

The background of the cover is a grayscale photograph of several glass bottles of various shapes and sizes, arranged diagonally across the frame. The bottles are slightly out of focus, creating a sense of depth. A white diagonal line cuts across the image, separating the top section from the bottom section.

HINDUSTHAN NATIONAL GLASS & INDUSTRIES LIMITED

68TH ANNUAL REPORT
2013-14

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.

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Management Discussion and Analysis

The Indian economy which has slowed to 4-6% in past couple of years due to high inflation, lack of economic policy, and higher fiscal deficit is expected to rebound going forward. The historic victory at the election in favor of present ruling party hopefully will start the ball rolling on policy front. The Sensex which is known as barometer of economy is ruling at all time high and we are hopeful that economy will again move back to its older growth trajectory and will grow further.

The container glass industry was facing double sword, on one side lower growth in end user segment and oversupply in the glass market and on the other hand rising prices of raw materials and fuel. The major end user liquor and beer growth has contracted from higher double digit to lower single digit in past two years. However with the hope of economic rebound we expect the end users will regain its growth rates and as a result glass Industry will also recover. The fundamental demand drivers are still intact and strong. We believe that the slowdown seen in last two years was temporary and the industry will emerge strongly.

Favorable macros to drive the demand :

1. Increasing urbanisation and higher disposable income to drive demand in the end user segments such as IMFL, Beer, F&B, etc.
2. Low per capita container glass consumption in India provide tremendous growth opportunity
3. Attractive cost economics given the refillable nature of glass

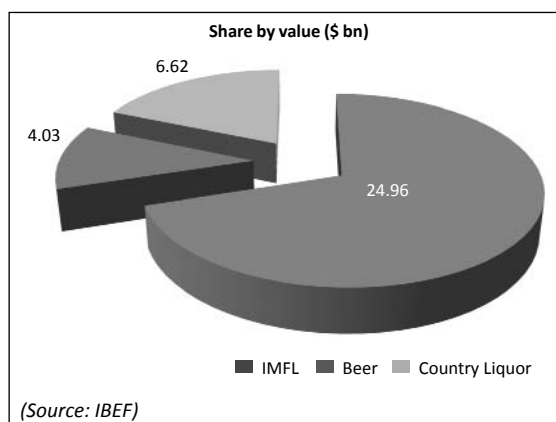
Demand Supply Scenario

- o IMFL segment accounts for 55-60% of overall container glass demand.
- o IMFL segment is poised to grow at double digit due to modern lifestyle & rise in disposable incomes.
- o Indian Beer market is at the start of its growth trajectory. MNC players like SAB Miller, Carlsberg, Molsoon Coor, Kobra, Budweiser etc. have entered Indian market.
- o Till FY 12, supply was steadily increasing close to demand growth
- o Capacity additions by all key players in last 2-3 years & sluggish demand have led to low capacity utilization.
- o With steady growth in demand in coming years & no extra capacity addition, utilisation will be at optimum level in near future.
- o Indian GDP growth likely to improve in coming years. Macro-economic factors indices have improved in last few months and currency has also stabilized. Economy growth will further boost end user segment growth.

Management Discussion and Analysis

Liquor & Beer

- ✓ India is the 3rd largest liquor market in the world.
- ✓ One of the fastest growing markets in the world, on the back of demographics & economy.
- ✓ Strong MNC presence with Diageo, Beam Global, Pernod Ricard, Heineken, SAB Miller, Carlsberg and more.
- ✓ The Beer market in India was valued at USD 4.13 Billion in 2013 & is expected to reach USD 7.27 Billion by 2018, growing at a CAGR of 12%.
- ✓ Total sales in India were 2,248 Million litres in 2013 and are expected to increase to 3,961 Million Litres by 2018.



There are 3 broad categories – IMFL (Indian Manufactured Foreign Liquor which includes whiskey, rum, brandy, vodka & gin), Beer and Country Liquor (cheaper, spiced liquor). Each of these segments has a volume of between 230-260 million cases per annum. Hence, the market is divided almost equally by volume. However, the IMFL market is much larger in terms of value – by the sheer difference in price per bottle. Hence, the IMFL market would be over 65% by value and beer would be ~15% by value.

The overall retail market size of liquor is ~\$35 billion per annum. Overall growth of the market is ~8% per annum, mainly driven by IMFL and beer. Country liquor is a slow growth (6-8%) market. Beer has been consistently growing at over 15% per annum over the last few years.

- IMFL is dominated by Whiskey – Almost 54% of the IMFL market is whiskey. India is the world's largest whiskey market. 7 Indian brands have made it to top 20 selling brands by volume.
- Beer is dominated by Strong Beer – India has a distinct preference for strong beer (8% alcohol v/v). Over 80% of the market is strong beer.
- Premiumization – On the back of growing income, there is a strong trend of premiumization. All liquor companies are increasingly looking at introducing better quality, more expensive brands in their portfolio.
- High Growth White Spirits – This is the fastest growing segment in India. Vodka has emerged as the preferred liquor for the youth. Growth has been at over 25% per annum over the last few years (albeit on a smaller base of ~4% of IMFL market).
- Wine has seen high growth (25%) in India, with a very niche audience. Although it is highly visible in the cities, the total market is just over 1 million cases. Sula, Four Seasons (UB Group) and Nine Hills (Pernod Ricard) are the leading brands. Maharashtra and Karnataka are the two states with most of the wineries as well as wine consumption. This is due to a preferential tax structure in these states.

