net)	(0.50)	5.73
	Provision for Loss on Derivative Transactions	469.38	305.20
	Bad Debts and Provision for Doubtful Debts	57.09	(38.84)
	Dividend Income	(53.39)	(202.51)
	Interest income	(291.69)	(615.84)
	Liability/Provision no longer required written back	(147.76)	(225.86)
	(Profit) / Loss on sale of Fixed Assets (Net)	1,331.40	(250.59)
	(Profit) / Loss on sale of Current Investments (Net)	(193.13)	(16.66)
	Unrealised Foreign Exchange Loss/(Gain) (Net)	30.54	(481.78)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**28,505.75**	**30,405.48**
	CHANGES IN CURRENT ASSETS AND LIABILITIES		
	Loans and Advances	3,645.23	2,154.45
	Trade and other Receivables	(2,854.49)	733.00
	Inventories	(1,024.13)	551.10
	Trade and other Payables	3,493.29	(3,329.06)
	NET CASH GENERATED BY OPERATING ACTIVITIES	**31,765.65**	**30,514.97**
	ADJUSTMENTS FOR :		
	Direct Taxes Paid	(4,124.68)	(1,926.82)
	Fringe Benefit Tax Paid	1.12	(2.57)
	NET CASH FROM OPERATING ACTIVITIES	**27,642.09**	**28,585.58**
B.	**Cash Flow From Investing Activities**		
	Purchase of Fixed Assets and Changes in Capital Work in Progress	(32,237.99)	(24,247.94)
	Proceeds on Disposal of Fixed Assets	241.43	1,035.87
	Purchase of Long Term Investments	(3,798.82)	(3,500.00)
	Purchase of Current Investments	(65,700.21)	(14,855.66)
	Sale of Long Term Investments	5,596.20	
	Sale of Current Investments	66,643.34	14,123.84
	Advances for acquiring equity shares		(2,799.00)
	Dividend received	53.39	202.51
	Interest received	600.13	645.48
	NET CASH USED IN INVESTING ACTIVITIES	**(28,602.54)**	**(29,394.90)**

Cash Flow Statement for the Year ended 31 March 2011 (Contd.)

(Rs. in Lacs)

		2010-11	2009-10
C.	**Cash Flow From Financing Activities:**		
	Proceeds/(Repayment) from long term borrowing (Net)	2,757.11	5,046.29
	Proceeds/(Repayment) from short term borrowing (Net)	4,549.42	801.62
	Dividend paid including Corporate Dividend Tax	(1,332.35)	(1,047.76)
	Interest paid	(5,093.60)	(4,593.10)
	NET CASH FROM FINANCING ACTIVITIES	**880.58**	**207.05**
	NET CHANGES IN CASH AND CASH EQUIVALENTS	**(79.86)**	**(602.27)**
	Opening Cash And Cash Equivalents	573.47	1,175.74
	Cash And Cash Equivalents At The End Of The Year	493.61	573.47
	(represents Cash in Hand and Bank balances)		

Note: 1. The above Cash Flow Statement has been prepared under the " Indirect Method" as set out in the Accounting Standard 3 (AS-3) - Cash Flow Statements issued by "The Institute of Chartered Accountants of India".

2. Figures in brackets represent outflows.

3. Previous Year's figures have been regrouped wherever necessary to conform to the Current Year.

As per our report of even date.
For **Lodha & Co.**
Chartered Accountants

H. K. Verma
Partner
May 21, 2011

Mukul Somany
Vice Chairman and
Managing Director

Priya Ranjan
Company Secretary

Sanjay Somany
Vice Chairman and
Managing Director

Laxmi Narayan Mandhana
Sr. Vice President and
Chief Financial Officer

Schedule forming part of the Consolidated Accounts

(Rs. in Lacs)

	as at 31.03.2011	as at 31.03.2010
Schedule A		
SHARE CAPITAL		
Authorised		
2,55,75,00,000 Equity Shares of Rs. 2/- each (Previous Year 2,55,75,00,000 Shares of Rs 2/- each)	51,150.00	51,150.00
	51,150.00	**51,150.00**
Issued, Subscribed and Paid - up		
87338565 Equity Shares of Rs.2/- each fully paid up (Previous Year 87338565 Equity Shares of Rs.2/- each fully paid up) of which 29051800 Equity Shares of Rs.2/- each (Previous Year 29051800 Equity Shares of Rs.2/- each) were allotted as fully paid up Bonus Shares by capitalisation of General Reserve and 32121725 Equity Shares of Rs. 2/- each (Previous Year 32121725 Equity Shares of Rs. 2/- each) issued as fully paid up pursuant to a scheme of amalgamation and arrangement for consideration other than cash.	1,746.77	1,746.77
	1,746.77	**1,746.77**

		as at 31.03.2011		as at 31.03.2010
Schedule B				
RESERVES AND SURPLUS				
Capital Reserve On Consolidation		2.90		2.90
Investment Allowance Reserve	0.57			0.57
As per last Balance Sheet	0.57	-		
Add: Transfer to General Reserve				
Debenture Redemption Reserve				
As per last Balance Sheet	3,125.00		1,250.00	
Add: Transfer from Profit and Loss Account	0.00	3,125.00	1,875.00	3,125.00
General Reserve				
As per last Balance Sheet	79,148.55		67,974.29	
Add: Transfer from Profit and Loss Account	5,390.00		11,174.77	
Add: Transfer from Investment Allowance Reserve	0.57		-	
Less: Minority Interest	(-)	84,539.12	(0.51)	79,148.55
Capital Reserve				-
(Refer Note 7(b) of Schedule S)		5,592.95		
Revaluation Reserve				
As per last Balance Sheet	10,299.69		10,796.16	
Less: Transfer to Profit and Loss Account	(323.99)		(332.80)	
Less: Adjustments on discarding / Sale of Assets	(192.76)	9,782.94	(163.67)	10,299.69
Share Premium				
As per last Balance Sheet	8,391.82		11,184.66	
Less: Deferred Tax Liability	(148.82)	8,243.00	(2,792.84)	8,391.82
Profit and Loss Account				
Surplus as per Profit and Loss Account		1,922.20		2,736.03
		113,208.11		**103,704.56**

Schedule forming part of the Consolidated Accounts

(Rs. in Lacs)

		Notes	as at 31.03.2011	as at 31.03.2010
Schedule C				
SECURED LOANS		1		
I)	**Non Convertible Debentures**			
	(a) 12.75% Redeemble Non Convertible Debentures privately placed with Life Insurance Corporation of India		10,000.00	10,000.00
	(b) 10.75% Redeemble Non Convertible Debentures privately placed with General Insurance Corporation of India		2,500.00	2,500.00
II)	**Rupee Term Loans**	2		
	From Financial Institution		2,187.50	3,643.06
	From Banks		15,661.90	20,023.00
III)	**Foreign currency Loans**	2		
	From Bank		9,472.23	1,128.88
IV)	**Working Capital Loans from Banks**	3	21,322.34	16,716.46
V)	**Loans under Vehicle Finance Scheme**	4		
	From Banks		1,008.73	740.75
	From Others		145.53	102.37
VI)	**Interest Accrued and Due**		142.92	99.28
			62,441.15	54,953.80

1) 12.75% Secured Non Convertible Debentures amounting to Rs. 100 crores, privately placed (alloted on 22.12.2008) and 10.75% Secured Non Convertible Debentures amounting to Rs. 25 crores, privately placed (alloted on 18.06.2009) are due for redemption at par in three equal installments at the end of 5th, 6th and 7th year from the date of allotment at par at the end of 3rd year from the date of allotment i.e., from 21.12.2011 and 17.06.2012 respectively. However, there is a put and call option available to the issuer / investor which can be exercised at the end of three year from the date of allotment. These debentures are secured by first charge ranking pari-passu with other first charges created on all immovable properties by way of equitable mortgage and hypothecation of all moveable properties both present and future of the Company, save and except specific assets exclusively hypothecated in favour of respective lenders.

