



HINDUSTHAN NATIONAL GLASS & INDUSTRIES LTD.

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

CIN – L26109WB1946PLC013294

Website : www.hngil.com, email : cosec@hngil.com

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

NOTICE OF THE EXTRA-ORDINARY GENERAL MEETING

Notice is hereby given that the Extra-Ordinary General Meeting (EGM) of the Members of Hindusthan National Glass & Industries Limited will be held on Wednesday, September 28, 2016, at 11:30 a.m., at CII – Suresh Neotia Centre of Excellence for Leadership, DC-36, Sector –I, Salt Lake City, Kolkata – 700064, to transact, the following business:

Erosion of net worth of the Company as per Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985

To consider and, if thought fit, to pass the following Resolution, as an **Ordinary Resolution**:

“RESOLVED THAT the Report of the Board of Directors of the Company to the Shareholders on erosion of more than fifty percent of the Company's peak net worth during the immediately preceding four financial years by its accumulated losses as on March 31, 2016 and the causes for such erosion, as required under Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985, (“SICA”) be and is hereby considered and approved.”

“RESOLVED FURTHER THAT in accordance with the requirement of Section 23 of the SICA, the Company do report to the Board of Industrial and Financial Reconstruction (“BIFR”) of the fact that the accumulated losses of the Company as on March 31, 2016 have resulted in erosion of more than fifty percent of its peak net worth during the immediately preceding four financial years.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to report the aforesaid erosion to the BIFR and to do all such acts, deeds, matters and things as it may deem necessary, desirable or expedient in relation thereto.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any Director(s) or to any Officer(s) of the Company.”

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

Place : Kolkata
Date : May 27, 2016

(Ajay Kumar Rai)
Company Secretary & Legal Counsel

Notes:

1. Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of Special Business, as set out above is annexed hereto and forms part of this Notice.
2. **A member entitled to attend and vote at the meeting may appoint a proxy to attend and vote instead of himself/herself in the meeting. The proxy need not be a member of the company.**
3. **A proxy form, duly completed and stamped, must reach the Registered Office of the Company not less than 48 hours before the commencement of the meeting. In case, several joint holders attend the meeting, only such joint holder who is higher in order of names will be entitled to vote at meeting.**
A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights.
4. Members/Proxies are advised to bring the enclosed Attendance Slip duly filled in for attending the meeting. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the meeting. Duplicate admission slips will not be provided at the EGM venue.
5. **In terms of Sick Industrial Companies (Special Provisions) Act, 1985, the shareholders of the Company are required to take note of the Report of Board of Directors on erosion of the net-worth and causes for such erosion within sixty days of finalization of the audited accounts of the Company. The financial statements of the Company for financial year 2015-16 has been with the shareholders and is also available on the Company's website www.hngil.com. The Board of Directors of the Company, in order to avoid expenditure on dispatch of Notice and other expenses, has decided to convene and hold this EGM of the shareholders of the Company after the conclusion of the Annual General Meeting (“AGM”) of the Company on the same day and at the same venue and accordingly the Notice convening this meeting of the shareholders of the Company is being sent to all the shareholders along with the Notice of the AGM.**

Voting through electronic means

1. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended till date and Regulation 44 of the SEBI (Listing Obligations & Disclosures Requirement) Regulations, 2015, the Company is pleased to provide its members facility to exercise their right to vote on resolutions proposed to be considered at the EGM by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the EGM (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).

- II. The facility for voting through ballot paper shall be made available at the EGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper. The facility to vote by electronic voting system will not be provided at the EGM Venue.
- III. The members who have cast their vote by remote e-voting prior to the EGM may also attend the EGM but shall not be entitled to cast their vote again.
The remote e-voting period commences on Sunday, September 25, 2016 (09:00 a.m.) and ends on Tuesday, September 27, 2016 (05.00 p.m.).
- IV. During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 21, 2016 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants] :
- (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (ii) Click on Shareholder - Login
 - (iii) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (iv) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (v) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vi) Select "EVEN" of "Hindusthan National Glass & Industries Limited".
 - (vii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (viii) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (ix) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (x) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xi) 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. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to mrathico@gmail.com with a copy marked to evoting@nsdl.co.in
- B. In case a Member receives physical copy of the Notice of EGM [for members whose email IDs are not registered with the Company/ Depository Participants or requesting physical copy] :
- (i) Initial password is provided as below in the Attendance Slip for the EGM