The Indian beer market is oligopolistic, with the top 2 brands accounting for nearly 80% of the volumes. The top 3 players are – United Breweries (52% share), SAB Miller India (23% share) and Carlsberg India (7% share). There are another 8-10 significant players in the \$10 mn to \$50 mn revenue range. The main states for beer include Andhra Pradesh, Maharashtra, Karnataka, Tamil Nadu and Delhi. Beer is seen as mostly an urban-youth drink and has increasing social acceptance. Hence, the beverage has a universal acceptance across the country.

The beer market is increasingly getting attractive and it will double in size over the next 5 years to reach about 510 million cases primarily driven by following growth factors

1. Young population – India has amongst the youngest population in the world. 60% of the population is under the age of 30. Further, over 50% of the population is in the working age of 22-54.

Management Discussion and Analysis

2. Rapidly growing consumption – Beer is increasingly acceptable as a social drink and the urban youth in particular favors it as the preferred alcoholic beverage. Per capita consumption of beer is 1.5 litre and has been growing at over 15% in the last few years.
3. Home grown brands – Even international giants like SAB Miller and Carlsberg have not been able to grow their own brands significantly. SAB Miller leveraged its acquired Indian brands like Haywards, Knock Out and Royal Challenge to become a leader in the industry.

Pharmaceuticals

India's pharmaceutical sector will touch US\$ 45 billion by 2020, according to a major study by global management and consulting firm, McKinsey & Company. The reasons for this optimism are well founded. In the period 2002–2012, the country's healthcare sector grew three times in size, touching US\$ 70 billion from US\$ 23 billion. India's pharmaceutical market experienced a similar boom, reaching US\$ 18 billion in 2012 from US\$6 billion in 2005. The report further states that the Indian pharmaceutical market will be the sixth largest in the world by 2020.

The Indian Pharma industry is on a good growth path and is likely to be in the top 10 global markets in value terms by 2020, according to the PwC-CII report titled "India Pharma Inc: Gearing up for the next level of growth". High burden of disease, good economic growth leading to higher disposable incomes, improvements in healthcare infrastructure and improved healthcare financing are driving growth in the domestic market, the report highlighted.

The small and medium enterprises (SMEs) are expected to play a significant role in the growth story of the country's Pharma sector as they contribute 35–40 % to the industry in terms of production with a turnover of about Rs 35,000 crore (US\$ 5.70 billion).

Pharma which contributes around 8% of volume is expected to grow at a healthy rate.

Food & Beverage

Food processing sector is an important segment of the economy, constituting a share of around 9–10 per cent of gross domestic product (GDP) in agriculture and manufacturing sector. Currently growing at more than 10 per cent per annum, it is expected to touch US\$ 194 billion by 2015 from a value of US\$ 121 billion in 2012, according to Mr Swapan Dutta, Deputy Director General, Indian Council of Agricultural Research (ICAR).

Packaged food industry is the fifth largest sector in India. The industry is currently pegged at US\$ 39.7 billion in India and is expected to reach US\$ 65.41 billion by 2020, owing to the rise in middle class income, changing urban lifestyle and modern retail trade. Residents in urban areas are the largest consumers of processed food, consuming 78 % of all packaged food in 2011.

Food processing industries in India attracted foreign direct investments (FDI) worth US\$ 5,360.89 million during the period April 2000–January 2014, according to the latest data published by Department of Industrial Policy and Promotion (DIPP).

The Indian non-alcoholic beverages market is currently growing at 15 % year-on-year (Y-O-Y). "As more people are trading up to packaged drinks, consumption of non-alcoholic beverages in India is expected to increase by 16.5–19 % over the next three years," according to a report by the Indian Council for Research on International Economic Relations (ICRIER) and the Indian Beverage Association (IBA).

The MOFPI has formulated a Vision 2015 Action Plan that includes trebling the size of the food processing industry, raising the level of processing of perishables from 6 % to 20 %, increasing value addition from 20 % to 35 %, and enhancing India's share in global food trade from 1.5% to 3%.

Food & Beverage contributes 17% of volume and is expected to get a boost due to rising growth & investment by end user Industries.