2) The loans are secured by first charge ranking pari-passu with other first charges created on all immovable properties by way of equitable mortgage and hypothecation of all moveable properties both present and future of the Company, save and except specific assets exclusively hypothecated in favour of respective lenders.

3) These are secured by hypothecation of inventories (both present and future) and book debts and second charge on all immoveables, moveable properties including land and building in favour of consortium bankers led by State Bank of India.

4) These are secured by hypothecation of the vehicles financed in favour of respective lenders.

Schedule D			
UNSECURED LOANS			
I)	Sales Tax Deferment Loan	1,610.55	1,610.55
II)	Trade Deposits	-	100.10
		1,610.55	**1,710.65**

Schedule forming part of the Consolidated Accounts

Fixed Assets
Schedule E

(Rs. in Lacs)

Sl. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Book Value at 01.04.2010	Additions	Deductions/ Adjustments	Book Value at 31.03.2011	Upto 31.03.2010	For the Year	Deductions/ Adjustments	Upto 31.03.2011	As on Adjustments	As on 31.03.2010
Tangible											
1	Land	13,543.82	60.80	2.55	13,602.07	5.60	-	-	5.60	13,596.47	13,538.22
2	Leasehold Land	2,048.36	57.04	-	2,105.40	36.84	25.40	-	62.24	2,043.16	2,011.52
3	Buildings	14,940.43	2,153.63	328.50	16,765.56	3,351.36	568.08	106.41	3,813.03	12,952.53	11,589.07
4	Leasehold Buildings	9.18	-	-	9.18	0.48	0.15	-	0.63	8.55	8.70
5	Plant and Machinery	1,32,490.40	12,241.14	4,671.91	1,40,059.63	51,220.81	9,240.97	3,162.22	57,299.56	82,760.07	81,269.59
6	Furniture and Fixtures	345.68	72.54	5.36	412.86	181.59	20.10	3.85	197.84	215.02	164.09
7	Office and Other Equipments	422.16	122.80	2.03	542.93	190.67	36.51	1.27	225.91	317.02	231.49
8	Vehicles	2,549.72	1,033.79	81.66	3,501.85	696.32	296.10	53.81	938.61	2,563.24	1,853.40
Intangible											
9	Computer Software	648.89	179.59	11.00	817.48	259.55	221.05	9.86	470.74	346.74	389.34
	Total	166,998.64	15,921.33	5,103.01	1,77,816.96	55,943.22	10,408.36	3,337.42	63,014.16	1,14,802.80	1,11,055.42
	Previous Year	1,39,393.60	30,190.15	2,585.11	1,66,998.64	48,553.01	9,026.53	1,636.32	55,943.22	1,11,055.42	

Notes:

a) Depreciation for the year includes Rs. 0.50 lacs (Previous Year Rs. NIL) transferred to Pre-Operative Expenses (pending allocation)

b) Additions to Building includes Rs. 1144.89 lacs 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.

(Rs. in Lacs)

	Face Value Rs.	Nos	as at 31.03.2011	as at 31.03.2010
Schedule F				
INVESTMENTS				
I) Long Term				
Unquoted				
Trade				
Fully Paid-up Equity Shares				
Capexil Agencies Limted	1000	5	0.05	0.05
Ceramic Decorators Limited	10	7	0.00#	0.00
# (Rs. 70)				
Associate Company				
Fully Paid-up Equity Shares				
HNG Float Glass Limited at Original Cost (including Rs. 835.76 Lacs (Previous Year Rs. 281.85 Lacs) of Goodwill arising on acquisition as per Equity Method)	10	115000000	7,519.34	4,201.00
[37990000 Equity Shares (P.Y 35000000 Equity Shares) acquired during the year]			3,799.00	3,500.00
Add: Share of Profit/(Losses) upto March 2009			-	(181.66)
Add: Share of Profit/(Losses) for the year 2009-10			(947.01)	-
Add: Share of Profit/(Losses) for the year 2010-11			(1,832.00)	-
			8,539.33	7,519.34

Schedule forming part of the Consolidated Accounts

(Rs. in Lacs)

	Face Value Rs.	Nos	as at 31.03.2011	as at 31.03.2010
Schedule F (Contd.)				
Other Than Trade				
Fully Paid-up Equity Shares				
Brabourne Commerce Pvt. Limited*	10	100	0.09	0.27
*(100 Shares purchased during the year (Previous Year :Received 402 shares of Brabourne Commerce Private Limited in lieu of 134 Shares of HNG International Limited pursuant to Scheme of Amalgamation)				
The Calcutta Stock Exchange Association Limited	1	8,364	167.28	167.28
Beneficial Interest In Shares Held In ACE Trust			6,009.35	6,009.35
Beneficial Interest In Shares Held In HNG Trust			5.50	7.55
Surendra Khanij Pvt. Ltd.			-	1.20
GOVERNMENT SECURITIES				
Deposited with Government Authorities*				
(a) 12 Years National Savings Certificate			0.01	0.01
(b) 7 Years National Savings Certificate			0.01	0.01
(c) 6 Years National Savings Certificate			6.49	6.49
II) Current				
Other Than Trade				
UNQUOTED				
In Units of Mutual Funds (sold during the year)				
Baroda Pioneer Treasury Advantage Fund			-	500.00
Reliance Liquid Fund - Cash Plan - Growth Option - Growth Plan			-	250.00
			14,728.11	**14,461.55**
* Rs 1.07 lacs since matured but not encashed				
Aggregate Book Value of Unquoted Investments			**14,728.11**	**14,461.55**

(Rs. in Lacs)

Schedule G		
INVENTORIES		
(As valued and certified by the Management)		
Raw Materials (Including in transit Rs. 407.75 lacs, previous year Rs. Nil)	6,069.68	4,521.96
Stores and Spare Parts		
(Including in transit Rs. 99.81 lacs, previous year Rs. 167.67 lacs)	8,634.34	8,918.52
Packing Materials	945.55	860.47
Stock in Process	910.10	559.37
Finished Goods	6,697.77	7,372.99
	23,257.44	**22,233.31**

