



# The Shape of

- > **SUSTAINABILITY**
- > **GROWTH**
- > **FUTURE**



# **ANNUAL REPORT**

**2021 - 2022**



## Forward looking statements

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

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

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



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

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## Directors' Profile (As on 31st March, 2022)

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

Shri Sanjay Somany, aged 64 years, is the Chairman & Managing Director of the Company. Having gained more than three decades of experience in glass industry, Shri Somany has led the evolution of HNG to the forefronts of technological excellence. He presently oversees the operations and management of the Company. A Commerce Graduate, Shri Somany, also holds a diploma in diesel engineering. Previously, he has also held a post of notable positions in industrial bodies, such as the President of All India Glass Manufacturers' Federation. At HNG, Shri Somany is member of the Treasury Management Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee.

Directorships held in Other Companies (as on 31.03.2022)

- Spotlight Vanijya Limited
- AMCL Machinery Limited
- Mould Equipment Limited
- Khazana Marketing Private Limited
- Brabourne Commerce Private Limited
- Spotme Tracon Private Limited
- The All India Glass Manufacturers' Federation

### ● Shri Mukul Somany (DIN: 00124625)

Shri Mukul Somany, aged 57 years, is the Vice-Chairman & Managing Director of the Company. Being a second-generation entrepreneur, he holds more than 30 years of experience in the glass industry. At HNG, he has been the driving force behind Company's acquisitions, marketing and branding strategies over the years. He also oversees the administration function in the Company. He holds a Bachelors of Commerce (Hons.) degree. In the past, he has held reputed posts in the industry federations, notably being the President of All India Glass Manufacturers' Federation (AIGMF), Executive Committee Member of Eastern Region Confederation of Indian Industry (CII) & Member of CII National Council. He was the Ex-Chairman, Eastern Region of CII and also a Member of the Bengal Rowing Club. At HNG, Shri Somany is a member of the Audit Committee, Treasury Management Committee, Stakeholders' Relationship Committee and Chairman of Corporate Social Responsibility Committee.

Directorships held in Other Companies (as on 31.03.2022)

- Spotlight Vanijya Limited
- AMCL Machinery Limited
- Mould Equipment Limited
- Rungamattee Trexim Private Limited
- Saurav Contractors Private Limited
- Brabourne Commerce Private Limited
- All India Glass Manufacturers' Federation
- Indian Chamber of Commerce, Calcutta



## Directors' Profile (As on 31st March, 2022)

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

Shri Ratna Kumar Daga, aged 82 years, is an Independent Director of the Company. He has vast experience in the field of engineering and finance. During his tenure as the Chairman of Indian Institute of Materials Management, Kolkata, the professional body made significant strides in its activities. Calcutta Junior Chamber was adjudged the best unit in India under his Presidentship. He then headed a three-member team to Sri Lanka to conduct leadership development courses. As a President of Federation of Small and Medium Industries (FOSMI), he led a business delegation comprising 15-member team to Singapore, Malaysia and Hong Kong. He holds a Post Graduate degree in Business Management from the UK. He is the Honorary Secretary of Satyanand Yoga Kendra (Kolkata Branch) of Bihar School of Yoga. At HNG, Shri Daga is the Chairman of the Audit Committee, Stakeholders' Relationship Committee, Nomination & Remuneration Committee and member of Treasury Management Committee.

Directorships held in Other Companies (as on 31.03.2022)

- TruTools (India) Private Limited
- LSI Financial Services Private Limited
- Shankar Estates Private Limited
- Goenka Leasing & Finance Private Limited
- Indo Financiers Private Limited
- NT Estates and Investments Private Limited
- Innovative Impex Private Limited

### ● **Smt. Rita Bhimani (DIN: 07106069)**

Smt. Rita Bhimani is the Founder-CEO of Ritam Communications, a Corporate Public Relations Consultancy firm. A Master's degree holder in Journalism from the University of Georgia, U.S.A, Rita Bhimani is one of the veterans of the Public Relations profession where she has spent 50 years. She was nominated to the Board of Directors of the International Public Relations Association, a worldwide body of PR professionals, and was the Chairman of its Education and Research Committee in which capacity she conducted workshops around the world on Educating the PR Educators – in Helsinki, Toronto, Melbourne and Mumbai. She has authored three books on Public Relations

– The Corporate Peacock – New Plumes for Public Relations, FACE up! Tenets, Techniques Trends, of Public Relations in the 21st Century, and PR 2020 : the Trending Practice of Public Relations, released in 2018, with a foreword by Dr. Shashi Tharoor. In the same year, a coffee table book authored by her titled The Calcutta School of Music : Symphony Centenary commemorating 100 years of the CSM was released by the Governor of West Bengal. Her fifth book Sampa Das; Golden Muga Revivalist, a coffee table book, was released during the pandemic in 2020. She is a prolific columnist for mainline dailies and magazines. She is a soft-skills trainer and is frequently invited to speak at conferences on HR, PR and Marketing in Bangladesh. She is a well-known anchorperson for industry meets and book releases and a speaker at professional conferences. She was a visiting faculty member at the Pailan School of International Studies where she teaches for three year degree course in Media Studies. She was commissioned by the Ministry of External Affairs, Public Diplomacy Division, to do a documentary on Raja Rammohan Roy. She was the creative producer of this film, which was directed by award winning film maker Goutam Ghose. It premiered at the Nehru Centre, London. Smt. Rita Bhimani is Vice President of the Ananda Shankar Centre for Performing Arts. She was nominated to the Hall of Fame by the Public Relations Council of India in Bangalore and the Public Relations Society of India, an association with which she is still closely associated and has held various offices, conferred on her the PRSI Leadership Award at the National Conference in 2016. In 2019, the Association of Shipping Interests in Calcutta conferred on her the Women Achiever Award for "her 50 years of invaluable contribution to the Corporate World." At HNG, she is member of the Corporate Social Responsibility Committee and Nomination and Remuneration Committee.



## Directors' Profile (As on 31st March, 2022)

Directorships held in Other Companies (as on 31.03.2022)

- Asian Hotels (East) Limited.
- Robust Hotels Private Limited.

### ● Shri Amal Chandra Saha (DIN: 00443348)

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

Directorship held in Other Companies (as on 31.03.2022)

- LSI Financial Services Private Limited.



# Management Discussion and Analysis Report

## Container Glass Industry – Present & Future

The global container glass market size stood at 63.7 USD billion in 2021 and is anticipated to reach USD 82.2 billion by 2028 at a CAGR of 3.7% from 2021 to 2028. The global glass market is predominantly driven by the increasing demand for Alcoholic Beverages, Food and Pharmaceutical. Asia-Pacific excluding the Japan (APEJ) has the largest demand market, followed by Europe and the Americas. In terms of production too, APEJ is the major producer and exporter of glass containers followed by Europe.

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

**Russia - Ukraine War & COVID-19 Pandemic-** Russia- Ukraine war has caused steep rise in energy and raw material cost. Supplies from Ukraine has halted whereas with Global sanctions and ban on purchase from Russia has worsened the business economics. Various sanctions are already imposed or under consideration on Russian gas, Crude Oil, Coal, Russian bank, swift transaction, Russian Ships etc. EU, USA and allies are gradually phasing out import of crucial goods from Russia and want other nations to align with their strategy. Private multi-national companies are also pulling out and disengaging with Russia. This all has led to supply chain disruption of crucial goods of glass industry. Although the world and manufacturing industries have learnt to continue production in COVID pandemic, its business impact is still being felt. Both these have impacted the growth trajectory of Glass Packaging industry due to supply chain disruption, intermittent lockdown and imposition of restriction.

Revenue of the global **food industry** jumped by 20%, reaching \$8.2trn in 2020 and it reached 8.27 trillion USD in 2021, an increase of over 500 billion USD. Food revenue worldwide will continue to increase and reach around 11.1 trillion USD in 2027. Glass packaging growth trend in **Cosmetic and Fragrance** has taken a hit. **Pharmaceuticals segment** witnessed remarkable growth and it is expected to portray the largest CAGR of 7.5% from 2021 to 2030. Due to increase in severity of diseases there is upsurge in adoption of container glass for storage and packaging of pharmaceuticals.

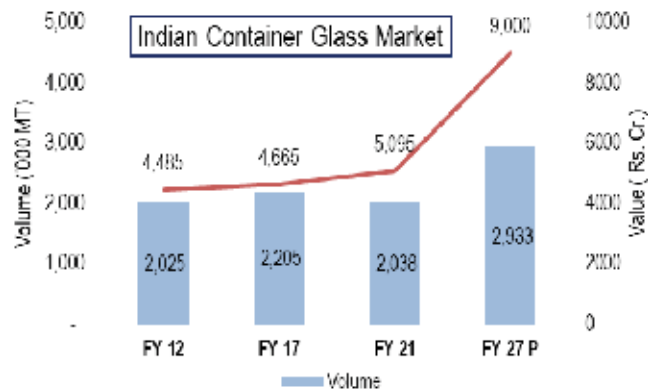
Premium Food & Beverage brands mostly prefer container glass over other packaging options such as plastics, as glass is sustainable, chemically inert, non-porous and impermeable.

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

## Indian Container Glass Industry

Due to COVID pandemic, Total size of India container glass Market shrunk by approx. 15% in FY21 to 5,100 Cr from 6,000 Cr in FY20. However, FY 22 witnessed market recovery and revenue touched Rs 5,800 Cr. Indian Glass Industry is expected to grow at 6.8% CAGR to 8,600 Cr by FY 28. Current running capacities are in tune of 29.5 Lacs MT and it is likely to grow at 3.5% CAGR up to FY27 despite the small aberration caused due to COVID-19 pandemic. All the players are likely to take

## Management Discussion and Analysis Report



cautious approach towards capacity expansion due to bitter experience in the past which led to abnormally high excess capacity.

Beer and IMFL segment have come out of blue and is expected to remain buoyant in FY23. Food and Pharma segment surge is expected to continue. Union Budget Healthcare allocation of Rs 86,200 Cr will further boost Pharma segment.

Capacity Utilization are likely to improve in coming times, however profitability of the container glass player is critically dependent upon crude oil prices and raw material Cost which hit the roof and adversely impacted glass industry in FY22.

### New Opportunity- Plastic Recycling Norm, Light Weight Bottle, Pharmaceutical Industry Growth & Milk Industry

Environment ministry has notified comprehensive guidelines on Extended Producer Responsibility (EPR) for plastic packaging which requires the Producer shall ensure minimum level of recycling of 70% in FY 2022-23 (as compared to 25% in 2021-22) and 100% in 2023-24. This stringent norm imposed on plastic producers is a big opportunity for glass industry in India as customers are expected to switch from plastic to glass for substantial packaging quantity to meet their packaging requirement as this norm may lead to dearth of plastic supply.

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

India Pharmaceutical industry has been growing at rapid pace and in this times of pandemic, momentum has further picked up. Globally India is now being talked about as the pharmacy of the world. Life-saving drugs and promotion of Pharmaceutical products would provide for good growth in Pharma segment.

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

### Challenges

**1. Russia- Ukraine War:** Russia and Ukraine are the key suppliers of raw materials that run the worlds of oil, gas energy and metallurgical industries. The Russia-Ukraine war has halted supplies from Ukraine, led to a ban on purchases from Russia and heightened economic woes of the COVID-rattled world. This is heavily impacting crude oil and raw material prices related to glass industry.

Key input material prices have witnessed steep increase, which might enforce container glass industry to increase bottle price.

**2. Soda Ash** Prices have skyrocketed in the span of 6 months and its price has more than doubled and its inching towards becoming triple. Soda Ash constitutes more than 60% of raw material cost and with more than two-fold increase in price; glass industry production cost is hitting the roof. There is no sign of respite for now and Soda ash price is expected to shoot up further.

## Management Discussion and Analysis Report

3. Uncertainty in **Crude Oil** prices and its direct impact on Power and Fuel cost in Glass industry - Brent crude oil price rose from 37.5 \$/bbl in Oct20 to 66.5 \$/bbl (in Apr-21). However, during FY22 it saw **continuous leapfrog jump** and lately it skyrocketed due to Russia-Ukraine war and touched **112.4 \$/bbl**. This is true for all other grades of crude Oil as well. Glass industry being energy-intensive industry, it is posing serious challenges for the coming times as well.
4. **Indian Rupee** has depreciated significantly during last 4 months due to crude oil price rise and global supply uncertainty arising post Russia-Ukraine war. It reached value of Rs 76.2/ USD in April 22 from Rs 74.5/ USD in Dec21. It has direct bearing on the import of all chemicals and commodities.

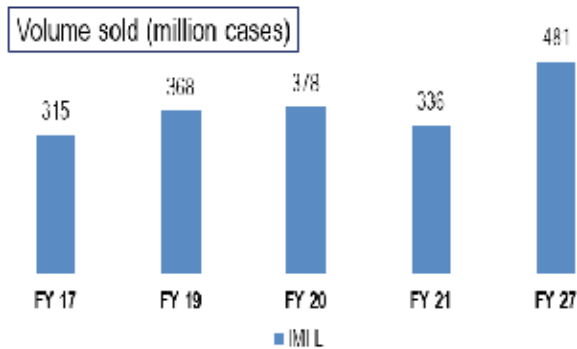
### Threat

1. Threat from alternate packaging like PET, Multilayer Brick, Metal Cans, etc.
2. Domestic Soda Ash players – RSPL, GHCL & DCW keep filing for Anti-Dumping Duty (ADD) imposition against soda ash Imports from Turkey & USA and Anti-Subsidy Duty imposition on Soda Ash against Turkey. Soda is one of the key ingredient for glass bottle production and any imposition of ADD & Anti- subsidy will have direct impact on Company bottom line. The worst part is they take stay order from court once DGFT disapprove ADD imposition and continue to charge premium price.

### Sectoral Analysis

#### Liquor

The country's alcohol industry is on the road to recovery from the Covid-induced slump of 2020, and touched 345-million



cases pre-Covid sales by the end of this fiscal. Liquor segment is expected to have 6.8% CAGR for upcoming 6 years.

Diageo, the maker of Johnnie Walker and McDowell's whisky, saw its Indian business grow 12% while rival Pernod Ricard, maker of Absolut vodka and Chivas Regal Scotch, said sales expanded 19% during the second half of 2021. Bacardi India, which sells Bacardi rum and Dewar's Scotch, saw a 30% growth in India in 2021, one of its highest sales expansions.

There is a tilt toward innovative offerings and premium products. As the pandemic pushed people to live it up, they were ready to embrace quality and experimentation. The industry also responded to this sentiment with ready-to-drink beverages, new flavour profiles or even smarter packaging with mixers or accessories. The emergence of Indian craft gin earlier and now the RTD segment is witnessing brand launches with diversified offerings. Consumers are experimenting with experiences beyond the pure functional benefit of alcohol which, besides adding new consumers to the alcohol category, accelerates social acceptance of alcoholic beverages as a normal consumer product. Liquor companies are launching variants targeted at women consumers. There is a strong trend of openness among women towards alcoholic beverages and is seen as an important pillar of growth. Women prefer less strong drinks, sweeter and softer whiskies.

Taxation and duties (which vary in every state) in India is on an average between 50% and 60%, the highest in the world. It is highly solicited that states should rollback increase of excise tax which was imposed to sustain tax collection during COVID period.

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

Since Diageo acquired USL more than five years ago, the contribution of the premium segment to its overall sales has gone up to two-thirds from 45-50% in 2014.

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

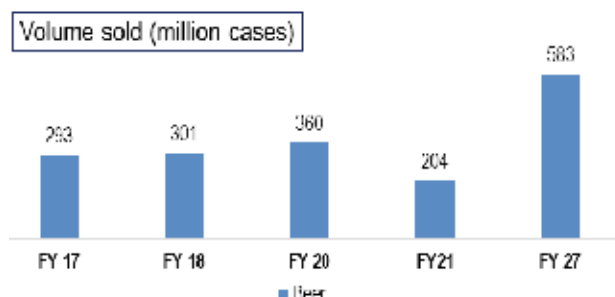
## Management Discussion and Analysis Report

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

- 1) Premium segments which constitute more than 40% of IMFL volume uses 100% glass packaging. The share of this segment is expected to grow to 67% of volume by 2027 and hence the overall share of glass packaging in IMFL will also increase.
- 2) In the Mass / Popular segment, the share of glass bottles has reduced due to emergence of cheap alternate PET bottles. However, revenue leakages and ill effects on health are forcing state governments to turn back to glass packaging in liquor in phased manner.

### Beer

India's beer sales by volume expanded to a decade high in 2021 due to the low base, gradual recovery in restaurant & bars & surging at-home consumption. It grew **28%** last calendar year, according to the latest data by Global-Data, a UK-based research agency, while In 2020, the beer market shrunk 40%.



Anheuser-Busch InBev (ABI), which owns Budweiser saw strong double-digit growth in volume and revenue last calendar year with an even higher growth in EBITDA that was above pre-pandemic levels. Heineken, the world's second-biggest brewer Indian business grew in the thirties while Danish brewer Carlsberg, Indian business posted more than 30% volume growth in calendar 2021 but remained below 2019 level. From FY23 onwards it is expected that beer market will grow at a CAGR of 10%.

Beer companies are on tenterhooks as there could be a steep increase in prices of barley and disruption of supplies on account of the **Russia-Ukraine crisis**. Ukraine is among the top five global producers of barley and global supply is already getting effected. Barley prices have escalated quite significantly and Ukraine will definitely impact global barley pricing in the short to medium term. The period between March and July accounts for 40-45% of annual beer sales, and barely is the mainstay ingredient used in beer.

The lockdown and subsequent changes in various policies related to distribution and opening up saw changes in consumption and sales patterns. Consumption patterns, too, saw a shift with consumers diversifying their choices and expanding their palate horizons. This has also resulted in a sharp rise in demand for our premium offerings.

Alcobev companies warned rising input costs could force them to take price hikes, which in turn could hit demand, especially for beer. While globally, beer is taxed on alcohol strength, in India, it is taxed on alcohol by volume, which makes beer more expensive than spirits. However, Looking ahead to the summer, there is optimism as consumer confidence is returning with the decline in COVID cases and the complete reopening of the on-trade channel.

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

The beer industry has seen various merger and acquisition in India which has consolidated the Market place and lead to increased Market competition during the last five years which has led to deep market penetration. In 2021, Heineken NV, the world's second largest beer maker, has taken control of India's largest brewer United Breweries Limited (UBL), cementing its position in a vast market where beer consumption could grow from a low base. US-based Molson Coors Brewing Company acquiring Mount Shivalik Breweries (Thunderbolt beer manufacturer), Ab InBev acquisition of SAB Miller in 2016. All Leading companies are increasing their manufacturing footprints to ensure product availability to its customer and increase in their market share. Carlsberg and Som distillers have put up capacities in East to increase their penetration in this zone.

The potential for beer growth in India is strong with emergence of Craft Beer which is expected to grow at 108%. B9 Beverages & Simba is leading player in this segment. In January 2021, Kirin Holdings announced an investment of \$30



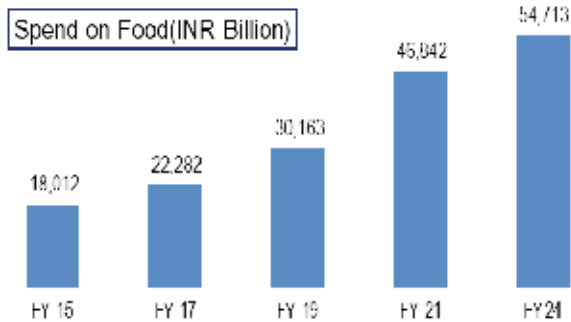
## Management Discussion and Analysis Report

million in New Delhi-based B9 Beverages, the maker of the Indian craft beer Bira. The fresh funding indeed boosted Bira 91's confidence and growth plan. In Aug-21 Bira 91 announced that they are planning to set up a new brewery in India. In Apr-22, Bira 91 has launched a portfolio of four limited release flavours. The 'Imagined in India' portfolio includes beers crafted with indigenous ingredients. B9 Beverages with launch of Bira Craft Beer about five years ago, has managed about 5% share in key markets despite the dominance of MNC players.

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

### Food

The Indian food industry is continued its growth trajectory and reach \$645.8bn value in CY 2021, a 2% increase year-over-year despite the massive growth of 36% witness in CY 2020.



Statistics show the Indian food industry is expected to continue growing at brisk pace. It is expected to grow at CAGR of 7.2% till FY24. HUL FY22 3<sup>rd</sup> Quater, Net Profit rises by 16.8% YOY to Rs 2,243 Cr and has 10.4% growth in revenue where Q2 witnessed 8.86% increase in Net profit. For the year 2021, Nestle India's net profit was up 3 per cent to Rs 2,144.86 crore, as against Rs 2,082.43 crore a year ago. Its revenue from operations increased to Rs 14,709 crore in 2021, from Rs 13,350 crore in 2020.

India's ready-to-cook food sales rise since the onset of pandemic. It saw brisk sales as people ordered in a variety of foods. Covid-19 has had a positive impact on organised packed food brand business. The positive shift to organised branded and packed food has already begun and this shift is going to be irreversible

Evolving consumer preferences, rising income, growing rural opportunity, digital channels & E-commerce, Improved Retail chain and customer preference for home delivery has given further impetus to this segment. In 2021, Zomato Ltd. listed on the Indian stock exchanges at more than 50% premium to its issue price. Swiggy which was valued at \$10.7 billion in its Series K financing in Jan-22, is looking to raise as much as \$1 billion in the IPO, which it plans to file as early as the first half of next year.

In 2021 **Rs 10,900 Cr** PLI scheme got approved for the food processing. The government has sanctioned 37 food parks funded under the Mega Food Parks Scheme, 22 are operational and 15 are under implementation sector by the Union Cabinet will boost investment and fuel growth in the sector.

India's food processing sector is one of the largest in the world and its output is expected to reach US\$ 535 billion by 2025-26. There is growth in the organised food retail sector and increase in urbanisation. MSME's are playing a vital role in India's food processing chain through various advancements in skills and technology. The online food ordering business in India is witnessing an exponential growth. There is a shift in focus from loose to branded packaging. The government's 'Atmanirbhar Bharat' initiative places priority on this sector and offers support through various policies. By 2024, the Food Processing industry will potentially attract \$33 bn investments and generate employment for 9 million people. By 2025, India's food processing sector is expected to be worth over half a trillion dollars. By 2030, Indian annual household consumption is to treble, making India 5th largest consumer.

The Indian FMCG industry witnessed a consumption slowdown in urban markets and de-growth in rural areas in 2021, as the sector was hit hard by higher inflation levels forcing companies to go for successive price increases. However, In the last two years, 8 lakh new FMCG stores were added and more than half of that has come into the rural area. This pace of opening new stores is more than double of the pre-COVID years.

The Indian organic food market has also seen a surge with a market size touching \$820 million in 2020, which was just about \$200 million in 2018, as per the report, and is likely to grow at a CAGR of 24% during 2021-2026 and will reach a value of US\$ 2,601 Million by 2026.

## Management Discussion and Analysis Report

The dairy market in India reached a value of INR 13,174 Billion in 2021. Looking forward, IMARC Group expects the market to reach INR 30,840 Billion by 2027, exhibiting at a CAGR of 14.98% during 2022-2027.

Along with offering profitable business opportunities, the dairy industry in India serves as a tool of socio-economic development. The private participation in the Indian dairy sector has also increased over the past few years.

The organised dairy industry is likely to witness 12 per cent revenue growth this financial year to reach Rs 1.6 lakh crore, mainly due to recovery in demand for value-added products (VAPs), steady liquid milk sales and a hike in the retail price.

Amul has planned to invest Rs 5,000 crore over next five years. Amul has recently announced the setting up of their largest state-of-the-art plant in Telangana with an investment of Rs.500 crore. Both national and international players are entering the dairy industry, attracted by the size and potential of the Indian market. The focus is being given to value-added products such as cheese, yogurt, probiotic drinks, etc. These players are also improving their milk procurement network which is further facilitating the development of the dairy industry in India.

Share of glass packaging in food segment is ~ 10% and in dairy is ~15% and is not expected to change significantly in future, though it is the most preferred choice for premium milk shakes, yogurts and flavoured milk. Government is pushing the food processing segment aggressively and taking all needful measures to provide impetus to this segment. This will ultimately lead to increase in Glass bottle demand. **COVID-19 pandemic** impact has further grew awareness for usage of glass packaging in health products.

### Pharmaceuticals

The pharmaceutical industry in India was valued at an estimated US\$42 billion in 2021. India is the world's third largest provider of generic medicines by volume, with a 20% share of total global pharmaceutical exports. It is also the largest vaccine supplier in the world by volume, accounting for more than 50% of all vaccines manufactured in the world. The Indian pharma industry has shown a double digit growth of around 15% in CY21 led by growth of Covid-19 products in the last one year. The Indian pharma industry is estimated to grow at 9-11 per cent in 2021-22 and in the next few quarters, it will be driven by domestic and emerging markets. The pharmaceutical industry in India is expected to reach \$65 bn by 2024 and to \$120 bn by 2030. Sun Pharma FY22 - Q3 Profit jumps 11% YoY whereas in Q2 it rises by 13%. Dr Reddy Laboratories has revenue jump of 8% in FY22 - Q3.

Government has introduced a US\$2 billion incentive program which will run from 2021-22 to 2027-28 to foster an Atmanirbhar Bharat by enhancing the R&D, Make in India product development, high-value production capabilities, import substitution and domestic manufacture of active pharmaceutical ingredient (API), the

In terms of the global market, India currently holds an accountable share and is known as the pharmacy of the world and as the biggest generic supplier. India gained its foothold on the global scene with its innovatively-engineered generic drugs and active pharmaceutical ingredients (API). The country accounts for around 30 per cent (by volume) and about 10 per cent (value) in the US\$70–80 billion US generics market. Growth in other fields notwithstanding, generics are still a large part of the picture. India is the largest provider of generic drugs globally. The Indian pharmaceutical-sector industry supplies over 50 per cent of global demand for various vaccines, 40 per cent of generic demand in the US and 25 per cent of all medicine in the UK. India is the largest contributor in UNESC with over 50-60% share.

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

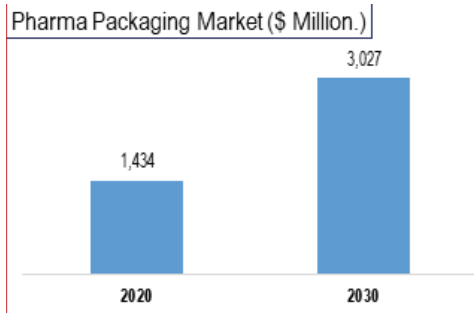
Covid-19 has presented both an opportunity and a challenge for India to emerge as the 'pharmacy of the world'. The commitment of provision of Covid-19 vaccine to other countries has made India the epicentre for its manufacturing

India's cost of production is significantly lower than that of the US and almost half of that of Europe. It gives a competitive edge to India over others. Increase in the size of middle class households coupled with the improvement in medical infrastructure and increase in the penetration of health insurance in the country will also influence in the growth of pharmaceuticals sector.

Indian pharma companies are capitalising on export opportunities in regulated and semi-regulated markets. In FY20, India exported pharmaceutical products worth US\$ 20.5 billion which in FY21 & FY22 hovered around \$24.5 billion

## Management Discussion and Analysis Report

The India pharmaceutical packaging market was valued at \$1434 million in 2020, and is projected to reach \$3027 million by 2030 at a CAGR of 7.54% from 2021 to 2030 driven by growth in pharma industry and its need for bulk drugs, formulations, Vaccine and trial drug packaging.



Share of glass packaging in liquid formulations is still high given potential risks of storing medicines in plastic bottles.

However, overall share of glass packaging came down from 34% in 2009 to around 20% and is further expected to fall in future until government brings some regulation to curtail plastic usage in Oral formulations and Suspensions due to plastic ill effect. Some glass players in India are optimistic about phasing out of plastic usage.

### Soft Drinks

Consumers' changing preferences, coupled with innovations in product packaging and sizing to improve affordability, has led to a rise in the consumption of non-alcoholic beverages in the country. In terms of revenue, the non-alcoholic beverages market in India was valued at INR 336.50 billion in FY 2020. It is expected to reach INR 1,131.52 billion by FY 2027, expanding at a compound annual growth rate (CAGR) of ~18.69% during the forecast period.

The non-alcoholic beverages market is categorized into two segments - carbonated and non-carbonated beverages. The carbonated beverages market segment was valued at INR 134.60 billion in FY 2020 and is expected to reach a value of INR 349.64 billion by FY 2027, expanding at a CAGR of ~15.12% during the FY 2022-FY 2027 period. The non-carbonated beverages segment in India was valued at INR 153.33 billion in FY 2020. It is expected to reach INR 781.88 billion by FY 2027, expanding at a CAGR of ~20.52% during the FY 2022-FY 2027 period. The carbonated beverages segment is anticipated to lose its market share during the forecast period because of the massive expansion of the non-carbonated beverages segment. Over the past few years, non-cola aerated drinks have gained popularity, especially fruit drinks.

With growing cost pressure and ease of use, Coca Cola and Pepsi are shifting their containers from glass bottles to PET bottles. Share of glass packaging has fallen from 34% in FY 09 to below 20% at present and is further expected to decrease.

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

### Cosmetics

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

Emergence of online retail, rising awareness of beauty products, increasing premium on personal grooming, changes in consumption patterns, lifestyles and improved purchasing power among women are expected to boost the industry. The market will maintain healthy growth due to rising preference for specialised cosmetic products such as organic, herbal and Ayurveda products. Principal areas that are expected to grow include colour cosmetics, fragrances, specialised skin care and make-up cosmetics.

The Indian industry is growing rapidly at a rate of 13-18%, more than that of US or European markets. Body care is the largest category and growing at about 4% CAGR while colour cosmetics is expected to grow at 13%. The premium segment is expected to grow at 6.3% per annum.

**Details of significant changes (i.e. change of 25% or more as compared to the immediately previous Financial Year) in key financial ratios, along with detailed explanations. The Key Financial Ratios are as below:-**

## Management Discussion and Analysis Report

Particulars	F.Y 2021-22	F.Y 2020-21	Reason for Difference
(i) Debtors Turnover	6.01	5.65	No major movement
(ii) Inventory Turnover	4.76	4.16	No major movement
(iii) Interest Coverage Ratio	-1.89	-0.44	Since CIRP admission date, Company has not provided for finance cost on its borrowings
(iv) Current Ratio	0.31	0.41	Due to increased liability of current maturities of loan
(v) Debt Equity Ratio	-2.95	-5.33	Due to continuous losses, equity of the Company has been eroded
(vi) Operating Profit Margin (%)	-0.11	-0.05	Lower despatches in market
(vii) Net Profit Margin (%) or sector-specific equivalent ratios, as applicable.	-0.17	-0.16	No major movement
(viii) Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof.	-	-	The Company has a negative networth due to accrued losses



# Board's Report

*Dear Members,*

We hereby present the Annual Report together with the Audited Accounts of our business and operations for the financial year ended 31st March, 2022.

In accordance with an application made by DBS Bank, Financial Creditor of the Company, the Hon'ble National Company Law Tribunal, Kolkata Bench, vide its order dated 21st October, 2021 ("Order") has initiated Corporate Insolvency Resolution Process ("CIRP") against your Company under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("the Code"). Pursuant to the Order, the powers of the Board of Directors stand suspended and are vested with Mr. Girish Siriram Juneja (IP Registration No. IBBI/IPA-001/IP-P00999/2017-2018/11646), who has been appointed as Interim Resolution Professional (IRP) by the Hon'ble NCLT and later confirmed as a Resolution Professional (RP) by the Committee of Creditors (CoC).

## FINANCIAL HIGHLIGHTS\*

(in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Gross sales (including excise duty)	2,09,700	1,89,895
Profit before interest, depreciation and tax	-10,914	4,081
Interest and finance charges	12,039	21,048
Profit/Loss before depreciation and tax	-22,953	16,967
Depreciation	11,900	13,447
Exceptional Profit	-	-
Profit/Loss before tax & after exceptional profit	-34,852	-30,414
Profit/Loss for the year (Before Other Comprehensive Income)	-34,852	-30,414
Balance brought forward from previous year	-1,30,951	-1,00,256
Amount available for appropriation	-1,65,378	-1,30,951
Balance carried forward to the next year	-1,65,378	-1,30,951

\*figures have been regrouped and rounded off.

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

During the financial year, your Company reported total income of Rs. 2,09,700 Lakhs in F.Y. 2021-22 compared to Rs. 1,89,895 Lakhs in F.Y. 2020-21. Your Company recorded an EBITDA of Rs. -10,914 Lakhs and a net loss of Rs. 34,852 Lakhs during the year under review.



## Board's Report

The financial position of the Company continues to be under severe stress. The situation further deteriorated, due to increase in Power & Fuel and Raw Material costs. Due to paucity of funds, your Company could not do any maintenance of capex and also failed to meet its debt obligation.

### DIVIDEND & RESERVE

Your Directors do not recommend any dividend for the year ended 2021-22. Further, during the year under review, no amount was transferred to General Reserve.

### ISSUE OF SHARES

The paid up Equity Share Capital as at 31st March, 2022 stood at 17,91,07,130 i.e 8,95,53,565 equity shares of 2/- each. The Company has not issued shares with differential voting rights, nor has granted any stock options or sweat equity. As on 31st March, 2022, none of the Directors of the Company, hold instruments convertible into equity shares of the Company.

### SUBSIDIARY COMPANY

As on 31<sup>st</sup> March, 2022, your Company does not have any Subsidiary Company.

### TRUST SHARES

Pursuant to the amalgamation of Ace Glass Containers Limited with the Company, 21,41,448\* shares and 13,68,872\* shares having face value of 10/- each (corresponding to 1,07,07,240 shares and 68,44,360 shares having face value of 2/- each) were issued to HNG Trust and Ace Trust respectively. At present, HNG Trust & Ace Trust are holding 76,41,600 & 30,50,000 shares respectively. In terms of an undertaking given to the BSE Limited, the Company is required to make disclosures, pertaining to utilisation of proceeds of shares allotted to the said Trusts, until they are extinguished. Entire Shareholding of Ace Trust and 75,06,850 Shares of HNG Trust has been pledged in compliance of Corrective Action Plan (CAP), approved by the Joint Lenders Forum.