Directors' Profile

SHRI CHANDRA KUMAR SOMANY

Shri Chandra Kumar Somany, aged 81 years, is the Chairman of the Company. A renowned technocrat having in-depth experience in glass technology, Shri Somany has been the driving force behind the Company's performance over the years. At HNG, he plays a key role in forming and proving policy guidelines for the management and administration of the Company. He holds F.B.I.M (London) degree and a degree in Glass Plant Instrumentation from Honeywell Brown, Minneapolis, U.S.A. He has held reputed positions in his long and illustrious association with the Indian Glass Industry, such as the President of All India Glass Manufacturers' Association, Bengal Glass Manufacturers' Association and several other commercial and non-commercial organizations. He also served as the Chairman of the Development Panel for Glass Industry formed by the Government of India, Ministry of Industry during 1995-97. In the year 2013 he has been accoladed with the "Glass Person of the Year" by the Phoenix Award Committee in Berlin. Shri Somany is associated with various charitable and philanthropic organizations and also oversees the human initiatives at HNG. He was inducted into the Board in 1970 and subsequently took over as Executive Director of the Company and thereafter as Managing Director, a post held by him up to September 2000. At present he is also the member of Special Committee in HNG. He holds 26,66,620 equity shares of the Company of face value of ₹ 2/- each.

Directorships held in other companies

• Glass Equipment (India) Limited • Niket Advisory & Trading Company LLP • Spotlight Vanijya Limited • HNG Cement Limited • HNG Power Limited • Brabourne Commerce Private Limited • Mould Equipment Limited • CAPEXIL • The All India Glass Manufacturer's Federation

SHRI SANJAY SOMANY

Shri Sanjay Somany, aged 56 years, is the Vice Chairman & Managing Director of the Company and Ex-Managing Director of Glass Equipment (India) Limited, a subsidiary of HNG. Having gained more than three decades of experience in glass industry, Shri Somany has led the evolution of HNG to the forefronts of technological excellence. He presently oversees the operations and management of the Company. A Commerce Graduate, Shri Somany, also holds a diploma in Diesel Engineering. Previously, he has also held a host of notable positions in industry bodies, such as the President of All India Glass Manufacturers' Federation. At HNG, Shri Somany is member in Treasury Management Committee, Shareholders/ Investors' Grievance Committee, Corporate Social Responsibility Committee and Special Committee. He holds 36,05,500 equity shares of the Company at face value of ₹ 2/- each.

Directorships held in other companies

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

SHRI MUKUL SOMANY

Shri Mukul Somany, aged 49 years, is the Vice Chairman & Managing Director of the Company. A second-generation entrepreneur, he holds more than 27 years of experience in the glass industry. At HNG, he has been the driving force behind Company's acquisitions, marketing and branding strategies over the years. He also oversees the administration function in the Company. He holds a Bachelors of Commerce (Hons.) degree. In the past he has held reputed posts in the industry federations, notably being the President of All India Glass Manufacturer's Federation (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 in Treasury Management Committee, Shareholders/Investors' Grievance Committee, Corporate Social Responsibility Committee and Special Committee. He holds 41,42,045 equity shares of the Company at face value of ₹ 2/- each.

Directorships held in other companies

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

SHRI KISHORE BHIMANI

Shri Kishore Bhimani, aged 75 years, an illustrated journalist, is an Independent Director of the Company. He is associated with The Statesman as Senior Assistant Editor and has written exhaustively on sports, finance and the financial markets. Besides, he has also anchored various programmes on TV channels in India and abroad on cricket, foreign affairs and economics. A Graduate from the St. Xavier's College, Kolkata, Shri Bhimani also holds a B.Sc. (Econ) degree from the London

Directors' Profile

School of Economics. He has also authored several books including the one on the Swedish collaboration of industries in India. Besides, Shri Bhimani is also connected with a number of NGOs dealing with environment and social causes. At HNG, he is the Chairman of the Company's Remuneration Committee and Shareholders/Investors' Grievance Committee and Corporate Social Responsibility Committee.

Directorships held in other companies

- SKP Securities Limited

SHRI RATNA KUMAR DAGA

Shri Ratna Kumar Daga, aged 73 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 member in Audit Committee, Shareholders/Investors' Grievance Committee and Remuneration Committee.

Directorships held in other companies

- Somany Ceramics Limited • S. R. Continental Limited • Trutools (India) Private Limited • LSI Financial Services Private Limited • Shankar Estates Private Limited • Goenka Leasing & Finance Private Limited

SHRI DIPANKAR CHATTERJI

Shri Dipankar Chatterji, aged 66 years, is an Independent Director of the Company. He is a Chartered Accountant and senior partner of the firm, L. B. Jha & Co. Chartered Accountants. He is also the Former Chairman of the Confederation of Indian Industry (CII- eastern region) and is currently a Member of the National Council of CII. He was also a Member of the Central Council of the Institute of Chartered Accountants of India and the Chairman of the Audit Practices Committee of the ICAI. He was appointed as member of the Padmanabhan Committee (set up to review Reserve Bank of India's supervision over banks) and the committee set up to advice on NABARD's supervisory role over RRBs and Cooperative Banks and other committees and task forces. He was the Former President of Indo American Chamber of Commerce (Eastern Region). At HNG, Shri Chatterji is member in Audit Committee, Shareholders/Investors' Grievance Committee, Treasury Management Committee and Remuneration Committee.

Directorships held in other companies

- West Bengal Industrial Development Corporation Limited • Nicco Ventures Limited • TRF Limited • Texmaco Infrastructure & Holdings Limited • Span Air Private Limited • Pantheon Data Services Private Limited • Delphi Management Services Private Limited • Obeetee Textiles Private Limited • Peerless Financial Services Limited • Union Bank of India.