Schedule forming part of the Consolidated Accounts

(Rs. in Lacs)

	as at 31.03.2011	as at 31.03.2010
Schedule H		
SUNDRY DEBTORS		
(Unsecured, Considered Good unless otherwise stated)		
Debts due for a period exceeding six months		
Considered Good	652.73	918.60
Considered Doubtful	749.09	695.06
	1,401.82	1,613.66
Less: Provision for Doubtful Debts	749.09	695.06
	652.73	918.60
Other Debts	24,154.87	21,091.11
	24,807.60	**22,009.71**

	as at 31.03.2011	as at 31.03.2010
Schedule I		
CASH AND BANK BALANCES		
Cash Balance on Hand	21.52	18.28
Cheques in Hand	60.97	1.01
Balances with Scheduled Banks		
in Current Accounts	352.81	518.14
in Fixed Deposit Accounts*	56.74	35.25
in Dividend Accounts	1.56	0.78
Balances with Post Office in Saving Bank Account	0.01	0.01
* (Receipts pledged with the banks and government authorities)	**493.61**	**573.47**

(Rs. in Lacs)

	as at 31.03.2011	as at 31.03.2010
Schedule J		
LOANS AND ADVANCES AND OTHER CURRENT ASSETS		
Loans and Advances (Unsecured Considered Good)		
Loans to Bodies Corporate	85.00	4,816.50
Advances recoverable in cash or in kind or for value to be received	4,816.24	5,398.52
(Net of Advances considered doubtful and provided for Rs. 223.05 lacs, previous year Rs. 231.52 lacs)		
VAT Credit (Inputs) Account	639.66	622.33
Advance Income Tax	2,977.92	6,871.78
Tax Deducted at Source	22.74	402.92
Income Tax Refundable	370.69	60.00

Schedule forming part of the Consolidated Accounts

(Rs. in Lacs)

	as at 31.03.2011	as at 31.03.2010
Schedule J (Conted.)		
Fringe Benefit Tax Refundable	1.13	-
Advance Fringe Benefit Tax	-	85.01
MAT Credit Entitlement	1,137.57	2,087.57
Deposits and balances with Government Authorities and Other Departments	3,089.96	2,513.22
Other Deposit	-	20.10
	13,140.91	22,877.95
OTHER CURRENT ASSETS		
Interest Recievable	17.01	325.47
Fixed Assets held for disposal (at lower of net book value or estimated net realisable value)	118.91	7.17
	13,276.83	**23,210.59**

	as at 31.03.2011	as at 31.03.2010
Schedule k		
CURRENT LIABILITIES		
Sundry Creditors		
Dues to Micro, Small and Medium Enterprises	55.79	39.07
Others for Capital Items	3,806.39	2,399.14
Others for Goods & Services	15,938.91	12,913.41
Interest accrued but not due on loans	606.31	584.92
Other Liabilities	894.49	691.53
Commission to Directors	281.42	162.52
Unpaid Dividend *	1.56	0.78
* This is not due for payment to Investor Education and Protection Fund.	**21,584.87**	**16,791.37**

	as at 31.03.2011	as at 31.03.2010
Schedule L		
PROVISIONS		
For Taxation	2,599.45	7,135.69
For Wealth Tax	6.11	3.83
For Fringe Benefit Tax	-	91.44
For Gratuity and Unavailed Leave	1,932.28	1,573.63
For Proposed Dividend	1,336.48	1,362.88
For Tax on Proposed Dividend	212.53	217.58
	6,086.85	**10,385.05**

Schedule forming part of the Consolidated Accounts

(Rs. in Lacs)

	Year ended 31.03.2011	Year ended 31.03.2010
Schedule M		
SALES		
Finished Goods	168,327.76	147,465.96
Trading Materials	-	165.04
Others	215.31	11.68
Total Sales	168,543.07	147,642.68
Less: Excise Duty	13,190.76	9,298.18
	155,352.31	**138,344.50**
Schedule N		
OTHER INCOME		
Dividend Income on Long term Investments (other than trade)	53.39	202.51
Interest Income		
Loan	125.91	536.77
Deposits	26.42	20.97
Others	13.47	6.82
Tax Refunds	125.89	51.28
Rent	34.42	53.47
Hire charges	21.20	1.20
Insurance Claims	5.07	164.46
Profit on Sale of Current Investments - other than trade	193.13	16.66
Profit on Assets sold / discarded	81.37	250.75
Liabilities/Provisions no longer required written back	147.76	225.86
Foreign Exchange Fluctuation (net)	19.42	518.37
Provision for Bad and Doubtful debt written Back	142.85	137.60
Miscellaneous Reciepts	811.44	1,278.98
	1,801.74	**3,465.70**
SCHEDULE O		
INCREASE / (DECREASE) IN STOCK		
Closing Stock		
Finished Goods	6,697.77	7,419.26
Work-in-Progress	910.10	559.37
	7,607.87	**7,978.63**
Less:		
Opening Stock		
Finished Goods	7,419.26	7,209.46
Work-in-Progress	559.37	625.10
	7,978.63	7,834.56
Increase / (Decrease)	**(370.76)**	**144.07**
Schedule P		
MATERIALS		
Raw Materials Consumed	42,412.18	39,958.16
Purchase of Trading Material	139.57	127.58
	42,551.75	**40,085.74**

Schedule forming part of the Consolidated Accounts

(Rs. in Lacs)

	Year ended 31.03.2011		Year ended 31.03.2010	
Schedule Q				
Manufacturing and Other Expenses				
Stores and Spare Parts Consumed		8,669.02		6,829.23
Power and Fuel		45,756.60		37,571.96
Packing Material Consumed and Packing Charges		12,098.39		9,513.63
Salaries,Wages and Bonus etc		8,943.62		7,517.33
Contribution to Provident and Others Funds		852.60		875.99
Workmen and Staff Welfare Expenses		335.39		290.00
Rent		376.71		233.72
Rates and Taxes		62.94		50.81
REPAIR AND MAINTENANCE:				
Buildings		263.04		203.96
Plant and Machinery		1,262.29		914.99
Others		396.44		308.93
Freight outwards, Transport and Other Selling Expenses		1,233.50		1,273.26
(Net of Realisation Rs. 4466.03 lacs, previous year Rs. 3676.38 lacs)				
Washing and Grinding Charges		21.10		84.49
Commission on Sales		130.45		202.12
Insurance		249.78		167.41
Excise Duty on Increase/(Decrease) of Stock		(54.86)		267.41
Bad Debts/Advances Written Off	6.90		98.35	
Less: Provision for Doubtful Debts / advances written back	6.44	0.46	185.74	12.61
Provision for Doubtful Debtors/Advances		199.48		86.15
Charity and Donation		24.00		0.88
Director's Remuneration		747.35		465.22
Loss on Assets sold / discarded		1,412.77		0.16
Provision For Loss on Derivative Transaction		469.38		305.20
Foreign Exchange Fluctuation (net)		19.62		-
Other Miscellaneous Expenses		3,457.67		2,766.44
		86,927.74		**69,941.90**

Schedule R		
INTEREST AND FINANCE EXPENSES		
On Debentures	1,568.75	1,505.98
On Term Loans	2,171.01	1,865.02
Bank and Others	1,225.33	1,082.23
Finance Expenses	149.90	270.16
	5,114.99	**4,723.39**

Schedule forming part of the Accounts

Schedule S

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENT OF THE COMPANY AND ITS SUBSIDIARIES AND ASSOCIATES.