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

### DIRECTORS & KEY MANAGERIAL PERSONNEL

Since the Company is undergoing Corporate Insolvency Resolution Process (CIRP) w.e.f 21<sup>st</sup> October 2021, the powers of the Board of Directors have been suspended and such powers are vested in Mr. Girish Siriram Juneja, in the capacity of Resolution Professional.

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

Shri Sanjay Somany (DIN:-00124538) was appointed as the Chairman & Managing Director of the Company by the shareholders at the 75<sup>th</sup> AGM of the Company to hold office till 31<sup>st</sup> March 2022. However, since the Company is undergoing CIRP w.e.f 21<sup>st</sup> October 2021, status-quo is being maintained and he continues to be the Chairman & Managing Director of the Company.

Shri Mukul Somany (DIN:- 00124625) was appointed as the Vice - Chairman & Managing Director of the Company by the shareholders at the 75<sup>th</sup> AGM of the Company to hold office till 31<sup>st</sup> March 2022. However, since the Company is undergoing CIRP w.e.f 21<sup>st</sup> October 2021, status-quo is being maintained and he continues to be the Vice - Chairman and Managing Director of the Company.

During the year under review, Shri Dipankar Chatterjee (DIN: 00031256) resigned from the position of Non-Executive Independent Director of the Company with effect from 26th July, 2021 due to his health and personal reasons.

Pursuant to Section 152(6) of the Act read with rules made thereunder and the Articles of Association of the Company, Shri Sanjay Somany (DIN: 00124538), Director of the Company retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment. The Board (RP & Directors) recommends the re-appointment of Shri Sanjay Somany as Director of the Company. A brief profile of Shri Sanjay Somany along with requisite details as stipulated



## Board's Report

under Regulation 36(3) of Listing Regulations and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI) are provided in notice forming part of this Annual Report.

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

The Company has received declarations from all the Independent Directors of the Company, confirming that, they meet the criteria of Independence, as prescribed under Section 149(6) of the Companies Act, 2013. Roles, responsibilities and duties of Independent Director are uploaded on the Company's website at the link <https://www.hngil.com/uploads/11fb8c8e32c94916f244c21ae65ff3b6.pdf>

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

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

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

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

Shri Mukund Chandak was appointed as the Company Secretary w.e.f 19<sup>th</sup> June, 2021 and continues to act so.

Shri Bimal Kumar Garodia is acting as the Chief Financial Officer of the Company since 26<sup>th</sup> April, 2008 and continues to act so.

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

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

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) In the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2022, the applicable Accounting Standards had been followed along with proper explanation relating to material departures.
- b) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2022 and of the loss of the Company for the year ended on that date.
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

## Board's Report

- d) The Directors have prepared the annual accounts on a 'going concern basis'.
- e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

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

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

The Company has transferred the unpaid dividend amount for FY 2012-13 to the IEPF account last year. However, the linking of the amount transferred by the Bank to the MCA/IEPF account is pending due to some technical glitch. The Company is continuously communicating with the Bank/ MCA and taking steps to resolve the issue. Equity shares in respect of which, the dividend for the year 2012-13 remained unclaimed for seven consecutive years has been transferred to the IEPF Authority, in compliance with Section 124 of the Companies Act, 2013, read with rule 6 of the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2017, after giving individual notices to concerned Shareholders and advertisements in newspapers.

### CORPORATE GOVERNANCE

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

Our Corporate Governance Report for the F.Y. 2021-22, along with its annexures forms part of this Annual Report.

### CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

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

The Policy on materiality of related party transactions and dealing with related party transactions, as approved by the Board may be accessed on the Company's website at the link: <https://www.hngil.com/uploads/c90668a5f25a922faa07d164c0a9568c.pdf>

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

The CSR Policy may be accessed on the Company's website at the link:

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



## Board's Report

### DEBT MANAGEMENT

The continuous higher financial leverage and lower profitability plagued the financials of the Company during the last few years. The spread of Pandemic had further worsened the profitability of the Company as the operations and sales of the Company were significantly impacted.

To reduce the leverage, Company had been continuously exploring various options for raising funds through equity/debt instruments or enter into joint venture. The Company had entered into One Time Settlement (OTS) with the Lenders as per the agreement entered in September' 2018 and made a substantial payment of Rs. 772.10 crores i.e Rs. 550.02 crores for fund based facilities and Rs. 222.08 for non-fund based facilities, from the date of OTS Agreement till the date of initiation of CIRP through Promoter's infusion, Internal Accrual and Cutback by the Lenders.

Meanwhile, some of the lenders filed fresh applications before the National Company Law Tribunal (NCLT), Kolkata Bench under section 7 of the Insolvency and Bankruptcy Code, 2016 (IB Code) and subsequently CIRP was initiated in respect of the Company vide order of the Hon'ble NCLT, Kolkata Bench dated 21st October, 2021. An appeal was filed by one of the Promoter with Hon'ble National Company Law Appellate Tribunal (NCLAT), New Delhi against the said Order of Hon'ble NCLT which is pending before the Hon'ble NCLAT. The Promoters of the Company have also submitted proposal under Sec 12A of the IB Code for revival of the earlier OTS plan which is pending before the Committee of Creditors. At the same time, the proceeding under the CIRP is also going on.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

### CONSOLIDATED FINANCIAL STATEMENTS

During the year under review, the Company has no subsidiary and/or joint venture and/or associate Company and accordingly, your Company is not required to prepare consolidated financial statements, including Form AOC-1 for F.Y.2021-22.

### RISK MANAGEMENT

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

Since, your Company is not among top 1000 listed companies based on market capitalization as on 31st March, 2022, constitution of Risk Management Committee is not required, in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with till date amendments, However the provisions of Section 177(4) (vii) of the Companies Act, 2013 require that every Audit Committee shall act in accordance with the terms of reference specified in writing by the Board, which shall inter alia include evaluation of risk management systems. In line with above, it is therefore, required for the Company to frame and adopt a "Risk Management Policy"(this Policy) in accordance with Section 134(3)(n), 177 (4)(vii) and other applicable provisions of the Companies Act,2013, read with regulation 17(9), 21 and other applicable regulations of the SEBI (Listing Obligation Disclosure Requirements) Regulations, 2015.

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

### INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY

Your Company has a comprehensive and effective internal control and risk mitigation system, including internal financial control, for all the major processes, to ensure reliability of financial reporting, timely feedback on operational and strategic

## Board's Report

goals, compliance with policies, procedures, law and regulations, safeguarding of assets and economical and efficient use of resources. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

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

### AUDITORS AND AUDITORS' REPORT

#### Statutory Auditors

The Company has following joint Statutory Auditors namely:-

- A) M/s. Doshi Chatterjee Bagri & Co. LLP, Chartered Accountants (Firm Registration Number 325197E/E300020 who were appointed as the Statutory Auditors of the Company, to hold office from the conclusion of 71<sup>st</sup> Annual General Meeting (AGM) until the conclusion of the 76<sup>th</sup> AGM i.e M/s. Doshi Chatterjee Bagri & Co. LLP will retire at the conclusion of the ensuing AGM of the Company. The Board places on record its appreciation of the services rendered by M/s. Doshi Chatterjee Bagri & Co. LLP during their association with the Company.

On the recommendations of the Audit Committee, the Board recommends to the shareholders of the Company, the appointment of M/s. Lodha & Co. (Firm Registration No.301051E) as the Joint Statutory Auditors of the Company, in place of the retiring M/s. Doshi Chatterjee Bagri & Co. LLP, to hold office from the conclusion of 76<sup>th</sup> AGM of the Company till the conclusion of 81<sup>st</sup> AGM of the Company to be held in the year 2027.

- B) M/s. JKVS & Co., (Formerly M/s. Jitendra K. Agarwal & Associates) Chartered Accountants (Firm Registration No. 318086E), who were appointed as the Joint Statutory Auditor of the Company, to hold office from the conclusion of 72<sup>nd</sup> AGM until the conclusion of the 77<sup>th</sup> AGM of the Company.

#### Statutory Auditors' Report

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

- a) Attention is being drawn to serial no a) of the Independent Auditors Report regarding Basis of Qualified Opinion. The clarification of the same is provided in Note no. 2.13.5 of the financial statements.
- b) Attention is being drawn to serial no b) of the Independent Auditors Report regarding Basis of Qualified Opinion. The clarification of the same is provided in Note no. 2.21.1 of the financial statements.
- c) Attention is being drawn to serial no c) of the Independent Auditors Report regarding Basis of Qualified Opinion. The clarification of the same is provided in Note no. 2.13.6 of the financial statements.
- d) Attention is being drawn to serial no d) of the Independent Auditors Report regarding Basis of Qualified Opinion. The clarification of the same is provided in Note no. 2.38 of the financial statements.
- e) Attention is being drawn to serial no e) of the Independent Auditors Report regarding Basis of Qualified Opinion. The clarification of the same is provided in Note no. 2.13 of the financial statements.





## Board's Report

The Auditors have stated in their Report that “on the basis of the written representations received from the directors as on March 31, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of section 164(2) of the Act. However, considering the fact, that the Company has defaulted in payment of interest on Non-Convertible Debentures, in our opinion, all the directors are disqualified from being appointed as director in terms of Section 164 (2) of the Act.”

However, the management is of the view that based on the written representations received from the Directors as on March 31, 2022, taken on record by the Board of Directors and the legal opinion obtained by the Company from a Senior Advocate who is Government Pleader – High Court for the State of West Bengal, none of the directors are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

### Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rules made thereunder, the Company has appointed Shri Babu Lal Patni (F.C.S. No. 2304, C.P. No. 1321), Practising Company Secretary to conduct the Secretarial Audit for the financial year 2021-22. The Secretarial Audit Report for the financial year ended 31st March, 2022, is annexed herewith and marked as “Annexure II” to this report.

## DISCLOSURES

### Audit Committee

The Audit Committee comprises of 2(two) Independent Directors namely Shri Ratna Kumar Daga (Chairman and Independent Director) & Shri Amal Chandra Saha (Member and Independent Director) and 1 (One) Executive Director, namely Shri Mukul Somany as member. All the recommendations made by the Audit Committee were accepted by the Board, during the financial year 2021-22.

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

Sl. No	Name	Designation
1	Shri Ratna Kumar Daga	Chairman
2	Shri Amal Chandra Saha	Member
3	Shri Mukul Somany	Member

### Vigil Mechanism/Whistle Blower Policy

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

The Policy may be accessed on the Company's website at the link: <https://www.hngil.com/uploads/6d68cf57fb915efa23aa97c7b76c0301.pdf>

### Secretarial Standards

During the year under review, the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

## Board's Report

### Meetings of the Board

During the year under review 4 (four) meetings of the Board of Directors have been held through Video Conferencing (VC) or Other Audio Visuals Means (OAVM) in accordance with various Circulars issued by Securities Exchange Board of India and Ministry of Corporate Affairs in view of COVID-19 pandemic situation. The maximum interval between any two meetings did not exceed 180 days, as prescribed in the Companies Act, 2013. Details of compositions and other information are provided in the Corporate Governance Report.

### Annual Return

The Annual Return as required under Section 92 and Section 134 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is posted on Company's website at [www.hngil.com](http://www.hngil.com).

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

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

### Change in nature of Business

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

### Remuneration from Subsidiary

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

### Significant or Material Order

Except as disclosed in this Report, no significant and material order was passed by any regulator or court or tribunal, which impacts the going concern status of the Company or will have any bearing on Company's operations in future.

### Material Changes and Commitments

Due to severe liquidity crunch, the Company was not able to meet its debt obligation and is undergoing CIRP.

### Sexual Harassment

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

### Annual Listing Fees

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

The Annual Listing fee for the F.Y. 2022-23 has been paid to all these Exchanges.

### Particulars Of Employees and Related Disclosures

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

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

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



## Board's Report

### Disclosure In Respect Of Status Of Application Or Proceeding Pending Under The Insolvency And Bankruptcy Code

The Company is undergoing the CIRP which has been initiated vide an order dated 21st October, 2021 ("Order") of the Hon'ble National Company Law Tribunal, Kolkata Bench in terms of the provisions of the Insolvency and Bankruptcy Code, 2016 ("Code"), pursuant to an application filed by DBS Bank, Financial Creditor of the Company under Section 7 of the Code. Pursuant to the Order, Mr. Girish Siriram Juneja, was appointed as the Interim Resolution Professional (IRP) and subsequently, confirmed as the Resolution Professional (RP) by the Committee of Creditors (CoC).

Currently, the Resolution Plans have been submitted by the Prospective Resolution Applicants (PRAs), in accordance with the provisions of the Code and regulations framed thereunder for the approval of the Committee of Creditors.

### Details Of Difference Between Amount Of The Valuation Done At The Time Of One Time Settlement And The Valuation Done While Taking Loan From The Banks Or Financial Institutions Along With The Reasons Thereof

During the year under review, no such valuation was done at the time of one time settlement and while taking loan from bank or financial institution.

### Personnel and Industrial Relations

Your Company takes pride in the commitment, competence and dedication shown by its employees in all the areas of business. People are the Company's key assets. The focus in F.Y. 2021-22, was on enhancing employee engagement and driving performance excellence, to achieve the Company's long term vision. Your Company is consolidating the human resource operations and the internal systems, to enhance the operations of the Company. The Company continued to actively drive the Ethics and Compliance agenda via trainings, programs and employee engagements, focusing on non-retaliation and zero tolerance to non-compliance. HR function is a critical pillar to support the organization's growth and its sustainability in the long run.

### Acknowledgements

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

For and on behalf of the Board

**Sanjay Somany**

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

Place : Kolkata

Date : 11<sup>th</sup> August, 2022

Powers of the board are suspended from the Insolvency Commencement Date

Taken on record by

**Girish Siriram Juneja**

Resolution Professional for Hindusthan National Glass & Industries Limited

Reg.: IBBI/IPA001/IP-P00999/2017-2018/11646

## Board's Report

### IA. Nomination & Remuneration Policy

#### 1. Introduction

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

#### 2. Objective and purpose of the policy

The objectives and purpose of this policy are:

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

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

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

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

##### Definitions

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

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

'Company' means Hindusthan National Glass & Industries Limited.

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

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



## Annexure I to the Board's Report

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

Unless the context otherwise requires, words and expressions used in this policy and not defined herein, but defined in the Companies Act, 2013 and Listing Agreement, as may be amended from time to time, shall have the meaning respectively, assigned to them therein.

### General

This policy is divided in three parts.

Part – A covers the matters to be dealt with and recommended by the Committee to the Board; Part - B covers the appointment and nomination and Part - C covers remuneration and perquisites etc.

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

### Part – A

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

#### The following matters shall be dealt by the Committee:-

**a) Size and composition of the Board:**

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

**b) Directors:**

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

**c) Succession plans:**

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

**d) Evaluation of performance:**

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

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

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

**e) Board diversity:**

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



## Annexure I to the Board's Report

### f) Remuneration frame work and policies:

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

Formulate remuneration policy of the Company to ensure that:-

- (a) the level and composition or remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) remuneration to Directors, Key Managerial Personnel and Senior Management, involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

### Part – B

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

##### Appointment criteria and qualifications

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

##### Term/Tenure

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

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

###### 2. Independent Director

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



## Annexure I to the Board's Report

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

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

### Removal

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

### Retirement

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

# Annexure I to the Board's Report

## PART - C

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

#### General

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

#### Remuneration to KMP and other employees

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

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

##### 1. Remuneration

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

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

##### 2. Stock options

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

#### Policy Review

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

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

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



## Annexure I to the Board's Report

### IB. Board Evaluation Policy

#### 1. Introduction

- 1.1 The challenge for Board is to prevent crisis in the organisation they govern. Performance evaluation is a key means by which Board can recognise and correct corporate governance problems and add real value to their organisations.
- 1.2 Board and Director's evaluation involves Board members undertaking a constructive but critical review of their own performance, identifying strengths, weaknesses and implementing plans for further professional development. The provision of feedback on Board performance and governance processes, is the most crucial element of Director's evaluation.
- 1.3 To enable Directors of the Company to evaluate their individual performance, as well as the collective performance of the Board, the Board has developed a framework for evaluating Board's effectiveness. This Policy is in compliance with Section 178 of the Companies Act, 2013, read with the applicable rules thereto and Clause 49 under the Listing Agreement.

#### 2. Purpose

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

#### 3. Objectives of evaluation

##### 3.1 The objective to undertake evaluation of Board and Individual Directors are as under:

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

#### 4. Scope of Evaluation

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

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

##### 4.2 Individual Directors' Evaluation

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

#### 5. Method of Evaluation

- 5.1 Depending on the degree of formality, the objectives of the evaluation and there sources available, the evaluation process will involve a range of qualitative and quantitative techniques.
- 5.2 To evaluate Individual Directors, either self or peer evaluation techniques is to be used. The aim of self-evaluation is to encourage Directors, to reflect on their contributions to Board activities and have them identify their personal

## Annexure I to the Board's Report

strengths and weaknesses. An objective view is best gained through peer evaluation, whereby Directors identify each other's individual strengths and weaknesses. By having members of the Board evaluate each other, it is possible to gain a more rounded picture of the strengths and weaknesses of each director and their contribution to the effectiveness of the Board. It can also be used to identify skill gaps on the Board.

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

- 6.1 Each of the Directors will complete all sections of the Board Self Evaluation Form honestly and sincerely. The Directors will also be required to provide comments, to explain the ratings allocated. A rating scale of "1" to "5" is employed, wherein "1" denotes a strong rating and "5" a critical condition.
- 6.2 The above Forms will be submitted by the Directors to the NR Committee on an annual basis, within 30 days of the end of every financial year.
- 6.3 Based on the Forms submitted, the NR Committee shall assess and discuss the performance of the Board as a whole and its Committees every year and ascertain key areas for improvement and the requisite follow-up actions.

### 7. Process for Evaluation of Individual Directors

- 7.1 The evaluation/assessment of the Directors of the Company is to be conducted on an annual basis and to satisfy the requirements of the Listing Agreement.
- 7.2 The Non-Executive Directors ("NEDs"), led by the NR Committee's Chairman, shall assess the performance of the Chairman and other Directors. The Chairman shall meet with each Individual Director, to discuss the evaluation and any matter relating to the functioning of the Board.
- 7.3 Each Non-Executive Director's ("NED") contribution will be assessed by the Chairman and the results of the assessment will be discussed with the NR Committee Chairman.
- 7.4 Criteria for assessment of NEDs include attendance record, intensity of participation at meetings, quality of intervention and special contributions.
- 7.5 Each of the Directors (other than director being evaluated) will complete all sections of Individual Director Assessment Form and Non-Executive Director Assessment Form, honestly and sincerely. The Directors will also be required to provide comments, to explain the ratings allocated. A rating scale of "1" to "5" is employed, wherein "1" denotes strong rating and "5" a critical condition.
- 7.6 The following criteria may assist in determining, how effective the performances of the Directors have been:
  - leadership & stewardship abilities
  - contributing to clearly define corporate objectives & plans
  - communication of expectations & concerns, clearly with subordinates
  - obtain adequate, relevant & timely information from external sources.
  - review & approval achievement of strategic and operational plans, objectives, budgets
  - regular monitoring of corporate results against projections
  - identify, monitor & mitigate significant corporate risks
  - assess policies, structures & procedures
  - review management's succession plan
  - effective meetings



## Annexure I to the Board's Report

- assuring appropriate Board size, composition, independence, structure
  - clearly defining roles & monitoring activities of Committees
  - review of corporation's ethical conduct
- 7.7 Evaluation on the aforesaid parameters will be conducted by the Independent Directors for each of the Executive/ Non-Independent Directors in a separate meeting of the Independent Directors.
- 7.8 The Executive Director/Non-Independent Directors along with the Independent Directors, will evaluate/assess each of the Independent Directors on the aforesaid parameters. Only the Independent Director being evaluated will not participate in the said evaluation discussion.

### 8. Reporting to Board

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

## Annexure II to the Board's Report

FORM No MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

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

To  
The Members,

#### **Hindusthan National Glass & Industries Limited,**

2, Red Cross Place, Kolkata-700001

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

Based on my verification of the Hindusthan National Glass & Industries Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2022 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Hindusthan National Glass & Industries Limited ("the company") for the financial year ended on 31<sup>st</sup> March, 2022 according to the provisions of:

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) \*The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d) \* The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ( up to 12<sup>th</sup> August 2021) and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021( with effect from 13<sup>th</sup> August 2021);
- e) \*The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;
- g) \* The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ( up to 9<sup>th</sup> June 2021) and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021( with effect from 10<sup>th</sup> June 2021).
- h) \*The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and
- i) \*The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 ( with effect from 16<sup>th</sup> August 2021).
- j) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.





## Annexure II to the Board's Report

\* No event took place under these regulations during the audit period

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

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

- i) I have examined compliance with the applicable clauses of the Secretarial Standards on the Meetings of the Board of Directors, Committees and General Meetings issued by The Institute of Company Secretaries of India, with which the Company has complied with.
- ii) The Listing Agreements entered into by the Company NSE, BSE and CSE.
- iii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

### I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, a Woman Director and Independent Directors. There were no Changes in the composition of the Board of Directors except that Mr. Dipankar Chatterjee an Independent Director of the Company has resigned w.e.f. 26<sup>th</sup> July, 2021. As per SEBI (LODR) Regulation 17(1)(c) the company is required to have minimum six Directors on its Board. However, the Company has only five Directors since 26<sup>th</sup> July, 2021. However, as the Company is under Corporate Insolvency Resolution Process, this clause is not applicable w.e.f. 21.10.2021

Adequate notice is given to all directors and Interim Resolution Professional to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. During the year the meetings of the Board of Directors and Committees thereof have been held through VCM in accordance with various Circulars issued by SEBI and MCA in view of pandemic situation.

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

**I further report that** the Hon'ble National Company Law Tribunal (NCLT) - Kolkata Bench has admitted, the application for initiation of Corporate Insolvency Resolution Process ('CIRP') under Section 7 of the Insolvency and Bankruptcy Code, 2016 ('IBC') which was filed by DBS Bank Limited, in its capacity as a Financial Creditor of the company before the NCLT, vide its Order dated 21st October, 2021. Accordingly, Mr. Girish Siriram Juneja, having registration No. IBBI/IPA-001/IP-P00999/2017-18/11646 has been appointed as Resolution Professional (RP) and the Committee of Creditors (CoC) has been formed. The RP has published the advertisement seeking Expression of Interest (EoI) from the prospective Resolution Applicants under the CIRP. The process of verification of claims is under progress.

Further an appeal has been filed by one of the Promoter of the Company with Hon'ble National Company Law Appellate Tribunal (NCLAT), New Delhi against the aforesaid order of Hon'ble NCLT. The appeal was scheduled to be heard on 1st April, 2022. However, it could not be heard as the concerned Court was not in session on that day. The next date of the hearing is fixed on 14<sup>th</sup> July, 2022.

**I further report that** during the year upto September, 2022, State Bank of India, the lead banker, has appropriated a sum of Rs. 3502 lakhs out of promoter contribution, internal accruals and the cut back for repayment to the lenders of the consortium, which the company has adjusted from the Principal obligation of the debt.

**I further report that** post initiation of CIRP all the meeting of the Board of Directors and Committees are being chaired by the Resolution Professional.

## Annexure II to the Board's Report

**I further report that** as on date the status of the Company on MCA Portal is “UNDER CORPORATE INSOLVENCY RESOLUTION PROCESS”

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

**BABU LAL PATNI**

**Company Secretary in practice**

Place: Kolkata

FCS No : 2304

Dated: 11<sup>th</sup> May, 2022

C.P. No. : 1321

UDIN : F002304D000301341

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



Hindusthan National Glass & Industries Limited

## Annexure II to the Board's Report

### 'Annexure A'

To,

The Members,

Hindusthan National Glass & Industries Limited,

2, Red Cross Place, Kolkata-700001

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

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

**BABU LAL PATNI**

**Company Secretary in practice**

Place: Kolkata

FCS No : 2304

Dated: 11<sup>th</sup> May, 2022

C.P. No. : 1321

## Annexure III to the Board's Report

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

Sl. No.	Name	Age (Years)	Qualification & Experience in years	Date of Appointment	Designation (Nature of Duties)	Gross Remuneration (Rs.)	Last Employment held (Designation)	% of Equity Shares held by an employee
1	Shri Sanjay Somany	64	B. Com. Dip. In Diesel Engg. 40 years	01.10.2005	Chairman and Managing Director (To Manage the affairs of the Company on day to day basis)	Nil	Glass Equipment (India) Ltd. (Managing Director)	3.48
2	Shri Mukul Somany	57	B. Com (Hons.) 33 years	01.10.2005	Vice Chairman and Managing Director (To manage the affairs of the Company on day to day basis)	Nil	None	4.49

#### Notes:

- 1) Remuneration includes salary, commission and contribution to P.F and perquisites.
- 2) Shri Sanjay Somany and Shri Mukul Somany are related to each other.
- 3) All appointments of the above employees are contractual.

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

The median remuneration of employees of the Company during the financial year was Rs.3.99 lakh (INR) and there is no change in the percentage of median remuneration.

- a. Numbers of permanent employees on the rolls of the Company: Staff-1125, Permanent Workmen- 1285 as on 31st March, 2022.
- b. There is no increase in the remuneration paid to Executive and Non-Executive Directors.
- c. Ratio of remuneration of Shri Sanjay Somany and Shri Mukul Somany to median remuneration of employees are '0', '0' respectively.
- d. Affirmation that the remuneration is as per the remuneration policy of the Company – Yes

## Annexure III to the Board's Report

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

Name	Designation	Remuneration received (Rs.)	Qualification	Experience	Date of commencement of employment	Age	The last employment held before joining the company	Equity Shares held	Weather relative of any Director or Manager of the company
SHRI VINAY SARAN	PRESIDENT - MARKETING	8996000	BSC & MBA	35 Years	12th February, 2007	56	Indorama Synthetics Ltd as GM - Marketing	Nil	No
SHRI BIMAL KUMAR GARODIA	PRESIDENT & CFO	8901000	CA, CWA, CS	30 Years	26th April, 2008	54	Bajaj Eco - Tec Products Limited as VP - Finance & Company Secretary	5	No
SHRI AJAY KUMAR RAI	SR.VP - SMC	7080000	B.Tech - Mechanical	27 Years	2nd February, 2012	47	Baxter India Private Limited as Plant Manager	Nil	No
SHRI SOMNATH SENGUPTA	SR.VP - MANAGEMENT AUDIT	6879000	BSC (HONS), CWA, CA	32 Years	1st July, 2011	58	Eveready Industries as GM - Internal Audit	Nil	No
SHRI PAWAN KUMAR SHARMA	SR. VICE PRESIDENT (OPERATIONS)	5508000	B.E - Mechanical, MBA	27 Years	17th July, 1995	46	Started career with HNGIL	Nil	No
SHRI ALOK TAPARIA	VP - FINANCE	5820000	CA, CWA	26 Years	20th August, 2003	50	Vikrant Alloys and Forgings Private Limited as Head (OMG)	Nil	No
SHRI SHIVRAJ BANSAL	VP-COMMERCIAL	5508000	CA, M.COM	38 Years	1st February, 2011	62	Motherson Sumi Ltd as VP	Nil	No
SHRI V SATHISH KUMAR	VP - OPERATIONS	5500000	B.E., MBA	33 Years	1st February, 2021	55	Minda Corporation as Plant Head	Nil	No
SHRI RAMCHANDRA PARASRAM UNE	VP - OPERATIONS	5075000	B.E, M.M.S (Operations), PhD (Management Science)	31 Years	23rd May, 2020	57	Hexagon Nutrition Pvt Ltd as VP Operations	Nil	No
SHRI KAMAL KUMAR	SR.VP - OPERATIONS	5301000	B.E., MBA	32 Years	1st July, 2021	54	Rockwool India Pvt Ltd as Unit Head	Nil	No

## Annexure IV to the Board's Report

### Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014.

Information pursuant to section 134(3) (m) and rules made therein and forming a part of the Directors' Report for the year ended March 31, 2022.

#### 1. ENERGY CONSERVATION

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

Plant	Initiatives & Developments
<b>Rishra</b>	<ol style="list-style-type: none"> <li>1. By introducing VVVF drive in mould cooling blower No 63, saving of Rs 18.2 Lac/annum accomplished. (Energy Saving 21.6 MWH/month).</li> <li>2. We reduced Rs 930/ton melting cost by substituting 2/3 portion of FO with Pet coke at Furnace#1. Saving of Rs 1.4 Cr for Feb-22 &amp; Mar-22</li> <li>3. In one submersible pump, conventional starter system have been replaced with VVVF, yielding saving of 7,200 units/month (Rs 6.1 Lac/ annum)</li> <li>4. Saving of 3,600 units /month (Rs 3Lac/annum ) by replacement of conventional luminaires with LEDs.</li> <li>5. Light sensors provided in store No. 19 resulted in auto operation of lights leading to saving of 1200 units/month and yearly Saving of Rs 1 Lac .</li> <li>6. By using 57% cullet at Furnace#1 for the month of Apr-21 we were able to reduce melting energy to 1037 Kcal/kg for green glass from previous average melting energy 1,135 Kcal/kg at 270 TPD &amp; 34% cullet.</li> </ol>
<b>Bahadurgarh</b>	<ol style="list-style-type: none"> <li>1. The Inter-stage coolers of Atlas Copco compressors No.5 and Centac No, 2 have been replaced resulting in energy saving of 600 Kwh per day.</li> <li>2. Wet filtration system started in the entire blower suction area of F3 and F4. 1% of blower energy reduced due to reduced suction air temperature.</li> <li>3. 2 Nos, VHP air compressors and dryers shifted to utility floor and their operation is clubbed with other 2 VHP compressors of IR, which led to saving of 50 Kwh consumption per day.</li> <li>4. Oil burner nozzles (air &amp; oil) were modified for required flame length, geometry which helps to optimise fuel efficiency at two furnaces.</li> <li>5. Replacement of Line 33 Forehearth completed to improve the fuel efficiency.</li> <li>6. Light weighting done on 9 SKU to reduce the energy consumption.</li> </ol>
<b>Rishikesh</b>	<ol style="list-style-type: none"> <li>1. Rebuild of Line no. 71, 73 &amp; 74 and air leakage arrest led to Saving of 450 KWH /day ~ annual saving of Rs 10.5 Lacs.</li> <li>2. Annual saving of Rs 55 Lacs through IEX Power purchase</li> <li>3. Re-ducting and Installation of IE4 motor in MCB 74 led to annual saving of Rs 11 Lacs.</li> <li>4. Replaced 2 nos. of heat exchanger with new one at reciprocating compressor for better heat transfer - Saving of 300 Kwh/Day ~ annual saving of Rs 7 Lacs</li> <li>5. Thyristor controller installation in packing unit led to annual saving of Rs 2.8 Lacs.</li> <li>6. Replacement of indoor 250-Watt mercury lamp with 40-Watt LED lamp led to saving of 110 Kwh/Day.</li> </ol>

## Annexure IV to the Board's Report

<b>Sinnar</b>	<ol style="list-style-type: none"> <li>1. Reduced pressure drop between compressor and AIS machine by servicing of all Air dryer heat exchanger and arresting air leakages led to saving of 150Kwh/day (saving Rs.4 Lacs/Annum)</li> <li>2. LED lights are provided in place of HPIT lamps, saving of 50 units per day.</li> <li>3. Electricity purchased through open access Wind Mill Energy led to saving of Rs.15 Lacs/Annum</li> <li>4. Optimum utilization of MSEDCL power by closely monitoring maximum demand, to accrue the load factor incentive. Load factor maintained at 78.33%, leading to a saving of Rs. 1.31 Cr/ annum</li> <li>5. Improved the power factor to 0.98 from 0.90 lead to saving of 30000 Kwh/month saving. (Monthly saving - Rs.2.5 Lac )</li> <li>6. Reduction in excess cold end conveyor length by around 3mtr each line and removal of motor led to saving of 100 Kwh/day</li> </ol>
<b>Naidupeta</b>	<ol style="list-style-type: none"> <li>1. Savings through power procurement from IEX open access - About 70 Lacs INR</li> <li>2. 30 Nos conventional HPSV lamps (250 W) replaced with Energy efficient LED lamps ( 70 W)</li> <li>3. One Vacuum pump of 90KW usage stopped.</li> <li>4. Heaterless LPG vaporiser taken into operation by stopping conventional vaporiser (1,100 KWH / day saving)</li> <li>5. Comprehensive air audit of AIS m/c conducted and Leaking baffle manifold was replaced.</li> <li>6. Servo motors cooling in AIS machines was changed from 6 bar compressed air to blower air.</li> </ol>
<b>Pondicherry</b>	<ol style="list-style-type: none"> <li>1. Reduction in Melting energy by 100 Kcal/kg of Molten Glass – Leads to Savings of Rs. 2.5 Cr per Annum</li> <li>2. Reduction in <math>\Delta P</math> across Compressors and IS Machines of Line #94 by arresting all feasible leak joints led to energy saving of approx. 1000 KWH per day. Savings of Rs. 23.0 lakhs/annum</li> <li>3. Line 94 blank side stack cooling got converted to vertiflow cooling, saving 650 KWH per day amounting to Rs. 15.0 lakhs per annum</li> <li>4. Energy savings by replacing the conventional lightings with LED lightings. Approximately savings of Rs. 5.3 lakhs per annum</li> </ol>

## 2. RESEARCH AND DEVELOPMENT

<b>Plant</b>	<b>Initiatives &amp; Developments</b>
<b>Rishra</b>	<ol style="list-style-type: none"> <li>1. Installation of new fire pump at tank 6 is carried out to ensure immediate water supply during furnace leakage.</li> <li>2. #66 LEHR skid bar modified to ensure uniform bottom coating</li> <li>3. Two Jacket pumps installed adjacent to fire pump of Tank 6 for furnace cooling and leakage prevention.</li> <li>4. Gas blowers of Tank 6 relocated from risky and hard to access area to safe bottom zone for preventing frequent breakdown due to furnace leakage.</li> <li>5. Damaged Bottero Process Computers has been replaced with local refurbished computer.</li> <li>6. Defective control cards of vibro feeders at New Batch House are rectified with in house modifications and repairing thus diminishing dependency on OEM. Saving of Rs 2Lac. (one time)</li> </ol>