SHRI SUJIT BHATTACHARYA

Shri Sujit Bhattacharya, aged 70 years, is an Independent Director of the Company. He is also a Fellow Member of the Institute of Chartered Accountants of England and Wales and the Institute of Chartered Accountants of India. Prior to joining the Company's Board he was Senior Partner of Lovelock & Lewes, Chartered Accountants. He has served as an Independent Director on the Board of several companies including as Special Director nominated by the Board for Industrial and Financial Reconstruction, Government of India. His professional experience includes association in an advisory capacity in the fields of accounting and auditing standards, corporate governance, investigations, business valuation and taxation with several leading national and multinational corporations engaged in diversified manufacturing and service activities. At HNG, Shri Bhattacharya is a member of Audit Committee.

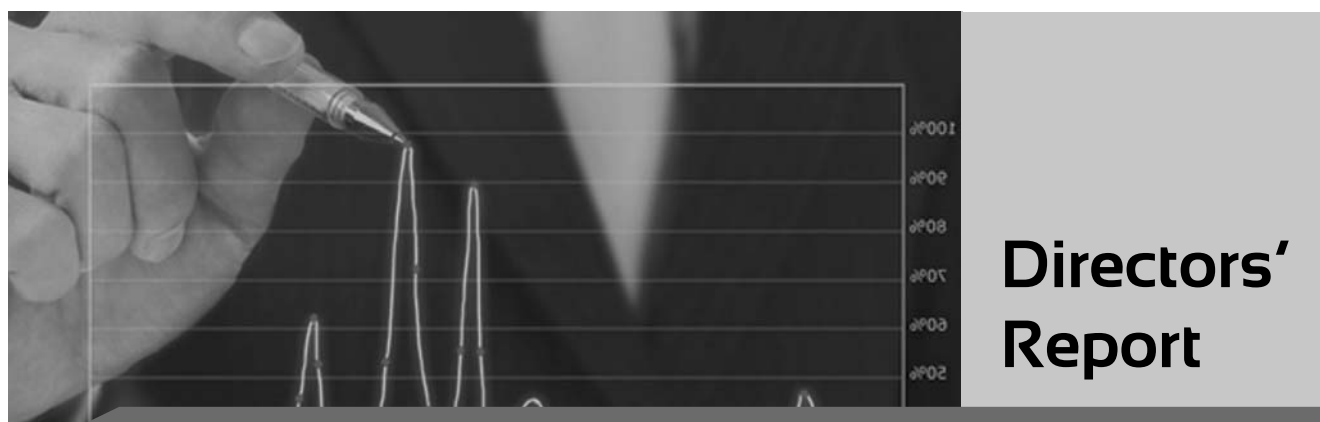
Directorships held in other companies - NIL

SHRI RAKESH KUMAR SHARMA

Shri Rakesh Kumar Sharma, aged 62 years, is an Executive Director of the Company. Prior to joining HNG, he held a senior position in Larsen & Toubro Limited. He has a demonstrated proven track record in general management, EPC contracts and business development. He has 40 years of experience in corporate sector in India and has acquired requisite experience in managing process industry and large-scale projects. He holds a graduate degree in Mechanical Engineering and has also earned a Masters Degree in Marketing Management.

Directorships held in other companies

- AMCL Machinery Limited • Spotlight Vanijya Limited



Dear members

We hereby present Annual Report together with the audited accounts of our business and operations for the financial year ended March 31, 2014.

FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Gross sales (including excise duty)	196,832	198,430
Profit before interest, depreciation and tax	26,436	15,569
Interest and finance charges	25,652	20,357
Profit/Loss before depreciation and tax	784	(4,788)
Depreciation	24,701	19,831
Profit/Loss before tax	(23,917)	(24,619)
Provision for tax	(2,099)	(7,439)
Profit/Loss after tax	(21,818)	(17,180)
Balance brought forward from previous year	—	10,287
Provision for proposed dividend including Dividend Distribution Tax written back – Forgo of right to receive Dividend by HNG Trust and Ace Trust	17	255
Transfer from General Reserve	—	6,740
Amount available for appropriation	(21,801)	102
Appropriation		
Proposed dividend	—	87
Tax on dividend	—	15
Balance carried forward to the next year	(21,801)	—

REVIEW

In this challenging economic environment, your Company has reported total income of ₹ 190,349 Lakhs in F.Y. 2013-14 compared to ₹ 183,233 Lakhs in F.Y. 2012-13. Your Company recorded an EBITDA of ₹ 26,436 Lakhs and a net loss of ₹ 21,818 Lakhs during the year under review. Due to increase in price of major raw materials the performance of the Company is severely affected. During the financial year the Company has implemented cost optimisation initiatives which helped in containing inflationary impact to some extent. Over the past few years, the glass industry witnessed capacity addition which

Directors' Report

substantially increased the demand and supply gap and consequently lowered capacity utilisation. We expect demand to increase which will lead to recovery of Glass Industry.