1. Principle of Consolidation

a) The Consolidated Financial Statements have been prepared in accordance with the Accounting Standard 21 (AS 21) on "Consolidated Financial Statements" and Accounting Standard 23 (AS 23) on "Accounting for Investments in Associates in Consolidated Financial Statements" as notified vide Companies (Accounting Standards) Rules, 2006.

b) The Subsidiaries (which along with Hindusthan National Glass & Industries Limited, the holding company, constitute the group) have been considered in the preparation of these consolidated financial statements are:

Name of Subsidiary	Country of Incorporation	Percentage of voting power either directly or through subsidiaries as at	
		31 March 2011	31 March 2010
Glass Equipment (India) Limited	India	100.00	100.00
Quality Minerals Limited	India	99.72	99.72

c) Investment in Associate

Name of Associate	Country of Incorporation	Percentage of voting power held as at	
		31 March 2011	31 March 2010
HNG Float Glass Limited	India	47.41	43.75

d) Consolidation Procedures

i) For preparation of consolidated financial statements, the financial statements of the Company and its subsidiaries have been combined on a line - by - line basis by adding together like items of assets, liabilities, income and expenditures after eliminating Intra group balances and transactions and the resulting unrealised profit and losses.

ii) Investment in Associate is accounted in accordance with AS-23 on "Accounting for Investments in Associates in Consolidated Financial Statements", under "Equity Method". Unrealised Profit / Loss are eliminated.

iii) The difference between the cost of investment in the associate and the share of net assets at the time of acquisition of shares in the associate is identified in the financial statements as Goodwill or Capital Reserve as the case may be.

iv) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for similar material transactions and other events in similar circumstances otherwise as stated elsewhere.

e) Other Significant Accounting Policies

I. Accounting Convention

The accounts, except in respect of certain Fixed Assets, which are stated at fair value or revalued amounts, have been prepared on the basis of the historical cost and on the accounting principles of a going concern. The accounts have been prepared in accordance with the provisions of the Companies Act, 1956 and Accounting Standards as notified vide Companies (Accounting Standards) Rules, 2006.

II. Use of Estimates

The preparation of financial statements require management to make estimates and assumption that affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities and assets as

Schedule forming part of the Accounts

at the Balance Sheet date and the reported amounts of income and expenses during the year. Difference between the actual results and the estimates are recognised in the year in which the results are known / materialised.

III. *Fixed Assets*

Fixed Assets are stated at cost of acquisition or cost of construction or at revalued amounts wherever such assets have been revalued or at fair value as the case may be.

IV. *Depreciation and Amortisation*

Tangible Assets

i. Depreciation except otherwise stated has been provided at the rates specified under Schedule XIV to the Companies Act, 1956 on assets installed/acquired up to 31 March 1990 on written down value method and in respect of additions thereafter on straight line method.

ii. Certain Plant and Machinery have been considered as continuous process plant as defined under Schedule XIV to the Companies Act, 1956 on the basis of technical evaluation.

iii. Depreciation on increase in value of Fixed Assets due to revaluation is provided on the basis of remaining useful life as estimated by the valuer on the straight line method and is transferred from Revaluation Reserve to Profit and Loss Account.

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

v. Second hand machines are depreciated on straight line method based on their useful lives as estimated by independent technical experts.

Intangible Assets

vi. (A) For the Company

Computer Softwares are amortised on straight line method @ 33.33% over a period of three years.

(B) For Subsidiary

Intangible Assets :- 95% value of the Computer Software, Technical Knowhow and License Fee is amortised. Computer Software is amortised on SLM @ 16.21% per year. License Fee is amortised on SLM over a period of three years.

V. *Impairment*

Fixed Assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of fixed assets is determined. An impairment loss is recognised, whenever the carrying amounts of assets belonging to Cash Generating Unit (CGU) exceeds recoverable amount. The recoverable amount is the greater of assets net selling price or its value in use. In assessing the value in use, the estimated future cash flows from the use of assets are discounted to their present value at appropriate rate. An impairment loss is reversed if there has been change in the recoverable amount and such loss either no longer exists or has decreased. Impairment loss/reversal thereof is adjusted to the carrying value of the respective assets, which in case of CGU, are allocated to its assets on a prorata basis.

VI. *Investments*

Long Term Investments are stated at cost, less provision for diminution in value other than temporary, if any. Current Investments are valued at cost or fair value whichever is lower.

Schedule forming part of the Accounts

VII. Inventories

Inventories are valued at the lower of cost or estimated net realisable value. In respect of Raw Materials, Stores, Spare Parts, Fuel, Building and Packing Materials the cost includes the taxes and duties other than those recoverable from taxing authorities and other expenses incurred for procuring the same. In respect of Finished Goods and Work-in-Process the cost includes manufacturing expenses and appropriate portion of overheads. The cost of inventories is determined on the weighted average basis.

Own manufactured moulds used for the manufacture of glass items are recorded at weighted average cost, which includes prime cost, factory and general overheads and the same are classified as stores and spare parts under inventories.

VIII. Foreign Exchange Transactions and Derivatives

(A) For the Company and its Subsidiaries

Transactions in foreign currencies are accounted for at the exchange rate prevailing on the date of the transaction. Foreign currency monetary assets and liabilities at the year-end are translated using closing exchange rates. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transaction during the year are recognised as income or expenses in the profit and loss account

Exchange differences arising with respect to forward contracts other than those entered into, to hedge foreign currency risk on unexecuted firm commitments or of highly probable forecast transactions are recognised in the period in which they arise and the difference between the forwards rate and exchange rate at the date of transaction is recognised as income/expense over the life of the contract.

Keeping in view the announcement of "The Institute of Chartered Accountants of India" dated 29 March 2008 regarding accounting for derivatives, mark to market losses on all other derivatives contracts (other than forward contracts dealt as above) outstanding as at the year end, are recognised in the accounts.

(B) For the Associate

Exchange Differences: Exchange differences, in respect of accounting periods commencing from 1 April 2007, arising on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, so far as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset (except for that part of exchange difference which is regarded as an adjustment to interest costs) and are depreciated over the balance life of the asset, and in other cases, such exchange differences are accumulated in a "Foreign Currency Monetary Items Translation Difference Account" and amortised over the balance period of such long-term asset/liability but not beyond 31 March 2011.

Exchange differences arising on the settlement or reporting of monetary items, not covered above, at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognised as income or expenses in the period in which they arise.

IX. Revenue Recognition

i) All Expenses and Incomes are accounted for on mercantile basis except otherwise stated.

ii) Income from Export Incentives, Insurance and other claims etc. is recognised on the basis of certainties as to its utilization and related realization.

iii) Sales are inclusive of Packing Charges and Excise Duty but exclusive of Value Added Tax, Rebates, Discounts and Claims etc.