## Annexure IV to the Board's Report

<b>Bahadurgarh</b>	<ol style="list-style-type: none"> <li>Line 31, 32 &amp; 44 upgraded for NNPB to produce bottle with all three process i.e. NNPB, P&amp;B and B&amp;B.</li> <li>Developed light weight bottles for 9 running SKU, and design &amp; development is done for running 30 SKU for better productivity, New Bottle developed for 20 SKUs for different customers.</li> <li>Stirrer on Line 31 has been installed to produce better conditioned glass suitable to manufacture large ware item for prime product.</li> <li>SCADA upgradation on window10 completed for Forehearth on furnace 4.</li> <li>Locally developed Heye make NNPB coil parts for NNPB operation at just 10% of import cost.</li> <li>HMI program developed with help of Siemens engineer for annealing Lehrs..</li> </ol>
<b>Rishikesh</b>	<ol style="list-style-type: none"> <li>Rebuild of modules and mechanism along with overhauling of equipment on line 71, 73 &amp; 74 to improve consistency and reduce downtime &amp; Defect.</li> <li>Fur#7 flint glass iron level was brought down to semi-cosmetic quality (&lt; 750ppm Fe2O3) by installing new magnets and reorganizing existing magnet.</li> <li>Glass Weight reduction in manufacturing of 650 ml Tuborg, 650 ml King fisher, , 650 ml Gorkha, 650 ml Som Hunter bottles resulting in saving of 617 MT glass in Yr.21-22</li> <li>Interlinking of single liner 72 &amp; 73 to use inspection machine optimally.</li> <li>Inhouse overhauling of Bitzer Dryer compressor.</li> </ol>
<b>Sinnar</b>	<ol style="list-style-type: none"> <li>Indigenously developed control RAM card replaced original CALIA 2 Board of MCAL &amp; MULTI-4 bottle inspection machines which resulted in repair of 9 Nos. of faulty and obsolete CALIA 2 Board and save almost INR 1 Crore.</li> <li>Round table is installed for cold end packing to reduce bottle chipping.</li> <li>All 6 lines blank &amp; blow side SCU board push button &amp; selector switches are developed indigenously as these switches were being phased out by OEM. Locally developed with very low cost (INR 200 per switch approx.) and saved almost Rs. 8 Lac approximately @ 650 switches.</li> <li>L-121 Lehr control HMI repaired indigenously as it was phasing out and OEM quote for upgrading the panel was of EUR 4,000. Repaired and working perfectly @ cost of INR 37,000 only and saved almost Rs. 3.30 Lac</li> <li>In house repairing of 5 nos. Servo motor saved cost of Rs 2.20 Lac</li> <li>Oil Burner nozzle diameter increased to reduce the Flame velocity for proper combustion and save front gable wall life.</li> </ol>
<b>Naidupeta</b>	<ol style="list-style-type: none"> <li>New Low-cost Thermocouples developed for Forehearth.</li> <li>To control electric boosting energy, incorporating to fix barrier booster &amp; variable with melter boosting.</li> <li>20 New products got developed.</li> <li>Ceramic welding was done in the Furnace to extend the furnace life.</li> </ol>
<b>Pondicherry</b>	<ol style="list-style-type: none"> <li>Line - 94 converted to NNPB to meet demand and cost optimization. Its blank side got converted to vertiflow cooling from stack cooling to conserve energy</li> <li>Induction of emergency hopper with unbalanced motor at BC-5 to facilitate cullet loading in case of total failure of cullet conveying system.</li> <li>Energy efficient pumps/motors ordered for Booster/Melter cooling system which will save approx. 350 Kwh/ Day</li> <li>UPS system is enabled to keep critical equipment running during power failure. 100 KVA Rental UPS Installed for Shear Spray, Furnace electrode Boosting, IS Machine - CC Pump and Secondary Axial Air fan</li> <li>Batch House, RHS Hydra mixer, Screw with paddle conveyor replaced with simple Belt conveyor for easy operation and better control.</li> <li>Ceramic welding of port wall and crown is done to improve Furnace life.</li> </ol>

## Annexure IV to the Board's Report

### 3. FUTURE PLANS OF ACTION

Plant	Initiatives & Developments
<b>Rishra</b>	<ol style="list-style-type: none"> <li>1. Cold repair of Fur#2 to improve energy consumption and productivity.</li> <li>2. Dryer-1 reciprocating compressor replacement with screw compressor for low maintenance cost (energy saving of approx. 24 lakhs/annum).</li> <li>3. Centac compressor 1 &amp; 2 after cooler tube replacement, Centac 5 revamping for ready spare in HP/ VHP airline, Revamping of tank 6 &amp; Centac cooling tower; and Revamping of sand bucket elevator to improve efficiency.</li> <li>4. Procurement of 33 KV SF6 main incomer breaker and spare breaker for main power transformers 33/6 KV, to ensure spare availability</li> <li>5. Revamping of auxiliary power source at 33 KV Breaker control room and 6KV breaker section of T-6.</li> <li>6. Usage of Low cost Bankura sand and Chaibasa Dolomite</li> </ol>
<b>Bahadurgarh</b>	<ol style="list-style-type: none"> <li>1. Working with customers for further light weighting with process change from B&amp;B to NNPB.</li> <li>2. Line 34 &amp; 35 -Large bore TG Plunger cylinders under development with large cut out in section box to manufacture food and pharma bottles with NNPB Process.</li> <li>3. Plan to carry out cold repair of Fur#4 with additional holding capacity.</li> <li>4. Placing of stirrers on large forehearths for better conditioned glass.</li> <li>5. Sand grain size control: +30 mesh to be made nil for reduction of energy and eliminate chance of silica knots in bottles.</li> <li>6. New indigenous system on window10 for all process control equipment.</li> </ol>
<b>Rishikesh</b>	<ol style="list-style-type: none"> <li>1. Repairing/Rebuild of Fur#8 regenerator to improve fuel efficiency.</li> <li>2. Usage of Natural gas (RLNG) instead of HVFO in both furnaces.</li> <li>3. Line 81 to be rebuild.</li> <li>4. Replacement of conventional induction motors with energy efficient motors to reduce power consumption. Replacement of CENTAC motors.</li> <li>5. Replacement of Ol drive system in 71,73,74,81 &amp; 82 lines.</li> <li>6. Enhance capacity of UPS in both furnace and automation of batch House #8.</li> </ol>
<b>Sinnar</b>	<ol style="list-style-type: none"> <li>1. Energy efficient motor 250 KW to be installed for Cooling Water Pump- Saving-45,000 Units per Annum.</li> <li>2. Captive solar power generation in the Plant.</li> <li>3. Air compressor pipelines to be modified for both HP &amp; LP lines to achieve energy saving of minimum 1,200 units per day.</li> <li>4. Replacement of Reciprocating Compressor with 750 CFM @ 7 bar Screw compressor, for shot blasting &amp; pilot air. This will save 150 units/day.</li> <li>5. Centre Compressor No.3 and 5 heat exchanger replacement to improve pressure drop in 1st and 2nd stage would lead to saving of 100Kwh/day (saving Rs. 2.90 Lac/Annum)</li> <li>6. Repairing /Re-build of Fur # 12 &amp; Regenerator to improve Fuel efficiency.</li> </ol>
<b>Naidupeta</b>	<ol style="list-style-type: none"> <li>1. Usage of LNG to reduce energy &amp; melting cost.</li> <li>2. Ground water conservation by regulating usage of process water.</li> <li>3. Sump temperature-based auto control of Cooling Tower fans</li> <li>4. Usages of Gudur sand &amp; Bhuj sand in 50:50 ratio, without affecting glass quality (iron level &lt; 1000 ppm), Partial implementation undertaken.</li> <li>5. Plan of using solar energy</li> <li>6. PNLD level-based auto drain valves for all Centrifugal compressors having huge potential of compressed air/ energy savings.</li> </ol>

## Annexure IV to the Board's Report

<b>Pondicherry</b>	<ol style="list-style-type: none"> <li>1. Exploring the usage of LNG in place of existing Furnace oil for glass melting</li> <li>2. Replacement of water jacket system on both doghouse with refractory curtains to avoid water leakage and maintenance.</li> <li>3. Provision for cooling of pushers of Batch Charger to enhance its life span</li> <li>4. Induction of LWN Blower &amp; energy efficient compressors for energy saving</li> <li>5. Engineering, Fabrication &amp; Commissioning of 30KL DM plant - Renovation of existing DM plant done and capacity requirement under observation</li> <li>6. Renovation of remaining 2 Nos. of Cooling Tower to enhance Compressor and DG performance.</li> </ol>
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### 4. EXPENDITURE ON R & D

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

### 5. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

Re-using ZR 500 Atlas Copco make 2000 cfm screw compressor by installing new upgraded dual VFD in control panel with Siemens support.

### 6. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign exchange earnings and outgo are detailed below:

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Earnings in foreign exchanges	3,217.51	4,297.05
Expenditure incurred in foreign exchanges	4,611.34	-
Raw Materials	4,981.01	13,787.90
Components, Spare parts and Repairs	670.96	731.47
Capital Goods	2.07	-
Other Expenses	382.73	936.57

**For and on behalf of the Board**

**Sanjay Somany**

**Chairman & Managing Director**

(DIN: 00124538)

**Taken on record by**

Powers of the Board are suspended from the Insolvency Commencement Date

**Girish Siriram Juneja**

Resolution Professional for Hindusthan National Glass & Industries Limited

Reg.: IBBI/IPA001/IP-P00999/2017-2018/11646

Place : Kolkata

Date : 11th August , 2022



# Corporate Governance Report

In accordance with an application made by DBS Bank, Financial Creditor of the Company, the Hon'ble National Company Law Tribunal, Kolkata Bench, vide its order dated 21st October, 2021 ("Order") has initiated Corporate Insolvency Resolution Process ("CIRP") against your Company under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("the Code"). Pursuant to the Order, the powers of the Board of Directors stand suspended and are vested with Mr. Girish Siriram Juneja (IP Registration No. IBBI/IPA-001/IP-P00999/2017-2018/11646), who has been appointed as Interim Resolution Professional (IRP) by the Hon'ble NCLT and later confirmed as a Resolution Professional (RP) by the Committee of Creditors (CoC). Further, in consonance with the stipulation contained in Section 17 of the Code, the powers of the Board of Directors of the Company stand suspended effective from CIRP commencement date and the same are vested and exercised by Mr. Girish Siriram Juneja, Resolution Professional.

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

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

During the financial year 2021-22, the Company kept its commitment towards the required norms and disclosures on Corporate Governance under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations"). However, in terms of sub - regulations 2A and 2B of Regulation 15 of Listing Regulations, the provisions as specified in Regulation 17 to 21 of Listing Regulations are not applicable during the CIRP period in respect of a listed entity which is undergoing CIRP under the Code.

## Report on Corporate Governance

### 2. Board of Directors

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

- **Composition, category and size of the Board:**
- The composition and category of the Board of Directors as on 31st March, 2022 is given below.
- **\*\*Out of the total 5 (Five) Directors on the Board:**
  - 2 (Two) are Promoters, Executive Directors and Equity Investors.
  - 3 (Three) are Independent Non-Executive Directors including 1 (One) Woman Independent Non Executive Director.
    - The Chairman of the Company is a promoter, Executive Director.
    - Attendance of each Director at the Board Meetings, last Annual General Meeting (AGM) and Number of other Directorships and other Board Committee memberships in various companies.

Name of the Director	Category of Director	Attendance at meetings held during 2021-22		Directorship in other companies <sup>^</sup>	Number of Board Committees in which he is Chairman/Member#			Name of Listed entities where the Person is a director and the category of Directorship
		Board	AGM		Chairman	Member	Total	
Shri Sanjay Somany (Promoter)	(Chairman & Managing Director) Executive	4	Yes	4	Nil	Nil	Nil	Hindusthan National Glass & Industries Limited (Executive Director) Spotlight Vanijya Limited (Non-Executive Director)
Shri Mukul Somany (Promoter)	(Vice Chairman & Managing Director) Executive	4	Yes	5	1	1	2	Hindusthan National Glass & Industries Limited (Executive Director) Spotlight Vanijya Limited (Non-Executive Director)
Shri Ratna Kumar Daga	Independent, Non-Executive	4	Yes	Nil	Nil	Nil	Nil	Hindusthan National Glass & Industries Limited (Non-Executive Independent Director)
Smt. Rita Bhimani	Independent, Non-Executive	3	Yes	1	Nil	2	2	Hindusthan National Glass & Industries Limited (Non-Executive Independent Director) Asian Hotel (EAST) Limited (Director)
Shri Amal Chandra Saha	Independent, Non-Executive	4	Yes	Nil	Nil	Nil	Nil	Hindusthan National Glass & Industries Limited (Non-Executive Independent Director)

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

# Memberships/Chairmanships of only Audit Committee and Stakeholders' Relationship Committee in other Public Limited Companies have been considered (excluding Membership/Chairmanship in Committees of the Board of the Company for which, this report has been prepared).

After appointment of RP, all meetings of Board of Directors (RP & Directors) are chaired by the RP.

- Shri Sanjay Somany, Chairman & Managing Director and Shri Mukul Somany, Vice Chairman & Managing Director, are brothers. None of the other Directors are related to each other.



## Report on Corporate Governance

- **Details of equity shares of the Company held by the Directors as on March 31, 2022 are given below:-**

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

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

In the financial year 2021-22, 4 (Four) Board meetings were held. The interval between two meetings was well within the maximum period mentioned under Companies Act, 2013 and the Listing Regulations:

Sl. No.	Date of Meeting	During the quarter	No. of Directors Present
1.	21st June, 2021	April 2021 - June 2021	6
2.	9th August, 2021	July 2021 - September 2021*	5
3.	9th November, 2021	October 2021 - December 2021	5
4.	14th February, 2022	January 2022 - March 2022	4

\*Mr. Dipankar Chatterji ceased to be the Director of the Company w.e.f. 26th July, 2021.

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

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

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

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

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

- **Independent Directors' Meeting**

During the year, a separate meeting of the Independent Directors was held on 29th March, 2022 without the attendance of the Non- Independent Directors and the Members of the Management, inter-alia, to discuss the performance of Non- independent Directors including that of the Chairman of the Company, taking into account the views of the Executive Directors, access the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties and other related matter.

All the Independent Directors were present in the Meeting.

- **Familiarisation Programmes for Independent Directors**

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

The details of such familiarization programmes for Independent Directors are posted on the website of the Company at <https://www.hngil.com/uploads/ad747491d1c5d9c2e36c0078d8f3749e.pdf>

## Report on Corporate Governance

### • Expertise and Competence of the Board of Directors

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

Briefly, the expertise of Board are:

Shri Sanjay Somany & Shri Mukul Somany are the leaders in the organized Indian container glass market. Having gained more than 28 years of experience in such manufacturing industry, they became acknowledged experts in glass business. Shri Mukul Somany is an expert in finance as well as marketing fields also. Both of them are managing day- to-day affairs of the Company.

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

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

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

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

- The Board has confirmed that Independent Directors of the Company fulfil the conditions specified in Listing Regulations and are Independent of the management.
- During the Financial Year 2021-22, none of the Independent Director except Mr. Dipankar Chatterji (DIN: 00031256) has resigned from the Company before the expiry of his/her tenure. Mr. Chatterji resigned from the Company with effect from 26th July, 2021 due to his health and personal reasons.

### 3. Audit Committee

#### • Terms of reference

The Company constituted an Audit Committee in the year 2000. The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Regulation 18 of the Listing Regulations and Sec.177 of the Companies Act, 2013, as applicable, besides other terms as referred by the Board of Directors. This term of reference were revised in F.Y. 2020-21 to make them in line with requirements of SEBI (LODR) 2015, and includes:-

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



## Report on Corporate Governance

- Composition, meetings and attendance during the year**

In the F.Y. 2021-22, 7 (Seven) meetings of the Audit Committee were held and the attendance of each member of the Committee are given below.

- Dates of meetings:**

21st June, 2021	6th July, 2021	9th August, 2021	26th August, 2021
9th November, 2021	14th February, 2022	28th March, 2022	

Members of the Audit Committee have the requisite financial and management expertise. The Chairman of the Audit Committee attended the 75th 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	7	7
Member	Shri Amal Chandra Saha	Non-Executive, Independent Director	7	7
Member	Shri Mukul Somany	Executive Director	7	4
Member	Shri Dipankar Chatterji*	Non-Executive, Independent Director	2	2

\* Mr. Dipankar Chatterji ceased to be the member of the Committee w.e.f. 26th July, 2021.

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

The Company Secretary & Compliance Officer acts as the Secretary to the Committee.

After the initiation of CIRP, all meetings of the Audit Committee are being chaired by the RP.

- Internal Control and Governance Process**

The Company has in house Management Team to review and report on internal control systems. The report of the In-house Management Team is reviewed by the Audit Committee periodically.

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

#### 4. Nomination & Remuneration Committee

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

- Composition, Meetings and Attendance during the year**

In the financial year 2021-22, 2 (Two) meetings of the Nomination & Remuneration Committee were held on

19th June, 2021	29th March, 2022
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Total strength of the Nomination & Remuneration Committee: **Three**

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

## Report on Corporate Governance

Member	Smt. Rita Bhimani	Non-Executive, Independent Director	2	2
Member	Shri Amal Chandra Saha**	Non-Executive, Independent Director	1	1

- \* Mr. Dipankar Chatterji ceased to be the member of the NRC w.e.f. 26th July, 2021.
- \*\* Mr. Amal Chandra Saha became the member of the NRC w.e.f. 9th August, 2021.
- After the initiation of CIRP, all meetings of the Nomination & Remuneration Committee are being chaired by the RP.

### Nomination & Remuneration Policy of the Company

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

### Details of the remuneration paid to the Directors during 2021-22

#### To Non-Executive Directors

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

- The details of sitting fees paid and commission payable during 2021-22 are as follows:

(In Rs.)				
Directors	Business relationship with HNG	Sitting fees	Commission	Total
Shri Ratna Kumar Daga	None	1,90,000.00	--	1,90,000.00
Shri Dipankar Chatterji*	None	45,000.00	--	45,000.00
Smt. Rita Bhimani	None	80,000.00	--	80,000.00
Shri Amal Chandra Saha	None	1,80,000.00	--	1,80,000.00
<b>Total</b>		<b>4,95,000.00</b>		<b>4,95,000.00</b>

\* Mr. Dipankar Chatterji ceased to be the Director of the Company w.e.f. 26th July, 2021.

#### To Executive Directors

The details of remuneration paid to Executive Directors, during F.Y. 2021-22, as per their respective agreements are as follows:

(In Rs.)		
Break-up of Remuneration	Shri Sanjay Somany Chairman & Managing Director	Shri Mukul Somany Vice Chairman & Managing Director
Salary	--	--
Provident fund	--	--
Perquisites	--	--
Commission	--	--
Others* Club fees and Car Fuel	--	--
<b>Total</b>	<b>--</b>	<b>--</b>



## Report on Corporate Governance

### Note :

- As per agreement dated 7th May, 2015, Shri Sanjay Somany & Shri Mukul Somany are eligible for a Commission @ 1.5% of the net profit computed in accordance with provisions of the Companies Act, 2013, restricted to annual basic salary drawn in that particular year. Due to accrued losses during the financial year 2021-22, no commission was paid to Executive/Non-Executive Directors of the Company.
- No stock option is available to the Executive Directors or the employees of the Company.

### Performance Evaluation

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

## 5. Stakeholders' Relationship Committee

### Composition, meetings and attendance during the year

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

During the year under review, 4 (Four) meetings were held as on 21st June, 2021, 9th August, 2021, 9th November, 2021 and 14th February, 2022.

Designation	Members	Category	Number of meetings held	Number of meetings Attended
Chairman	Shri Ratna Kumar Daga	Non-Executive, Independent Director	4	4
Member	Shri Sanjay Somany	Executive Director	4	4
Member	Shri Mukul Somany	Executive Director	4	4

### Terms of Reference -

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

### Shareholders' complaints and pending share transfer

No investor grievance was pending at the beginning and at the end of the F.Y. 2021-22 and there were no investor grievances during the year under review also.

After the initiation of CIRP, all meetings of the Stakeholders' Relationship Committee are being chaired by the RP.

## 6. Corporate Social Responsibility (CSR) Committee

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

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

## Report on Corporate Governance

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

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

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

### 7. Treasury Management Committee

This is a non – mandatory Committee as per requirements of SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 or previous listing agreement. However, this Committee was constituted on 09th May, 2005 for smooth functioning of business and banking activities.

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

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

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

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

During the year under review, 1 (One) meeting was held on 28th June, 2021.

### 8. Subsidiary

As on 31st March, 2022, the Company does not have any Subsidiary

### 9. Whistle Blower Policy

The Whistle Blower Policy of the Company is in place. The details of such policy are posted on the website of the Company at <https://www.hngil.com/uploads/6d68cf57fb915efa23aa97c7b76c0301.pdf>

### 10. General Body Meetings

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

General Meeting	Venue	Day and date	Time
75th Annual General Meeting	Conducted through Video Conferencing and Other Audio Visual means	Saturday, 18th September, 2021	11.00 a.m.
74th Annual General Meeting	Conducted through Video Conferencing and Other Audio Visual means	Wednesday, 15th July, 2020	10:00 a.m.
73rd Annual General Meeting	CII-Suresh Neotia Centre of excellence for leadership, DC-36, Sector – I, Salt lake city, Kolkata - 700 064	Wednesday, 18th September, 2019	10:00 a.m.



## Report on Corporate Governance

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

Shareholders' Meeting	Special Business requiring Special Resolution
75th Annual General Meeting	1. No Special Resolution was passed at the Meeting.
74th Annual General Meeting	1. Appointment of Smt. Rita Bhimani as an Independent Director
73rd Annual General Meeting	1. Appointment of Shri Amal Chandra Saha as an Independent Director

### Extra-Ordinary General Meeting and Postal Ballot

During the F.Y. 2021-22, no extra-ordinary general meeting was held and no resolution was passed through Postal Ballot.

### 11. Disclosures

There were no materially significant related party transactions made by the Company with its Promoters, Directors or the management and its subsidiaries or relatives, among others, that may have potential conflict with the interests of the Company at large and are carried at arm's length basis or fair value. The Register of Contracts containing the transactions in which the Directors are interested, is placed before the Board regularly for its approval. As required under the Listing Regulations, the Company has formulated a policy on dealing with related party transaction and the same is available on the website of the Company (<https://www.hngil.com/uploads/c90668a5f25a922faa07d164c0a9568c.pdf>)

Related party transactions are in the ordinary course of business and are reported to the Audit Committee. Such transactions are disclosed in note no. 2.36 of Notes on Financial Statements in the Annual Report.

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

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

During the financial year 2021-22, the Company did not make any public or right issue.

The Financial Statements for 2021-22 were prepared in accordance with the applicable Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013.

The Chairman & Managing Director, Vice Chairman & Managing Director and the Chief Financial Officer of the Company have certified to the Board in accordance with SEBI (Listing Obligations & Disclosures Requirement) Regulations, 2015 pertaining to CEO/CFO certification for the financial year ended 31st March, 2022. Such certificate is enclosed to this report.

Pursuant to the requirement of Regulation 26(3) of SEBI (Listing Obligations & Disclosures Requirement) Regulations, 2015, the Company has adopted a 'Code of Conduct for Directors and Senior Management'. The Directors and designated employees of the Company have complied with the provisions of the said Code of Conduct. The Code of Conduct is also hosted on our website. All members of the Board and Senior Management personnel have affirmed compliance to the Code as on 31st March, 2022. A declaration in this connection from Chairman & Managing Director and Vice Chairman & Managing Director is enclosed to this report.

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

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

## Report on Corporate Governance

Name of Person or Entity belonging to the promoter/ promoter group which hold(s) 10% or more shareholding	Percentage Shareholding as on 31st March, 2022	Type of Transaction During the Year	Amount of Transaction During the Year (Rs. in Lacs)
Spotlight Vanijya Limited	18.09	Interest Accrued for NCD	539.75
		-	-
Brabourne Commerce Private Limited	24.29	-	-

For more details, Kindly refer note no. 2.36 of the notes on Financial Statement for year ended 31st March, 2022.

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

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

### 12. Means of Communication

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

### 13. General shareholder information

<b>Incorporation</b>	The Company was incorporated in Calcutta, in the Province of Bengal, on February 23, 1946.
<b>Corporate Identification Number (CIN)</b>	L26109WB1946PLC013294
Date, time and venue/Mode of AGM	<b>Wednesday, 28th day of September 2022, at 11.30 A.M.</b> through Video Conferencing (VC) or Other Audio Visual Means (OAVM)
Financial calendar (Tentative)	April 2022 to March 2023
1st quarter results by	2nd week of August, 2022
2nd quarter results by	2nd week of November, 2022
3rd quarter results by	2nd week of February, 2023
4th quarter results by	3rd / 4th Week of May, 2023
Date of Book Closure	22nd September, 2022 to 28th September, 2022 (both days inclusive)

#### • Listing on Stock Exchanges

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

- |   |  |  |
|---|--|--|
| 1] The Calcutta Stock Exchange Limited, 7, Lyons Range, Kolkata - 700 001 Email:cseadm@nseindia.com Website : www.cse-india.com Scrip code : 10018003 | 2] BSE Limited, 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Email:corp.relations@bseindia.com Website : www.bseindia.com Scrip code : 515145 | 3] National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai- 400051 Email : cm1ist@nse.co.in Website : www.nseindia.com Scrip symbol : HINDNATGLS |
|---|--|--|

- Listing fees paid for the year 2022-23 for all the above Stock Exchanges.

## Report on Corporate Governance

- **High / Low share price data**

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

### At BSE Limited

Month	High (in Rs.)	Low (in Rs.)	Volume (shares)
April, 2021	35.05	28.70	116931
May, 2021	38.90	31.00	277997
June, 2021	53.20	33.00	906872
July, 2021	51.75	44.15	169937
August, 2021	46.55	33.30	74937
September, 2021	39.00	33.85	96001
October, 2021	37.60	27.25	492873
November, 2021	31.80	26.40	135696
December, 2021	35.50	28.30	230443
January, 2022	39.45	19.40	803488
February, 2022	23.45	14.30	1673914
March, 2022	18.79	11.08	3897111

### At National Stock Exchange of India Limited

Month	High (in Rs.)	Low (in Rs.)	Volume (shares)
April, 2021	34.55	28.50	671135
May, 2021	39.00	30.65	1260705
June, 2021	53.20	32.90	4570301
July, 2021	51.65	43.05	733086
August, 2021	46.70	33.90	408368
September, 2021	39.00	34.00	415719
October, 2021	37.40	27.20	1013606
November, 2021	31.50	26.40	751278
December, 2021	35.40	27.85	1422551
January, 2022	39.10	19.30	4280342
February, 2022	23.35	14.30	3965792
March, 2022	18.60	11.00	10933699

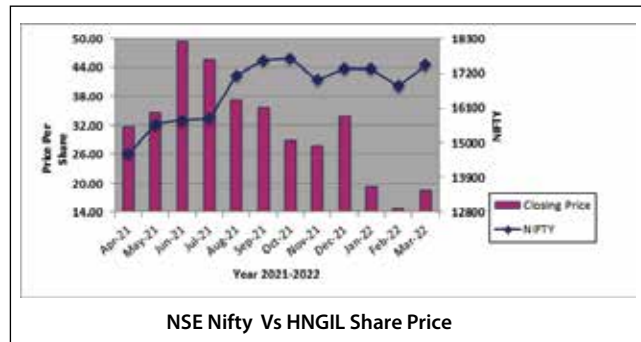
Source: [www.bseindia.com](http://www.bseindia.com)

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

Performance in comparison to broad-based indices such as BSE Sensex and NSE Nifty For F.Y. 2021-22 are given below:



BSE Sensex Vs HNGIL SharePrice



NSE Nifty Vs HNGIL Share Price

### Registrar and Share Transfer Agent

In compliance with the SEBI directive, the Company has appointed M/s Maheshwari Datamatics Private Limited, as its Registrar and Share Transfer Agent having registered office at 23, R.N. Mukherjee Road, 5th Floor, Kolkata-700001, Email id:- [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com)., Telephone – 033- 2248-2248/5029 for all matters relating to shares, both in physical as well as in dematerialised mode.

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

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



## Report on Corporate Governance

### Share Transfer System

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

### • Distribution of shareholding as on 31st March, 2022

No. of equity shares held	Holder	%		Shares	%			
1 to 5,000	13294	96.8951		4990482	5.5726			
5,001 to 10,000	189	1.3775		1443640	1.612			
10,001 to 20,000	106	0.7726		1581246	1.7657			
20,001 to 30,000	51	0.3717		1255118	1.4015			
30,001 to 40,000	14	0.1021		518798	0.5793			
40,001 to 50,000	10	0.0729		478547	0.5344			
50,001 to 1,00,000	12	0.0875		913018	1.0195			
1,00,001 to above	44	0.3207		78372716	87.5149			
<b>Grand Total</b>	<b>13720</b>	<b>100</b>		<b>895553565</b>	<b>100</b>			
No of shareholders in:	No. of Records (as per Folio/ Client ID)	No. of Records (as per Pan)	%		No. of Shares (as per Folio/ Client ID)	No. of Shares (as per Pan)	%	
Physical Mode	13	12	0.0948	0.0891	4431	4431	0.0049	0.0049
Electronic Mode								
NSDL	4445	4357	32.3980	32.3627	75977953	75977953	84.8408	84.8408
CDSL	9262	9094	67.5073	67.5482	13571181	13571181	15.1543	15.1543
<b>Total</b>	<b>13,720</b>	<b>13,463</b>	<b>100</b>	<b>100</b>	<b>8,95,53,565</b>	<b>8,95,53,565</b>	<b>100</b>	<b>100</b>

### • Shareholding Pattern as on 31st March, 2022

Category	No. of shares	%
Promoters & Associates	63338840	70.7273
Institutions - F.P.I	298547	0.3334
Domestic Companies	7817652	8.7295
Resident Individuals	17633699	19.6907
Foreign residents and NRI's	193069	0.2156
I.E.P.F.	109703	0.1225
Clearing Member	162055	0.1810
<b>Total</b>	<b>89553565</b>	<b>100</b>

### • Dematerialisation of shares and liquidity

As on 31st March, 2022, 89,549,134 shares comprising of 99.99 % of the paid up capital of the Company, are in dematerialised mode. The promoters of the Company, holds around 70.73% of the Paid up Capital of the Company, as on 31st March, 2022, of which all the shares are held in dematerialized mode.



## Report on Corporate Governance

### • Details of Secured Non-Convertible Debentures

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

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

### • Plant locations

The Company has seven plants, located at:

- 2, Panchu Gopal Bhaduri Sarani, Rishra - 712 248, Dist. Hooghly, West Bengal, Phone : (033) 2600 0200, Fax (033) 2600 0333
- Bahadurgarh – 124507, Dist: Jhajjar, Haryana. Phone: (0126) 221400 Fax – (0126) 221666
- P.O. Virbhadrha, Rishikesh - 249201 Dist. Dehradun, Uttarakhand Phone : (0135) 2470700, Fax (0135) 2470777
- Thondamanatham Village, Vezhudavoor S. O. Puducherry - 605 502 Phone : (0413) 2677319, Fax (0413) 2677366/2677666
- Nashik Glass Work, F1, MIDC Malegaon, Dist. Sinnar, Nashik - 422113 Phone : (025511) 228900, Fax (025511) 228999
- 14, RIICO Industrial Area Neemrana, Distt. Alwar Pin - 301705 (Rajasthan) Tel - 01494 - 246712, 513935 Fax - 01494 - 246713
- Sy. No. 12-299 APIIC Industrial Park, Venkatagiri Road, Menakuru village, Naidupeta SPSR Nellore district 524421, Andhra Pradesh Phone: 91-8623-211001

### • Address for correspondence

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

### • E-mail ID for investors' grievance

cosec@hngil.com

- List of all credit ratings obtained by the entity along with any revisions thereto, during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity, involving mobilization of funds, whether in India or abroad are disclosed on the website of the Company.
- Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A). – Not applicable.
- A Certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority as on 31.03.2022 is attached to this report.
- The Board has accepted all recommendation of its all Committees, during the year under review.
- Total fees for all services paid by the listed entity to the Joint statutory auditors and all entities in the network firm/network entity of which the statutory auditor is a part. – Rs. 32.13 lacs.

## Report on Corporate Governance

- During the year under review, the Company has no Subsidiary/ Joint Venture/Associate Company and hence the Financial statement has been prepared on Standalone Basis.
- Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
  - a. number of complaints filed during the financial year - Nil
  - b. number of complaints disposed of during the financial year - Nil
  - c. number of complaints pending as on end of the financial year - Nil
- **Non-mandatory requirements specified under Part E of Schedule II of the SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015:**
  - The Board At present, the Chairman of the Company, Shri Sanjay Somany does have a separate office in the Company. The Registered Office supports the Chairman in discharging his responsibilities.
  - Shareholders' Right Half-yearly results including summary of the significant events are currently not being sent to the shareholders of the Company. However, quarterly results are posted at the Company's website, in addition to being published into two newspapers, one in English and another in Vernacular language
  - Reporting of Internal Auditors The Internal Auditors Report to the Audit Committee of the Company, to ensure independence of the Internal Audit function.
- **The disclosure of the compliance with Corporate Governance requirement specified in regulation 17 to 27 and regulation 46(2) (b) to (i)**

Sl. No.	Particulars	Regulation Number	Compliance Status (Yes/No/NA)
1	Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	16(1)(b) & 25(6)	Yes
2	Board composition	17(1), 17(1A) & 17(1B)	Yes
3	Meeting of Board of directors	17(2)	Yes
4	Quorum of Board meeting	17(2A)	Yes
5	Review of Compliance Reports	17(3)	Yes
6	Plans for orderly succession for appointments	17(4)	Yes
7	Code of Conduct	17(5)	Yes
8	Fees/compensation	17(6)	Yes
9	Minimum Information	17(7)	Yes
10	Compliance Certificate	17(8)	Yes
11	Risk Assessment & Management	17(9)	Yes
12	Performance Evaluation of Independent Directors	17(10)	Yes
13	Recommendation of Board	17(11)	Yes
14	Maximum number of Directorships	17A	Yes
15	Composition of Audit Committee	18(1)	Yes
16	Meeting of Audit Committee	18(2)	Yes
17	Composition of Nomination & Remuneration Committee	19(1) & (2)	Yes
18	Quorum of Nomination and Remuneration Committee meeting	19(2A)	Yes
19	Meeting of Nomination and Remuneration Committee	19(3A)	Yes



## Report on Corporate Governance

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

\* Formation of Risk Management committee is applicable to top 1000 listed companies only. Our Company is not included in top 1000 listed Companies.