During the current financial year your Company has once again given major thrust on implementation of various cost saving measures. Some of the main initiatives initiated during the financial year 2013-14 are as follows :

- i. Development of alternate source and vendors for procurement of raw materials;
- ii. Optimising Raw Material and Power & Fuel Cost;
- iii. Increasing usage of cullet;
- iv. Waste reduction;
- v. Enforce quality checks;

Your Directors are confident that the aforesaid initiatives will result in substantial improvement in the performance of the Company.

DIVIDEND

Your Directors do not recommend any dividend for the financial year 2013-14.

OUTLOOK

The Indian economy is expected to grow at 5% during the financial year 2014-15. Indian glass market is estimated to increase driven primarily by growth in end user market like Liquor, Beer and Food & Beverage segment. The Liquor and Beer market which has seen the entry of major MNC players like Diageo, Carlsberg, Mools and Cobra, etc. is expected to grow at double digit rate due to favorable demographic and high disposable income.

Though, the glass industry is facing competition from alternative mediums, but with the key properties such as inertness, transparency, recyclability, glass will be a dominant packaging medium for Liquor and Beverage segment. The use of glass is of critical importance in the present day when deteriorating environmental conditions have set alarm bells ringing for protection of environment in the interest of human health and well-being. There is an urgent need for preservation and improvement of environment. Increase in use of glass will go a long way in surging ahead towards achieving this objective.

Growth drivers for Glass Industry :

- Increasing population and low per capita consumption of glass
- Rising consumer awareness for Health
- Inertness
- Favourable demography and rising disposable income
- Growth in Packaging Industry

Challenges faced by the Glass Industry :

- Increasing prices of the raw material
- High Power and Fuel Cost

MERGER OF GLASS EQUIPMENT (INDIA) LTD. (GEIL) AND QUALITY MINERAL LTD. (QML) WITH THE COMPANY

The Board of Directors of your Company has approved the proposal of merger of GEIL and QML, 100% subsidiaries of HNGIL with the Company.

DIRECTORS & CHIEF FINANCIAL OFFICER

The Company has received requisite notices in writing from members proposing appointment of Shri Ratna Kumar Daga, Shri Dipankar Chatterji, Shri Kishore Bhimani and Shri Sujit Bhattacharya for appointment as an Independent Directors.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of Independence under the Companies Act, 2013. Accordingly, the Board recommends the appointment of aforesaid existing Directors as Independent Directors of the Company w.e.f. April 1, 2014.

Shri Sanjay Somany and Shri Mukul Somany, Vice Chairmen and Managing Director of the Company, are liable to retire by rotation and being eligible offer their candidature for the Directorship of the Company. Your Directors recommend the re-appointment of aforesaid Directors.

Directors' Report

Shri L.N. Mandhana, relinquished the post of Chief Financial Officer (CFO) of the Company and Shri Bimal Kumar Garodia is appointed as Sr. Vice President and Chief Financial Officer of the 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 and 68,44,360 shares having face value of ₹ 2 each) were issued to HNG Trust and Ace Trust respectively. At present HNG Trust and Ace Trust are holding 7,797,240 & 6,844,360 shares respectively. In terms of an undertaking given to the Bombay Stock Exchange, the Company is required to make disclosures pertaining to utilisation of proceeds of shares allotted to the said Trusts until they are extinguished. During the financial year ended on March 31, 2014, 14,006,850 shares in aggregate were pledged by both the Trusts for the loan availed by the Company of ₹ 314.38 crores from State Bank of India, Syndicate Bank, Axis Bank and L&T Finance Limited.

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

FIXED DEPOSITS

Your Company did not accept any deposits from the public within the meaning of section 58A of the Companies Act, 1956 during the financial year 2013-14.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 read with Accounting Standard 23 issued by the Institute of Chartered Accountants of India and form part of this Annual Report and accounts in accordance with disclosures made in respect thereto in the Notes on Financial Statements No. 1 to 2.41.

NEW COMPANIES ACT, 2013

The historic Companies Act, 2013 which replace more than five decades old Companies Act, 1956 was passed by the Parliament. The new act provides major thrust on compliance and accountability from the corporate sector and will provide further transparency in the disclosures. Your Company is already taking steps to comply with the provisions of the new Companies Act.

INTERNAL CONTROL SYSTEM

The Company has a comprehensive internal control system for all the major processes to ensure reliability of financial reporting, timely feedback on operational and strategic goals, compliance with policies, procedures, law and regulation, safeguarding of assets and economical and efficient use of resources.

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

AUDITORS' REPORT

The Auditors Report contains the following observations:

As stated in Note no.2.35.1 of the Financial Statements due to inadequacy of profit managerial remuneration to the extent of ₹ 1,121.70 Lakhs (including ₹ 579.43 Lakhs pertaining to previous year) has become in excess of the limits laid down in the Companies Act, 1956 awaiting Central Government approval. Pending such approvals, impact thereof on the Financial Statements is not ascertainable. The Company has already made necessary application for obtaining the Central Govt. approval.

ANNUAL LISTING FEES

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

The annual listing fee for the year 2014-15 has been paid to all these exchanges.