Schedule forming part of the Accounts

X. CENVAT / Value Added Tax (VAT) Credit

Cenvat / VAT credit whenever availed on Fixed Assets is set off with the cost of the assets. Other Cenvat / VAT credit wherever availed is adjusted with the cost of purchases of Raw Material or Stores as the case may be.

XI. Employee Benefits

Employee Benefits are accrued in the year services are rendered by the employees. The Company has Defined Contribution Plan for its employees comprising of Provident Fund and Pension Fund. The Company makes regular contribution to Provident Fund which are fully funded and administered by the Trustees / Government. The Company contributes to the Employees' Pension Scheme, 1995 for certain categories of employees. Contributions are recognised in the Profit and Loss account on accrual basis.

Long-term employee benefits under defined benefit plans and other long term employee benefits are determined at the close of each year at the present value of the amount payable using actuarial valuation techniques.

Actuarial gains and losses are recognised in the year when they arise.

XII. Research and Development

Revenue Expenditure on Research and Development is charged to the Profit and Loss Account in the year in which it is incurred.

XIII. Subsidies and Grants

Cash Subsidy related to Fixed Assets to the extent received is adjusted to the cost of respective fixed assets. Subsidy related to the total investment in the project is treated as Capital Reserve. Other Government grants including incentives etc. are credited to Profit and Loss Account or deducted from the related expenses.

XIV. Borrowing Cost

Borrowing costs that are attributable to the acquisition/construction of Fixed Assets are capitalised as part of the cost of respective assets. Other borrowing costs are recognised as an expense in the year in which they are incurred.

XV. Income Tax

Provision for Tax is made for current tax and deferred tax. Current tax is provided on the taxable income using the applicable tax rates and tax laws. Deferred tax assets and liabilities arising on account of timing difference, which are capable of reversal in subsequent periods are recognised using tax rates and tax laws, which have been enacted or substantively enacted. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets will be realised. In case of carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognised only if there is "virtual certainty" that such deferred tax assets can be realised against future taxable profits.

XVI. Lease

Where the Company is the lessee, finance leases which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased item are capitalised at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalised.

Leases rentals in respect of assets taken under finance lease up to 31 March 2081 are amortised over the total term of the lease (including extended secondary lease term).

Schedule forming part of the Accounts

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the Profit and Loss Account on a straight-line basis over the lease term.

XVII. Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Assets are neither recognised nor disclosed in the financial statements. Contingent Liabilities, if material are disclosed by way of notes.

NOTES ON ACCOUNTS

(Rs. in Lacs)

			2010-2011	2009-2010
2)	**Contingent liabilities not provided for**			
	a)	Outstanding Bank Guarantees/Letter of Credit	8,939.96	4,336.91
	b)	Guarantee furnished to a bank on behalf of an entity over which directors of the Company has significant influence.	3,600.00	3,600.00
	c)	Income Tax matter in respect of erstwhile AGCL under dispute	-	36.88
	d)	Sales Tax matter under appeals	1,088.94	1,345.17
	e)	Excise Duty and Octroi demand issued against which the Company has preferred appeals and which in the opinion of the management are not tenable.	1,120.00	958.37
	f)	Cases pending with labour courts (to the extent ascertainable)	507.28	530.92
	g)	Claim for increased price of land acquired at Bahadurgarh by the then Punjab Government and given to the Company against which the claimants have preferred an appeal in the Supreme Court against the order of the High Court.	0.30	0.30
	h)	Other Claims against the Company not acknowledged as debt.	379.61	304.63
	i)	Corporate Guarantee to bank/ Government authorities given on behalf of Somany Foam Limited.	1,148.00	3,235.00
	j)	Disputed entry tax for the Financial Year 2007-2008, 2008-2009 and 2009-2010	248.22	167.37
	k)	Surety given to Sales Tax department.	50.00	50.00
	Notes :	On the basis of current status of individual cases and as per the legal advice obtained, wherever applicable the management is of the view that no provision is required in respect of these cases. Further Cash outflow in respect of item no. c) to l) as mentioned above is dependent upon outcome of final judgment/decision.		
3)	In respect of Neemrana Plant a notice has been received from Civil Court filed by the creditors of Haryana Sheet Glass Limited demanding their outstanding payments and stating that plant cannot be transferred unless their dues are paid. However the matter is under dispute/litigation.		-	-
4)	Capital commitments (Net of advance of Rs. 7,595.72 Lacs previous year Rs. 564.05 Lacs)		36,049.64	4,018.32

Schedule forming part of the Accounts

(Rs. in Lacs)

		2010-2011	2009-2010
5)	**Capital work in progress includes pre-operative expenses pending allocation.**		
a)	Salary and Wages	27.22	
b)	Contribution to Provident Fund	1.93	82.96
c)	Power and Fuel	-	-
d)	Miscellaneous expenses	173.85	-
e)	Interest on Term Loan	-	263.17
f)	Fabrication/Erection Charges	125.21	-
g)	Professional Fees	285.34	-
h)	Stores & Spares Consumed	2,864.02	-
i)	Payment to Contractors	1,468.24	-
j)	Depreciation	0.50	-
	Add: Brought Forward from previous year	-	-
	Less: Capitalised during the year	1,226.55	346.13
	Total Carried Forward	3,719.76	Nil

Capital work in progress includes Rs. 7,595.72 Lacs (Previous year Rs. 563.55 Lacs) on account of advances and Rs. 2,969.64 Lacs (Previous year Rs. 490.77 Lacs) on account of equipments/materials procured.

6) Fixed Assets at Nashik Plant are estimated to have lower residual lives than that envisaged as per the rates provided in Schedule XIV of the Companies Act, 1956. Depreciation has been provided based on the estimated shorter residual lives as follows:

(Rs. in Lacs)

Particulars of Fixed Assets	Rates as prescribed by Schedule XIV to the Companies Act, 1956	Rates of Depreciation on assets applied
Buildings (other than factory buildings)	1.63	2.04
Factory Buildings	3.34	5.21
Plant and Machinery		
Used for single shift operations	4.75	11.44
Continuous Process Plant	5.28	11.44
Used for Triple Shift operations	10.34	11.44
Furniture and Fixtures	6.33	17.37
Computers	16.21	17.95

Schedule forming part of the Accounts

(Rs. in Lacs)

				2010-11	2009-10
7) a)	i)		Land and Buildings of Rishra and Bahadurgarh units were revalued by an approved valuer on 1 April 1992 and on 31 March 2006 on current replacement cost basis. Accordingly net amount transferred to Revaluation Reserve Account.	10,891.99	10,891.99
	ii)	a)	Plant and Machinery of Rishra and Bahadurgarh units were revalued by an approved valuer on 1 April 1995 on current replacement cost basis.	4,831.31	4,831.31
		b)	Plant and Machinery of GEIL unit were revalued by an approved valuer on 31 March 2008 by using residual replacement value method.	337.13	376.31
			Accordingly net amount transferred to Revaluation Reserve Account.		
	iii)		Depreciation transferred from Revaluation Reserve Account to Profit and Loss Account.	323.99	332.80

b) (i) In terms of Scheme of Arrangement pursuant to the Order of Hon'ble High Court at Calcutta dated 7 April 2008 and by the Hon'ble High Court at Delhi dated 19 March 2008 (the Scheme) sanctioning the amalgamation of Ace Glass Containers Limited (AGCL) with the Company, 2141448 and 1368872 equity shares of the Company issued in lieu of the shares of AGCL held by the Company and shares of the Company held by AGCL were transferred to HNG Trust and Ace Trust respectively in earlier years.