EVEN (Remote e-voting Event Number)	USER ID	PASSWORD/PIN
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 - (ii) Please follow all steps from Sl. No. (i) to Sl. No. (xi) above, to cast vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of September 21, 2016.
- X. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. September 21, 2016, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or mdpldc@yahoo.com.
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" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- XI. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the EGM through ballot paper.
- XII. The Board of Directors of the Company has appointed Mrs. Kumkum Rathi, (Membership No. 6016) C/o M/s. M. Rathi & Co., Practicing Company Secretaries, who is not in employment of the Company, as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIII. The Chairman shall, at the EGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the EGM but have not cast their votes by availing the remote e-voting facility.
- XIV. The Scrutinizer shall after the conclusion of voting at the EGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses who are not in the employment of the Company and shall make, not later than forty eight hours of the conclusion of the EGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XV. Every client ID No./Folio No. will have one vote irrespective of the number of joint holders.
- XVI. The results of voting will be declared within 48 hours from the conclusion of the meeting and the resolution proposed thereat will be deemed to be passed on the date of the meeting subject to receipt of requisite no. of votes. The declared results, along with the scrutinizer report will be available forthwith on the Company's website i.e. www.hngil.com and on the website of NSDL. Such results will also be forwarded to the Stock Exchanges where the Company's shares are listed.

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

Erosion of net worth of the Company as per Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985.

In term of Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985 ("SICA"), if the accumulated losses of an industrial company, as at the end of any financial year have resulted in erosion of fifty percent or more of its peak net worth during the immediately preceding four financial years, such company is required:

- 1) To report the fact of such erosion to the Board for Industrial and Financial Reconstruction ("BIFR")
- 2) To hold a general meeting of the shareholders of such company for considering such erosion, within 60 days from the date of finalization of the audited accounts, which is the date on which such accounts are adopted at the Annual General Meeting of the company. Further, the board of directors of such company is required to forward to every member of the company a report as to such erosion and the causes for such erosion, at least twenty one days before the date on which the above mentioned general meeting of the shareholders is held.

As per the Audited Accounts of the Company for the financial year ended March 31, 2016, which shall be laid before the members at the Annual General Meeting to be held on September 28, 2016 and which the Board expects to be approved and adopted by the members at the said Annual General Meeting, the accumulated losses of your Company as at March 31, 2016 amounting to ₹ 646.75 crores has resulted in erosion of more than 50% of its peak net worth during the four financial years immediately preceding the financial year ended on March 31, 2016. Hence, the Company will be defined as 'Potential Sick Company' under the Act.

In terms of requirement of Section 23 of the Act, the Board of Directors in their meeting held on May 27, 2016, had also approved the Report to such erosion and revival measures being taken, which is explained in the enclosed Report of the Board of Directors forming part of the Notice. Accordingly, the said report of the Board of Directors on such erosion and revival measures being taken as per Section 23 of the Act is being placed before the members for their consideration and noting.

As per the audited annual accounts of the company for the financial period ended March 31, 2016, which were approved by the shareholders of the Company at the Annual General Meeting held on September 28, 2016, the accumulated losses of the Company as at March 31, 2016 have eroded more than fifty percent of its peak net worth during the four financial years preceding the financial year ended March 31, 2016.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives are connected and/or interested, financially or otherwise, in the proposed Resolution.

Your Directors recommend the above resolution for your approval.

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

Place : Kolkata
Date : May 27, 2016

(Ajay Kumar Rai)
Company Secretary & Legal Counsel

REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS OF THE COMPANY UNDER SECTION 23(1)(b) OF THE SICK INDUSTRIAL COMPANIES (SPECIAL PROVISIONS) ACT, 1985

To
The Members,
Hindusthan National Glass & Industries Limited,

As required under Section 23(1)(b) of the Sick Industrial Companies (Special Provisions), Act, 1985 ("the Act"), a Report of the Board of Directors to the erosion of more than 50% of its peak net worth of the Company and the causes and steps taken for revival thereof, is being submitted to the Members of the Company.