AUDITORS

M/s Lodha & Company, Chartered Accountants, Registration No. 301051E, Statutory Auditors of the Company are retiring at the conclusion of the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept the

Directors' Report

office of the Statutory Auditors, if re-appointed. It has been confirmed by M/s Lodha & Company that they have subjected themselves to peer review process of the Institute of Chartered Accountants of India (ICAI) and they hold a valid certificate issued by the Peer Review Board of the ICAI.

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

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

COST AUDITORS

In respect of financial year under review your Company had appointed M/s Shome and Banerjee and M/s N. Radhakrishnan & Company, Cost Accountants for conducting cost audit of the Company. The Cost Audit reports for the financial year 2012-13 were filed by the Cost Auditor within the due date.

The Cost Auditors have confirmed their eligibility and willingness to accept the office of the Cost Auditors for the financial year 2014-15.

SECRETARIAL AUDITORS

In terms of section 204 of the Companies Act, 2013 the Board at its meeting held on May 20, 2014 has appointed Mr. Babu Lal Patni, Practicing Company Secretaries, as Secretarial Auditor for conducting Secretarial Audit of the Company for the financial year 2014-15.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956 relevant amount which remained unpaid or unclaimed for a period of seven years have been transferred by the Company, from time to time on due dates, to the Investor Education and Protection Fund established by the Central Government.

Pursuant to the provisions of Investor Education and Protection fund (uploading of information regarding unpaid and unclaimed amount lying with companies), Rules, 2013 the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 27, 2013 (date of last AGM) on the Ministry of Corporate Affairs website.

DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217(2AA) OF THE COMPANIES ACT, 1956

The Directors hereby confirm that :-

- i) In preparation of the annual accounts for the financial year 2013-14, applicable accounting standards have been followed along with proper explanations relating to material departures.
- ii) They selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year 2013-14 and of the profits/losses of the Company for the said financial year.
- iii) They took proper and sufficient care to maintain adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) They prepared the annual accounts on a 'going concern' basis.

CORPORATE GOVERNANCE

The Company has been practising the principles of good governance with a view to achieve transparent, accountable and fair management. The report on Corporate Governance along with the Certificate of the Auditors, M/s Lodha & Co., Chartered Accountants, confirming the compliance conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of this Annual Report.

SUBSIDIARY COMPANIES

As on March 31, 2014, your Company has three subsidiaries namely : Quality Minerals Limited, Glass Equipment (India) Ltd. and HNG Global GmbH.

Directors' Report

Pursuant to the General Circular No. 2/2011 issued by the Ministry of Corporate Affairs, granting general exemption to the companies from attaching annual accounts of the subsidiary companies, the Board of Directors in its meeting held on May 20, 2014 has given its consent for not attaching the balance sheet of its subsidiaries.

Shareholders of the Company as well as of the subsidiary companies who are interested in obtaining annual accounts of the subsidiary companies and related detailed information may write to the Company Secretary at the Registered Office of the Company. These documents are also available for inspection during business hours by the shareholders of the Company and its subsidiaries at the Registered Offices.

Consolidated Financial Statements of the Company and its three subsidiaries duly audited for the financial year ended March 31, 2014 forms part of the Annual Report of the Company.

EXPORTS

During the year, direct export turnover was ₹ 11,483 Lakhs compared to ₹ 14,031 Lakhs during the preceding year.

PERSONNEL AND INDUSTRIAL RELATIONS

Your Company is consolidating the human resource operations and the internal systems to enhance the operations of the Company. The Human Resource team is very active as it recruits and retains the existing talent pool of the Company. It is continuously involved in manpower planning, forecasting and conducting regular workshops to enhance the skill sets. Cordial industrial relations resulted in efficient production at all the plants of your Company.

STATEMENT OF EMPLOYEES

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

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

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

CORPORATE SOCIAL RESPONSIBILITY

Sustainable development is an integral part of HNGIL Group's business philosophy. The Group has always believed in creation of wealth for its stakeholders. As a responsible corporate, HNGIL is focused on the happiness of people living in its larger neighbouring communities. We are also committed to the best industry standards in Health, Safety and Environment. The best safety equipments have been deployed at the critical locations and constant supervision is also done to maintain the highest safety standards. Our CSR team works towards improving the living conditions of the underprivileged and makes a positive difference in their lives. A number of focused initiatives have been implemented near the plant locations. The Company in compliance of Companies Act, 2013 has constituted a CSR committee comprising of Shri Sanjay Somany, Shri Mukul Somany and Shri Kishore Bhimani.

ACKNOWLEDGMENTS

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

For and on behalf of the Board

Place : Kolkata
Date : May 20, 2014

Chandra Kumar Somany
Chairman

Annexure to the Directors' Report

Information pursuant to section 217(1)(e) read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming a part of the Directors' Report for the year ended March 31, 2014.