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

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend, if not claimed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

## Report on Corporate Governance

In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of dividends / shares to IEPF Authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividends and shareholders, whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website - <https://www.hngil.com/p/unclaimedunpaid-dividend-1>

In light of the aforesaid provisions, the Company had during last year, transferred to IEPF the unclaimed dividends for F.Y. 2012-13, outstanding for 7 years. However, the linking of the amount transferred by the Bank to the MCA/IEPF account is pending due to some technical glitch. The Company is continuously communicating with the Bank/MCA and taking steps to resolve the issue. Further, shares of the Company, in respect of which dividend has not been claimed for 7 consecutive years or more from the date of transfer to unpaid dividend account, have also been transferred to the demat account of IEPF.

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

Not applicable as no shares are lying in Suspense Account

For and on behalf of the Board

**Sanjay Somany**

**Chairman & Managing Director**

(DIN: 00124538)

Place : Kolkata

Date : 24th May, 2022

**Taken on record by**

**Girish Siriram Juneja**

Resolution Professional for Hindusthan National Glass & Industries Limited

Reg.: IBBI/IPA001/IP-P00999/2017-2018/11646



## Report on Corporate Governance

### Declaration

All the Board Members and the Senior Management personnel have affirmed their compliance with the 'Code of Conduct for Directors and Senior Management' for the financial year 2021-22 in terms of Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

Place : Kolkata  
Date : 24th May, 2022

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

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

### CEO & CFO Compliance Certificate

We, hereby certify that: -

- We have reviewed the financial statements and the cash flow statement of the Company for the year ended 31st March, 2022 and to the best of our knowledge and belief:
  - These statements does not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 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.
- To the best of our knowledge and belief, no transactions entered into by the Company, during the year ended 31st March, 2022 are fraudulent, illegal or violative of the Company's Code of Conduct.
- We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company, pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps have been taken to rectify these deficiencies.
- We have indicated to the Auditors and the Audit Committee:
  - significant changes, if any, in internal control over financial reporting during the year under reference;
  - significant changes in the accounting policies during the year and the same has been disclosed in the notes to the financial statements; and
  - Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Kolkata  
Date : 24th May, 2022

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

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

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

## Report on Corporate Governance

### COMPLIANCE CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2022

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

To

The Members of

**Hindusthan National Glass & Industries Limited**

2, Red Cross Place, Kolkata - 700 001

- 1) I have reviewed the compliance of conditions of Corporate Governance by Hindusthan National Glass & Industries Limited (CIN: L26109WB1946PLC013294) (hereinafter referred to as 'the Company'), for the year ended on 31st March, 2022, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paras C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended by SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (hereinafter referred to as 'Listing Regulations').
- 2) In my opinion and to the best of my information and according to the examinations of the relevant records and the explanations given to me and the management representation letter of even date, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paras C, D and E of Schedule V of the Listing Regulations, during the year ended on 31st March, 2022.
- 3) The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
- 4) I further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Dated: 16/05/2022

Place: Kolkata

For **M. Rathi & Co.**

Company Secretary

M No. F 6016, Co P No. 6209

Firm UIN : P2006WB006800

UDIN : F006D





## Report on Corporate Governance

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr SANJAY SOMANY	00124538	27.03.1993
2.	Mr MUKUL SOMANY	00124625	23.07.1992
3.	Mr RATNA KUMAR DAGA	00227746	25.11.1997
4.	Mr AMAL CHANDRA SAHA	00443348	26.04.2019
5.	Mrs RITA BHIMANI	07106069	03.03.2015

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

This certificate is neither an assurance as to the future viability of the Company nor of the effectiveness with which the management has conducted the affairs of the Company.

Place: Kolkata  
Dated: 11th May, 2022

Signature:  
Name of the Company : **BABU LAL PATNI**  
Membership No.: FCS 2304  
C.P. No: 1321  
UDIN: F002304D000301383

# Financial Section



## Independent Auditors' Report

To the Members of

**Hindusthan National Glass & Industries Limited**

**Report on the Audit of the Financial Statements**

### Qualified Opinion

We have audited the accompanying financial statements of **Hindusthan National Glass & Industries Limited** ("the Company"), which comprise the balance sheet as at March 31, 2022, the statement of profit and loss (including the statement of other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

### Basis for Qualified Opinion

- a) Refer Note no. 2.13.5 (D) of the financial statements, regarding appropriation of payments made by the company during March, 2019 to September, 2021 by the Lead Banker against outstanding loans and adjustment by the management and interest calculations thereon. In absence of any balance confirmation from the lenders and consequent reconciliation with the outstanding balances and impact thereof if any, on the reported figures cannot be ascertained. Also, Refer Note No. 2.45 of the financial statements regarding the pending reconciliations of admitted claims of financial creditors, operational creditors and others with the books of accounts, impact if that may arise has not been considered in the preparation of the financial results for the year ended 31<sup>st</sup> March, 2022.
- b) As stated in the Note no. 2.21.1 of the financial statements regarding the non-accounting of interest of Rs.8,775 lakhs as calculated by the company on outstanding borrowings (including Non-Convertible Debentures) post initiation of Corporate Insolvency Resolution Process ('CIRP') with effect from October 21, 2021 under Section 14 of Insolvency and Bankruptcy Code, 2016 ('IBC').
- c) As stated in the Note no. 2.13.7 of the financial statements, the company has restated the ECB borrowings of USD 641.27 lakhs at foreign currency exchange rate of Rs.74.7635 per USD as on October 21, 2021 (date of initiation of CIRP) as against exchange rate of Rs.75.8071 per USD as on March 31, 2022 resulting in short booking of exchange loss of Rs.669 lakhs in the books of accounts which has consequent impact on the result for the quarter and year ended March 31, 2022.
- d) Refer Note no. 2.38 of the financial statements which indicates that the company has accumulated losses and its net worth has completely eroded, the company has incurred net loss during the current year and in the earlier year(s), the company's current liabilities exceeds its current assets and the company is having a high debt-equity ratio (debt being Rs.2,26,319 lakhs and equity being Rs.(76,636) lakhs) as at March 31, 2022 realizable value of assets is lower than the amount payable to secured creditors, earnings per share is negative. In our opinion, based on the above, the company does not appear to be a going concern.
- e) The members of the lenders consortium set aside Rs.1,238 lakhs in FY 2019-20 towards corpus fund for meeting legal expenses, out of which, claim amounting to Rs.131 lakhs have been accounted for based on the details submitted by the bank during the current financial year, however no proper documents from the bank is available for the same. The remaining amount of Rs.1,107 lakhs are lying unadjusted in the books of accounts as on 31.03.2022 which is subject to confirmation from the bank.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Code of Ethics

## Independent Auditors' Report

issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of financial statements under the provisions of the Act and Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### Emphasis of Matter

We draw attention to Note no. 1.1.b of the financial statements, the Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench, vide its order dated October 21, 2021 has admitted the Company for initiation of Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy code, 2016 (IBC). Our opinion is not modified in respect of this matter.

### Key Audit Matters

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

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

Sl. No.	Key Audit Matter	Auditor's Response
1	<p><b>Valuation of Inventories</b></p> <p>We refer to Note 1.3.7 and 2.5 of the financial statements</p> <p>As at March 31, 2022, the total carrying amount of inventories was Rs.42,409 lakhs. The assessment of impairment of inventories involves significant estimation uncertainty, subjective assumptions and the application of significant judgment.</p> <p>Reviews are made periodically by management on inventories for obsolescence and decline in net realizable value below cost. Allowances are recorded against the inventories for any such declines based on historical obsolescence and slow-moving history. Key factors considered include the nature of the stock, its ageing, shelf life and turnover rate.</p>	<p>Our audit procedures include the following:</p> <ul style="list-style-type: none"> <li>We have checked and analyzed the ageing of the inventories, reviewed the historical trend on whether there were significant inventories written off or reversal of the allowances for inventories obsolescence.</li> <li>We conducted a detailed discussion with the Company's key management and considered their views on the adequacy of allowances for inventories obsolescence considering the current economic environment.</li> <li>We have also reviewed the subsequent selling prices in the ordinary course of business and compared against the carrying amount of the inventories on a sampling basis at the reporting date.</li> </ul> <p>We found management's assessment of the allowance for inventory obsolescence to be reasonable based on available evidence.</p>

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



## Independent Auditors' Report

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors and Resolution Professional (hereinafter referred to as "RP") is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors and RP are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

## Independent Auditors' Report

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

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

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

### Report on Other legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, except for the matter referred to in "Basis for Qualified Opinion" section of our report, the aforesaid financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.
  - (e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
  - (f) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022, from being appointed as a director in terms of section 164(2) of the Act. However, considering the fact, that the Company has defaulted in payment of interest on Non-Convertible Debentures from the dates mentioned in Note No. 2.13.6(c) of the financial statements, in our opinion, all the directors are disqualified from being appointed as director in terms of Section 164 (2) of the Act.
  - (g) The qualification relating to the maintenance of accounts and other matters connected therewith is as stated in the Basis for Qualified Opinion paragraph above.
  - (h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
  - (i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion, and to the best of our information and according to the explanations given to us, the company has not paid any managerial remuneration during the financial year other than the sitting fees to its independent directors which is in accordance with the provisions of section 197(5) read with Rule 4 of Companies (Appointment & Remuneration of the Managerial Personnel) Rule, 2014 (as amended) of the Act.
  - (j) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the



## Independent Auditors' Report

Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed (other than those already recognized in the accounts) the impact of pending litigations on its financial position in its financial statements - Refer Note No. 2.32.A of the financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv.
  - (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to accounts, during the year no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding whether recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate beneficiaries) or provide any guarantee, security or the like on behalf of the ultimate beneficiaries (Refer Note 2.55 to the financial statements).
  - (b) The management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, during the year no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 2.56 to the financial statements).
  - (c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our attention that cause us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under paragraph (2)(j)(iv) (a) & (b) above, contain any material mis-statement.
- v. The Company has not declared any dividend in previous financial year which has been paid in current year. Further, no dividend has been declared in current year. Accordingly, the provision of section 123 of the Act is not applicable to the company.

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

**Debraj Dutta**  
Partner  
Membership No. 312309  
UDIN: 22312309AMVIZD3273

4<sup>th</sup> Floor, Systron Building  
Plot J5, Block EP & GP  
Sector V, Salt Lake,  
Kolkata - 700091  
Date: 24<sup>th</sup> May, 2022

**For J K V S & Co**  
Chartered Accountants  
Firm Registration No.: 308186E

**Ajay Kumar**  
Partner  
Membership No.: 068756  
UDIN: 22068756AJMOUK5232

5A, Nandlal Jew Road  
Kolkata - 700026  
Date: 24<sup>th</sup> May, 2022



## Annexure A to the Independent Auditors' Report

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

- i. (a) In respect of the Company's Property, Plant and Equipment and Intangible Assets;
  - A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
  - B. The Company has maintained proper records showing full particulars of intangible assets;
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not physically verified all the property, plant and equipment but the Company has a regular program of physical verification of its Property, Plant and Equipment. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification;
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company;
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year;
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder;
- ii. (a) The inventories excluding inventories lying with third parties, in few of the units and in transit have been physically verified by the management at reasonable intervals during the year. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by management are reasonable and adequate in relation to the size of the Company and the nature of its business. The discrepancies noticed on verification between the physical stock and the book stock for each class of inventory, wherever ascertained were not more than 10%;
- (b) The Company has not been sanctioned/renewed any working capital loan limits in excess of five crores rupees, in aggregate, from banks or financial institutions during the year on the basis of security of current assets, hence reporting under Clause 3(ii)(b) is not applicable;
- iii. According to the information and explanations given to us, during the year the Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, clause 3 (iii) (a) to (f) of the Order are not applicable to the Company;
- iv. According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not granted any loans, made investments in or provided any guarantee or security and hence reporting under clause 3(iv) of the Order is not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us, The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder to the extent notified, hence, reporting under clause (v) of paragraph 3 is not applicable;
- vi. According to the information and explanations given to us, the maintenance of cost records under section 148(1) of the Act has not been prescribed and as such, hence, reporting under clause (vi) of paragraph 3 of the Order is not applicable;
- vii. According to the information and explanations given to us and on the basis of our examination of the books of accounts, and records:

## Annexure A to the Independent Auditors' Report

- a. The Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, duty of customs, goods and services tax, cess and other statutory dues to the appropriate authorities. There are no undisputed statutory dues outstanding as at March 31, 2022 for a period of more than six months from the date they became payable except for the following:

Name of the Statute	Nature of the Dues	Amount (Rs. in lakhs)	Period to which Amount relates	Due date	Date of Payment	Remarks, if any
Income Tax Act, 1961	Tax Deducted at Source u/s 195	74.09	June Quarter, 2018	July 7, 2018	Not Paid	The amount of TDS has not been paid by the Company on account of one time settlement entered with the lenders under which the entire interest cost shall be waived for the given periods.
		79.22	September Quarter, 2018	October 7, 2018		
		77.26	December Quarter, 2018	January 7, 2019		
		78.99	March Quarter, 2019	April 30, 2019		
		72.67	June Quarter, 2019	July 7, 2019		
		70.00	September Quarter, 2019	October 7, 2019		
		67.05	December Quarter, 2019	January 7, 2020		
		69.53	March Quarter, 2020	April 30, 2020		
		69.08	June Quarter, 2020	July 7, 2020		
		40.44	September Quarter, 2020	October 7, 2020		
		38.99	December Quarter, 2020	January 7, 2021		
		37.29	March Quarter, 2021	April 30, 2021		
		37.90	June Quarter, 2021	July 7, 2021		
		37.22	September Quarter, 2021	October 7, 2021		

- b. The details of dues of sales tax, service tax, duty of excise, value added tax and entry tax, which have not been deposited on account of dispute and the forum where the dispute is pending as on March 31, 2022 are as under:

Name of Statute	Nature of Dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
AP Entry Tax Act 2001	AP Entry Tax	32.75	2014-15 to 2016-17	AP High Court
The Central Excise Act 1944	Excise Duty	199.94	2009-10 to 2013-14	CESTAT, Chennai
		13.07	1993-97	Dy. Comm. Central Excise, Puducherry
		7.38	2010-11	The Customs Excise and Service Tax Appellant Tribunal
		94.05	2009-10	The Customs Excise and Service Tax Appellant Tribunal
		317.43	2011-12	Excise Joint Commissioner Appeals
		47.44	2009-10 to 2012-13	Excise Joint Commissioner Appeals
Unprotected Labour Act	Mathadi & unprotected Labour Board	257.87	2016-17 to 2021-22	Supreme Court, Delhi
The Central Sales Tax (CST) 1956	Sales Tax	435.63	2006-07	West Bengal Appellate Revisional Board
		163.91	2016-17	West Bengal Appellate Revisional Board
		149.30	2008-09	Sr. Joint Commissioner of Commercial Tax Appeal
THE WBST ACT 1994	Sales Tax	55.14	2002-03	West Bengal Taxation Tribunal

## Annexure A to the Independent Auditors' Report

Name of Statute	Nature of Dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
THE WEST BENGAL, VALUE ADDED TAX, 2003	Sales Tax	147.07	2006-07	West Bengal Appellate Revisional Board
		309.51	2016-17	West Bengal Appellate Revisional Board
		108.72	2008-09	West Bengal Taxation Tribunal
		3.53	2015-16	West Bengal Taxation Tribunal
Finance Act, 1994	Service Tax	1.16	2007-08	CESTAT, Chennai
		0.01	2007-08 & 2008-09	CESTAT
		0.99	2008-09	CESTAT
		0.27	2006-07 & 2007-08	CESTAT
		195.00	2001 to 2005	CESTAT
		654.23	2013-14 to 2015-16	CESTAT
		270.25	2007-08 to 2009-10	The Customs Excise and Service Tax Appellant Tribunal
Maharashtra Stamp Duty	Stamp Duty	37.67	2010-11	High Court, Mumbai
Maharashtra Value Added Tax, 2005	VAT	114.00	2005-06 to 2006-07	Tribunal Maharashtra Sales Tax, Mumbai

viii. According to the information and explanations given to us and on the basis of examination of the records of the company, the company has not surrendered or disclosed any transactions, previously unrecorded in the books of accounts, as income during the year in the tax assessments under the Income Tax Act, 1961. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company;

ix. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has defaulted in repayment of loans or other borrowings and interest thereon to the banks, financial institutions and other lenders during the year, accordingly, the period and amounts of defaults are as hereunder:

1. The below table discloses the default of the company in repayment of Term loans:

(Rs. in Lakhs)

Month	State Bank of India	EARC Trust - SC 368 (Loan assigned from HDFC Bank Ltd.)	Canara Bank (Erstwhile Syndicate Bank)	EARC Trust - SC 404 (Loan assigned from Axis Bank Ltd.)	Exim Bank	EARC Trust - SC 367 (Loan assigned from L & T Finance Ltd.)	EARC Trust - SC 245 (Loan assigned from The HSBC Ltd.)	DBS Bank	Goldman Sachs International Bank (Loan assigned from Rabo Bank)
Dec' 17	496.00	112.50	187.50	375.00	-	-	-	-	-
Mar' 18	1,553.10	112.50	187.50	440.00	-	-	-	1,046.60	-
Jun' 18	744.00	168.70	250.00	375.00	-	-	67.77	-	-
Sep' 18	2,244.00	168.70	250.00	472.50	-	-	259.10	2,990.54	-
Dec' 18	744.00	168.70	250.00	375.00	-	-	259.10	-	1,368.04
Mar' 19	2,244.00	168.70	250.00	472.50	-	90.11	259.10	2,990.54	-
Jun' 19	869.00	197.00	343.75	375.00	-	156.25	302.28	-	1,869.09

## Annexure A to the Independent Auditors' Report

Month	State Bank of India	EARC Trust - SC 368 (Loan assigned from HDFC Bank Ltd.)	Canara Bank (Erstwhile Syndicate Bank)	EARC Trust - SC 404 (Loan assigned from Axis Bank Ltd.)	Exim Bank	EARC Trust - SC 367 (Loan assigned from L & T Finance Ltd.)	EARC Trust - SC 245 (Loan assigned from The HSBC Ltd.)	DBS Bank	Goldman Sachs International Bank (Loan assigned from Rabo Bank)
Sep' 19	2,369.00	197.00	343.75	488.75	-	156.25	302.28	2,990.54	-
Dec' 19	869.00	197.00	343.75	375.00	-	156.25	302.28	2,315.46	1,869.09
Mar' 20	3,494.00	197.00	343.75	488.75	-	156.25	302.28	-	-
Jun' 20	1,240.00	281.20	437.50	375.00	-	156.25	431.83	6,728.72	2,803.63
Sep' 20	3,865.00	281.20	437.50	537.50	57.16	156.25	431.83	-	-
Dec' 20	1,240.00	281.20	437.50	375.00	229.25	156.25	431.83	6,728.72	2,803.63
March'21	3865.00	281.20	437.50	537.50	229.25	156.25	431.83	-	-
June' 21	1240.00	281.20	437.50	375.00	229.25	156.33	431.83	8074.46	3364.36
Sep' 21	3865.00	281.20	437.50	537.50	229.25	156.33	431.83	-	-
Oct'21 (Up to 21.10.2021)*	43,728.00	7,538.00	3,500.00	2,552.50	6,140.17	156.33	11,573.06	-	-

\*Date of initiation of CIRP

2. The below table discloses the default of the company in repayment of CC and Working Capital loans:

(Rs. in Lakhs)

Period	EARC Trust - SC 368 (Loan assigned from HDFC Bank Ltd.)	Canara Bank (Erstwhile Syndicate Bank)	EARC Trust - SC 404 (Loan assigned from Axis Bank Ltd.)	DBS	STANDARD CHARTERED BANK	BANK OF BARODA
Default Since Nov'2017 to 21-10-2021	4,672.60	1,706.80	730.25	1,214.26	3,598.68	2,729.70

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

(Rs. in Lakhs)

Month	State Bank of India	EARC Trust - SC 368 (Loan assigned from HDFC Bank Ltd.)	Canara Bank (Erstwhile Syndicate Bank)	EARC Trust - SC 404 (Loan assigned from Axis Bank Ltd.)	EXIM	EARC Trust - SC 367 (Loan assigned from L & T Finance Ltd.)	EARC Trust - SC 245 (Loan assigned from The HSBC Ltd.)	DBS Bank	Goldman Sachs International Bank (Loan assigned from Rabo Bank)
Nov' 17	-	3.35	-	-	-	-	-	-	-
Dec' 17	-	101.95	82.98	75.66	75.10	-	149.40	-	-
Jan' 18	-	101.95	82.91	75.66	83.06	-	149.42	-	-
Feb' 18	-	92.08	74.89	68.34	75.02	-	134.96	-	-
Mar' 18	701.72	101.95	82.91	75.66	83.06	-	149.42	290.03	309.75

## Annexure A to the Independent Auditors' Report

Month	State Bank of India	EARC Trust - SC 368 (Loan assigned from HDFC Bank Ltd.)	Canara Bank (Erstwhile Syndicate Bank)	EARC Trust - SC 404 (Loan assigned from Axis Bank Ltd.)	EXIM	EARC Trust - SC 367 (Loan assigned from L & T Finance Ltd.)	EARC Trust - SC 245 (Loan assigned from The HSBC Ltd.)	DBS Bank	Goldman Sachs International Bank (Loan assigned from Rabo Bank)
Apr' 18	679.10	98.66	80.23	74.03	80.38	-	130.14	196.85	-
May' 18	701.73	101.95	82.91	74.03	83.06	-	134.48	-	-
Jun' 18	679.10	98.66	80.23	74.03	80.38	66.71	174.00	341.92	192.62
Jul' 18	701.73	101.95	82.91	74.85	83.06	-	134.48	132.24	-
Aug' 18	701.73	101.95	82.91	74.85	83.06	-	134.48	-	-
Sep' 18	679.10	98.66	80.23	74.85	80.38	70.31	174.49	366.21	204.69
Oct' 18	701.73	101.95	82.91	74.85	83.06	-	134.48	142.11	-
Nov' 18	679.10	98.66	80.23	74.85	80.38	-	130.14	-	-
Dec' 18	701.73	101.95	82.91	74.85	83.06	70.31	178.82	356.25	200.45
Jan' 19	701.73	101.95	79.15	75.66	83.07	-	149.42	138.60	-
Feb' 19	633.82	92.09	71.49	68.34	75.03	-	134.96	-	-
Mar' 19	701.73	101.95	79.15	75.66	76.22	56.92	149.42	355.87	210.24
Apr' 19	679.09	98.67	80.24	73.22	72.40	-	130.14	144.81	-
May' 19	701.73	101.95	82.91	75.66	74.82	-	134.48	-	-
Jun' 19	679.09	98.67	80.24	73.22	72.40	53.35	174.00	325.63	195.89
Jul' 19	701.73	101.95	82.91	75.66	74.82	-	134.48	132.47	-
Aug' 19	701.73	101.95	82.91	75.66	74.82	-	134.48	-	-
Sep' 19	679.09	98.67	80.24	73.22	72.34	53.93	174.48	322.52	182.33
Oct' 19	701.73	101.95	82.91	75.66	72.89	-	134.48	125.10	-
Nov' 19	679.09	98.67	80.24	73.22	70.54	-	130.14	-	-
Dec' 19	701.73	101.95	82.91	75.66	72.89	52.54	178.82	302.01	171.31
Jan' 20	701.73	101.95	82.91	75.66	72.89	-	134.48	130.11	-
Feb' 20	656.46	95.38	77.57	70.78	68.19	-	125.80	-	-
Mar' 20	701.73	101.95	82.91	75.66	72.89	51.97	178.34	312.92	177.68
Apr' 20	679.09	98.67	80.24	73.22	66.39	-	144.60	135.20	-
May' 20	701.73	101.95	82.91	75.66	68.43	-	149.42	-	-
Jun' 20	679.09	98.67	80.24	73.22	66.23	48.81	144.11	309.56	178.00
Jul' 20	701.73	101.95	82.91	75.66	68.43	-	148.92	134.13	-
Aug' 20	701.73	101.95	82.91	75.66	68.43	-	148.92	-	-
Sep' 20	679.09	98.67	80.24	73.22	66.23	49.31	144.11	182.76	111.55
Oct' 20	701.73	101.95	82.91	75.66	68.43	-	148.92	69.61	-
Nov' 20	679.09	98.67	80.24	73.22	66.23	-	144.11	-	-
Dec' 20	701.73	101.95	82.91	75.66	68.41	49.30	148.87	178.16	105.03
Jan' 21	701.73	101.95	82.91	75.66	68.12	-	148.23	67.76	-
Feb' 21	633.82	92.09	74.89	68.34	61.58	-	133.49	-	-
Mar' 21	701.73	101.95	82.91	75.66	68.00	47.87	147.39	172.03	98.16
Apr' 21	679.09	98.67	80.24	73.22	65.40	-	142.31	65.40	-
May' 21	701.73	101.95	82.91	75.66	67.90	-	146.58	-	-
Jun' 21	679.09	98.67	80.24	73.22	65.53	48.00	141.38	175.27	99.07
Jul' 21	701.70	101.95	82.91	75.66	67.02	-	145.73	66.73	-

## Annexure A to the Independent Auditors' Report

Month	State Bank of India	EARC Trust - SC 368 (Loan assigned from HDFC Bank Ltd.)	Canara Bank (Erstwhile Syndicate Bank)	EARC Trust - SC 404 (Loan assigned from Axis Bank Ltd.)	EXIM	EARC Trust - SC 367 (Loan assigned from L & T Finance Ltd.)	EARC Trust - SC 245 (Loan assigned from The HSBC Ltd.)	DBS Bank	Goldman Sachs International Bank (Loan assigned from Rabo Bank)
Aug' 21	701.15	101.95	82.91	75.66	67.61	-	145.34	-	-
Sep' 21	676.89	98.67	80.24	73.22	65.29	48.12	140.32	171.85	97.55
Oct' 21 (Up to 21.10.2021)	472.56	69.07	56.17	51.25	45.02	10.93	97.98	121.62	23.07

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

(Rs. in Lakhs)

Month	State Bank of India	EARC Trust - SC 368 (Loan assigned from HDFC Bank Ltd.)	Canara Bank (Erstwhile Syndicate Bank)	EARC Trust - SC 404 (Loan assigned from Axis Bank Ltd.)	EARC Trust - SC 245 (Loan assigned from The HSBC Ltd.)	Standard Chartered Bank	DBS Bank	Bank of Baroda
Nov' 17	-	54.24	-	-	4.52	-	-	-
Dec' 17	-	28.93	-	-	31.21	41.43	-	-
Jan' 18	-	25.77	28.02	-	31.21	42.04	-	26.80
Feb' 18	-	50.63	25.31	-	28.19	37.96	-	26.80
Mar' 18	195.66	56.05	28.03	-	30.78	42.04	7.30	28.01
Apr' 18	198.23	54.25	27.12	-	29.73	114.22	24.89	27.12
May' 18	209.12	56.05	28.03	-	30.78	4.67	26.74	28.03
Jun' 18	202.28	54.25	27.12	20.59	29.73	4.52	25.89	27.12
Jul' 18	208.89	56.05	28.03	37.65	30.78	115.57	19.53	28.03
Aug' 18	208.76	56.05	28.03	37.65	30.78	4.67	19.53	28.03
Sep' 18	201.89	54.25	27.12	36.43	29.73	4.52	18.45	27.12
Oct' 18	208.61	56.05	28.03	37.65	30.78	115.57	19.53	28.03
Nov' 18	201.88	54.25	27.12	36.43	29.73	4.52	18.45	27.12
Dec' 18	208.09	56.05	28.03	37.65	30.78	4.67	19.53	28.03
Jan' 19	207.67	56.05	28.03	37.65	30.78	42.04	19.11	28.03
Feb' 19	187.57	50.63	25.32	34.00	28.61	34.96	17.27	25.32
Mar' 19	107.38	41.17	17.96	26.70	16.09	38.70	2.46	24.33
Apr' 19	85.46	36.90	15.39	23.73	12.85	36.65	16.47	22.86
May' 19	88.26	38.13	15.91	24.52	13.28	37.86	17.01	23.63
Jun' 19	85.18	36.90	15.39	23.73	12.85	36.67	16.47	22.86
Jul' 19	87.82	61.85	28.25	26.24	13.28	37.83	16.85	36.37
Aug' 19	87.51	61.85	28.25	26.24	13.28	37.83	16.85	36.37
Sep' 19	83.99	59.72	27.24	25.31	12.72	36.58	16.04	35.17
Oct' 19	66.34	57.66	25.41	23.45	8.28	36.87	16.36	35.58
Nov' 19	64.20	55.80	24.59	22.69	8.01	35.68	16.19	34.44
Dec' 19	66.34	57.66	25.41	23.45	11.01	36.87	17.28	35.58

## Annexure A to the Independent Auditors' Report

Month	State Bank of India	EARC Trust - SC 368 (Loan assigned from HDFC Bank Ltd.)	Canara Bank (Erstwhile Syndicate Bank)	EARC Trust - SC 404 (Loan assigned from Axis Bank Ltd.)	EARC Trust - SC 245 (Loan assigned from The HSBC Ltd.)	Standard Chartered Bank	DBS Bank	Bank of Baroda
Jan' 20	66.34	57.66	25.41	23.45	8.28	36.87	19.84	35.58
Feb' 20	62.06	53.94	23.77	21.94	7.74	34.49	18.56	33.19
Mar' 20	66.34	57.66	25.41	23.45	10.98	36.87	19.84	34.78
Apr' 20	18.72	53.52	18.49	21.19	6.02	33.58	14.76	25.52
May' 20	17.45	50.19	18.85	18.49	2.72	34.62	5.17	26.30
Jun' 20	16.89	46.39	18.24	16.44	-	33.50	7.51	25.46
Jul' 20	17.45	47.94	18.84	16.99	-	34.62	14.79	26.30
Aug' 20	17.45	47.94	18.24	16.99	-	34.62	14.79	26.30
Sep' 20	16.89	46.39	18.23	16.44	-	33.50	14.31	25.46
Oct' 20	17.46	47.94	18.84	16.99	-	34.62	14.79	26.30
Nov' 20	16.89	46.39	18.23	16.44	-	33.50	14.31	25.46
Dec' 20	17.23	47.89	18.81	16.96	-	34.61	14.70	26.30
Jan' 21	13.98	47.25	18.38	16.53	-	34.46	14.18	26.17
Feb' 21	10.69	42.28	16.33	14.66	-	31.03	12.52	23.57
Mar' 21	9.76	46.41	17.81	15.97	-	34.30	13.15	26.02
Apr' 21	7.84	44.59	17.02	15.24	-	33.08	13.40	25.12
May' 21	5.70	45.60	17.27	15.43	-	34.07	12.91	25.87
Jun' 21	3.13	43.66	16.39	14.62	-	32.86	11.56	24.94
July' 21	1.44	44.75	16.69	14.86	-	33.88	11.24	25.71
Aug' 21	-	44.36	16.42	14.60	-	33.78	11.99	25.63
Sep' 21	-	42.60	15.67	13.91	-	32.62	11.18	24.75
Oct' 21 (Up to 21.10.21)	-	29.57	10.80	9.57	-	22.78	7.34	17.28

5. The below table discloses the list of LC Bills not honoured by the company as on 31<sup>st</sup> March, 2022:

(Rs. in Lakhs)

Month	EARC Trust - SC 368 (Loan assigned from HDFC Bank Ltd.)	Canara Bank (Erstwhile Syndicate Bank)	EARC Trust - SC 404 (Loan assigned from Axis Bank Ltd.)	DBS Bank	Bank of Baroda
Nov' 17	1,263.77	267.19	-	-	-
Dec' 17	174.24	310.12	-	-	-
Jan' 18	337.34	161.49	-	-	-
Feb' 18	220.56	364.11	-	-	-
Mar' 18	296.01	64.80	11.19	-	-
Apr' 18	153.72	25.19	-	289.19	-
May' 18	-	-	254.18	805.59	-
Jun' 18	-	-	72.20	283.61	15.91
Jul' 18	-	-	7.80	-	584.46
Aug' 18	-	-	-	-	610.58
Sep' 18	-	-	-	-	215.76





## Annexure A to the Independent Auditors' Report

6. The below table discloses the default of company in redemption of Debentures issued to Life Insurance Corporation of India:

Due Date	Rs. in Lakhs
23 <sup>rd</sup> November, 2021	8,000.56
3 <sup>rd</sup> February, 2022	8,000.56

7. The below table discloses the default of the company in payment of interest on Debentures availed by the Company:  
(Rs. in Lakhs)

Particulars	Feb' 18	Nov' 18	Feb' 19	Nov' 19	Feb' 20	Nov' 20	Feb' 21	Oct' 21
<b>Life Corporation of India</b>	1,040.00	1,040.00	1,040.00	962.38	937.24	879.10	867.71	1371.60

**Note: Above mentioned default dues have not been repaid subsequently till the date of this audit report.**

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or other lender;
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, term loans were applied for the purpose for which the loans were obtained;
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company;
- (e) The Company does not have any Subsidiary, Associate or Joint Venture, hence, reporting under clause (ix)(e) of paragraph 3 of the Order is not applicable;
- (f) The Company does not have any Subsidiary, Associate or Joint Venture, hence, reporting under clause (ix)(f) of paragraph 3 of the Order is not applicable;
- x. (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, clause 3(x)(a) of the Order is not applicable to the Company;
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable to the Company;
- xi. (a) During the course of our examination of books of accounts carried out in accordance with generally accepted auditing practices in India, we have neither come across any incidence of material fraud by the Company or material fraud on the Company by its officers or employees nor have we been informed of any such cases by the management;
- (b) No report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year up to the date of report;
- (c) According to the information and explanations and representations by the management no whistle blower complaints received during the year (and up to the date of report) by the company;
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company, hence reporting under clause (xii) of paragraph 3 of the Order is not applicable;
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where

## Annexure A to the Independent Auditors' Report

applicable, and details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards;