The Board of Directors in its meeting on May 27, 2016 had approved the Audited Financial Statements of the Company for the year ended March 31, 2016. In terms of the provisions of the Act, the Company's accumulated losses stood at ₹ 646.75 crores, against the peak net worth of ₹ 839.40 crores, in the immediately preceding 4 (four) financial years. As the accumulated losses is more than 50% of its peak net worth, the Company will be qualified as a Potential Sick Company under the Act and provisions of Section 23 of SICA will be attracted.

The details working of peak net worth are given hereunder:

(₹ in Crores)

SI No	PARTICULARS	31.03.2013	31.03.2014	31.03.2015	31.03.2016
1	Share Capital	17	17	17	17
2	Securities Premium Account	58	58	58	58
3	DRR	56	56	54	54
4	General reserve	708	708	692	692
5	TOTAL NET WORTH	839	839	821	821
6	Peak Net worth for past 4 years		1016	1010	839
7	Accumulated Losses		218	454	647
8	Erosion		21.4%	44.9%	77.1%

REFERENCE TO BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTION (BIFR)

- 1) On the basis of the audited accounts for the financial year ended March 31, 2016, the accumulated losses up to that date stands at ₹ 646.75 crores, thereby eroding the peak net worth of the Company by more than 50%. The Company, therefore, has to report this fact to BIFR under Section 23 of the Act.

2) The Board of Directors in their meeting held on May 27, 2016 analyzed the reasons for such erosion and has come to the conclusion that the situation is controllable and further erosion in the net worth of the Company can be avoided by the various remedial measures being taken by the management of the Company. The major causes of erosion of net worth and the remedial measures taken /to be taken are explained below:

CAUSES OF EROSION OF MORE THAN 50% PEAK NET WORTH

The performance of the Company was adversely affected mainly by :

1. Over Supply in Market and Consequent Decrease in Capacity Utilisation

The company has added capacity of 1300 MT per day in financial year 2012- 13. The addition of capacity of 650 MT per day each was added in Nashik and Naidupeta respectively to cater to the west and the south. During the same period, other players in the Industry also commissioned their capacity. The addition was done mainly due to good demand envisaged in financial year 2010. All this addition has increased the supply in the market and resulted in lower capacity utilisation.

Capacity Addition in past two years	In MT per day
HNGIL (Added one furnace each in Nashik, Maharashtra and Naidupeta, Andhra Pradesh)	1300
HSIL (Added capacity at its Bhongir plant, Andhra Pradesh)	475
Piramal Glass (Added Capacity at its Jambusar Plant, Gujarat)	165
Canpack (Entered the container glass market in India by adding capacity at Aurangabad, Maharashtra)	800
Total	2740

2. Sluggish Growth in Demand

The Indian economy which was poised to grow at double digit from financial year 2011-12 have grown at lower single digit. The slowdown has resulted in lower disposable income and have decreased the growth of end users. This all has resulted in lower demand for container glass.

STEPS TAKEN FOR REVIVAL

The Company is taking various measures to revive its operation:

- Sales & Marketing** - The Company is strengthening its sales and marketing department. The focus is to develop new product and various customer connect program is being held to serve the customer better. The Company is also aggressively looking at export to increase its capacity utilisation.
- Operation** - The Company is aggressively focusing on its cost reduction. Various cost optimisation plan is being implemented like import of pet coke, long term contract for soda ash, development of alternate vendors near the plant, logistic optimisation etc.
- Financial** – The Company has restructured its loan with higher tenure and has reduced its interest cost. The Company is also looking forward to further monetise its assets like sale of its wholly owned subsidiary i.e. HNG Global GmbH etc.

All the factors collectively will help company to revive its operation.