I. Energy Conservation

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

- Shield Dog House : Dog house of furnace is the part through which batch is fed inside the furnace. There is always a possibility of leakage of heat from Melter. In conventional way, it is first stage shield by Fused Silica Curtain block and next by insulated Metallic hood. As the Curtain blocks are multiple in numbers, there is a gap in between position of curtain blocks. We replaced it with big blocks made with only two pieces thus results in perfect shielding and saves considerable amount of energy.
- Installation & commissioning of 10000 cfm – 2-stage energy efficient ATLAS COPCO make Centrifugal Compressor for generation of HP compressed air.
- Erection & commissioning of dedicated 50 psi compressed air line for I.S. machine for NNPB jobs. Earlier during NNPB job, as there was no dedicated line, all I.S. machines used to be run with 50 psi compressed air leading to consumption of more energy.
- Installed energy efficient LWN blowers with variable frequency drive to reduce blower energy consumption.
- Installed centralized Energy Monitoring System to monitor and control energy consumption.
- Installed LT DG set for emergency supply to reduce losses and energy consumption during black out.
- Self-Generation reduced from 70% of total power to 7% of total power by using maximum grid 132kV power. Energy consumption reduced by reducing the consumption of auxiliary.
- Insulation of fore-hearth & distributor done to reduce heat losses.
- Ceramic welding done in furnace to reduce heat losses.
- Installed Variable Frequency Drives (VFD) for Cooling Water Pumps and fan to reduce power consumption to optimize the cooling water requirement to compressors.
- Installed 24 hour Timer control in warehouse lighting circuit to save energy.
- Installed two Compressors (200CFM) to meet the batch process operating requirement instead of supplying continuous compressor air from main plant.
- Installed two compressors (200 CFM) to meet variable peak load compressor air demands & to reduce energy consumptions by stopping bigger Compressor unit (1400CFM).

I. FORM – A

Disclosure of Particulars with Respect to Conservation of Energy

PARTICULARS	Unit	2013-2014	2012-2013
A. POWER & FUEL CONSUMPTION			
1. ELECTRICITY			
a) Purchased			
No. of Units	000 KWH	338,197.48	275,734.15
Total Amount	₹ in Lacs	18,986.89	17,127.81
Average Rate per Unit	₹/KWH	5.61	6.21

Annexure to the Directors' Report

PARTICULARS	Unit	2013-2014	2012-2013
b) Own Generation			
(i) Through Diesel/ H.P.S/Furnace Oil			
Units generated	000 KWH	125,934.15	19,666.91
Amount	₹ in Lacs	598.08	2,169.47
HSD / FO / HPS used	Litre	1,382,887.47	5,550,763.00
Units per Litre of Oil		91.07	3.54
Average Rate/Unit	₹/KWH	0.47	11.03
(ii) Through LNG			
Units generated	000 KWH	4,176.60	61,193.87
Amount	Rs. in Lacs	394.03	4,645.46
LNG used	MMBTU	43,450.57	625,930.15
Units per MMBTU of LNG		96.12	97.76
Average Rate/Unit	₹/KWH	9.43	7.59
2. FURNACE OIL / RFO			
Quantity	KL	88,291.99	70,035.16
Total Amount	₹ in Lacs	19,711.13	27,040.35
Average Rate per Unit	₹/KL	22,324.94	38,609.68
3. L.N.G.			
Quantity	MMBTU	1,571,109.78	2,776,256.65
Total Amount	₹ in Lacs	14,996.07	21,094.16
Average Rate per Unit	₹/MMBTU	954.49	759.81
4. (i) L.P.G.			
Quantity	MT	9,195.91	8,728.44
Total Amount	₹ in Lacs	6,331.33	5,533.76
Average Rate per Unit	₹/MT	68,849.36	63,399.19
(ii) H.S.D.			
Quantity	KL	597.89	15,015.56
Total Amount	₹ in Lacs	306.68	6,140.89
Average Rate per Unit	₹/KL	51,292.72	40,896.84
(iii) L.D.O.			
Quantity	KL	–	18.76
Total Amount	₹ in Lacs	–	6.69
Average Rate per Unit	Rs./KL	–	35,660.98
B. CONSUMPTION PER UNIT OF PRODUCTION			
Glass container & tumblers	MT	872,936.44	846,642.41
Electricity	KWH	536.47	421.19
Furnace Oil / RFO	LTR	101.14	82.72
LNG	MMBTU	1.80	3.28
L.P.G.	MT	10.53	10.31
H.S.D	LTR	0.68	17.74
L.D.O	LTR	–	0.02

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

Annexure to the Directors' Report

II. FORM – B

Disclosure of particulars with respect to absorption

A. RESEARCH AND DEVELOPMENT –

(i) **Specific areas in which R & D is carried out by the Company**

Light weighting (NNPB & advance Blow/Blow) done for many prime jobs which increased the market share.

(ii) **Future plans of action**

Continuous endeavour to reduce energy consumption.

(iii) **Expenditure on R & D**

During the year, the Company has not incurred any expenditure on R & D.

B. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

- First time NNPB beer made in Amber colour.
- 35 NPD's made and commercialized.