(ii) These shares have been held for the benefit of the Company. Therefore proceeds of Rs. 5,592.95 Lacs arising on sale of 29,10,000 shares by the HNG Trust during the year being part of the shareholder's fund, based on experts' opinion have been credited to the Capital Reserve and the corresponding book value of beneficial interest in these shares have been adjusted from the said reserve. The remaining beneficial interest represented by 14641600 shares of the Company have been continued to be shown under investments at book value, as originally classified in terms of the Scheme.

(Rs. in Lacs)

			2010-11	2009-10
8)	**Miscellaneous Expenses include**			
	a)	Payment to Statutory Auditors:*		
	i)	Audit Fees	11.12	6.88
	ii)	Tax Audit Fees	4.41	1.63
	iii)	Management Services and Certification work	9.01	2.92
	iv)	Reimbursement of Expenses	1.15	0.36
	b)	Payment to Branch Auditors*		
	i)	Audit Fees	9.00	5.00
	ii)	Management Services and Certification work	1.31	3.21
	iii)	Reimbursement of Expenses	1.64	0.29
		* excluding Service Tax		

Schedule forming part of the Accounts

(Rs. in Lacs)

			2010-11	2009-10
9)	**Sundry Creditors include acceptances**		1,061.73	228.80
10)	**(a)**	In respect of 14641600 Equity Shares held by HNG Trust and ACE Trust, the trustees had informed the Company of their decision to forego their rights to dividend on shares held by them for the year 2009-10 and accordingly dividend was not declared on these shares. Consequently, proposed dividend and dividend distribution tax amounting to Rs.219.62 Lacs and Rs.27.71 Lacs respectively has been written back during the year.		

(Rs. in Lacs)

		2010-11	2009-10
(b)	**Earning per share**		
	Profit after Tax (Rs. in lacs)	5877.84	15415.92
	Weighted Average Number of shares outstanding (Face value per share Rs. 2/-)	87338565	87338565
	Earning per share (Basic) (Rs.)	6.73	17.65

11) **Financial and Derivative Instruments:**

a) The Company had entered into certain derivative transactions in earlier years which are being disputed by the Company. However, in pursuance of announcement dated 29 March 2008 of "The Institute of Chartered Accountants of India" on "Accounting for derivatives" and as a matter of prudence the claims as crystallised as on date of knock out intimation on such transaction and interest thereon amounting to Rs. 2,827.18 Lacs (including Rs. 2,452.19 lacs provided in previous year) remains provided in these accounts.

The matters are subjudice and the Company has been legally advised that these contracts are void ab- initio.

(Rs. in Lacs)

			2010-11	2009-10
	b)	Foreign currency exposure outstanding as on 31 March 2011 which has not been hedged by the derivative instruments:		
		Loans	558.94	1,128.88
		Creditors	4,335.53	1,980.52
		Debtors	304.98	133.79
	c)	The amount of Exchange Gain/(Loss) of Foreign Currency Transaction adjusted to respective heads of accounts of the Profit and Loss Account	39.37	518.37
13)	a)	Electricity duty waiver benefit under State Incentive Schemes and subsidy received under State Incentive has been credited to Power and Fuel Account.	-	72.14
	b)	Interest subsidy towards Interest on Term Loan receivable under State Investment Promotion Policy has been adjusted with Interest on Term Loan paid.	95.40	76.18
	c)	Amount included in VAT Credit Inputs Account shown under Loans and Advances can be utilised only after repayment of corresponding amount of Sales Tax Deferred Loan. The balance amount of Nil (previous year Rs. 107.10 Lacs) is available for utilisation.	515.23	515.23
	d)	Industrial Promotion Assistance received under State Incentive Scheme has been included under Other Income	346.69	-

Schedule forming part of the Accounts

(Rs. in Lacs)

14) a.

The breakup of Deferred Tax Assets and Deferred Tax Liabilities is as given below:	Opening as on 1 April 2010	as (Charge)/ Credit during the year	Closing as at 31 March 2011
Deferred Tax Assets			
Brought Forward Losses and unabsorbed depreciation	(3.95)	3.95	-
Expenses Allowable on Payment Basis	755.47	390.73	1,146.20
Provision for Loss on Derivative transactions	833.51	136.97	970.48
Provision for Doubtful Debts	29.41	36.98	66.39
Total Deferred Tax Assets	1,614.44	568.63	2,183.07
Deferred Tax Liabilities			
Depreciation	8,613.11	680.16	9,293.27
Total Deferred Tax Liabilities	8,613.11	680.16	9,293.27
Net Deferred Tax Liabilities	6,998.67	111.53	7,110.20

b. In terms of Scheme of Amalgamation under section 391 to 394 of the Companies Act, 1956 as sanctioned by the Hon'ble High Court of Calcutta vide its Order dated 7 April 2008 and by Hon'ble High Court at Delhi vide its Order dated 19 March 2008, deferred tax liability of Rs. 148.82 Lacs (previous year Rs. 2792.84 Lacs) for the holding company for the year has been adjusted to Share Premium Account.

c. The Company has provided for Minimum Alternate Tax (MAT). The Company is entitled to MAT Credit and accordingly based on evidences MAT Credit of Rs. NIL (previous year Rs. 365.00 Lacs) has been recognised in these accounts.

d. Provision for Income Tax has been made after considering the set off of unabsorbed depreciation and brought forward business loss of erstwhile Ace Glass Containers Limited merged with the Company with effect from 01.04.2006.

15) The Company has incurred Rs.12.83 Lacs (previous year Rs.11.98 Lacs) on account of Research and Development expenses which has been charged to Profit and Loss Account.

16) As per Accounting Standard 15 "Employee Benefits" (AS - 15), the disclosures of Employee benefits as defined in the Accounting Standard are given below:

Defined Contribution Scheme

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

(Rs. in Lacs)

	2010 - 11	2009 - 10
Employer's Contribution to Provident Fund	575.26	242.51
Employer's Contribution to Pension Fund	494.23	188.35
Employer's Contribution to Superannuation Fund	26.46	17.83

The guidance note on implementing Accounting Standard - 15 (Revised 2005) on Employees Benefits issued by Accounting Standard Board (ASB) states that provident fund trustees set up by the employers which require the interest shortfall to be made by the employers needs to be treated as "Defined Benefit Plan". According to the management, in consultation to the actuary, it is not practical or feasible to actuarially value the Provident liability in the absence of any guidance from Actuarial Society of India and also due to the fact that the rate of interest as notified by the Government can vary annually. Accordingly, the Company is currently not in a position to provide other related disclosures as required by the AS - 15 read with ASB guidance. However, with regard to the position of the fund and confirmation of the Trustees of such fund there is no shortfall as at year-end.