- xiv. (a) Based on the information and explanations given to us and our audit procedures the company has an internal audit system commensurate with the size and nature of its business;
- (b) We have considered the reports of the Internal Auditors for the period under audit;
- xv. According to the information and explanations given to us the company has not entered into any non-cash transactions with directors or persons connected with him and hence, reporting under clause (xv) of paragraph 3 of the Order is not applicable;
- xvi. (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company;
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934;
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company;
- (d) Management has represented that, to the best of its knowledge and belief, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. On the basis of our examination of books of accounts and according to the information and explanation provided to us by the management, the Company has incurred cash losses of Rs. (24,141) lakhs in the current financial year and in the immediately preceding financial year of Rs. (16,295) lakhs;
- xviii. There has not been any resignation of the statutory auditors during the year, hence, reporting under clause (xviii) of paragraph 3 of the Order is not applicable;
- xix. According to the information and explanations given to us and On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that material uncertainty exists as on the date of the audit report, that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date; (Refer Note no 2.44 to the financial statements and point no. (d) of Basis for Qualified Opinion paragraph & clause 3(ix) of this Report).
- xx. The Company has incurred losses in the three immediately preceding financial years, as such it is not required to spend any money on account of Corporate Social Responsibility u/s 135 of the Act, hence, reporting under clause (xx) of paragraph 3 of the Order is not applicable;

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

**Debraj Dutta**  
Partner  
Membership No. 312309  
UDIN: 22312309AMVIZD3273

4<sup>th</sup> Floor, Systron Building  
Plot J5, Block EP & GP  
Sector V, Salt Lake,  
Kolkata - 700091  
Date: 24<sup>th</sup> May, 2022

**For J K V S & Co**  
Chartered Accountants  
Firm Registration No.: 308186E

**Ajay Kumar**  
Partner  
Membership No.: 068756  
UDIN: 22068756AJMOUK5232

5A, Nandlal Jew Road  
Kolkata - 700026  
Date: 24<sup>th</sup> May, 2022



## Annexure B to the Independent Auditors' Report

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

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

We have audited the internal financial controls over financial reporting of Hindusthan National Glass & Industries Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

#### Auditors' Responsibility

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

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

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

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

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

## Annexure B to the Independent Auditors' Report

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

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

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Debraj Dutta**  
**Partner**  
**Membership No. 312309**  
**UDIN: 22312309AMVIZD3273**

4<sup>th</sup> Floor, Systron Building  
Plot J5, Block EP & GP  
Sector V, Salt Lake,  
Kolkata - 700091  
Date: 24<sup>th</sup> May, 2022

**For J K V S & Co**  
**Chartered Accountants**  
**Firm Registration No.: 308186E**

**Ajay Kumar**  
**Partner**  
**Membership No.: 068756**  
**UDIN: 22068756AJMOUK5232**

5A, Nandlal Jew Road  
Kolkata - 700026  
Date: 24<sup>th</sup> May, 2022



## Balance Sheet as at 31st March 2022

Rs. in Lakhs

Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
<b>ASSETS</b>			
<b>1. Non-Current Assets</b>			
(a) Property, Plant and Equipment	2.1.A	1,63,400.83	1,72,567.31
(b) Capital Work-in-Progress	2.1.D	8,309.60	8,636.37
(c) Right-of-use Assets	2.1.C	4,801.26	4,866.86
(d) Other Intangible Assets	2.1.B	0.40	47.79
<b>(e) Financial Assets</b>			
(i) Investments	2.2	119.88	117.33
(ii) Other Financial Assets	2.3	7,552.03	7,359.75
(f) Other Non-Current Assets	2.4	651.01	1,651.04
		<b>1,84,835.01</b>	<b>1,95,246.45</b>
<b>2. Current Assets</b>			
(a) Inventories	2.5	42,409.35	44,980.29
<b>(b) Financial Assets</b>			
(i) Trade Receivables	2.6	34,661.94	34,542.65
(ii) Cash and Cash Equivalents	2.7.A	15,861.94	15,426.61
(iii) Bank Balances other than (ii) above	2.7.B	1,199.98	1,327.10
(iv) Other Financial Assets	2.8	1,057.71	1,222.31
(c) Current Tax Assets (Net)	2.9	305.32	310.16
(d) Other Current Assets	2.10	13,809.40	7,961.81
		<b>1,09,305.64</b>	<b>1,05,770.93</b>
<b>Total Assets</b>		<b>2,94,140.65</b>	<b>3,01,017.38</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	2.11	1,791.07	1,791.07
(b) Other Equity	2.12	(78,426.70)	(44,958.40)
<b>Total Equity</b>		<b>(76,635.63)</b>	<b>(43,167.33)</b>
<b>LIABILITIES</b>			
<b>1. Non-Current Liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings	2.13	14,574.51	80,770.57
(ii) Lease Liabilities	2.14	4.24	4.19
(iii) Other Financial Liabilities	2.15	368.67	376.73
(b) Provisions	2.16	3,268.70	2,711.47
(c) Deferred Tax Liabilities (Net)	2.17	-	-
(d) Other Non-Current Liabilities	2.18	4,147.14	4,753.37
		<b>22,363.26</b>	<b>88,616.33</b>
<b>2. Current Liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings	2.19	2,07,925.11	1,44,719.90
(ii) Trade Payables	2.20	-	-
Total Outstanding dues of Micro Enterprises & Small Enterprises		5,475.38	3,268.25
Total Outstanding dues of Creditors Other than Micro Enterprises & Small Enterprises		39,418.51	24,547.28
(iii) Other Financial Liabilities	2.21	87,305.96	76,316.35
(b) Other Current Liabilities	2.22	8,095.07	6,587.70
(c) Provisions	2.23	192.99	128.90
		<b>3,48,413.02</b>	<b>2,55,568.38</b>
<b>Total Liabilities</b>		<b>3,70,776.28</b>	<b>3,44,184.71</b>
<b>Total Equity and Liabilities</b>		<b>2,94,140.65</b>	<b>3,01,017.38</b>

Summary of Significant Accounting Policies  
Notes on Financial Statements

1  
2.1 to 2.61

The notes are an integral part of the Financial Statements.

As per our report of even date

For and on behalf of the Board

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

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

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

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

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

**Mukund Chandak**  
Company Secretary  
Place : Kolkata

**Debraj Dutta**  
Partner  
Membership No. 312309  
Place : Kolkata  
Date : May 24, 2022

**Ajay Kumar**  
Partner  
Membership No. 068756  
Place : Kolkata  
Date : May 24, 2022

Powers of the Board are suspended from the Insolvency Commencement Date

**Girish Siriram Juneja**  
Resolution Professional  
Taken on records  
Place : Mumbai

**Statement of Profit and Loss** for the year ended 31st March 2022

Rs. in Lakhs

Particulars	Note No.	Year Ended 31st March 2022	Year Ended 31st March 2021
<b>Revenue</b>			
I. Revenue from Operations	2.24	2,09,700.47	1,89,894.92
II. Other Income	2.25	2,406.08	1,157.93
<b>III. Total Income (I+II)</b>		<b>2,12,106.55</b>	<b>1,91,052.85</b>
<b>Expenses</b>			
Cost of Materials Consumed	2.26	75,972.19	60,527.44
Changes in Inventories of Finished Goods and Work-in-Progress	2.27	(1,568.41)	(2,671.22)
Employee Benefit Expenses	2.28	21,231.25	20,514.20
Finance Costs	2.30	12,039.08	21,048.19
Depreciation and Amortization Expenses	2.1	11,899.58	13,446.94
Other Expenses	2.29	1,27,385.04	1,08,601.55
<b>IV. Total Expenses</b>		<b>2,46,958.73</b>	<b>2,21,467.10</b>
<b>V. Loss before Tax (III + IV)</b>		<b>(34,852.19)</b>	<b>(30,414.25)</b>
<b>VI. Exceptional Items</b>		-	-
<b>VII. Loss before Tax (V - VI)</b>		<b>(34,852.18)</b>	<b>(30,414.25)</b>
<b>VIII. Tax Expense:</b>			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
(3) Income Tax for Earlier Years		0.17	-
<b>Tax expense</b>		<b>0.17</b>	-
<b>IX. Loss for the year after Tax (VII-VIII)</b>		<b>(34,852.35)</b>	<b>(30,414.25)</b>
<b>X. Other Comprehensive Income</b>			
Items that will not be reclassified to Profit or Loss			
Re-measurement gains on Defined Benefit Plans		425.27	(281.31)
<b>XI. Total Comprehensive Income for the year (IX + X)</b>		<b>(34,427.08)</b>	<b>(30,695.56)</b>
<b>XII. Earnings per Equity Share</b>			
(1) Basic & Diluted	2.31	(38.92)	(33.96)
Number of shares used in computing earnings per share			
(1) Basic & Diluted		8,95,53,565	8,95,53,565

Summary of Significant Accounting Policies  
Notes on Financial Statements

1  
2.1 to 2.61

The notes are an integral part of the Financial Statements.

As per our report of even date

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

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

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

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

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

**Mukund Chandak**  
Company Secretary  
Place : Kolkata

**Debraj Dutta**  
Partner  
Membership No. 312309  
Place : Kolkata  
Date : May 24, 2022

**Ajay Kumar**  
Partner  
Membership No. 068756  
Place : Kolkata  
Date : May 24, 2022

For and on behalf of the Board

Powers of the Board are suspended from the Insolvency Commencement Date

**Girish Siriram Juneja**  
Resolution Professional  
Taken on records  
Place : Mumbai



## Statement of Changes in Equity for the year ended 31st March 2022

Rs. in Lakhs

### (a) Equity Share Capital

Particulars	Ref Note No.	Number of Shares	Amount in Lakhs
Equity Shares of Rs. 2/- each issued, subscribed and fully paid up			
<b>As at 1st April 2020</b>		8,95,53,565	1,791.07
Changes in Equity Share Capital due to prior period errors	2.11	-	-
Changes in Equity Share Capital		-	-
<b>As at 31st March 2021</b>		8,95,53,565	1,791.07
Changes in Equity Share Capital due to prior period errors		-	-
Changes in Equity Share Capital		-	-
<b>As at 31st March 2022</b>		<b>8,95,53,565</b>	<b>1,791.07</b>

### (b) Other equity

Particulars	Reserves and Surplus					Total
	Capital Reserve	Security Premium Reserve	Debenture Redemption Reserve	General Reserve	Retained earnings	
<b>Balance at 1st April 2020</b>	<b>6,055.05</b>	<b>10,363.84</b>	-	<b>69,573.88</b>	<b>(1,00,255.61)</b>	<b>(14,262.84)</b>
Issue of Equity Shares	-	-	-	-	-	-
Share Application Money Received during the year	-	-	-	-	-	-
Shares Allotted during the year	-	-	-	-	-	-
Transfer/Adjustments during the year	-	-	-	-	-	-
Profit/(Loss) for the year	-	-	-	-	(30,414.25)	(30,414.25)
Remeasurement of Defined benefit plan (net of taxes)	-	-	-	-	(281.31)	(281.31)
<b>Total comprehensive income for the year</b>	-	-	-	-	<b>(30,695.56)</b>	<b>(30,695.56)</b>
<b>Balance at 31st March, 2021</b>	<b>6,055.05</b>	<b>10,363.84</b>	-	<b>69,573.88</b>	<b>(1,30,951.17)</b>	<b>(44,958.40)</b>
Issue of Equity Shares	-	-	-	-	-	-
Share Application Money Received during the year	-	-	-	-	-	-
Shares Allotted during the year	-	-	-	-	-	-
Transfer/Adjustments during the year	958.78	-	-	-	-	958.78
Profit/(Loss) for the year	-	-	-	-	(34,852.35)	(34,852.35)
Remeasurement of Defined benefit plan (net of taxes)	-	-	-	-	425.27	425.27
<b>Total comprehensive income for the year</b>	<b>958.78</b>	-	-	-	<b>(34,427.08)</b>	<b>(33,468.30)</b>
<b>Balance at 31st March, 2022</b>	<b>7,013.83</b>	<b>10,363.84</b>	-	<b>69,573.88</b>	<b>(1,65,378.25)</b>	<b>(78,426.70)</b>

During the current financial year, one of the Lender has invoked and sold entire 75 Lakhs Equity Shares pledged by M/s HNG Trust & M/s ACE Trust at a consideration of Rs 958.78 Lakhs and the same has been adjusted through the short term facility of the lender with credit of capital reserve.

Summary of Significant Accounting Policies  
Notes on Financial Statements

1  
2.1 to 2.61

As per our report of even date

For and on behalf of the Board

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

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

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

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

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

**Mukund Chandak**  
Company Secretary  
Place : Kolkata

**Debraj Dutta**  
Partner  
Membership No. 312309  
Place : Kolkata  
Date : May 24, 2022

**Ajay Kumar**  
Partner  
Membership No. 068756  
Place : Kolkata  
Date : May 24, 2022

Powers of the Board are suspended from the Insolvency Commencement Date  
**Girish Siriram Juneja**  
Resolution Professional  
Taken on records  
Place : Mumbai



**Statement of Cash Flow** for the year ended 31st March 2022

Particulars	Rs. in Lakhs	
	For the Year ended 31st March 2022	For the Year ended 31st March 2021
<b>Cash Flow from Operating activities</b>		
Loss before tax	(34,852.18)	(30,414.25)
<b>Non-cash adjustments to reconcile profit/(loss) before tax to net cash flows</b>		
Depreciation/Amortisation	11,899.58	13,446.94
Loss/(profit) on sale/discard of Property Plant and Equipment/CWIP	194.67	1,453.79
Bad Debts and Impairment allowances for trade receivables	123.80	157.85
Interest Income	(286.16)	(288.43)
Fair value (Gain)/Loss in Investment	(2.54)	50.24
Notional Interest Income on ICD	(585.37)	(584.80)
Notional Interest Expense on ICD	433.61	392.17
Finance Costs	11,605.47	20,656.02
Liability no longer required written back	(1,367.84)	(109.94)
<b>Operating cash flow before working capital changes</b>	<b>(12,836.96)</b>	<b>4,759.59</b>
<b>Movement in working capital :</b>		
Increase/(Decrease) in Trade Payables and Other Liabilities	20,643.04	7,222.24
Decrease/(Increase) in Trade Receivables	(243.10)	(2,567.39)
Decrease/(Increase) in Inventories	2,570.94	559.85
Decrease/(Increase) in Loans and Advances	(5,719.80)	9,892.54
<b>Cash generated from Operations</b>	<b>4,414.12</b>	<b>19,866.83</b>
Direct taxes (paid)/Refunds (net)	4.66	(40.38)
<b>Net Cash Flow from Operating activities (A)</b>	<b>4,418.78</b>	<b>19,826.45</b>
<b>Cash Flow from Investing activities</b>		
Purchase of Property Plant and Equipment, intangible assets, Capital Work in Progress and Capital Advances	(758.38)	(1,737.13)
Proceeds from sale of Property Plant and Equipment	21.34	5.89
Proceeds from Treasury Shares	958.78	-
Redemption/(Investment) in bank deposits with maturity more than 3 months	127.12	(4.38)
Interest received	157.38	353.55
<b>Net Cash Flow from/(used in) Investing activities (B)</b>	<b>506.24</b>	<b>(1,382.07)</b>
<b>Cash Flow from Financing activities</b>		
Proceeds from borrowings	-	36.50
Repayment of long term borrowings	(1,331.24)	(4,465.34)
Net repayment of Short term borrowings	(2,901.99)	(8,755.77)
Interest paid	(256.47)	(237.66)
<b>Net Cash Flow used in Financing activities (C)</b>	<b>(4,489.70)</b>	<b>(13,422.27)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>435.33</b>	<b>5,022.11</b>
Cash and cash equivalents at the beginning of the year	15,426.61	10,404.50
<b>Cash and cash equivalents at the end of the year</b>	<b>15,861.94</b>	<b>15,426.61</b>
<b>Components of Cash and Cash Equivalents</b>		
<b>Balances with banks:</b>		
In current accounts	15,854.02	15,419.73
In deposit accounts & Dividend accounts	2.01	1.84
Cash in hand	5.91	5.04
<b>Total cash and cash equivalents (Note 2.7.A)</b>	<b>15,861.94</b>	<b>15,426.61</b>

Note : The above Statement of Cash Flow has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (IND AS) on Statement of Cash Flow as notified under Companies (Accounts) Rules, 2015.



Hindusthan National Glass & Industries Limited

## Statement of Cash Flow for the year ended 31st March 2022

The notes are an integral part of the Financial Statements.

As per our report of even date

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

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

**Sanjay Somany**  
Chairman and  
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DIN: 00124538  
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**Mukul Somany**  
Vice Chairman and  
Managing Director  
DIN: 00124625  
Place : Kolkata

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

**Mukund Chandak**  
Company Secretary  
Place : Kolkata

For and on behalf of the Board

Powers of the Board are suspended from the Insolvency Commencement Date

**Debraj Dutta**

Partner  
Membership No. 312309  
Place : Kolkata  
Date : May 24, 2022

**Ajay Kumar**

Partner  
Membership No. 068756  
Place : Kolkata  
Date : May 24, 2022

**Girish Siriram Juneja**

Resolution Professional  
Taken on records  
Place : Mumbai

## Notes to Financial Statements as at and for the year ended 31st March 2022

### 1: Summary of Significant Accounting Policies

#### 1.1. Corporate Information

- a. Hindusthan National Glass & Industries Limited having domicile presence in the State of West Bengal, India, has been incorporated under the Companies Act in the year 1946. It is engaged in the manufacturing of container glass. The company's shares are listed and publicly traded on the National Stock Exchange Limited (NSE), The Bombay Stock Exchange Limited (BSE) and The Calcutta Stock Exchange Limited (CSE).
- b. The Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench, vide its order dated October 21, 2021 has admitted the Company for initiation of Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy code, 2016 (IBC) and appointed Mr Girish Siriram Juneja having Registration no IBBI/IPA-001/IP-P00999/2017-18/11646 as the Interim Resolution Professional. In a appeal filed by the promoters with NCLAT opposing the admission of the Company to Insolvency the Hon'ble NCLAT New Delhi stayed the Constitution of the COC by its order dt October 28, 2021. Further NCLAT vide its order dated January 18, 2022 vacated the stay on the formation of COC. Thereafter at the 1st Meeting of the Committee of Creditors of the Company held on January 28, 2022 the evoting results of which concluded on Feb 9, 2022, the Interim Resolution Professional Mr Girish Siriram Juneja has been appointed as the Resolution Professional and he is to be supported in the CIRP by EY Restructuring LLP as the Insolvency Professional Entity. Powers of the Board of Directors of the Company stand suspended and such powers are exercised by RP. The next date of hearing of appeal filed by the promoters in NCLAT is schedule on July 14, 2022. As per the current CIRP timelines, the 180 days of the CIRP period (excluding 82 days of stay period) expires on 10th July 2022. The RP has filed an application for extension with the Honorable National Company Law Tribunal, Kolkata Bench seeking an extension of a period of 90 days under Section 12(2) of the Code and the matter is currently pending for hearing.
- c. The financial statements of the Company have been prepared by the management of the Company, reviewed by the audit committee and approved in the meeting of Director's chaired by RP held on May 24, 2022 and certified by the Director and Chief Financial Officer of the Company. The RP has relied upon the assistance provided by the members of the Audit Committee in review of the Financial Statements and certifications, representations and statements made by Director of the Company in relation to these Financial Statements. As authorized, Director and Chief Financial Officer of the Company have signed the Financial Statements and the RP has taken on record the said statement of Financial Statements only to the limited extent of discharging the powers of the Board of Directors of the Company which has been conferred upon him in terms of provisions of Section 17 of the IBC.

#### 1.2. Basis of Preparation

##### 1.2.1. Statement of Compliance

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

##### 1.2.2. Functional and Presentation Currency

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

##### 1.2.3. Historical Cost Convention

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

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



## Notes to Financial Statements as at and for the year ended 31st March 2022

### 1.2.4. Fair Value Measurement

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

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

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

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

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

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

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

### 1.2.5. Current Vs Non-current Classification

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

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

All the other assets are classified as non-current.

A liability is current when:

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

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

## Notes to Financial Statements as at and for the year ended 31st March 2022

### 1.2.6. Use of Estimates and Judgements

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

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

### 1.3. Significant Accounting Policies

#### 1.3.1. Property Plant and Equipment

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

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

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

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

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

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

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

<b>Asset</b>	<b>Useful lives (estimated by the management) (Years)</b>
Factory building	30
Other than factory building	60
Carpeted Roads	10
Plants and equipments	3-35



## Notes to Financial Statements as at and for the year ended 31st March 2022

Asset	Useful lives (estimated by the management) (Years)
Furniture and fixture	10
Computers	3-5
Office equipment	5
Vehicles	8-10

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

### 1.3.2. Intangible Assets

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

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

### 1.3.3. Derecognition of Tangible and Intangible Assets

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

### 1.3.4. Leases

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

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

### 1.3.5. Impairment of Tangible and Intangible Assets

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

In assessing value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate.

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

## Notes to Financial Statements as at and for the year ended 31st March 2022

### 1.3.6. Financial Assets and Liabilities

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

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

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

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

#### ➤ **Cash and cash equivalents**

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

#### ➤ **Financial Assets and Financial Liabilities measured at amortized cost**

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

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

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

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

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

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

#### ➤ **Financial Assets or Liabilities at Fair value through profit or loss**

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





## Notes to Financial Statements as at and for the year ended 31st March 2022

### ➤ Derivatives and Hedge Accounting

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

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

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

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

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

### ➤ Impairment of financial assets

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

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

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

### ➤ De-recognition of financial instruments

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

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

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



## Notes to Financial Statements as at and for the year ended 31st March 2022

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

### 1.3.7. Inventories

- Inventories are valued at lower of the cost or estimated net realizable value. Cost of inventories is ascertained on 'weighted average' basis. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.
- Cost in respect of raw materials and stores and spares includes expenses incidental to procurement of the same. Cost in respect of finished goods and those under progress represents prime cost, and includes appropriate portion of overheads and taxes if any.

### 1.3.8. Foreign Currency Transactions

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

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

### 1.3.9. Equity Share Capital

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

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

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

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

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



## Notes to Financial Statements as at and for the year ended 31st March 2022

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

### 1.3.11. Employee Benefits

- **Short term Employee benefits** are accrued in the year services are rendered by the employees.
- **Provident & Family Pension Fund:** In accordance with the provisions of the Employee Provident Funds and Miscellaneous Provisions Act, 1952, eligible employees of the company are entitled to receive benefits with respect to provident fund, a defined contribution plan, in which both the company and employee contribute monthly to Provident Fund Scheme by the Central Government/Trust at a determined rate. The company contributes to the Employees' Pension Scheme, 1995 for certain categories of employees. The Company's contribution is charged off to the Statement of Profit and Loss.
- **Gratuity** Employee benefits under defined benefit plans are determined at the close of each year at the present value of the amount payable using actuarial valuation techniques.

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

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

### 1.3.12. Revenue

#### Sale of Goods

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

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

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

## Notes to Financial Statements as at and for the year ended 31st March 2022

### Interest, Dividend and Claims

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

### Export Benefits

Export benefits arising on account of entitlement for duty free imports are accounted for through import of materials. Such benefits under Merchandise Exports for India Scheme (MEIS) are accounted for on accrual basis. Other export benefits are accounted for on the basis of certainties as to its utilization and related realization.

### 1.3.13. Borrowing Cost

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

### 1.3.14. Research and Development

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

### 1.3.15. Government Grants

Government grants are recognized on systematic basis when there is reasonable certainty of realization of the same. Revenue grants including subsidy/rebates are credited to Statement of Profit and Loss Account under "Other Income" or deducted from the related expenses for the period to which these are related.

Grants which are meant for purchase, construction or otherwise acquire non-current assets are recognized as Deferred Income and disclosed under Non-Current Liabilities and transferred to Statement of Profit and Loss on a systematic basis over the useful life of the respective asset. Grants relating to non-depreciable assets are transferred to Statement of Profit and Loss over the periods that bear the cost of meeting the obligations related to such grants.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

### 1.3.16. Taxes on Income

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

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



## Notes to Financial Statements as at and for the year ended 31st March 2022

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

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

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

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

### 1.3.17. Earnings Per Share

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

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

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

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

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

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

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

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

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

- **Recognition of Deferred Tax Assets:** The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.

## Notes to Financial Statements as at and for the year ended 31st March 2022

- **Useful lives of depreciable/ amortizable assets (tangible and intangible):** Management reviews its estimate of the useful lives of depreciable/ amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.
- **Defined Benefit Obligation (DBO):** Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.
- **Provisions and Contingencies:** The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.
- **Impairment of Financial Assets:** The Company reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.
- **Allowances for Doubtful Debts:** The Company makes allowances for doubtful debts through appropriate estimations of irrecoverable amount. The identification of doubtful debts requires use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.
- **Fair value measurement of financial Instruments:** When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The input to these models are taken from observable markets where possible, but where this not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

### 1.5 Recent applicable Accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below-

- Ind AS 16 – Property, Plant and Equipment** - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022.
- Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets** – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted.
- Ind AS 103 – Reference to Conceptual Framework** – The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103.



## Notes to Financial Statements as at and for the year ended 31st March 2022

- (iv) **Ind AS 109 – Annual Improvements to Ind AS (2021)** – The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability.
- (v) **Ind AS 116 – Annual Improvements to Ind AS (2021)** – The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration.  
The Company has evaluated the above amendments and there is no material impact on its financial statements.

**Notes to Financial Statements** as at and for the year ended 31st March 2022

Rs. in Lakhs

**2.1.A PROPERTY, PLANT AND EQUIPMENT**

Particulars	Owned Asset						Total
	Freehold Land	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	
<b>(A) Gross Carrying Value</b>							
<b>As at 1st April 2020</b>	<b>34,579.93</b>	<b>67,951.75</b>	<b>2,83,780.70</b>	<b>566.40</b>	<b>2,249.27</b>	<b>509.49</b>	<b>3,89,637.54</b>
Additions	-	67.57	503.08	7.13	51.89	16.39	646.06
Disposals / deductions	-	-	(1,849.78)	(2.32)	(52.66)	(6.28)	(1,911.04)
Other adjustments							
Foreign Exchange differences			(1,228.98)				(1,228.98)
<b>As at 31st March 2021</b>	<b>34,579.93</b>	<b>68,019.32</b>	<b>2,81,205.02</b>	<b>571.21</b>	<b>2,248.50</b>	<b>519.60</b>	<b>3,87,143.58</b>
Additions	-	453.29	1,560.99	-	0.08	12.64	2,027.00
Disposals / deductions	-	-	(312.88)	-	(225.99)	-	(538.87)
Other adjustments							
Foreign Exchange differences			809.10				809.10
<b>As at 31st March 2022</b>	<b>34,579.93</b>	<b>68,472.61</b>	<b>2,83,262.23</b>	<b>571.21</b>	<b>2,022.59</b>	<b>532.24</b>	<b>3,89,440.81</b>
<b>(B) Accumulated Depreciation</b>							
<b>As at 1st April 2020</b>	-	<b>19,066.53</b>	<b>1,80,019.00</b>	<b>479.81</b>	<b>2,073.98</b>	<b>439.77</b>	<b>2,02,079.09</b>
Charge for the year	-	1,908.40	11,348.15	30.40	19.84	21.18	13,327.97
Deductions	-	-	(772.93)	(2.21)	(50.02)	(5.63)	(830.79)
<b>As at 31st March 2021</b>	-	<b>20,974.93</b>	<b>1,90,594.22</b>	<b>508.00</b>	<b>2,043.80</b>	<b>455.32</b>	<b>2,14,576.27</b>
Charge for the year	-	1,900.22	9,830.74	19.81	15.43	20.38	11,786.58
Deductions	-	-	(108.17)	-	(214.69)	-	(322.86)
<b>As at 31st March 2022</b>	-	<b>22,875.15</b>	<b>2,00,316.79</b>	<b>527.81</b>	<b>1,844.54</b>	<b>475.70</b>	<b>2,26,039.98</b>
<b>(C) Net Block (A-B)</b>							
<b>As at 31st March 2021</b>	<b>34,579.93</b>	<b>47,044.39</b>	<b>90,610.80</b>	<b>63.21</b>	<b>204.70</b>	<b>64.28</b>	<b>1,72,567.31</b>
<b>As at 31st March 2022</b>	<b>34,579.93</b>	<b>45,597.46</b>	<b>82,945.44</b>	<b>43.40</b>	<b>178.05</b>	<b>56.54</b>	<b>1,63,400.83</b>

**2.1.A.1** The Company acquired 520 equity shares of Akruti Centre Point Infotech Private Limited by virtue of which the company received title, right & ownership of the unit no.202 at Akruti Centre, Mumbai. The gross block of the same is Rs. 1,144.89 lakhs (previous year Rs.1,144.89 lakhs). The unit is being used as marketing office of the company. The figure is included in Buildings above.

**2.1.A.2** Refer Note 2.13.3 and 2.19.1 to Financial Statements in respect of charges created.

**2.1.A.3** The Company has capitalised/decapitalised exchange loss/gain respectively arising on long-term foreign currency loan. Accordingly, exchange loss amounting to Rs. 809.10 Lakhs ( Previous year -exchange gain Rs 1,228.98 Lakhs) has been adjusted to the cost of Plant and Equipments. The unamortised amount as on March 31, 2022 Rs. 8,435.53 Lakhs ( Previous year : Rs 8,351.35 Lakhs).

**2.1.A.4** The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreement are duly executed in favour of the lessee) are held in the name of the company.

**2.1.A.5** No proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

**2.1.A.6** The company has not revalued its property, plant and equipment during the year ended March 31, 2022 and March 31, 2021.





## Notes to Financial Statements as at and for the year ended 31st March 2022

Rs. in Lakhs

### 2.1.B INTANGIBLE ASSETS

Particulars	Computer Softwares
<b>(A) Gross carrying value</b>	
<b>As at 1st April 2020</b>	<b>1,386.12</b>
Additions	-
Disposals / deductions	(24.15)
<b>As at 31st March 2021</b>	<b>1,361.97</b>
Additions	-
Disposals / deductions	22.56
<b>As at 31st March 2022</b>	<b>1,384.53</b>
<b>(B) Accumulated Amortisation</b>	
<b>As at 1st April 2020</b>	<b>1,284.97</b>
Charge for the year	53.36
Deductions	(24.15)
<b>As at 31st March 2021</b>	<b>1,314.18</b>
Charge for the year	47.39
Deductions	22.56
<b>As at 31st March 2022</b>	<b>1,384.13</b>
<b>(C) Net Block (A-B)</b>	
<b>As at 31st March 2021</b>	<b>47.79</b>
<b>As at 31st March 2022</b>	<b>0.40</b>

2.1.B.1 The company has not revalued its Other Intangible Assets during the year ended March 31, 2022 and March 31, 2021.

### 2.1.C RIGHT OF USE ASSETS

Rs. in Lakhs

Particulars	Leased Assets		Total
	Leasehold Land	Leasehold Buildings	
<b>(A) Gross Carrying Value</b>			
<b>As at 1st April 2020</b>	<b>5,379.78</b>	<b>9.18</b>	<b>5,388.96</b>
Additions	-	-	-
Disposals / deductions	-	-	-
Other adjustments	-	-	-
Foreign Exchange differences	-	-	-
<b>As at 31st March 2021</b>	<b>5,379.78</b>	<b>9.18</b>	<b>5,388.96</b>
Additions	-	-	-
Disposals / deductions	-	-	-
Other adjustments	-	-	-
Foreign Exchange differences	-	-	-
<b>As at 31st March 2022</b>	<b>5,379.78</b>	<b>9.18</b>	<b>5,388.96</b>
<b>(B) Accumulated Depreciation</b>			
<b>As at 1st April 2020</b>	<b>454.52</b>	<b>1.98</b>	<b>456.50</b>
Charge for the year	65.46	0.15	65.61
Deductions	-	-	-
<b>As at 31st March 2021</b>	<b>519.97</b>	<b>2.13</b>	<b>522.10</b>
Charge for the year	65.46	0.15	65.61
Deductions	-	-	-



**Notes to Financial Statements** as at and for the year ended 31st March 2022

Rs. in Lakhs

Particulars	Leased Assets		Total
	Leasehold Land	Leasehold Buildings	
<b>As at 31st March 2022</b>	<b>585.43</b>	<b>2.28</b>	<b>587.71</b>
<b>(C) Net Block (A-B)</b>			
<b>As at 31st March 2021</b>	<b>4,859.81</b>	<b>7.05</b>	<b>4,866.86</b>
<b>As at 31st March 2022</b>	<b>4,794.35</b>	<b>6.91</b>	<b>4,801.26</b>

**2.1.C.1.** Refer note 2.37 to Financial Statement for other disclosures in respect of Lease.

**2.1.C.2** The company has not revalued its Right of use assets during the year ended March 31, 2022 and March 31, 2021.

**2.1.D CAPITAL WORK IN PROGRESS**

Rs. in Lakhs

<b>As on 31st March 2022</b>					
<b>Capital-Work-in Progress (CWIP)</b>					
<b>CWIP</b>	<b>&lt; 1 Year</b>	<b>1-2 year</b>	<b>2-3 year</b>	<b>&gt; 3 Years</b>	<b>Total</b>
Projects In Progress	290.96	39.86	55.48	6,926.97	<b>7,313.27</b>
Projects Temporary Suspended	7.40	60.05	139.82	789.06	<b>996.33</b>
<b>Grand Total</b>	<b>298.36</b>	<b>99.91</b>	<b>195.30</b>	<b>7,716.03</b>	<b>8,309.60</b>

**Completion schedule of Capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan:**

<b>CWIP</b>	<b>To be completed in</b>				<b>Total</b>
<b>Project wise Details</b>	<b>&lt; 1 Year</b>	<b>1-2 year</b>	<b>2-3 year</b>	<b>&gt; 3 Years</b>	
Rebuilt of Furnance - 5	45.34	-	-	-	<b>45.34</b>
Rebuilt of Furnance - 11	6,881.63	-	-	-	<b>6,881.63</b>

The delay in project are due to financial stress in the company. Further the lenders has hold any payment towards rebuilt of furnances. Once, the situation will normalize, company expect to complete the project immediately.