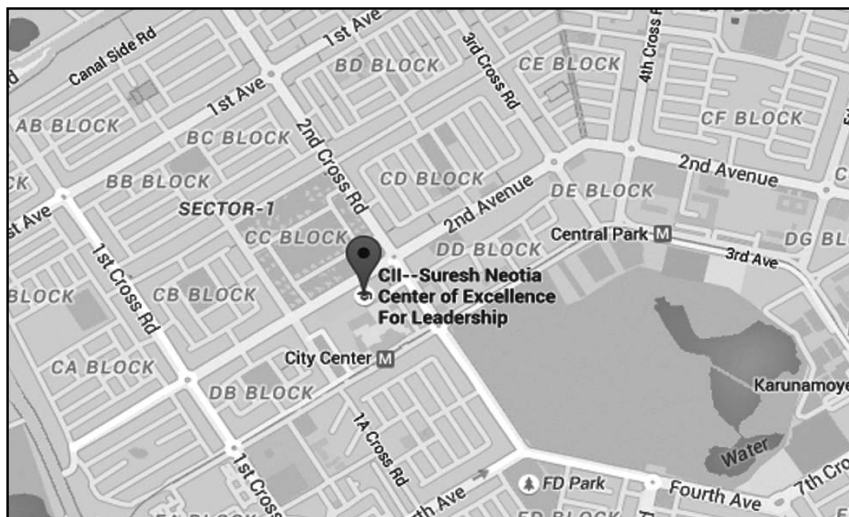
The Board of Directors of the Company believes that the Company will be able to recover and recoup the above stated erosion in the Net Worth in the years to come.

For and on behalf of the Board of Directors,
For **Hindusthan National Glass & Industries Limited**

Place : Kolkata
Date : May 27, 2016

(Mukul Somany)
Vice-Chairman & Managing Director

Route Map for the EGM Venue
at CII - Suresh Neotia Centre of Excellence for Leadership, DC-36,
Sector - I, Salt Lake City, Kolkata - 700 064





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ATTENDANCE SLIP

Extra-ordinary General Meeting- September 28, 2016

Folio No/DP ID & Client ID	
No. of Shares held	
Serial No	
Name of the Member	
Name(s) of Joint Holder(s), if any	
Address	

I /We certify that I/we am/are member(s)/proxy/authorized representative for the members of the Company.

I/We hereby record my/our presence at the Extra-ordinary General Meeting of the Company, to be held on Wednesday, September 28, 2016 at 11.30 AM at CII-Suresh Neotia Centre of Excellence for Leadership, DC-36, Sector-I, behind City Centre, Salt Lake City, Kolkata-700 064.

Member's/Proxy's Name in Block Letters

Member's/Proxy's Signature

Note : 1. Please bring this Attendance Slip to the meeting and hand over the same duly filled in at the entrance of the meeting venue.

2. Only shareholders of the Company and /or their proxies will be allowed to attend the meeting.

ELECTRONIC VOTING PARTICULARS

EVEN (Electronic Voting Event Number)	User ID	Password

Note: Please refer to the EGM Notice for e-voting instructions.



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PROXY FORM: MGT-11

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):

Registered Address :

E-mail ID :

Folio No/DP ID & Client ID :

I/We, being the Member(s) of Hindusthan National Glass & Industries Limited, holding..... Equity Shares of the above named Company, hereby appoint :

- Name :Address.....
E-mail ID : Signature : or failing him/her;
- Name :Address.....
E-mail ID : Signature : or failing him/her;
- Name :Address.....
E-mail ID : Signature :

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Extra-ordinary General Meeting of the Company, to be held on Wednesday, September 28, 2016 at 11.30 AM at CII-Suresh Neotia Centre of Excellence for Leadership, DC-36, Sector-I, Salt Lake City, Kolkata-700 064 and at any adjournment thereof in respect of such resolution as indicated below:

Sr. No.	Resolution	Optional *	
		For	Against
1.	Erosion of networth of the Company as per Section 23 of the Sick Industrial Companies (Special Provisions) Act,1985.		

Signed this day of2016

Signature of Shareholder.....

Signature of Proxyholder(s).....

Affix Revenue Stamp of ` 1/- here

Notes : 1. This form of proxy in order to be effective should be duly completed, signed and deposited at the Company's Registered Office not less than 48 hours before the commencement of the EGM.

2. For the Resolutions and Notes, please refer to the Notice of Extra-ordinary General Meeting of the Company.

3. *It is optional to put a '✓' in the appropriate column against the resolutions indicated to the box. If you leave the 'For' or 'Against' column blank against the Resolution, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.