Defined Benefit Plan

The employees' gratuity fund scheme managed by Insurer 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.

Schedule forming part of the Accounts

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

(Rs. in Lacs)

	Gratuity Funded			
	2010 - 11	2009 - 10	2008 - 09	2007 - 08
Liability at beginning of the year	858.43	816.15	710.07	613.63
Current Service Cost	203.32	64.93	60.05	52.45
Interest Cost	64.56	60.19	50.76	49.86
Actuarial (Gain) / Loss	111.29	44.75	61.81	48.40
Benefits paid	(103.07)	(127.59)	(66.54)	(54.27)
Liability at the end of the year	1,134.53	858.43	816.15	710.07

	Gratuity Unfunded			
	2010 - 11	2009 - 10	2008 - 09	2007 - 08
Liability at beginning of the year	842.33	717.61	726.88	588.57
Current Service Cost	113.56	78.35	66.83	52.57
Interest Cost	77.78	62.39	57.78	52.62
Actuarial (Gain) / Loss	157.03	8.97	(98.01)	59.43
Benefits paid	(88.40)	(24.99)	(35.86)	(26.31)
Liability at the end of the year	1,102.10	842.33	717.61	726.88

	Total Defined Benefit Obligations			
	2010 - 11	2009 - 10	2008 - 09	2007 - 08
Defined benefit obligation (funded) at the end of the year	1,134.53	858.43	816.15	710.07
Defined benefit obligation (unfunded) at the end of the year	1,102.10	842.33	717.61	726.88
Total Defined benefit obligation at the end of the year	2,236.63	1,700.76	1,533.76	1,436.95

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

	Gratuity Unfunded			
	2010 - 11	2009 - 10	2008 - 09	2007 - 08
Fair value of plan assets at the beginning of the year	767.64	665.53	684.93	625.48
Expected return on plan assets	61.41	53.24	54.80	50.04
Actuarial Gain / (Loss)	26.57	164.38	(53.53)	14.33
Employer contribution	-	12.08	45.87	49.36
Benefits paid	(103.07)	(127.59)	(66.54)	(54.27)
Fair value of plan assets at the end of the year	752.55	767.64	665.53	684.94
Actual return on plan assets	252.92	198.27	45.08	81.12

Schedule forming part of the Accounts

III. Expense recognised in the Income statement (Under the head "Contribution to provident and other funds" - Refer Schedule Q)

(Rs. in Lacs)

	Gratuity Funded			
	2010 - 11	2009 - 10	2008 - 09	2007 - 08
Current Service Cost	203.32	64.93	60.05	52.45
Interest Cost	64.56	60.19	50.76	49.86
Expected Return on plan assets	(61.41)	(53.24)	(54.80)	(50.04)
Net Actuarial (Gain) / Loss to be recognized	84.72	(119.63)	115.33	34.07
Expenses recognised in Profit and Loss account	291.18	(47.75)	171.34	86.34

	Gratuity Funded			
	2010 - 11	2009 - 10	2008 - 09	2007 - 08
Current Service Cost	113.36	78.35	66.83	52.57
Interest Cost	77.78	62.39	57.78	52.62
Expected Return on plan assets	-	-	Nil	Nil
Net Actuarial (Gain) / Loss to be recognized	157.03	8.97	(98.01)	59.43
Expenses recognised in Profit and Loss account	348.17	149.71	26.59	164.62

IV. Balance Sheet Reconciliation

	Gratuity Funded			
	2010 - 11	2009 - 10	2008 - 09	2007 - 08
Present value of the defined benefit obligations at the end of the year	1,134.53	858.43	816.15	710.07
Fair value of the plan assets at the end of the year	637.71	767.64	665.53	684.94
Amount Recognised in Balance Sheet	381.98	90.79	150.62	25.13

	Gratuity Funded			
	2010 - 11	2009 - 10	2008 - 09	2007 - 08
Present value of the defined benefit obligations at the end of the year	1,102.10	842.33	717.61	726.88
Fair value of the plan assets at the end of the year	-	-	-	-
Amount Recognised in Balance Sheet	1,102.10	842.33	717.61	726.88

	Gratuity Funded			
	2010 - 11	2009 - 10	2008 - 09	2007 - 08
Opening Net Liability	90.79	150.62	25.13	(11.84)
Expenses as above	291.18	(47.75)	171.35	86.34
Employers Contribution	-	(12.08)	45.87	(49.36)
Amount Recognised in Balance Sheet	381.98	90.79	150.62	25.13

Schedule forming part of the Accounts

(Rs. in Lacs)

	Gratuity Unfunded			
	2010 - 11	2009 - 10	2008 - 09	2007 - 08
Opening Net Liability	842.33	717.61	726.88	588.57
Expenses as above	348.17	149.71	26.59	164.62
Employers Contribution	88.40	(24.99)	(35.86)	(26.31)
Amount Recognised in Balance Sheet	1,102.10	842.33	717.61	726.88

V. Compensated Absences

The actuarial liability of Compensated Absences (Unfunded) of accumulated privileged leave of the employees of the Company as at 31 March 2011 is Rs. 349.46 Lacs (31 March 2010 - Rs. 240.20 Lacs).

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.

(Rs. in Lacs)

	Gratuity Funded			
	2010 - 11	2009 - 10	2008 - 09	2007 - 08
Mortality Table	LICI 1994-1996	LICI 1994-1996	LICI 1994-1996	LICI 1994-1996
Discount rate (per annum)	8.00 %	8.00 %	7.50 %	8.50 %
Expected rate of return on plan assets (per annum)	8.00 %	8.00 %	8.00 %	8.00 %
Rate of escalation in salary (per annum)	5.00%	5.00%	5.00%	5.00%

	Gratuity Unfunded			
	2010 - 11	2009 - 10	2008 - 09	2007 - 08
Mortality Table	LICI 1994-1996	LICI 1994-1996	LICI 1994-1996	LICI 1994-1996
Discount rate (per annum)	8.00 %	8.00 %	8.00 %	7.50 %
Expected rate of return on plan assets (per annum)	-	-	-	-
Rate of escalation in salary (per annum)	5.00%	5.00%	5.00%	5.00%

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 2011-12 is yet to be determined.

Schedule forming part of the Accounts

17) The accounts of some of the customers are pending reconciliation / confirmation and Sales Tax deferment loan of Rs.938.69 Lacs is subject to confirmation and the same have been taken as per the balances appearing in the books.

A provision of Rs.749.09 Lacs (Previous year Rs. 695.06 Lacs) is carried in the books against doubtful debts and the management is of the opinion that the same is adequate and no further provision is required there against.