<b>As on 31st March 2021</b>					
<b>Capital-Work-in Progress (CWIP)</b>					
<b>CWIP</b>	<b>&lt; 1 Year</b>	<b>1-2 year</b>	<b>2-3 year</b>	<b>&gt; 3 Years</b>	<b>Total</b>
Projects In Progress	115.81	459.26	1,446.70	5,707.90	<b>7,729.66</b>
Projects Temporary Suspended	146.47	(31.69)	428.10	363.83	<b>906.71</b>
<b>Grand Total</b>	<b>262.28</b>	<b>427.57</b>	<b>1,874.79</b>	<b>6,071.73</b>	<b>8,636.37</b>

Completion schedule of Capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan:

<b>CWIP</b>	<b>To be completed in</b>				<b>Total</b>
<b>Project wise Details</b>	<b>&lt; 1 Year</b>	<b>1-2 year</b>	<b>2-3 year</b>	<b>&gt; 3 Years</b>	
Rebuilt of Furnance - 5	498.64	-	-	-	<b>498.64</b>
Rebuilt of Furnance - 11	5,209.26	-	-	-	<b>5209.26</b>

The delay in project are due to financial stress in the company. Further the lenders has hold any payment towards rebuilt of furnances. Once, the situation will normalize, company expect to complete the project immediately.



## Notes to Financial Statements as at and for the year ended 31st March 2022

Rs. in Lakhs

### 2.2. INVESTMENTS

Particulars	Ref Note No.	As at 31st March, 2022	As at 31st March, 2021
<b>Investments at fair value through profit or loss</b>			
<b>Unquoted Equity Instruments</b>			
<b>Other Bodies Corporate - Fully paid-up Equity Shares</b>			
Brabourne Commerce Private Limited of Rs.10 each		0.09	0.09
107 (Previous Year - 107 ) number of shares			
The Calcutta Stock Exchange Association Limited of Rs.1 each		119.64	117.04
8364 (Previous Year - 8364) number of shares			
Capexil Agencies Limited of Rs.1,000 each		-	0.05
5 (Previous Year - 5) number of shares			
<b>Government Securities at amortised cost</b>			
National Savings Certificates		0.15	0.15
		<b>119.88</b>	<b>117.33</b>

2.2.1 Aggregate carrying amount of unquoted investment **119.73** **117.18**

### 2.3 OTHER NON CURRENT FINANCIAL ASSETS

Particulars	Ref Note No.	As at 31st March, 2022	As at 31st March, 2021
<b>Unsecured, Considered good</b>			
Deposits with Bank (having maturity of more than 12 months)	2.3.1	244.57	3.36
Security Deposits		7,307.46	7,356.39
		<b>7,552.03</b>	<b>7,359.75</b>

2.3.1 Deposit with Banks are pledged with the Government Authorities/Power distribution Company.

### 2.4 OTHER NON-CURRENT ASSETS

Particulars	Ref Note No.	As at 31st March, 2022	As at 31st March, 2021
Capital Advances		728.11 596.65	1,701.44 1,569.98
Less : Provision on Capital Advance		<u>131.46</u>	<u>131.46</u>
Prepaid Expenses		54.36	81.06
		<b>651.01</b>	<b>1,651.04</b>

**Notes to Financial Statements** as at and for the year ended 31st March 2022

Rs. in Lakhs

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

(Value taken and certified by the management)

Particulars	Ref Note No.	As at 31st March 2022	As at 31st March 2021
Raw Materials	2.5.1	6,572.88	12,031.25
Work in Progress		674.30	560.29
Finished Goods		22,191.32	20,736.92
Stores and Spares	2.5.1, & 2.5.2	11,439.69	10,178.56
Packing Materials	2.5.1	1,522.78	1,464.89
Other Fixed Asset at Scrap Value		8.38	8.38
		<b>42,409.35</b>	<b>44,980.29</b>

**2.5.1 Above include Material in Transit :**

Particulars	As at 31st March 2022	As at 31st March 2021
Raw Materials	1,273.95	790.12
Stores and Spares	126.55	313.98
Packing Materials	21.51	9.61

**2.5.2** Inventories of Stores and Spare Parts include certain slow moving, non-moving and obsolete items. An impairment allowance of Rs. 678.54 Lakhs (Previous year - Rs. 672.86 Lakhs) towards obsolescence for such slow moving, non-moving and obsolete items is carried in the books and the management is of the opinion that the same is adequate and no further impairment allowance is required.

**2.5.3** Refer Note 2.13.3.B and 2.19.1 to Financial Statements in respect of charge created.

**2.6 TRADE RECEIVABLES**

Particulars	Ref Note No.	As at 31st March 2022	As at 31st March 2021
Trade Receivables Considered Good - Secured		-	-
Trade Receivables Considered Good - Unsecured		34,656.91	34,321.92
Trade Receivables which have Significant increase in credit risk		736.42	563.36
Trade Receivables Credit impaired		-	-
Less: Impairment Allowances for receivables		(731.39)	(342.63)
		<b>34,661.94</b>	<b>34,542.65</b>

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

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

**2.6.3** Trade receivables ageing schedule



## Notes to Financial Statements as at and for the year ended 31st March 2022

Rs. in Lakhs

<b>As on 31st March 2022</b>							
Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		< 6 Months	6-12 month	1-2 year	2-3 year	> 3 Years	
i. Undisputed Trade Receivables- considered good	2,894.97	30,323.42	536.51	532.91	251.83	87.24	34,626.89
ii. Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	43.20	512.82	-	556.02
iii. Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
iv. Disputed Trade Receivables- considered good	-	-	-	-	-	30.03	30.03
v. Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	3.61	176.79	-	180.40
vi. Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Less: Allowance for Bad & Doubtful Debts	-	(190.45)	-	-	(512.82)	(28.12)	(731.39)
<b>Grand Total</b>	<b>2,894.97</b>	<b>30,132.97</b>	<b>536.51</b>	<b>579.72</b>	<b>428.62</b>	<b>89.15</b>	<b>34,661.94</b>

<b>As on 31st March 2021</b>							
Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		< 6 Months	6-12 month	1-2 year	2-3 year	> 3 Years	
i. Undisputed Trade Receivables- considered good	2,683.89	29,583.55	695.73	980.97	287.55	89.64	34,321.33
ii. Undisputed Trade Receivables – which have significant increase in credit risk	-	-	43.20	-	320.33	-	363.53
iii. Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-

**Notes to Financial Statements** as at and for the year ended 31st March 2022

Rs. in Lakhs

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		< 6 Months	6-12 month	1-2 year	2-3 year	> 3 Years	
iv. Disputed Trade Receivables- considered good	-	-	-	-	0.59	-	0.59
v. Disputed Trade Receivables – which have significant increase in credit risk	-	-	0.01	3.60	196.22	-	199.83
vi. Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Less: Allowance for Bad & Doubtful Debts	-	-	-	-	(320.33)	(22.30)	(342.63)
<b>Grand Total</b>	<b>2,683.89</b>	<b>29,583.55</b>	<b>738.94</b>	<b>984.57</b>	<b>484.36</b>	<b>67.34</b>	<b>34,542.65</b>

**2.6.4** Movement of Impairment allowances for receivables

Particulars	As at 31st March 2022	As at 31st March 2021
Balance at Beginning of the year	342.63	204.55
Add: Impairment Allowance recognised/adjustment during the year	397.91	197.26
Less: Impairment Allowances written back during the year	9.15	59.18
Balance at the end of the year	<b>731.39</b>	<b>342.63</b>

**2.6.5** Credit quality of a customer is assessed based on appraisal of each customer and individual credit limits are defined in accordance with this assessment and performance of the customer. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for all the customers. The Company has evaluated the concentration of risk with respect to trade receivables as low, as there is no single large customer creating significant risk.

**2.7.A CASH AND CASH EQUIVALENTS**

Particulars	Ref Note No.	As at 31st March 2022	As at 31st March 2021
Balances with banks:			
In Current accounts	2.7.A.1	15,854.02	15,419.73
In Deposit accounts (With original maturity of less than 3 months)		2.01	1.84
Cash on hand		5.91	5.04
		<b>15,861.94</b>	<b>15,426.61</b>

**2.7.A.1** Current Account includes Rs 337.37 Lakhs as on March 31, 2022 (March 31, 2021 - Rs 110.13 Lakhs) is not available to the company for utilisation, being appropriated by Lead Bank SBI pending towards repayment of ECB.



## Notes to Financial Statements as at and for the year ended 31st March 2022

### 2.7.B OTHER BALANCES WITH BANKS

Rs. in Lakhs

Particulars	Ref Note No.	As at 31st March 2022	As at 31st March 2021
In deposit accounts (With original maturity more than 3 months but less than 12 months)		1,199.98	1,327.10
		<b>1,199.98</b>	<b>1,327.10</b>

### 2.8 OTHER CURRENT FINANCIAL ASSETS

Particulars	Ref Note No.	As at 31st March 2022	As at 31st March 2021
<b>Unsecured, Considered good</b>			
Security Deposits		15.54	62.12
Interest receivable		214.19	85.42
State Incentives	2.8.1	731.41	962.36
Others	2.8.2	96.57	112.41
		<b>1,057.71</b>	<b>1,222.31</b>

#### 2.8.1 State Incentives includes :

- Rs. 103.83 Lakhs (Previous Year - Rs. 103.83 Lakhs) for Input VAT Credit - Deferred, which can be utilised only after repayment of corresponding amount of Sales Tax Deferred Loan.
- Rs. 627.57 Lakhs (Previous Year - Rs. 858.52 Lakhs) as Industrial Promotion Assistance.

**2.8.2** Other Current financial assets Includes Insurance Claim Receivable Rs. 45.35 Lakhs (Previous Year - Rs. 46.82 lakhs) being doubtful, complete provision against the same provided in the books.

### 2.9 CURRENT TAX ASSETS (NET)

Particulars	Ref Note No.	As at 31st March 2022	As at 31st March 2021
Advance Income Tax		455.07	2,329.41
Less: Provision for Income Tax		(149.75)	(2,019.25)
		<b>305.32</b>	<b>310.16</b>

### 2.10 OTHER CURRENT ASSETS

Particulars	Ref Note No.	As at 31st March 2022	As at 31st March 2021
<b>Considered Good</b>			
Balances / Deposit with Government Authorities		3,765.82	1,494.49
Prepaid Expenses		1,048.47	822.67
Advance to Suppliers		8,975.28	5,625.25
-Considered Goods		8,975.28	5,625.25
-Considered Doubtful		701.25	701.25
Less: Impairment Allowances	2.10.1	(701.25)	(701.25)
Other Assets		19.83	19.40
Balances / Deposit with Government Authorities		11.28	11.28
Less: Impairment Allowances	2.10.1	(11.28)	(11.28)
		<b>13,809.40</b>	<b>7,961.81</b>

**Notes to Financial Statements** as at and for the year ended 31st March 2022

Rs. in Lakhs

**2.10.1 Movement of Impairment Allowance for Advances**

Particulars	Ref Note No.	As at 31st March 2022	As at 31st March 2021
Balance at Beginning of the year		712.53	698.51
Add: Recognised during the year		-	14.02
Less: Adjusted during the year		-	-
<b>Balance at the end of the year</b>		<b>712.53</b>	<b>712.53</b>

**2.11 EQUITY SHARE CAPITAL**

Particulars	Ref Note No.	31st March 2022		31st March 2021	
		Number of Shares	Amount	Number of Shares	Amount
<b>Authorised Share Capital subdivided into :</b>					
Equity Shares of Rs. 2/- each		2,50,75,00,000	50,150.00	2,50,75,00,000	50,150.00
Preference Shares of Rs. 2/- each		5,00,00,000	1,000.00	5,00,00,000	1,000.00
Issued, Subscribed and fully paid - up Share Capital - Equity Shares of Rs. 2/- each		8,95,53,565	1,791.07	8,95,53,565	1,791.07
		<b>1,791.07</b>		<b>1,791.07</b>	

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

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

Particulars	2021-2022	2020-2021
Opening Number of Shares	8,95,53,565	8,95,53,565
Add: Number of Shares issued during the year	-	-
Closing Number of Shares	8,95,53,565	8,95,53,565

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

Name of Share Holders	31st March 2022		31st March 2021	
	Number of Shares held	% of holding as at	Number of Shares held	% of holding as at
Brabourne Commerce Private Limited	2,17,49,485	24.29%	2,17,49,485	24.29%
Spotlight Vanijya Limited	1,61,99,975	18.09%	1,61,99,975	18.09%
Rungamattee Trexim Private Limited	45,90,550	5.13%	45,90,550	5.13%
Spotme Tracon Private Limited	45,90,545	5.13%	45,90,545	5.13%

The above shareholding represents both legal and beneficial shareholding.



## Notes to Financial Statements as at and for the year ended 31st March 2022

Rs. in Lakhs

2.11.4 The details of Shareholding of Promoters are as under as at 31st March 2022 and 31st March 2021 are as follows:

Name of Promoters	As at March 31, 2022			As at March 31, 2021		
	No. of Shares Held	% of Holding	% change during the year	No. of Shares held	% of holding	% change during the year
Late Chandra Kumar Somany	8,04,750	0.90%	0.00%	8,04,750	0.90%	0.00%
Sudha Somany	18,29,070	2.04%	0.00%	18,29,070	2.04%	0.00%
Chandra Kumar Somany HUF	18,61,870	2.08%	0.00%	18,61,870	2.08%	0.00%
Sanjay Somany	31,12,865	3.48%	0.00%	31,12,865	3.48%	0.00%
Amita Somany	8,93,000	1.00%	0.00%	8,93,000	1.00%	0.00%
Sanjay Somany - Karta of HUF	8,22,635	0.92%	0.00%	8,22,635	0.92%	0.00%
Mukul Somany	40,21,370	4.49%	0.00%	40,21,370	4.49%	0.00%
Rashmi Somany	11,04,250	1.23%	0.00%	11,04,250	1.23%	0.00%
Mukul Somany - Karta of HUF	4,50,675	0.50%	0.00%	4,50,675	0.50%	0.00%
Bharat Somany	7,47,800	0.84%	0.00%	7,47,800	0.84%	0.00%
Brabourne Commerce Private Limited	2,17,49,485	24.29%	0.00%	2,17,49,485	24.29%	0.00%
Spotlight Vanijya Limited	1,61,99,975	18.09%	0.00%	1,61,99,975	18.09%	0.00%
Rungamattee Trexim Private Limited	45,90,550	5.13%	0.00%	45,90,550	5.13%	0.00%
Spotme Tracon Private Limited	45,90,545	5.13%	0.00%	45,90,545	5.13%	0.00%
Khazana Marketing Private Limited	2,80,000	0.31%	0.00%	2,80,000	0.31%	0.00%
Saurav Contractors Private Limited	2,80,000	0.31%	0.00%	2,80,000	0.31%	0.00%

### 2.12 OTHER EQUITY

Particulars	Ref Note No.	As at 31st March 2022	As at 31st March 2021
Capital Reserve	2.12.1	7,013.83	6,055.05
Securities Premium Reserve	2.12.2	10,363.84	10,363.84
General Reserve	2.12.3	69,573.88	69,573.88
Retained Earnings	2.12.4	(1,65,378.25)	(1,30,951.17)
		<b>(78,426.70)</b>	<b>(44,958.40)</b>



**Notes to Financial Statements** as at and for the year ended 31st March 2022

Rs. in Lakhs

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

**2.12.1 Capital Reserve comprises of:**

Particulars	As at 31st March 2022		As at 31st March 2021	
	Non Current	Current	Non Current	Current
i) Reserve arising on merger of Glass Equipments India Limited and Quality Minerals Limited with effect from 1 April 2014.		2.90		2.90
ii) Receipts from the trust		7,010.93		6,052.15

In terms of Scheme of Arrangement pursuant to the Order of Hon'ble High Court, Calcutta dated April 7, 2008 and by the Hon'ble High Court, Delhi dated March 19, 2008 (the Scheme) sanctioning the amalgamation of Ace Glass Containers Limited (AGCL) with the Company, 13,68,872 and 21,41,448 equity shares of Rs. 10/- each of the Company issued in lieu of the shares of the Company held by AGCL and shares of AGCL held by the Company were transferred to ACE Trust and HNG Trust respectively in earlier years for the sole benefit of the Company. Out of the shares so transferred 68,44,360 and 77,97,240 equity shares of Rs. 2/- each of the Company (after subdivision of 1 equity share of Rs. 10/- each into 5 equity shares of Rs. 2/- each w.e.f. 13/11/2009) were held by ACE Trust and HNG Trust respectively as on 31st March, 2018. In view of the shares being held for the sole benefit of the Company as mentioned above, the book value of Rs. 6,014.85 Lakhs of these investments has been shown as deduction from Shareholders Fund and thereby General Reserve is adjusted to that extent. Receipt from the Trusts on account of beneficial interest is credited to Capital Reserve. During FY 19-20 one of the Secured Lenders has enforced 37,94,360 and 1,55,640 equity shares held under pledge from ACE Trust and HNG Trust respectively and sold 5,39,183 equity shares out of the shares so enforced. During the Current Financial Year, One More Lender has invoked and sold 44,50,000 and 30,50,000 equity shares held under pledge from M/s HNG Trust and M/s ACE Trust respectively.

**2.12.2** Securities Premium Reserve represents the amount received in excess of par value of securities.

**2.12.3** General Reserve is created by an appropriation from one component of equity (generally Retained Earning) to another, not being an item of other comprehensive income. The same can be utilised in accordance with provisions of Companies Act, 2013.

**2.12.4** Retained Earnings generally represent the undistributed profits /amount of accumulated earnings of the Company. It includes Rs. 30,830.61 Lakhs (Previous Year - Rs. 30,880.09 Lakhs) which is not available for distribution as dividend represented by change in carrying amount of Freehold and Leasehold Land upon measurement at Fair Value for deemed cost on the date of transition to Ind AS i.e. 1st April, 2015. Additional Depreciation due to Fair Value Measurement to the extent provided each year becomes available for distribution as dividend.

**2.13 BORROWINGS**

Particulars	Ref Note No.	As at 31st March 2022		As at 31st March 2021	
		Non Current	Current	Non Current	Current
<b>At Amortised Cost</b>					
<b>Secured Loans</b>					
<b>a) Debentures</b>					
10.40% Redeemable Non Convertible Debentures	2.13.3(A) & 2.13.3(E)	-	16,001.12	-	16,269.86
<b>b) Term Loans</b>					
From Banks	2.13.3(B to E) & 2.13.7		83,544.10	41,248.00	42,739.00



## Notes to Financial Statements as at and for the year ended 31st March 2022

Rs. in Lakhs

Particulars	Ref Note No.	As at 31st March 2022		As at 31st March 2021	
		Non Current	Current	Non Current	Current
From a Financial Institution	2.13.3(B),2.13.3 (E)		7,114.33	5,681.67	1,552.10
From Other	2.13.3 (B to E)		38,467.84	19,700.00	19,070.61
<b>c) Foreign Currency Term Loans</b>					
From Banks/ FI	2.13.3 (B & E)		- 47,943.40	-	47,331.70
<b>Unsecured Loans</b>					
<b>a) Debentures</b>					
10.00% Redeemable Non Convertible Debentures	2.13.2	10,000.00	-	10,000.00	-
<b>b) Term Loans</b>					
From Related Party	2.13.8 & 2.36.1.C	4,574.51	-	4,140.90	-
<b>c) Deferred Payment Liabilities</b>					
Sales Tax Deferment Loan			- 202.02	-	202.02
		<b>14,574.51</b>	<b>1,93,272.81</b>	<b>80,770.57</b>	<b>1,27,165.29</b>

**2.13.1** Financial Creditors has already submitted their Claim with Resolution Professional, hence entire loan has been called for and has been considered as Current Portion other than borrowings from Related Party. (Also Refer Note no 2.45)

### 2.13.2 Repayment details of unsecured Non Convertible Debentures at unamortised cost outstanding as on :

Particulars	As at 31st March 2022	As at 31st March 2021
10.00% Unsecured Non Convertible Debentures allotted on 17.07.2019 are due for redemption at par at the end of the tenure i.e 09.07.2024.	10,000.00	10,000.00

### 2.13.3 Nature of Security for borrowings:

- Non-Convertible Debentures are secured by first charge ranking pari-passu on all immovable properties by way of equitable mortgage and hypothecation of all moveable properties both present and future of the Company.
- Term loans from Banks and Financial Institution other than a loan of Rs 7,500 Lakhs (Sanctioned Amount) from a Bank which has been assigned to EARC Trust SC-404 (Refer note - 2.13.3(C) below), are secured by first charge ranking pari-passu on all immovable properties by way of equitable mortgage and hypothecation of all moveable properties both present and future of the Company and second charge ranking pari-passu on entire current assets of the Company, both present and future.
- Term Loan from others include Loan from Body Corporates. The said Loan and a loan of Rs 7,500 Lakhs (Sanctioned Amount) from a Bank which has been assigned to EARC Trust- SC 404 (Refer Note - 2.13.3(B) above) are secured by second charge ranking pari-passu on all immovable properties by way of equitable mortgage and hypothecation of all moveable properties both present and future of the Company.
- Pledge of treasury shares of the Company held by HNG Trust, No of Shares 76,62,490 (Previous Year- 76,62,490) and ACE Trust, No of Shares 68,44,360 (Previous Year- 68,44,360). In the FY 2019-20 lenders has enforced 1,55,640 equity shares held by M/s HNG Trust and enforced 37,94,360 equity shares held by M/s ACE Trust, out of enforced shares of M/s ACE trust 5,45,501 shares has been sold. During the current financial year lenders has enforced and sold 44,50,000 equity shares held by M/S HNG Trust and 30,50,000 equity shares held by M/S ACE Trust.

## Notes to Financial Statements as at and for the year ended 31st March 2022

- E) Additional Security to lenders who have agreed to Corrective Action Plan (CAP) :
- (i) Pledge of 51% of the Company's Shareholding held by Promoter and Promoter Group on pari passu basis with other lenders.
  - (ii) Personal Guarantee of Mr Sanjay Somany and Mr Mukul Somany. (Invoked by DBS Bank Limited on April 05, 2022)
- F) Immovable properties mentioned in 2.13.3(A),(B)&(C) above excludes certain plots of land having book value of Rs. 3,326 Lakhs.
- 2.13.4 (a) Pursuant to RBI guidelines for Framework for Revitalizing Distressed Assets in the Economy, which laid out the detailed guidelines on formation of Joint Lenders Forum (JLF) and Corrective Action Plan (CAP), if 75% of lenders by value and 60% by number are agreeable to CAP, then it shall become binding on all the lenders. In terms of the CAP approved by JLF, the terms and conditions of the outstanding term loans from Banks and Financial Institutions have been restructured with effect from 1st December, 2014. This inter-alia includes moratorium for repayment of principal for two years and thereafter the aforesaid loans to be repaid over the period of 5 to 8 years depending on the nature of the loan. The said restructuring is, however subject to fulfillment of certain conditions and creation of securities etc. including those given in Note 2.13.4(c) The stipulations also includes conditions relating to infusion of equity by promoters in various periods and fresh valuations of its assets by a valuer registered with Institute of Valuers.
- (b) All the loans restructured as above, in addition to their existing securities, have been further secured by pledge of remaining unencumbered promoter shareholding (being 51% of the Company's shareholding) and Personal guarantee of Mr. Sanjay Somany and Mr. Mukul Somany.
- (c) Pursuant to the CAP, lenders shall have a right to convert into Equity upto 20% of the Term Loan outstanding beyond seven years as per SEBI guidelines/ Loan covenants whichever is applicable.
- 2.13.5 The continuous higher financial leverage and lower profitability plagued the financials of the Company. To reduce the leverage, company approached the lenders for compromise settlement pursuant to RBI's circular on Resolution of Stressed Assets – Revised Framework dated 12th February, 2018.
- Pursuant to the said guidelines, Lenders have agreed for a one time compromise settlement of their dues and entered into a Memorandum of Understanding (MOU) with the Company dated 27 August, 2018 and Compromise and Settlement Agreement dated 25th September, 2018.
- The brief summary of the MOU signed by the Company and the lenders are as follows :
- A. The entire dues (Term Loan, Fund based Working Capital, Letter of Credit and interest thereon) as outstanding as on 28 February, 2018 shall be settled by payment of cash component of Rs. 1,71,000 Lakhs.
  - B. Pay out of the non-fund based facilities granted to the borrower amounting to Rs. 22,208 Lakhs or actual amount outstanding.
  - C. Issue/transfer of 90 lakhs equity shares in favour of secured creditors to be based on total fund based exposure.
  - D. The Company has deposited an amount of Rs. 29,000 Lakhs which is 15% of the settlement amount with State Bank of India, as per the terms & conditions of the Memorandum of Understanding (MOU) with the Company dated 27 August ,2018 and Compromise and Settlement Agreement dated 25 September ,2018. Further the company has deposited a sum of Rs. 26,001.57 Lakhs from June'19 to Sept'21 and the same has been appropriated by the lead banker, State Bank of India to all the lenders.

## Notes to Financial Statements as at and for the year ended 31st March 2022

State Bank of India has apportioned the above amount to all the lenders as per the table below:

Name of Bank /Financial Institution/Others	Rs. in Lakhs			
	FY 18-19	FY 19-20	FY 20-21	FY 21-22
State Bank of India	12,775.60	3,499.95	4,998.98	1,309.66
Canara Bank (Erstwhile Syndicate Bank)	1,297.49	469.80	670.60	175.69
EARC Trust - SC 368 (Loan assigned from HDFC Bank Ltd.)	1,918.26	694.09	991.32	259.71
EARC Trust - SC 404 (Loan assigned from Axis Bank Ltd.)	1,568.62	516.51	738.19	193.39
EARC Trust - SC 245 (Loan assigned from The HSBC Ltd.)	2,011.08	726.89	1,039.03	272.21
EARC Trust - SC 367 (Loan assigned from L & T Finance Ltd.)	224.67	81.83	116.63	30.55
Exim Bank	882.79	318.72	455.90	119.44
Life Insurance Corporation of India	1,985.76	718.61	1,025.77	268.74
DBS Bank	3,962.90	1,433.24	2,047.57	536.43
Goldman Sachs International Bank ( Loan assigned from Rabo Bank)	1,455.77	527.11	752.76	197.21
Bank of Baroda	471.18	129.87	185.54	48.61
Standard Chartered Bank	445.90	160.01	230.60	60.41
<b>Total</b>	<b>29,000.00</b>	<b>9,276.64</b>	<b>13,252.88</b>	<b>3,472.05</b>

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

- If the lender has provided both long term and short term facilities, then the amount appropriated have been adjusted against the short term facilities first and if balance remains then with long term facility.
- If the lender is having any one facility only, then with the outstanding balance.
- Interest for the period post appropriation shall be calculated proportionately after the above adjustment. Accordingly, interest amounting to Rs.4,994.80 Lakhs for Current Year (Previous Year Rs. 4,551.46 Lakhs) is short booked.
- During the current Financial year EARC Trust -SC 404 has invoked and sold entire 75 Lakhs Equity Shares pledged by M/s HNG Trust & M/s ACE Trust at a consideration of Rs 958.78 Lakhs and the same has been adjusted through the short term facility of the lender with credit of capital reserve. (Refer Note 2.12.1)

### 2.13.6 Summary of Default in repayment of borrowings along with Interest

#### A) Redemption of Non Convertible Debenture

Due Date	Life Corporation of India
23-11-2021	8,000.56
03-02-2022	8,000.56
<b>Total</b>	<b>16,001.12</b>

## Notes to Financial Statements as at and for the year ended 31st March 2022

### B) Term Loan and Working Capital Loan

Rs. in lakhs

Bank	SBI	EARC Trust - SC 368 (Loan assigned from HDFC Bank Ltd.)	Canara Bank (Erstwhile Syndicate Bank)	EARC Trust - SC 404 (Loan assigned from Axis Bank Ltd.)	Exim Bank	EARC Trust - SC 367 (Loan assigned from L & T Finance Ltd.)	EARC Trust - SC 245 (Loan assigned from The HSBC Ltd.)	DBS	Goldman Sachs International Bank (Loan assigned from Rabo Bank)	Standard chartered	Bank of Baroda	Total
Term Loan												
Dec'17	496.00	112.50	187.50	375.00	-	-	(0.00)	-	-	-	-	1,171.00
Mar'18	1,553.10	112.50	187.50	440.00	-	-	(0.00)	1,046.60	-	-	-	3,339.70
June'18	744.00	168.70	250.00	375.00	-	-	67.77	-	0.00	-	-	1,605.47
Sept'18	2,244.00	168.70	250.00	472.50	-	-	259.10	2,990.54	-	-	-	6,384.84
Dec'18	744.00	168.70	250.00	375.00	-	-	259.10	-	1,368.04	-	-	3,164.84
Mar'19	2,244.00	168.70	250.00	472.50	-	90.11	259.10	2,990.54	-	-	-	6,474.95
June'19	869.00	197.00	343.75	375.00	-	156.25	302.28	-	1,869.09	-	-	4,112.37
Sept'19	2,369.00	197.00	343.75	488.75	-	156.25	302.28	2,990.54	-	-	-	6,847.57
Dec'19	869.00	197.00	343.75	375.00	-	156.25	302.28	2,315.46	1,869.09	-	-	6,427.83
March'20	3,494.00	197.00	343.75	488.75	-	156.25	302.28	-	-	-	-	4,982.03
June'20	1,240.00	281.20	437.50	375.00	0.00	156.25	431.83	6,728.72	2,803.63	-	-	12,454.13
Sept'20	3,865.00	281.20	437.50	537.50	57.16	156.25	431.83	-	-	-	-	5,766.44
Dec'20	1,240.00	281.20	437.50	375.00	229.25	156.25	431.83	6,728.72	2,803.63	-	-	12,683.38
March'21	3,865.00	281.20	437.50	537.50	229.25	156.25	431.83	-	-	-	-	5,938.53
June'21	1,240.00	281.20	437.50	375.00	229.25	156.33	431.83	8,074.46	3,364.36	-	-	14,589.93
Sept'21	3,865.00	281.20	437.50	537.50	229.25	156.33	431.83	-	-	-	-	5,938.61
As on 21-10-2021	43,728.00	7,538.00	3,500.00	2,552.50	6,140.17	156.33	11,573.06	-	-	-	-	75,188.06
<b>TOTAL</b>	<b>74,669.10</b>	<b>10,913.00</b>	<b>8,875.00</b>	<b>9,527.50</b>	<b>7,114.33</b>	<b>1,809.11</b>	<b>16,218.23</b>	<b>33,865.57</b>	<b>14,077.83</b>	<b>-</b>	<b>-</b>	<b>177,069.67</b>
Working Capital Loan Since Nov'2017 to 21-10-2021	-	4,672.60	1,706.80	730.25	-	-	-	1,214.26	-	3,598.68	2,729.70	14,652.30
<b>Grand Total</b>	<b>74,669.10</b>	<b>15,585.60</b>	<b>10,581.80</b>	<b>10,257.75</b>	<b>7,114.33</b>	<b>1,809.11</b>	<b>16,218.23</b>	<b>35,079.83</b>	<b>14,077.83</b>	<b>3,598.68</b>	<b>2,729.70</b>	<b>191,721.97</b>



## Notes to Financial Statements as at and for the year ended 31st March 2022

Rs. in lakhs

### C) Interest on Non Convertible Debenture

Due Date	Life Corporation of India
Feb'18	1,040.00
Nov'18	1,040.00
Feb'19	1,040.00
Nov'19	962.38
Feb'20	937.24
Nov'20	879.10
Feb'21	867.71
Oct'21	1,371.60
<b>Total</b>	<b>8,138.02</b>

### D) Term Loan Interest

Bank Name	SBI	EARC Trust - SC 367 (Loan assigned from HDFC Bank Ltd.)	Canara Bank (Erstwhile Syndicate Bank)	EARC Trust - SC 245 (Loan assigned from The HSBC Ltd.)	EXIM	EARC Trust - SC 404 (Loan assigned from Axis Bank Ltd.)	EARC Trust - SC 367 (Loan assigned from L & T Finance Ltd.)	DBS	Goldman Sachs International Bank (Loan assigned from Rabo Bank)	TOTAL
Nov'17	-	3.35	-	-	-	-	-	-	-	3.35
Dec'17	-	101.95	82.98	149.40	75.10	75.66	-	-	-	485.09
Jan'18	-	101.95	82.91	149.42	83.06	75.66	-	-	-	493.00
Feb'18	-	92.08	74.89	134.96	75.02	68.34	-	-	-	1,485.29
Mar'18	701.72	101.95	82.91	149.42	83.06	75.66	290.03	309.75	1,794.50	
Apr'18	679.10	98.66	80.23	130.14	80.38	74.03	196.85	-	1,339.39	
May'18	701.73	101.95	82.91	134.48	83.06	74.03	-	-	1,178.16	
June '18	679.10	98.66	80.23	174.00	80.38	74.03	66.71	341.92	1,787.65	
July'18	701.73	101.95	82.91	134.48	83.06	74.85	-	132.24	1,311.21	
Aug'18	701.73	101.95	82.91	134.48	83.06	74.85	-	-	1,178.97	
Sept'18	679.10	98.66	80.23	174.49	80.38	74.85	70.31	366.21	1,828.91	
Oct'18	701.73	101.95	82.91	134.48	83.06	74.85	-	142.11	1,321.09	
Nov'18	679.10	98.66	80.23	130.14	80.38	74.85	-	-	2,183.36	
Dec'18	701.73	101.95	82.91	178.82	83.06	74.85	70.31	356.25	1,850.32	
Jan'19	701.73	101.95	79.15	149.42	83.07	75.66	-	138.60	1,329.58	
Feb'19	633.82	92.09	71.49	134.96	75.03	68.34	-	-	2,115.72	
Mar'19	701.73	101.95	79.15	149.42	76.22	75.66	56.92	355.87	1,807.16	
Apr'19	679.09	98.67	80.24	130.14	72.40	73.22	144.81	-	1,278.57	
May'19	701.73	101.95	82.91	134.48	74.82	75.66	-	-	1,171.55	
June'19	679.09	98.67	80.24	174.00	72.40	73.22	53.35	325.63	1,752.50	
July'19	701.73	101.95	82.91	134.48	74.82	75.66	132.47	-	1,304.03	