18) In the opinion of the Management/Board of Directors, the "Current Assets and Loans and Advances" have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

19) Disclosure of Sundry Creditors under Current Liabilities 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). There are no delays in payment made to such suppliers. There is no overdue amount outstanding as at the balance sheet date. Based on above the relevant disclosures u/s 22 of the Act are as follows:

	(Rs. in Lacs)
Principal amount outstanding at the end of the year	55.79
Interest amount due at the end of the year	-
Interest paid to suppliers	-

20) Profit or loss on sale of Raw Materials and Stores has been adjusted in consumption.

21) Stores and Spare Parts consumption includes materials consumed for Repairs and Replacement.

22) Inventories of Stores and Spare Parts include items, which are lying with the Company. A provision of Rs. 685.15 Lacs (Previous Year 706.27 Lacs) (including Rs.NIL (Previous Year 26.76 Lacs) for the year) towards obsolescence is carried in the books and the management is of the opinion that the same is adequate and no further provision is required there against.

23) Related Party Disclosures as identified by the management in accordance with the Accounting Standard - 18.

A) Associate

i) HNG Float Glass Limited

B) Directors and Relatives

i) Shri C. K. Somany - Key Management Personnel

ii) Shri Sanjay Somany - Key Management Personnel

iii) Shri Mukul Somany - Key Management Personnel

iv) Mrs. Amita Somany - Relative of Key Management Personnel

v) Shri Bharat Somany - Relative of Key Management Personnel

vi) Shri R. R. Soni - Key Management Personnel upto 30 September 2010

vii) Shri Rakesh Sharma - Key Management Personnel w.e.f 1 March 2011

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

i) AMCL Machinery Limited

ii) Ceramic Decorators Limited

iii) Microwave Merchants Private Limited

iv) Mould Equipment

v) Mould Equipment Limited

vi) Noble Enclave and Towers Private Limited

vii) Rungamatte Trexim Private Limited

viii) Somany Foam Limited

ix) Topaz Commerce Limited

Schedule forming part of the Accounts

Disclosure of transactions between the Group and Related parties and status of outstanding balances as on 31.03.2011

	Current Year			Previous Year		
	Associate 24(i)	Directors and their relatives 24(ii)	Entities over which Directors and their relatives have influence 24(iii)	Associate 24(i)	Directors and their relatives 24(ii)	Entities over which Directors and their relatives have influence 24(iii)
Income						
Sale of Goods	3.64					6.51
Sale of Fixed Assets			80.71		855.30	
Rent Received			17.87			16.32
Interest Received			38.08			271.88
Expenses						
Purchases	0.02		9.11	5.80		26.27
Services Taken			261.72			391.56
Remuneration Paid		740.75			457.82	
Sitting Fees Paid					0.60	
Rent Paid			1.80			
Purchase of Assets	7.14					
Purchase of DEPB Licence	30.55					
Refund of Loan given			1,780.40			
Guarantee / Corporate Guarantee Given			4,748.00			3,235.00
Share Application Money				2,299.00		
Outstandings						
Receivables *						2,280.40
Payables						230.18

24) Segment Information

a) Segments have been identified by the Company in line with the Accounting Standard on Segment Reporting (AS-17), taking into account the organisational structure as well as the different risk and returns of these segments. Details of these segments are as follows :

Glass Container - Manufacturing and selling of Glass Bottles and Tumblers

Glass Machines - Manufacturing and selling of Glass Forming Machines, Spares and providing related services.

Minerals - Purchase, Processing and sale of Silica Sand and Feldspar.

Schedule forming part of the Accounts

Business Segment

(Rs. in Lacs)

	Reportable Segments	Glass Containers		Glass Machines		Minerals		Eliminations		Total	
		2010 - 11	2009 - 10	2010 - 11	2009 - 10	2010 - 11	2009 - 10	2010 - 11	2009 - 10	2010 - 11	2009 - 10
I	**REVENUE**										
	External Sales/services	154,319.68	135,990.35	1,032.64	2,354.15	-	-	-	-	155,352.32	138,344.50
	Inter-segment Sales/services	20.96	-	1,415.68	1,304.56	95.67	288.54	(1,532.31)	(1,593.10)	-	-
	Total Revenue	154,340.64	135,990.35	2,448.32	3,658.71	95.67	288.54	(1,532.31)	(1,593.10)	155,352.32	138,344.50
II	**RESULT**										
	Segment result	15,983.11	19,971.62	281.05	839.47	6.69	29.91	(179.31)	(688.98)	16,091.53	20,152.02
	Other expenses net of unallocable income									(836.73)	(2,465.03)
	Operating profit									16,928.26	22,617.05
	Interest expenses									(5,120.76)	(4,729.74)
	Interest income									297.46	622.19
	Profit from ordinary activities									12,104.95	18,509.50
	Net profit									12,104.95	18,512.12
	Income Tax-Current									(3,492.00)	(3,459.97)
	Income Tax-Deferred									37.29	1.39
	Income Tax for Earlier Year									6.62	
	MAT Credit									-	365.00
	Profit after tax									8,656.86	15,415.92
III	**OTHER INFORMATION**										
	Segment assets	186,115.59	168,590.72	3,426.42	2,877.60	157.41	190.56	(1,867.45)	(2,310.13)	187,831.97	169,348.75
	Unallocated corporate assets							(120.21)	(1243.91)	25,957.11	26,000.07
	Total assets									**213,789.08**	**195,348.82**
	Segment liabilities	81,391.69	70,831.86	972.53	349.29	-	13.16	(359.19)	(980.62)	82,005.03	70,213.69
	Unallocated corporate liabilities							(55.00)	(55.00)	16,828.62	19,076.27
	Total liabilities									**98,833.65**	**89,289.96**
	Capital expenditure	16,056.73	30,828.17	48.76	88.52	-	-	(184.18)	(726.54)	15,921.31	30,190.15
	Depreciation	10,253.11	8,901.13	159.54	162.80	0.07	0.16	(4.86)	(37.56)	10,407.86	9,026.53

Geographical Segment

The following table shows the distribution of the Company's Sales by Geographical market.

(Rs. in Lacs)

Sales Revenue by Geographical Market.	2010-2011	2009-2010
Particulars		
Domestic Market	161,794.29	139,975.05
Overseas Market	6,729.94	7,667.63
Total	**168,524.23**	**147,642.68**

The following table shows the distribution of the Company's Debtors by Geographical market.

(Rs. in Lacs)

Sundry Debtors by Geographical Market.	2010-2011	2009-2010
Particulars		
Domestic Market	24,991.32	21,529.13
Overseas Market	565.35	480.58
Total	**25,556.67**	**22,009.71**

25) Figures for previous year have been regrouped and/or rearranged wherever considered necessary.

26) Schedule "A" to "L" and "S" form an integral part of Consolidated Balance Sheet and Schedule "M" to "S" form an integral part of Consolidated Profit and Loss Account.

As per our report of even date.
For **Lodha & Co.**
Chartered Accountants

H. K. Verma
Partner
May 21, 2011

Mukul Somany
Vice Chairman and
Managing Director

Priya Ranjan
Company Secretary

Sanjay Somany
Vice Chairman and
Managing Director

Laxmi Narayan Mandhana
Sr. Vice President and
Chief Financial Officer

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