## Notes to Financial Statements as at and for the year ended 31st March 2022

Rs. in lakhs

Bank Name	SBI	EARC Trust - SC 367 (Loan assigned from HDFC Bank Ltd.)	Canara Bank (Erstwhile Syndicate Bank)	EARC Trust - SC 245 (Loan assigned from The HSBC Ltd.)	EXIM	EARC Trust - SC 404 (Loan assigned from Axis Bank Ltd.)	EARC Trust - SC 367 (Loan assigned from L & T Finance Ltd.)	DBS	Goldman Sachs International Bank (Loan assigned from Rabo Bank)	TOTAL
Aug'19	701.73	101.95	82.91	134.48	74.82	75.66	-	-	-	1,171.55
Sept'19	679.09	98.67	80.24	174.48	72.34	73.22	53.93	322.52	182.33	1,736.82
Oct'19	701.73	101.95	82.91	134.48	72.89	75.66	-	125.10	-	1,294.73
Nov'19	679.09	98.67	80.24	130.14	70.54	73.22	-	-	-	2,094.27
Dec'19	701.73	101.95	82.91	178.82	72.89	75.66	52.54	302.01	171.31	1,739.84
Jan'20	701.73	101.95	82.91	134.48	72.89	75.66	-	130.11	-	1,299.74
Feb'20	656.46	95.38	77.57	125.80	68.19	70.78	-	-	-	2,031.41
Mar'20	701.73	101.95	82.91	178.34	72.89	75.66	51.97	312.92	177.68	1,756.05
Apr'20	679.09	98.67	80.24	144.60	66.39	73.22	-	135.20	-	1,277.41
May'20	701.73	101.95	82.91	149.42	68.43	75.66	-	-	-	1,180.11
June'20	679.09	98.67	80.24	144.11	66.23	73.22	48.81	309.56	178.00	1,677.93
July'20	701.73	101.95	82.91	148.92	68.43	75.66	-	134.13	-	1,313.74
Aug'20	701.73	101.95	82.91	148.92	68.43	75.66	-	-	-	1,179.61
Sept'20	679.09	98.67	80.24	144.11	66.23	73.22	49.31	182.76	111.55	1,485.17
Oct'20	701.73	101.95	82.91	148.92	68.43	75.66	-	69.61	-	1,249.22
Nov'20	679.09	98.67	80.24	144.11	66.23	73.22	-	-	-	2,020.66
Dec'20	701.73	101.95	82.91	148.87	68.41	75.66	49.30	178.16	105.03	1,512.04
Jan'21	701.73	101.95	82.91	148.23	68.12	75.66	-	67.76	-	1,246.37
Feb'21	633.82	92.09	74.89	133.49	61.58	68.34	-	-	-	1,931.91
Mar'21	701.73	101.95	82.91	147.39	68.00	75.66	47.87	172.03	98.16	1,495.71
Apr'21	679.09	98.67	80.24	142.31	65.40	73.22	-	65.40	-	1,204.34
May'21	701.73	101.95	82.91	146.58	67.90	75.66	-	-	-	1,176.74
June'21	679.09	98.67	80.24	141.38	65.53	73.22	48.00	175.27	99.07	1,460.47
July'21	701.70	101.95	82.91	145.73	67.02	75.66	-	66.73	-	1,241.71
Aug'21	701.15	101.95	82.91	145.34	67.61	75.66	-	-	-	1,174.63
Sept'21	676.89	98.67	80.24	140.32	65.29	73.22	48.12	171.85	97.55	1,452.16
Oct'21	472.56	69.07	56.17	97.98	45.02	51.25	10.93	121.62	23.07	2,319.26
Nov'21	-	-	-	-	-	-	-	-	-	-
Dec'21	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>30,123.56</b>	<b>4,676.74</b>	<b>3,789.74</b>	<b>6,817.31</b>	<b>3,407.99</b>	<b>3,468.10</b>	<b>778.37</b>	<b>5,965.74</b>	<b>2,557.39</b>	<b>69,722.97</b>



## Notes to Financial Statements as at and for the year ended 31st March 2022

### E) CC & WCDL Interest

Rs. in lakhs

Bank Name	SBI	EARC Trust - SC 367 (Loan assigned from HDFC Bank Ltd.)	Canara Bank (Erstwhile Syndicate Bank)	SCB	DBS	EARC Trust - SC 404 (Loan assigned from Axis Bank Ltd.)	EARC Trust - SC 245 (Loan assigned from The HSBC Ltd.)	BOB	TOTAL AMOUNT
Nov'17	-	54.24	-	-	-	-	4.52	-	58.76
Dec'17	-	28.93	-	41.43	-	-	31.21	-	101.57
Jan'18	-	25.77	28.02	42.04	-	-	31.21	26.80	153.84
Feb'18	-	50.63	25.31	37.96	-	-	28.19	26.80	168.89
Mar'18	195.66	56.05	28.03	42.04	7.30	-	30.78	28.01	387.87
Apr'18	198.23	54.25	27.12	114.22	24.89	-	29.73	27.12	475.56
May'18	209.12	56.05	28.03	4.67	26.74	-	30.78	28.03	383.42
June '18	202.28	54.25	27.12	4.52	25.89	20.59	29.73	27.12	391.50
July'18	208.89	56.05	28.03	115.57	19.53	37.65	30.78	28.03	524.53
Aug'18	208.76	56.05	28.03	4.67	19.53	37.65	30.78	28.03	413.50
Sept'18	201.89	54.25	27.12	4.52	18.45	36.43	29.73	27.12	399.51
Oct'18	208.61	56.05	28.03	115.57	19.53	37.65	30.78	28.03	524.26
Nov'18	201.88	54.25	27.12	4.52	18.45	36.43	29.73	27.12	399.51
Dec'18	208.09	56.05	28.03	4.67	19.53	37.65	30.78	28.03	412.83
Jan'19	207.67	56.05	28.03	42.04	19.11	37.65	30.78	28.03	449.35
Feb'19	187.57	50.63	25.32	34.96	17.27	34.00	28.61	25.32	403.67
Mar'19	107.38	41.17	17.96	38.70	2.46	26.70	16.09	24.33	274.80
Apr'19	85.46	36.90	15.39	36.65	16.47	23.73	12.85	22.86	250.32
May'19	88.26	38.13	15.91	37.86	17.01	24.52	13.28	23.63	258.60
June'19	85.18	36.90	15.39	36.67	16.47	23.73	12.85	22.86	250.06
July'19	87.82	61.85	28.25	37.83	16.85	26.24	13.28	36.37	308.49
Aug'19	87.51	61.85	28.25	37.83	16.85	26.24	13.28	36.37	308.17
Sept'19	83.99	59.72	27.24	36.58	16.04	25.31	12.72	35.17	296.77
Oct'19	66.34	57.66	25.41	36.87	16.36	23.45	8.28	35.58	269.95
Nov'19	64.20	55.80	24.59	35.68	16.19	22.69	8.01	34.44	261.60
Dec'19	66.34	57.66	25.41	36.87	17.28	23.45	11.01	35.58	273.60
Jan'20	66.34	57.66	25.41	36.87	19.84	23.45	8.28	35.58	273.43
Feb'20	62.06	53.94	23.77	34.49	18.56	21.94	7.74	33.19	255.70
Mar'20	66.34	57.66	25.41	36.87	19.84	23.45	10.98	34.78	275.33
Apr'20	18.72	53.52	18.49	33.58	14.76	21.19	6.02	25.52	191.79
May'20	17.45	50.19	18.85	34.62	5.17	18.49	2.72	26.30	173.80
June'20	16.89	46.39	18.24	33.50	7.51	16.44	-	25.46	164.42
July'20	17.45	47.94	18.84	34.62	14.79	16.99	-	26.30	176.93
Aug'20	17.45	47.94	18.84	34.62	14.79	16.99	-	26.30	176.93
Sept'20	16.89	46.39	18.23	33.50	14.31	16.44	-	25.46	171.22
Oct'20	17.46	47.94	18.84	34.62	14.79	16.99	-	26.30	176.93
Nov'20	16.89	46.39	18.23	33.50	14.31	16.44	-	25.46	171.23
Dec'20	17.23	47.89	18.81	34.61	14.70	16.96	-	26.30	176.50
Jan'21	13.98	47.25	18.38	34.46	14.18	16.53	-	26.17	170.94
Feb'21	10.69	42.28	16.33	31.03	12.52	14.66	-	23.57	151.08
Mar'21	9.76	46.41	17.81	34.30	13.15	15.97	-	26.02	163.41
Apr'21	7.84	44.59	17.02	33.08	13.40	15.24	-	25.12	156.30



**Notes to Financial Statements** as at and for the year ended 31st March 2022

Rs. in lakhs

Bank Name	SBI	EARC Trust - SC 367 (Loan assigned from HDFC Bank Ltd.)	Canara Bank (Erstwhile Syndicate Bank)	SCB	DBS	EARC Trust - SC 404 (Loan assigned from Axis Bank Ltd.)	EARC Trust - SC 245 (Loan assigned from The HSBC Ltd.)	BOB	TOTAL AMOUNT
May'21	5.70	45.60	17.27	34.07	12.91	15.43	-	25.87	156.86
June'21	3.13	43.66	16.39	32.86	11.56	14.62	-	24.94	147.16
July'21	1.44	44.75	16.69	33.88	11.24	14.86	-	25.71	148.57
Aug'21	-	44.36	16.42	33.78	11.99	14.60	-	25.63	146.79
Sept'21	-	42.60	15.67	32.62	11.18	13.91	-	24.75	140.74
Oct'21	-	29.57	10.80	22.78	7.34	9.57	-	17.28	97.33
Nov'21	-	-	-	-	-	-	-	-	-
Dec'21	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3,664.91</b>	<b>2,362.12</b>	<b>1,011.87</b>	<b>1,723.21</b>	<b>681.07</b>	<b>932.90</b>	<b>615.49</b>	<b>1,272.77</b>	<b>12,264.34</b>

**2.13.7** Outstanding ECB borrowing as per books USD 641.27 lakhs as on March 31, 2022 has been reinstated at an exchange rate Rs 74.7635 per USD being rate as prescribed in www.fbil.org.in as on October 21, 2021 being date of admission for CIRP.

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

**2.14 NON CURRENT LEASE LIABILITIES**

Particulars	As at 31st March 2022	As at 31st March 2021
Lease Liabilities	4.24	4.19
	<b>4.24</b>	<b>4.19</b>

**2.15 OTHER NON CURRENT FINANCIAL LIABILITIES**

Particulars	As at 31st March 2022	As at 31st March 2021
Retention Money	368.67	376.73
	<b>368.67</b>	<b>376.73</b>

**2.16 PROVISIONS**

Particulars	Ref Note No.	As at 31st March 2022	As at 31st March 2021
Provision for Employee Benefits	2.16.1	1,283.61	1,258.87
Provision for Contingencies	2.16.2	1,985.09	1,452.60
		<b>3,268.70</b>	<b>2,711.47</b>

## Notes to Financial Statements as at and for the year ended 31st March 2022

Rs. in Lakhs

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

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

### 2.17 DEFERRED TAX LIABILITIES (NET)

Particulars	Ref Note No.	As at 31st March 2022	Current Year Charge/(Credit) to P/L	As at 31st March 2021
<b>Deferred Tax Liabilities</b>				
Difference between WDV of Block of Assets		26,544.87	(1,514.55)	28,059.42
<b>Gross Deferred Tax Liability</b>		<b>26,544.87</b>	<b>(1,514.55)</b>	<b>28,059.42</b>
<b>Deferred Tax Assets</b>				
Provision for Post Retirement Benefits and Other Employment Benefits		794.82	55.34	739.48
Brought Forward Unabsorbed Depreciation		24,481.32	134.33	24,346.99
Impairment Allowances of Trade & Other Receivable		1,268.73	(1,704.22)	2,972.95
<b>Gross Deferred Tax Asset</b>		<b>26,544.87</b>	<b>(1,514.55)</b>	<b>28,059.42</b>
<b>Net Deferred Tax Liability</b>		<b>-</b>	<b>-</b>	<b>-</b>

#### 2.17.1 Unrecognised unused Tax Losses and unused Tax credits

Particulars	As at 31st March 2022	As at 31st March 2021
(i) Unabsorbed depreciation	61,374.97	52,782.33
(ii) Unused Tax Credits(Minimum Alternate Tax)	2,530.98	3,152.01

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

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

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

### 2.18 OTHER NON-CURRENT LIABILITIES

Particulars	Ref Note No.	As at 31st March 2022	As at 31st March 2021
<b>Other Liabilities</b>			
Advance received from Customers		912.92	933.77
Deferred Liability Payable on ICD		3,234.22	3,819.60
		<b>4,147.14</b>	<b>4,753.37</b>

**Notes to Financial Statements** as at and for the year ended 31st March 2022

Rs. in Lakhs

**2.19 BORROWINGS**

Particulars	Ref Note No.	As at 31st March 2022	As at 31st March 2021
<b>Secured Loans</b>			
Working Capital Facilities from Banks (repayable on demand)	2.19.1 & 2.19.2	14,652.30	17,554.61
Buyer's Credit		-	
Current maturities of long term debt	2.13	1,93,272.81	1,27,165.29
		2,07,925.11	1,44,719.90

**2.19.1** Working Capital Facilities (Fund Based and Non Fund Based ) from banks are secured by

- Pari passu first charge hypothecation of entire current assets of the company, both present and future and pari passu second charge on entire Property, Plant and Equipment of the company in favour of consortium bankers.

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

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

**2.20 TRADE PAYABLES**

Particulars	Ref Note No.	As at 31st March 2022	As at 31st March 2021
Payables for goods and services	2.20.1		
Total Outstanding dues of Micro Enterprises & Small Enterprises		5,475.38	3,268.25
Total Outstanding dues of Creditors Other than Micro Enterprises & Small Enterprises		39,418.51	24,547.28
		<b>44,893.89</b>	<b>27,815.53</b>

**2.20.1** Disclosure of sundry creditors under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprise Development Act, 2006 (The Act). Total Overdue amount out of principal amount outstanding at the end of the year is Rs. 4722.71 Lakhs (Previous year - Rs. 2959.85 Lakhs). Based on above the relevant disclosures u/s 22 of the Act are as follows:

MSME	As at 31st March 2022	As at 31st March 2021
(i) The amount remaining unpaid to any supplier as at the end of the accounting year.	4,896.11	2,959.85
(ii) The amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during accounting year;	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	36.04	52.87
(iv) The amount of interest accrued and remaining unpaid at the end of accounting year; and	579.27	308.40

## Notes to Financial Statements as at and for the year ended 31st March 2022

Rs. in Lakhs

(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure under section 23.	-	-
	<b>5,475.38</b>	<b>3,268.25</b>

### 2.20.2 Trade Payable Ageing Schedule

#### As on 31st March 2022

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		< 1 Year	1-2 year	2-3 year	> 3 Years	
(i) MSME	72.72	4,700.99	672.29	12.71	16.67	<b>5,475.38</b>
(ii) Others	1,525.62	32,054.45	4,053.73	497.15	1,198.04	<b>39,328.99</b>
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	89.52	<b>89.52</b>
<b>Grand Total</b>	<b>1,598.34</b>	<b>36,755.44</b>	<b>4,726.02</b>	<b>509.86</b>	<b>1,304.23</b>	<b>44,893.89</b>

#### As on 31st March 2021

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		< 1 Year	1-2 year	2-3 year	> 3 Years	
(i) MSME	331.89	2,853.30	78.38	0.24	4.44	<b>3,268.25</b>
(ii) Others	2,614.40	19,247.94	1,098.89	184.24	1,312.27	<b>24,457.75</b>
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	15.62	73.91	<b>89.52</b>
<b>Grand Total</b>	<b>2,946.29</b>	<b>22,101.24</b>	<b>1,177.27</b>	<b>200.10</b>	<b>1,390.62</b>	<b>27,815.53</b>

**Notes to Financial Statements** as at and for the year ended 31st March 2022

Rs. in Lakhs

**2.21 OTHER CURRENT FINANCIAL LIABILITIES**

Particulars	Ref Note No.	As at 31st March 2022	As at 31st March 2021
<b>Other financial liabilities at amortised cost</b>			
Interest accrued on Borrowings	2.21.1	83,849.11	72,820.14
<b>Other payables</b>			
Creditors on account of Capital Goods		1,347.44	1,378.62
Others		2,109.41	3,496.21
		<b>87,305.96</b>	<b>76,316.35</b>

**2.21.1** Interest accrued on borrowings includes finance cost on Non Convertible Debentures issued by company for the year ended has been calculated till October 21, 2021 (CIRP admission date). Under the Code, the treatment of creditors under the resolution plan is as per debts due as on insolvency commencement date and therefore no interest are accrued and payable after this date.

**2.22 OTHER CURRENT LIABILITIES**

Particulars	Ref Note No.	As at 31st March 2022	As at 31st March 2021
<b>Other payables</b>			
Statutory Dues - PF, ESI, TDS, Entry Tax, GST etc.	2.22.1	6,632.82	4,957.60
Advance from Customers		876.88	1,044.73
Liability Payable on ICD		585.37	585.37
		<b>8,095.07</b>	<b>6,587.70</b>

**2.22.1** Includes Balance of GST amounting to Rs 2045.79 Lakhs unpaid for the period from October 01, 2021 to October 21, 2021.(Date of initiation of CIRP)

**2.23 PROVISIONS**

Particulars	Ref Note No.	As at 31st March 2022	As at 31st March 2021
Provision for Employee Benefits	2.23.1	192.99	128.90
		<b>192.99</b>	<b>128.90</b>

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

**2.24 REVENUE FROM OPERATIONS**

Particulars	Ref Note No.	For the Year ended 31st March 2022	For the Year ended 31st March 2021
<b>Sale of Products</b>			
Finished Goods (Container Glass Bottles)		2,07,793.00	1,88,405.78
<b>Other Operating Revenue</b>			
Scrap Sales		419.28	368.54
Insurance Claim received		545.95	168.61



## Notes to Financial Statements as at and for the year ended 31st March 2022

Rs. in Lakhs

Others	2.24.2 & 2.24.3	942.24	951.99
<b>Revenue from Operations</b>		<b>2,09,700.47</b>	<b>1,89,894.92</b>

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

**2.24.2** Includes Industrial Promotion Assistance received under State Incentive Scheme during the period is Rs. 150.39 Lakhs (Previous year: Rs. 272.1 Lakhs) and export incentives of Rs. 47.72 (Previous year : Rs. NIL)

**2.24.3** Others includes Rs. 723.61 Lakhs (Previous Year 679.89 Lakhs) for Transportation Income.

### 2.25 OTHER INCOME

Particulars	Ref Note No.	For the Year ended 31st March 2022	For the Year ended 31st March 2021
Interest Income on deposits and others		871.53	873.23
<b>Other Non Operating income (net of expense directly attributable to such income)</b>			
Rent and Hire Charges		33.23	27.72
Liabilities no longer required written back		1,367.84	109.94
Miscellaneous Income		132.28	109.00
<b>Other Gains and Losses</b>			
Exchange Gain (Net)		1.20	38.04
		<b>2,406.08</b>	<b>1,157.93</b>

### 2.26 COST OF MATERIALS CONSUMED

Particulars	Ref Note No.	For the Year ended 31st March 2022	For the Year ended 31st March 2021
Opening Stock		12,031.25	12,475.70
Add: Purchases		70,513.82	60,082.99
Less: Closing Stock		6,572.88	12,031.25
<b>Raw Materials Consumed</b>	2.26.1 & 2.26.2	<b>75,972.19</b>	<b>60,527.44</b>

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

#### 2.26.2 RAW MATERIAL CONSUMED

Particulars	Ref Note No.	For the Year ended 31st March 2022	For the Year ended 31st March 2021
Silica Sand		14,703.45	12,801.98
Soda Ash		42,475.07	32,215.54
Cullet		9,741.88	6,465.44
Others		9,051.79	9,044.48
<b>Total</b>		<b>75,972.19</b>	<b>60,527.44</b>

**Notes to Financial Statements** as at and for the year ended 31st March 2022

Rs. in Lakhs

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

Particulars	Ref Note No.	For the Year ended 31st March 2022	For the Year ended 31st March 2021
<b>Closing Stock</b>			
Finished Goods		22,191.32	20,736.92
Work-in-Progress		674.30	560.29
		<b>22,865.62</b>	<b>21,297.21</b>
<b>Less:</b>			
<b>Opening Stock</b>			
Finished Goods		20,736.92	18,141.09
Work-in-Progress		560.29	484.90
		<b>21,297.21</b>	<b>18,625.99</b>
		<b>(1,568.41)</b>	<b>(2,671.22)</b>

**2.28 EMPLOYEE BENEFIT EXPENSES**

Particulars	Ref Note No.	For the Year ended 31st March 2022	For the Year ended 31st March 2021
Salaries and Wages		19,726.07	19,558.85
Contribution to Provident and Other Funds		1,084.60	535.48
Workmen and Staff Welfare Expenses		420.58	419.87
		<b>21,231.25</b>	<b>20,514.20</b>

**2.29 OTHER EXPENSES**

Particulars	Ref Note No.	For the Year ended 31st March 2022	For the Year ended 31st March 2021
Stores and Spare Parts Consumed		8,737.87	12,384.41
Power and Fuel		90,897.30	71,531.58
Packing Material Consumed and Packing Charges		18,698.31	14,461.12
Rent		1,321.53	875.91
Rates and Taxes		349.31	188.47
<b>Repairs:</b>			
Plant and Equipment		808.85	762.09
Buildings		349.94	441.07
Others		227.41	213.73
Legal & Professional Expenses		733.03	468.08
Freight Outwards, Transport and Other Selling Expenses		1,931.02	2,185.73
Commission on Sales		55.70	68.41
Insurance		1,168.58	934.26
Bad Debts Written Off	9.15		81.70
Less: Write Back of Impairment Allowances for Trade Receivable	(9.15)	-	(59.18)
			22.52

**Notes to Financial Statements** as at and for the year ended 31st March 2022

Rs. in Lakhs

Particulars	Ref Note No.	For the Year ended 31st March 2022	For the Year ended 31st March 2021
Impairment Allowances against Trade Receivables/ Advances		123.80	157.85
Charity and Donation		0.05	0.05
Loss on Sale/Discard of Property Plant and Equipment (Net)		194.67	1,453.79
Exchange Loss (Net)		54.16	-
Other Miscellaneous Expenses	2.29.1	1,733.51	2,452.48
		<b>1,27,385.04</b>	<b>1,08,601.55</b>

**2.29.1 Other Miscellaneous Expenses include :**

Particulars	Ref Note No.	For the Year ended 31st March 2022	For the Year ended 31st March 2021
a) Payment to Auditors			
<b>To Auditor:</b>			
Statutory Audit Fees		24.75	24.75
Tax Audit Fees		5.25	5.29
Certifications etc		7.38	7.53
		<b>37.38</b>	<b>37.57</b>
b) Directors Travelling Expenses		3.01	0.43
c) Directors Sitting Fees		5.40	7.05

**2.30 FINANCE COSTS**

Particulars	Ref Note No.	For the Year ended 31st March 2022	For the Year ended 31st March 2021
Interest Expense	2.30.1	12,037.87	21,046.08
Other Borrowing Costs		1.21	2.11
		<b>12,039.08</b>	<b>21,048.19</b>

**2.30.1** Interest accrued on borrowings includes finance cost on Non Convertible Debentures issued by company for the year ended has been calculated till October 21, 2021 (CIRP admission date). Under the Code, the treatment of creditors under the resolution plan is as per debts due as on insolvency commencement date and therefore no interest are accrued and payable after this date.

**2.31 EARNINGS PER SHARE (EPS)**

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

Particulars	Ref Note No.	For the Year ended 31st March 2022	For the Year ended 31st March 2021
(Loss) after Tax (Rs in Lakhs)		(34,852.35)	(30,414.25)
Net (Loss) for calculation of basic and Diluted EPS (Rs. In Lakhs)	(a)	<b>(34,852.35)</b>	<b>(30,414.25)</b>
Weighted Average number of Equity shares in calculating Basic and Diluted EPS	(b)	8,95,53,565	8,95,53,565
Basic and Diluted EPS (a/b) (in Rs.)		(38.92)	(33.96)



**Notes to Financial Statements** as at and for the year ended 31st March 2022

Rs. in Lakhs

**2.32 CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)****A. CONTINGENT LIABILITIES**

Sl. No.	Particulars	Ref Note No.	As at 31st March 2022	As at 31st March 2021
<b>(I)</b>	<b>Claims against the company not acknowledged as debt</b>			
1	Central Excise/Sales Tax/Service Tax matter under appeals		2,215.96	2,221.34
2	Excise Duty and Octroi demand issued against which the Company has preferred appeals and which in the opinion of the management are not tenable.		1,064.17	1,069.80
3	Service Tax demand issued against which the Company has filed for refund and which in the opinion of the management are not tenable.		13.06	-
4	Cases pending with labour courts (to the extent ascertainable)		165.37	164.37
5	Other Claims against the Company not acknowledged as debt.		888.91	766.23
6	Octroi on Transportation of natural gas through pipeline.		419.53	405.85
7	Gujarat State Petroleum Corpn. Limited - CST Diff of 13%		101.40	101.40
8	Claim against differential VAT including Interest- by GAIL		1,471.00	-
9	Demand under FEMA		200.00	-
10	Demand of stamp duty against leasehold land purchased from Haryana Sheet Glass Limited.		-	37.67
11	Mathadi Act for 1999-2001		257.87	126.63
12	GST showcause notice issued by GST Range Behror		14.89	-
13	Income Tax under Appeal for the A Y 2011-12		-	1.30
14	Demand of stamp duty against transfer of land from L&T		37.67	-
<b>(II)</b>	<b>Other money for which the Company is contingently liable</b>			
	Interest on Disputed Entry Tax*		32.75	-

**2.32.A.1** The Company's pending litigation comprises of claims against the Company and proceedings pending with tax/statutory/government authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, and disclosed the contingent liabilities, where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position. Future cash outflows in respect of items as mentioned above are determinable only on receipt of judgement/decisions pending with various forums/authorities.

**B. CAPITAL AND OTHER COMMITMENTS**

Particulars	As at 31st March 2022	As at 31st March 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance);	369.28	803.15
Advance of Rs. 596.65 Lakhs (Previous year - Rs. 1569.98 Lakhs)		

## Notes to Financial Statements as at and for the year ended 31st March 2022

Rs. in Lakhs

### 2.33 CAPITALISATION OF EXPENDITURE

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

Sl. No.	Particulars	As at 31st March 2022	As at 31st March 2021
(i)	Salaries and Wages	-	-
(ii)	Power and Fuel	-	-
(iii)	Miscellaneous expenses	-	-
(iv)	Stores & Spares Consumed	-	-
(v)	Payment to Contractors	-	-
(vi)	Cost of Material Consumed	-	-
(vii)	Packing Material Consumed and Packing Charges	-	-
	<b>Total</b>	-	-
	Add: Brought Forward from previous year	-	13.92
	Less: Capitalised/adjustment during the year	-	13.92
	<b>Total carried forward</b>	-	-

### 2.34 DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

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

Particulars	As at 31st March 2022		As at 31st March 2021	
	Foreign Currency (in Lakhs)	INR Value (Rs in Lakhs)	Foreign Currency (in Lakhs)	INR Value (Rs in Lakhs)
<b>Payables</b>				
-EUR	9.59	811.57	9.59	825.35
-GBP	0.56	55.37	0.59	59.49
-JPY	0.84	0.52	0.84	0.56
-USD	13.93	1,055.63	12.10	888.76
-AUD	0.51	28.84	0.51	28.23
-NPR	72.60	45.36	-	-
<b>Receivables</b>				
-USD	4.76	361.07	2.71	199.53
-EUR	1.11	93.83	-	-
-GBP	0.23	22.48	0.09	9.37
<b>Foreign Currency loans</b>				
-USD	641.27	47,943.40	643.93	47,331.70

### 2.35 SEGMENT INFORMATION

The Company's business is exclusively manufacturing and selling of Container Glass Bottles and as such in the view of the Chief Operation Decision Maker (CODM) this is the only operating business segment, as per the Ind AS 108 on Operating Segments. Thus no separate segment information is disclosed for primary business segment. Secondary Segment information is reported geographically.

**Notes to Financial Statements** as at and for the year ended 31st March 2022

Rs. in Lakhs

**Geographical Segment**

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

Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021
Domestic Market	1,99,001.92	1,83,119.93
Overseas Market	10,698.55	6,774.99
<b>Total</b>	<b>2,09,700.47</b>	<b>1,89,894.92</b>

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

Particulars	As at 31st March 2022	As at 31st March 2021
Domestic Market	33,786.65	33,014.90
Overseas Market	875.29	1,527.74
<b>Total</b>	<b>34,661.94</b>	<b>34,542.65</b>

**2.36 RELATED PARTY DISCLOSURES****I Names of the related parties and nature of relationship****A) Key Managerial Personnel and their relatives.**

- (i) Mr. Sanjay Somany - Chairman and Managing Director
- (ii) Mr. Mukul Somany - Vice Chairman and Managing Director
- (iii) Mr. Ratna Kumar Daga - Independent Director
- (iv) Mr. Dipankar Chatterji - Independent Director (Resignation Date - July 26, 2021)
- (v) Mrs. Rita Bhimani - Independent Director
- (vi) Mr. Amal Chandra Saha- Independent Director
- (vii) Mr. Bharat Somany -Son of Mr. Sanjay Somany

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

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

**Notes to Financial Statements** as at and for the year ended 31st March 2022

Rs. in Lakhs

**II Related Party Transactions****A) Aggregate amount of Transactions with Key Managerial Personnel and their relatives:**

Nature of transaction	Ref Note No	Name of the related party	For the Year ended 31st March 2022	For the Year ended 31st March 2021
Remuneration		Bharat Somany	23.66	20.33
Sitting Fees		Ratna Kumar Daga	2.05	2.20
		Dipankar Chatterji	0.60	2.20
		Rita Bhimani	0.80	1.00
		Amal Chandra Shah	1.95	1.65

Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021
Short Term Employee Benefits*	23.66	20.33

\* Excluding contribution to gratuity fund

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

Nature of transaction	Name of the related party	For the Year ended 31st March 2022	For the Year ended 31st March 2021
Purchase of Goods	Mould Equipment Limited	13.96	10.20
Recovery of expenses	AMCL Machinery Limited	0.23	-
	Mould Equipment Limited	0.03	0.04
Receipt of Services	Mould Equipment Limited	352.62	349.33
Interest Accrued	Spotlight Vanijya Limited	539.75	1,000.00
Sale of Goods	AMCL Machinery Limited	-	2.78
Rent Received	Mould Equipment Limited	25.31	24.89
Loan Taken during the year- ICD	Spotlight Vanijya Limited	-	36.50

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

Nature of transaction	Name of the related party	As at 31st March 2022	As at 31st March 2021
Payable	Mould Equipment Limited	99.73	26.99
Receivable	AMCL Machinery Limited	0.19	2.04
Loan Outstanding-NCD	Spotlight Vanijya Limited	10,000.00	10,000.00
Loan Outstanding-ICD	Spotlight Vanijya Limited	8,738.50	8,738.50
Interest Payable-NCD	Spotlight Vanijya Limited	2,047.04	1,580.89

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

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs through Bank mode. For the year ended March 31, 2022, the Company has not recorded any impairment allowances in respect of

**Notes to Financial Statements** as at and for the year ended 31st March 2022

Rs. in Lakhs

receivables relating to amounts owed by related parties (Previous Year : Nil). This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

**2.37 LEASES****As Lessee**

**2.37.1** The company had certain land & buildings accounted as per under IND AS-116.

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

Particulars	As at 31st March 2022	As at 31st March 2021
<b>ROU Balance at the beginning of the year</b>	<b>4,866.86</b>	<b>4,932.46</b>
Additions During the period	-	-
Amortization cost accrued during the year	65.61	65.61
Deletion during the period	-	-
<b>ROU Balance at the end of the year</b>	<b>4,801.26</b>	<b>4,866.86</b>
<b>Lease liabilities at the beginning of the year</b>	<b>4.19</b>	<b>4.15</b>
Add : Interest cost accrued during the year	0.55	0.54
less : Payment of lease liabilities	(0.50)	(0.50)
<b>Lease liabilities at the end of the year</b>	<b>4.24</b>	<b>4.19</b>

**2.37.3 Maturity Analysis of Lease Liability as required under IND AS 116.**

Particulars	As at 31st March 2022		As at 31st March 2021	
	Lease Payments	Present Value	Lease Payments	Present Value
Not more than one year	0.52	0.07	0.50	0.07
Later than one year and not more than five years	2.09	0.20	2.08	0.23
Later than five years	38.72	0.33	39.24	0.37

**2.37.4** The company incurred Rs. 1321.53 lakhs for the year ended 31st March, 2022 (Previous Year- 875.91 Lakhs ) towards expenses relating to short term leases and leases of low value assets.

**2.38** The Company had reported losses during previous quarters/years. Hence, the net worth of the Company has substantially eroded.

There is strain on the working capital and operations of the Company and its undergoing significant financial stress. As stated in Note No. 1, CIRP was initiated in respect of the Company w.e.f October 21, 2021. The Company has assessed that the use of the going concern assumption is appropriate in the circumstances and hence, these financial statements have been prepared on a going concern assumption basis as per below:

- The Code requires the RP to, among other things, run the Company as a going concern during CIRP.
- The RP, in consultation with the Committee of Creditors ("CoC") of the Company, in accordance with the provisions of the IBC, is making all endeavors to run the Company as a going concern along with the assistance of the management of the company basis the future business outlook and the continuity in the operations of the company.

Pending the completion of the CIRP process, these financial statements have been prepared on a going concern basis.

**2.39 GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS**

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

**Notes to Financial Statements** as at and for the year ended 31st March 2022

Rs. in Lakhs

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

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

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

**a) Defined Contribution Scheme**

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

Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021
Employer's Contribution to Provident Fund	382.48	386.74
Employer's Contribution to Pension Fund	295.50	304.50

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

Particulars	As at 31 March 2022	As at 31 March 2021
Plan assets at year end, at fair value	13,496.65	13,155.62
Present value of benefit obligation at year end	13,008.35	12,959.78
Asset / (Liability) recognised in Balance Sheet	488.31	195.84

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

Particulars	As at 31 March 2022	As at 31 March 2021
Discount Rate	6.96%	6.96%
Expected guaranteed interest rate	8.10%	8.10%

**b) Defined Benefit Plan**

The employees' gratuity fund scheme managed by Insurers is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

**Notes to Financial Statements** as at and for the year ended 31st March 2022

Rs. in Lakhs

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

Particulars	Gratuity Funded		Gratuity Unfunded	
	2021-22	2020-21	2021-22	2020-21
Liability at the beginning of the year	3,718.34	3,713.25	783.30	677.77
Current Service Cost	252.90	275.89	88.05	68.26
Interest Cost	258.80	247.57	54.60	46.93
Actuarial (gain)/loss on obligations due to Change in Financial Assumption	(14.08)	(101.83)	(3.63)	(28.27)
Actuarial (gain)/loss on obligations due to Unexpected Experience	(395.32)	(104.02)	(53.82)	27.54
Benefits paid	(292.24)	(312.51)	-	(8.93)
Liability at the end of the year	3,528.40	3,718.34	868.50	783.30

Particulars	Total Defined Benefit Obligations	
	2021-22	2020-21
Defined benefit obligation (funded) at the end of the year	3,528.40	3,718.34
Defined benefit obligation (unfunded) at the end of the year	868.50	783.30
<b>Total Defined benefit obligation at the end of the year</b>	<b>4,396.90</b>	<b>4,501.65</b>

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

Particulars	Gratuity Funded	
	2021-22	2020-21
Fair value of plan assets at the beginning of the year	3,707.40	3,332.30
Interest Income	247.86	231.93
Return on Plan Assets excluding Interest Income	(41.58)	74.73
Employer contribution	-	380.95
Benefits paid	(292.24)	(312.51)
Fair value of plan assets at the end of the year	<b>3,621.44</b>	<b>3,707.40</b>

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

Particulars	Gratuity Funded		Gratuity Unfunded	
	2021-22	2020-21	2021-22	2020-21
Current Service Cost	252.90	275.89	88.05	68.26
Net Interest Cost	10.94	15.64	54.60	46.93
Expenses recognised in Statement of Profit and Loss	<b>263.84</b>	<b>291.53</b>	<b>142.64</b>	<b>115.19</b>

Particulars	Gratuity Funded		Gratuity Unfunded	
	2021-22	2020-21	2021-22	2020-21
Actuarial (gain)/loss on obligations due to Change in Financial Assumption	(14.08)	(101.83)	(3.63)	(28.27)
Actuarial (gain)/loss on obligations due to Unexpected Experience	(395.32)	(104.02)	(53.82)	27.54



## Notes to Financial Statements as at and for the year ended 31st March 2022

Rs. in Lakhs

<b>Total Actuarial (gain)/losses</b>	<b>(409.40)</b>	<b>(205.85)</b>	<b>(57.45)</b>	<b>(0.73)</b>
Return on Plan Asset, excluding Interest Income	41.58	(74.73)	-	-
Net expenses recognised in Other Comprehensive Income	<b>(367.82)</b>	<b>(280.58)</b>	<b>(57.45)</b>	<b>(0.73)</b>

### IV. Balance Sheet Reconciliation

Particulars	Gratuity Funded		Gratuity Unfunded	
	2021-22	2020-21	2021-22	2020-21
Present value of the defined benefit obligations at the end of the year	3,528.40	3,718.34	868.50	783.30
Fair value of the plan assets at the end of the year	3,621.44	3,707.40	-	-
<b>Amount Recognised in Balance Sheet</b>	<b>(93.04)</b>	<b>10.94</b>	<b>868.50</b>	<b>783.30</b>

Particulars	Gratuity Funded		Gratuity Unfunded	
	2021-22	2020-21	2021-22	2020-21
Opening Net Liability	10.94	380.94	783.30	677.77
Expenses as above	(103.98)	10.95	85.19	114.46
Employers Contribution	-	380.95	-	(8.93)
<b>Amount Recognised in Balance Sheet</b>	<b>(93.04)</b>	<b>10.94</b>	<b>868.50</b>	<b>783.30</b>

V. In respect of Gratuity (funded), the funds are managed by the Insurers. Accordingly, the percentage or amount that each major category constitutes the Fair value of total plan assets and effect thereof on overall expected rate of return on asset have not been disclosed.

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

Particulars	Gratuity Funded		Gratuity Unfunded	
	2021-22	2020-21	2021-22	2020-21
Mortality Table	IALM(2012-2014) ULTIMATE	IALM(2012-2014) ULTIMATE	IALM(2012-2014) ULTIMATE	IALM(2012-2014) ULTIMATE
Discount rate (per annum)	7.10%	6.96%	7.10%	6.97%
Expected rate of return on plan assets (per annum)	7.10%	6.96%	NA	NA
Average expected future service (Remaining working Life)	18	16	18	18
Average Duration of Liabilities	58	58	58	58
Early Retirement & Disablement (All Causes Combined)	Varying between 8% per annum to 1% per annum depending on duration and age of the employees.			
above age 56				
Between 25-56				
below age 25				
Rate of escalation in salary (per annum)	6.50%	6.50%	6.50%	6.50%

The estimates of rate of escalation in salary considered in actuarial valuation taken into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.



**Notes to Financial Statements** as at and for the year ended 31st March 2022

Rs. in Lakhs

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

The contributions expected to be made by the Company for the year 2021-22 is yet to be determined.

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

Particulars	2021-22		2020-21	
	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 0.5%)	3,422.62	3,640.62	3,568.83	3,879.68
%Change Compared to base due to sensitivity	3.00%	-3.18%	(4.02%)	4.34%
Salary Growth (-/+ 0.5%)	3,644.37	3,418.35	3,878.75	3,568.35
%Change Compared to base due to sensitivity	-3.29%	3.12%	4.31%	(4.03%)
Attrition Rate (-/+ 0.5%)	3,530.86	3,525.76	3,717.49	3,719.20
%Change Compared to base due to sensitivity	(0.070%)	0.075%	-0.023%	-0.023%
Mortality Rate (-/+ 10%)	3,528.52	3,528.27	3,718.23	3,718.45
%Change Compared to base due to sensitivity	(0.003%)	0.003%	-0.003%	-0.003%

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

**b) Gratuity Unfunded**

Particulars	2021-22		2020-21	
	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 0.5%)	834.76	904.62	740.80	829.68
%Change Compared to base due to sensitivity	3.88%	-4.16%	(5.43%)	5.92%
Salary Growth (-/+ 0.5%)	906.31	832.92	829.41	740.67
%Change Compared to base due to sensitivity	-4.35%	4.10%	5.89%	(5.44%)
Attrition Rate (-/+ 0.5%)	869.37	867.55	783.19	783.41
%Change Compared to base due to sensitivity	-0.10%	0.11%	(0.01%)	0.01%
Mortality Rate (-/+ 10%)	868.52	868.48	783.29	783.32
%Change Compared to base due to sensitivity	-0.002%	0.002%	(0.001%)	0.002%

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.



## Notes to Financial Statements as at and for the year ended 31st March 2022

Rs. in Lakhs

### 2.40 CATEGORIES OF FINANCIAL INSTRUMENTS

Particulars	Ref Note No.	As at 31st March 2022	As at 31st March 2021
<b>Financial Assets</b>			
<b>Measured at Amortised Cost</b>			
Investments	2.2	0.15	0.15
Deposit with Bank	2.3	244.57	3.36
Trade Receivable	2.6	34,661.94	34,542.65
Cash and Cash Equivalents	2.7.A	15,861.94	15,426.61
Other Bank Balances	2.7.B	1,199.98	1,327.10
Security Deposits	2.3 & 2.8	7,323.00	7,418.51
Other Current Financial Assets	2.8	1,042.17	1,160.19
<b>Total financial assets measured at amortised cost</b>		<b>60,333.75</b>	<b>59,878.57</b>
<b>Measured at Fair Value through Profit or Loss</b>			
<b>Investment</b>			
Non-current Investment	2.2	119.73	117.18
<b>Total Financial Assets measured at Fair Value through Profit or Loss</b>		<b>119.73</b>	<b>117.18</b>
<b>Financial Liabilities</b>			
<b>Measured at Amortised Cost</b>			
Non Current Borrowings	2.13	14,574.51	80,770.57
Lease Liability	2.14	4.24	4.19
Retention Money	2.15	368.67	376.73
Current - Borrowings	2.19	14,652.30	17,554.61
Trade payable	2.20	44,893.89	27,815.53
Current maturities of long term debt	2.19	1,93,272.81	1,27,165.29
Interest accrued on borrowings	2.21	83,849.11	72,820.14
Other Payables	2.21	3,456.85	3,496.21
<b>Total financial liabilities measured at amortised cost</b>		<b>3,55,072.38</b>	<b>3,30,003.28</b>

### 2.41 Fair values

#### (i) Fair value Hierarchy

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

Particulars	Date of valuation	(Level 1)	(Level 2)	(Level 3)
<b>Disclosures of fair value measurement hierarchy for assets as at 31 March 2022:</b>				
<b>Assets measured at fair value:</b>				
Non Current Investments	31-Mar-22	-	-	119.73
<b>Disclosures of fair value measurement hierarchy for assets as at Previous Year</b>				
<b>Assets measured at fair value:</b>				
Non Current Investments	31-Mar-21	-	-	117.18

#### (ii) Fair Value Technique

The fair values of the financial assets and liabilities are included at the amount that would be received by selling an asset or paid to transfer a liability in an orderly transaction between participants at the measurement date. The following methods and assumptions were used to estimate the fair values :

**Notes to Financial Statements** as at and for the year ended 31st March 2022

Rs. in Lakhs

- a) The fair value of cash and cash equivalents, trade receivables, trade payables, current financial liabilities and borrowings approximate their carrying amount largely due to the short-term nature of these instruments. The board considers that the carrying amounts of financial assets and financial liabilities recognised at cost/amortised costs in the financial statements approximates their fair values.
- b) Fair Value of Long term debt approximates their carrying value subject to adjustments made for transaction cost.

**2.42 Financial Risk Management Objectives and policies**

The Company's financial liabilities comprise borrowings, capital creditors, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's financial assets include trade and other receivables, cash and cash equivalents, investments at cost/fair value and deposits.

The Company is exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below :

**l) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and other price risk, such as raw material and fuel price risk. Financial instruments affected by market risk include FVTPL investments, trade payables, trade receivables, etc.

**(a) Foreign currency risk**

The company undertakes transactions denominated in different foreign currencies primarily in USD and consequently exposed to exchange rate fluctuations. Exchange Rate exposures are managed within approved policy parameters. The carrying amounts of the company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as disclosed under note no. 2.34 above.

**Foreign currency sensitivity**

The company is principally exposed to foreign currency risks against USD. Sensitivity of profit or loss arises mainly from USD denominated receivables and payables.

As per management assessment of reasonable possible changes in the exchange rate of +/- 5% between USD-INR currency pair, sensitivity of profit or loss only on outstanding foreign currency denominated monetary items at the period end is presented below:

Particulars	changes in USD rate	Foreign currency Payable (net)	Effect on profit/ (loss) before tax
<b>31st March 2022</b>			
Weakening of INR	5%	729.91	(34.76)
Strengthening of INR	-5%	(660.39)	34.76
<b>31st March 2021</b>			
Weakening of INR	5%	724.16	(34.48)
Strengthening of INR	-5%	(655.19)	34.48

The above sensitivity do not include foreign currency risk on borrowings amounting to USD 641.27 Lakhs (Previous year- USD 643.92 Lakhs) which are capitalised with the Property, Plant and Equipment and not charged to Statement of Profit and Loss.

**(b) Interest rate risk**

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

**Notes to Financial Statements** as at and for the year ended 31st March 2022

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**Interest rate sensitivity**

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

Particulars	Increase/decrease in basis points	Effect on profit/(loss) before tax
<b>31st March 2022</b>		
INR	+50	597.39
USD	+50	4.50
INR	-50	-597.39
USD	-50	-4.50
<b>31st March 2021</b>		
INR	+50	-819.08
USD	+50	-236.66
INR	-50	819.08
USD	-50	236.66

**(c) Raw Material and Fuel Price Risk**

The company is impacted by the price volatility of certain commodities like raw materials, packing materials and fuel. The Company is impacted by the price volatility of Fuels like Gas, Furnace Oil, etc. To minimize the risk related to fuel price change, the Company uses alternate fuel based on their market prices. The Company swaps and uses alternate fuels based on the cost of energy efficiency and, hence quantification of sensitivity is not practical. To mitigate the volatility in market price of major raw materials, the company has entered into fixed price contract.

**II) Credit risks**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

**Trade receivables**

Credit quality of a customer is assessed based on an appraisal of each customer and individual credit limits are defined in accordance with this assessment and performance of the customer. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for all the customers. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables disclosed in Note 2.6. The Company has evaluated the concentration of risk with respect to trade receivables as low, as there is no single large customer creating significant risk.

**III) Liquidity Risk**

The Company's objective is to at all times maintain optimum level of liquidity to meet its cash and collateral requirement at all times. The need of the funds of the company are being met by internal accrual and borrowings. The short and medium term requirements are met through the committed lines of credit.

## Notes to Financial Statements as at and for the year ended 31st March 2022

The table below provides details regarding the maturities of significant financial liabilities as of March 31,2022  
Rs in Lakhs.

Particulars	Carrying Amount	Less than 1 Year	1-5 Years	More than 5 Years	Total
<b>Non Current Financial Liabilities</b>					
Borrowings	14,574.51		10,000.00	4,574.51	14,574.51
Lease Liabilities	4.24	0.03	0.18	4.03	4.24
Other Financial Liabilities	368.67	368.67			368.67
<b>Current Financial Liabilities</b>					
Borrowings	207,925.11	207,925.11			207,925.11
Trade Payables	44,893.89	44,893.89			44,893.89
Other Financial Liabilities	87,305.96	87,305.96			87,305.96

The table below provides details regarding the maturities of significant financial liabilities as of March 31,2021  
Rs in Lakhs.

Particulars	Carrying Amount	Less than 1 Year	1-5 Years	More than 5 Years	Total
<b>Non Current Financial Liabilities</b>					
Borrowings	80,770.57	28,729.58	47,900.09	4,140.90	80,770.57
Lease Liabilities	4.19	0.04	0.16	3.99	4.19
Other Financial Liabilities	376.73	376.73			376.73
<b>Current Financial Liabilities</b>					
Borrowings	144,719.90	144,719.90			144,719.90
Trade Payables	27,815.53	27,815.53			27,815.53
Other Financial Liabilities	76,316.35	76,316.35			76,316.35

### 2.43 CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other reserves attributable to the equity shareholders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital structure and makes adjustments in line with changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares or sale assets to reduce debt. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The company includes within net debt, interest bearing long term loans and borrowings less cash and cash equivalents. The capital structure of the Company consists of Total Equity of Rs. -76635.63 Lakhs (Previous year Rs. -43167.33 Lakhs) (Refer Note No. 2.11 & 2.12).

#### GEARING RATIO:

The Company has long term Debt of Rs. 2,11,464.90 Lakhs (Previous Year : Rs. 2,12,138.81 Lakhs). Accordingly the Company has 1.65 gearing ratio as at 31st March, 2022 and 1.28 gearing ratio as at 31st March, 2021.



## Notes to Financial Statements as at and for the year ended 31st March 2022

(Rs. in Lacs)

Particulars	As at 31st March 2022	As at 31st March 2021
Long Term Debt	2,11,464.90	2,12,138.81
Less : Cash & Cash equivalent	17,061.92	16,753.71
<b>Net Long Term Debt (A)</b>	<b>1,94,402.98</b>	<b>1,95,385.10</b>
Total Equity (B)	(76,635.63)	(43,167.33)
Net Long Term Debt to Value Ratio [ $C=\{A/(A+B)\}$ ]	1.65	1.28

### 2.44. Analytical Ratios

Ratios	Numerator	Denominator	2021-2022	2020-2021	Change in %	Reason for Variance
Current Ratio	Current Assets	Current Liabilities	0.31	0.41	-24%	
Debt-Equity Ratio	Total Debt	Shareholder's Equity	-2.95	-5.33	-45%	Due to liquidity crunch
Debt Services Coverage Ratio	Earning available for Debt Service	Debt Service	-0.80	0.22	-457%	Due to losses
Return on Equity Ratio	Net profit after tax	Average Shareholder's Equity	0.58	1.09	-47%	Due to losses
Inventory Turnover Ratio	Total Sales	Average Inventory	4.76	4.16	14%	
Trade Receivables Turnover Ratio	Total Sales	Average Trade Receivable	6.01	5.65	6%	
Trade Payables Turnover Ratio	Total Purchases	Average Trade Payable	1.94	2.41	-19%	
Net Capital Turnover Ratio	Net Sales	Working Capital	-0.87	-1.26	-31%	Due to Liquidity & Losses
Net Profit Ratio	Net Profit	Total Income	-0.16	-0.16	3%	
Return on Capital Employed	Earning before Interest & Tax	Capital Employed	0.22	0.13	65%	Due to Liquidity & Losses
Return on Investment in Equity	Return on Investment	Average Investments	NIL			There is no Quoted Investment in the Company

## Notes to Financial Statements as at and for the year ended 31st March 2022

### Other Information

- 2.45** As per the IBC, the RP has received, collated, verified many of the claims submitted by the creditors of the Company. The RP received claims amounting to Rs 3,33,810 lakhs from Financial Creditors till May 18, 2022 and after verification admitted a sum of Rs 3,32,818 lakhs as claims of Financial creditors having books balance of Rs 2,89,710 lakhs and claim of Rs 976 Lakhs from financial creditors is under verification and remaining amount of Rs 16 lakhs has been rejected. RP is still in the process of collating and verifying claims received from the various classes of operational/ others creditors totalling to Rs 26,444 lakhs out of which Rs 3363 lakhs has been rejected and Claim of Rs 20,515 Lakhs has been admitted and remaining amount of Rs 2,566 lakhs is under verification and shall account for the verified claims against the company as per the provisions of IBC 2016. Pending reconciliation of the claim admitted with the books of accounts, the impact of such claims, if any, that may arise has not been considered in the preparation of the aforesaid Financial Statements as on March 31, 2022
- 2.46** It may be further noted that in consonance with the stipulations contained in Section 14 of the Code, a moratorium has been declared vide the Order dated October 21, 2021 passed by the Hon'ble NCLT, inter alia, prohibiting the following:
- the institution of suits or continuation of pending suits or proceedings against the Corporate Debtor including execution of any judgement, decree or other in any court of law, tribunal, arbitration panel or other authority;
  - transferring, encumbering, alienating or disposing of by the Corporate Debtor any of its assets or any legal right or beneficial interest therein;
  - any action to foreclose, recover or enforce any security interest created by the Corporate Debtor in respect of its property including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;
  - the recovery of any property by an owner or lessor where such property is occupied by or in the possession of the Corporate Debtor.
- 2.47** As a part of the CIRP, the RP has appointed BDO India LLP for conducting transaction audit as per section 43, 45, 50 and 66 of the Code.
- 2.48** As part of the ongoing CIRP process the RP has appointed, two (2) independent valuers to conduct the valuation of the assets of the Company and assets collateral held as securities as required under the provisions of the Code.
- 2.49** As per the provision of IBC 2016, the RP has initiated the resolution process for the Company by inviting expression of interest through publication of Form G on 25th March 2022. The company has received expression of interest from various applicants and currently the last date for submission of the resolution plan is 23rd July 2022.
- 2.50** There is NIL carrying balance or transaction occurred during the current year with the companies struck off by the Registrar of Companies.
- 2.51** None of the Loans or Advances in the nature of loans as at 31st March, 2022 and as at 31st March, 2021 are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are: (a) repayable on demand or (b) without specifying any terms or period of repayment.
- 2.52** The company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.
- 2.53** All the Registration of Charges or Satisfaction of Charges with the Registrar of Companies are completed within the statutory period.
- 2.54** The company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with Companies (Restriction on number of Layers) Rules, 2017.
- 2.55** The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the



## Notes to Financial Statements as at and for the year ended 31st March 2022

understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

- 2.56** The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 2.57** No transactions have been surrendered or disclosed, previously unrecorded in the books of accounts, as income during the year in the tax assessments under the Income Tax Act, 1961.
- 2.58** The Company has not traded or invested in Crypto currency or Virtual Currency during the current financial year.
- 2.59** The statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.
- 2.60** The company has not been declared wilful defaulter by any bank or financial Institution or other lender.
- 2.61** Figures of the previous quarters/periods have been regrouped / re-arranged wherever considered necessary.

Summary of Significant Accounting Policies  
Notes on Financial Statements

1  
2.1 to 2.61

The notes are an integral part of the Financial Statements.

As per our report of even date

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

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

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

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

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

**Mukund Chandak**  
Company Secretary  
Place : Kolkata

**Debraj Dutta**  
Partner  
Membership No. 312309  
Place : Kolkata  
Date : May 24, 2022

**Ajay Kumar**  
Partner  
Membership No. 068756  
Place : Kolkata  
Date : May 24, 2022

For and on behalf of the Board  
Powers of the Board are suspended from the Insolvency Commencement Date  
**Girish Siriram Juneja**  
Resolution Professional  
Taken on records  
Place : Mumbai



# Corporate Information

## RESOLUTION PROFESSIONAL

Girish Siriram Juneja  
(IBBI/IPA-001/IP-P00999/2017-2018/11646)

## CHAIRMAN & MANAGING DIRECTOR

Sanjay Somany  
(DIN: 00124538)

## VICE CHAIRMAN & MANAGING DIRECTOR

Mukul Somany  
(DIN: 00124625)

## DIRECTORS

Ratna Kumar Daga - Independent Director  
(DIN: 00227746)

Rita Bhimani - Independent Director  
(DIN: 07106069)

Amal Chandra Saha - Independent Director  
(DIN: 00443348)

## PRESIDENT & CHIEF FINANCIAL OFFICER

Bimal Kumar Garodia

## COMPANY SECRETARY & COMPLIANCE OFFICER

Mukund Chandak

## AUDITORS

Doshi Chatterjee Bagri & Co. LLP.  
*Chartered Accountants*  
Kolkata

JKVS & Co.  
*Chartered Accountants*  
Kolkata

## REGISTERED OFFICE

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

## CORPORATE IDENTITY NUMBER

L26109WB1946PLC013294

## REGISTRAR & TRANSFER AGENTS

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

## WORKS

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

## BANKS / FINANCIAL INSTITUTIONS

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



HINDUSTHAN NATIONAL GLASS & INDUSTRIES LIMITED

CIN: L26109WB1946PLCO13294

2, Red Cross Place, Kolkata - 700 001

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

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

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





## HINDUSTHAN NATIONAL GLASS & INDUSTRIES LIMITED

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

CIN - L26109WB1946PLC013294

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

### NOTICE OF THE 76TH ANNUAL GENERAL MEETING

Notice is hereby given that the 76<sup>th</sup> Annual General Meeting (AGM) of the members of Hindusthan National Glass & Industries Limited will be held on **Wednesday, 28<sup>th</sup> day of September 2022, at 11:30 A.M. IST through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM")** to transact the following businesses:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2022 together with Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Sanjay Somany (DIN: 00124538), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration and in this regard, to consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), and pursuant to the recommendation of the Audit Committee, M/s. Lodha & Co., Chartered Accountants (ICAI Registration no. 301051E), be and is hereby appointed as Statutory Auditors of the Company to hold office for a term of 5 (five) consecutive years from the conclusion of this Annual General Meeting till the conclusion of the 81<sup>st</sup> Annual General Meeting of the Company, at such remuneration as may be mutually agreed between the Board of Directors and the Statutory Auditors of the Company."

**For Hindusthan National Glass & Industries Limited**

Sd/-

**(Mukund Chandak)**

Company Secretary & Compliance Officer

ACS -20051

Place: Kolkata

Date: **11.08.2022**

**Taken on record by**

**Girish Siriram Juneja**

Resolution Professional for Hindusthan National Glass & Industries Limited

Reg No: IBBI/IPA-001/IP-P00999/2017-2018/11646

#### **NOTES:**

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 08, 2020, April 13, 2020 and January 13, 2021 permitted the holding of the Annual General Meeting ("AGM") through VC/OAVM, without the physical attendance of the Members at the AGM venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the Company has decided to convene its 76<sup>th</sup> AGM through VC / OAVM.
2. The Members can join the 76<sup>th</sup> AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first serve basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the 76<sup>th</sup> AGM, without restriction on account of first come first serve basis.

- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020, May 05, 2020 and January 13, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the 76th AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the 76th AGM will be provided by NSDL.

The remote e-Voting period will commence on Sunday, 25th September, 2022 (9:00 A.M. IST) and will end on Tuesday, 27th September, 2022 (5:00 P.M. IST). During this period, the Members of the Company, holding shares either in physical or dematerialized mode, as on the cut-off date, i.e., Wednesday, 21st September, 2022 may cast their vote by remote e-Voting. The remote e-Voting module shall be disabled by NSDL for voting thereafter.

Only those Members who are present in the Meeting through VC or OAVM facility and have not cast their votes on resolutions through remote e-Voting and are otherwise not barred from doing so, shall be allowed to vote through e-Voting system during the AGM. However, Members who would have cast their votes by remote e-Voting may attend the Meeting, but shall neither be allowed to change it subsequently nor cast votes again during the Meeting and accordingly, their presence shall also be counted for the purpose of quorum under Section 103 of the Act. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Wednesday, 21st September, 2022 being the cut-off date, are entitled to vote on the Resolutions set forth in the Notice. The voting rights of the Members shall be in proportion to their share(s) of the paid-up equity share capital of the Company as on the cut-off date. A person who is not a member as on the cut-off date, i.e., Wednesday, 21st September, 2022 should treat this Notice for information purpose only.

The Board has appointed Mrs. Kumkum Rathi of M/s. M. Rathi & Co., Company Secretaries (Membership No.: FCS-6016 and C.P. No. 6209), as the Scrutinizer for scrutinizing the process of remote e-Voting and also e-Voting during the Meeting in a fair and transparent manner. The Scrutinizer shall, immediately after the conclusion of the Meeting, count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-Voting in presence of atleast two witnesses not in employment of the Company and submit a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, not later than 2 (Two) working days after the conclusion of the Meeting. Thereafter, the Results of e-Voting shall be declared forthwith by the Chairman or by any other director/person duly authorised in this regard. The Results declared along with the Report of the Scrutinizer shall be placed on the Company's website ([www.hngil.com](http://www.hngil.com)) and on the e-Voting website of NSDL ([www.evoting.nsd.com](http://www.evoting.nsd.com)) immediately after the results are declared and shall simultaneously be communicated to the Stock Exchanges where the equity shares of the Company are listed. The results declared along with the said Report shall also be displayed at the Registered Office of the Company. Subject to the receipt of requisite number of votes, the businesses mentioned in the Notice / the resolutions forming part of the Notice shall be deemed to be passed on the date of the AGM, i.e., Wednesday, 28th September, 2022.

- The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed in Annexure-1.
- Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the 76th AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
- Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/ Authorization shall be sent to the Scrutinizer by email through its registered email address to [mrathico@gmail.com](mailto:mrathico@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- As per Regulation 40 of SEBI Listing Regulations, as amended, securities of Listed Companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents,

Maheshwari Datamatics Private Limited ("MDPL") for assistance in this regard at our RTA's email id mdpldc@yahoo.com.

8. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with MDPL in case the shares are held by them in physical form. An email id registration form is enclosed to this notice.
9. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to MDPL, in case the shares are held by them in physical form.
10. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13, enclosed to this notice. Members are requested to submit the said details to their DP, in case the shares are held by them in electronic form and to MDPL, in case the shares are held in physical form at its email id i.e. mdpldc@yahoo.com.
11. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or MDPL, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
12. In case of joint holders, the Member whose name appears as the first holder, in the order of names as per the Register of Members of the Company will be entitled to vote at 76th AGM.
13. In compliance with the aforesaid MCA Circulars and SEBI Circular Notice of the 76th AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members, whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website [www.hngil.com](http://www.hngil.com), websites of the Stock Exchanges. i.e. BSE Limited, National Stock Exchange of India Limited and Calcutta Stock Exchange at [www.bseindia.com](http://www.bseindia.com), [www.nseindia.com](http://www.nseindia.com) and [www.cse-india.com](http://www.cse-india.com) respectively, and on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. <https://www.evoting.nsdl.com>
14. Members attending the AGM through VC / OAVM shall be counted for reckoning the quorum under Section 103 of the Act.
15. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of the Special Business to be transacted at the AGM is annexed hereto.
16. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 22nd September, 2022 to Wednesday, 28th September, 2022 (both days inclusive) for the purpose of 76th AGM.
17. Pursuant to the amendments made to Section 139 of the Companies Act, 2013, by the Companies (Amendment) Act, 2017, effective from 7th May 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors, has been withdrawn from the Statute. In view of the above, ratification by the Members for continuance of their appointments at this AGM are not being sought.
18. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode. Members can inspect the same by sending an email to [cosec@hngil.com](mailto:cosec@hngil.com).
19. Since 76th AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021 the Route Map is not annexed in this Notice.
20. Pursuant to Rule 3 of the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, including any till date amendments, the Company has uploaded the details of unpaid and unclaimed amounts lying with it on the Ministry of Corporate Affairs website.

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

to the IEPF Authority, in compliance with Section 124 of the Companies Act, 2013, read with rule 6 of the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2017, after giving individual notices to concerned Shareholders and advertisements in newspapers.

**21. THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

The remote e-voting period begins on Sunday, 25th September, 2022 at 09:00 A.M. and ends on Tuesday, 27th September, 2022 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Wednesday, 21st September, 2022.

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





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

**Step 1: Access to NSDL e-Voting system**

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>1. Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS Portal” or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <p><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p><b>App Store</b></p> </div> <div style="text-align: center;">  <p><b>Google Play</b></p> </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;">   </div>



Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

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

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

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

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

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

4. Your User ID details are given below :

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

5. Password details for shareholders other than Individual shareholders are given below:
- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - How to retrieve your 'initial password'?
    - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - Physical User Reset Password? (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

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

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

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
- Now you are ready for e-Voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.



5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote

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

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [mrathico@gmail.com](mailto:mrathico@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. 21st September, 2022, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no. 1800 1020 990 and 1800 22 44 30 . In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. 21st September, 2022 may follow steps mentioned in the Notice of the AGM under Step 1 : "Access to NSDL e-Voting system"(Above).
3. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
4. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre, Manager at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [cosec@hngil.com](mailto:cosec@hngil.com) .
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com) . If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches
5. Members who would like to express their views/ or ask questions during the AGM may register themselves as a speaker, mentioning their name, demat account number/folio number, e-mail id, mobile number by sending e-mail to cosec@hngil.com from their registered e-mail address on or before Friday, 23rd September, 2022 by 05.00 p.m. IST. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the Meeting with regard to the Accounts or any matter to be placed at the Meeting. Further, Members who would like to seek any information with regard to the Accounts or any matter to be placed at the Meeting are requested to write to the Company in advance within the aforesaid date and time, by following the similar process as stated above. The same will be replied by the Company suitably.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
7. When a pre-registered speaker is invited to speak at the meeting but he / she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video/ camera along with good internet speed.
8. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, for smooth conduct of the AGM.
9. Members who need assistance before or during the AGM, can contact Ms. Pallavi Mhatre, Manager, NSDL at evoting@nsdl.co.in or call 1800 1020 990 / 1800 22 44 30.

#### **ANNEXURE TO THE NOTICE**

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

#### **ORDINARY RESOLUTION**

#### **Item No 3:**

M/s. Doshi Chatterjee Bagri & Co. LLP , Chartered Accountants (Registration No.: 325197E/E300020) ('DCB') were appointed as the Statutory Auditors of the Company by the Shareholders at the 71st Annual General Meeting ('AGM') of the Company to hold office from the conclusion of the 71st AGM till the conclusion of the 76th AGM of the Company to be held in the calendar year 2022. Accordingly, the present term of DCB gets completed on conclusion of the ensuing AGM.

The Board of Directors of the Company, on the recommendation of the Audit Committee, recommended for the approval of the Shareholders, the appointment of Ms. Lodha & Co, Chartered Accountants, as the Auditors of the Company for a period of five years from the conclusion of this AGM till the conclusion of the 81st AGM. Upon their appointment, M/s Lodha & Co. will act as the Joint Statutory Auditors of the Company along with M/s JKVS & Co.

The Audit Committee having considered various parameters like capability to serve a large organisation with multiple manufacturing locations as that of the Company; audit experience; the audit team; market standing of the firm; clientele served; technical knowledge etc. have recommended the appointment of M/s Lodha & Co, to the Board of Directors of the Company, which the Board has accepted and approved, subject to the approval of the Shareholders at a remuneration as may be mutually agreed between the Board of Directors and Statutory Auditors.

M/s. Lodha & Co, Firm Registration No. 301051E, ('The Audit Firm'), Chartered Accountants, is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India. The Audit Firm was established in the year 1941. The Audit Firm has a valid Peer Review certificate and is primarily engaged in providing audit and assurance services to its clients.

M/s Lodha & Co. have consented their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Act.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at item no. 3 of the notice.

The Board recommends the resolution at item no. 3 of the notice for approval by the shareholders.

#### Annexure -1

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

Particulars	Shri Sanjay Somany
DIN:	00124538
Date of Birth	28-07-1958
Date of first appointment on the Board	27-03-1993
Expertise in specific functional areas	Shri Somany has led the evolution of HNG to the forefronts of technological excellence. He presently oversees the operations and management of the Company.
Qualification	Commerce Graduate and a Diploma in Diesel Engineering.
Directorship held in other public companies (excluding Foreign Companies and Section 8 Companies)	Spotlight Vanijya Limited. Mould Equipment Limited.
Memberships/Chairmanships of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee)	Nil
No of shares held in the Company	3112865
Relationship between directors inter-se	Related to Shri Mukul Somany.

**For Hindusthan National Glass & Industries Limited**

Sd/-

**(Mukund Chandak)**

Company Secretary & Compliance Officer

ACS -20051

Place: Kolkata

Date: 11.08.2022

**Taken on record by  
Girish Siriram Juneja**

Resolution Professional for Hindusthan National Glass &  
Industries Limited

Reg No: IBBI/IPA-001/IP-P00999/2017-2018/11646



## HINDUSTHAN NATIONAL GLASS & INDUSTRIES LIMITED

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

CIN - L26109WB1946PLC013294

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

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

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

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

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

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

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

Registered Address: .....

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

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

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

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

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

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# HINDUSTHAN NATIONAL GLASS & INDUSTRIES LIMITED

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

CIN - L26109WB1946PLC013294

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

## FORM NO. SH-13 NOMINATION FORM

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

To,

The Company Secretary,

**Hindusthan National Glass & Industries Limited,**

2, Red Cross Place, Kolkata- 700 001

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

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

Nature of securities:.....

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

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

### 2. PARTICULARS OF NOMINEE/S —

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

### 3. IN CASE NOMINEE IS A MINOR –

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

### **Instructions:**

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