II. FORM – C

Foreign Exchange Earnings & Outgo

Over the years, the Company has steadily strengthened its export presence in key overseas market of the USA, South Africa, Kenya, Australia, Hong-Kong, Thailand, Bangladesh to name a few. The foreign exchange earnings and outgo are detailed below :

(₹ in Lakhs)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Earnings in foreign exchanges	5,464.78	9,217.36
Expenditure incurred in foreign exchanges		
Raw Material	16,387.77	19,266.03
Capital Goods	327.11	8,442.31
Components, Spare parts and Repairs	1,987.48	6,622.92
Other Expenses	3,580.25	3,308.32

For and on behalf of the Board

Place : Kolkata
Date : May 20, 2014

Chandra Kumar Somany
Chairman

CEO & CFO Certification

CEO & CFO Certification

We, Sanjay Somany, Vice Chairman & Managing Director, Mukul Somany, Vice Chairman & Managing Director and Bimal Kumar Garodia, Sr. Vice President & Chief Financial Officer, responsible for the finance function certify that -

- a. We have reviewed the financial statements and the cash flow statement for the year 2013-14 and that to the best of our knowledge and belief:
 - (i) These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations, with proper explanation as to material departures.
- b. To the best of our knowledge and belief, no transactions entered into, by the Company during the year 2013-14, were fraudulent, illegal or violating the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee:
 - (i) That no significant changes in internal control over financial reporting during the year 2013-14 have taken place.
 - (ii) That no significant changes in accounting policies during the year 2013-14 have taken place and that the same have been disclosed in the notes to the financial statements and
 - (iii) That there are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

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

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

Bimal Kumar Garodia
*Sr. Vice President &
 Chief Financial Officer*

PARTICULARS OF GOVERNMENT COMPANIES AND COMPANIES IN TERMS OF SECTION 217(2A) OF THE COMPANIES ACT, 1956

Sl. No.	Name	Age (Years)	Qualification & Experience in years	Date of Appointment	Designation (Nature of Duties)	Gross Remuneration (₹)	Last Employment held (Designation)
1	Mr. Sanjay Somany	56	B. Com. Dip. In Diesel Engg. 34 years	01.10.2005	Vice Chairman and Managing Director (To Manage the affairs of the Company on day to day basis)	3,20,82,696	Glass Equipment (India) Ltd. (Managing Director)
2	Mr. Mukul Somany	49	B. Com (Hons.) 27 years	01.10.2005	Vice Chairman and Managing Director (To manage the affairs of the Company on day to day basis)	3,20,82,696	None
3	Mr. Rakesh Kumar Sharma	62	B.E. (Mech.), MBA- Marketing 40 Years	01.03.2011	Executive Director (To manage the affairs of the Company on day to day basis)	60,09,826	Larsen & Toubro Ltd. (Vice President)

Notes :

- 1) Remuneration includes Salary, Commission and contribution to P.F, Gratuity and other facilities.
- 2) Mr. C. K. Somany is related to both Mr. Sanjay Somany and Mr. Mukul Somany and both of them are also related to each other.
- 3) All appointments of the above employees are contractual.

For and on behalf of the Board

Chandra Kumar Somany
Chairman

Place : Kolkata
Date : May 20, 2014



Corporate Governance Report

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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. In addition to compliance with the regulatory requirements, the Company endeavors to ensure that business practices also follow the spirit of the laws and ethical mores of society so that the reputation built over decades is nurtured.

During 2013-14, the Company kept its commitment towards the required norms and disclosures on Corporate Governance under the Listing Agreement entered into with the Stock Exchanges, on which the shares of the Company are listed.

2. BOARD OF DIRECTORS

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

➤ Present composition and size of the Board :

The composition of the Board of Directors as on March 31, 2014 is given below.

Out of the total 8 Directors on the Board :

- Three are Executive Directors
- Five are Non-Executive Directors of which four are Independent Directors

The Chairman of the Company is a Non-Executive, Non-Independent Director. Half of the Board comprises of Independent Directors.

➤ Attendance of Directors at the previous Annual General Meeting (AGM) & Extra – Ordinary General Meeting (EGM) :

The last Annual General Meeting was held on September 27, 2013 at CII-Suresh Neotia Centre of Excellence for Leadership, DC-36, Sector- I, Salt Lake City, Kolkata and the same was attended by all the Directors except Shri Mukul Somany, Shri Rakesh Kumar Sharma and Shri Dipankar Chatterji.

Corporate Governance Report

- **Attendance of Directors at the Board Meeting and number of other directorships and other Board Committee memberships, among others, during the year under review :**

Name of the Director	Category of Directorship	Number of Board Meeting(s) attended	Directorship in other companies incorporated in India [^]	#Number of committees (other than that of the Company) in which he is		
				Chairman	Member	Total
Shri Chandra Kumar Somany	(Chairman) Non-Executive Non Independent	4	6	—	—	—
Shri Sanjay Somany	(Vice Chairman & Managing Director) Executive	4	8	—	—	—
Shri Mukul Somany	(Vice Chairman & Managing Director) Executive	4	8	2	1	3
Shri Kishore Bhimani	Independent	4	1	—	—	—
Shri Sujit Bhattacharya	Independent	4	—	—	—	—
Shri Ratna Kumar Daga	Independent	3	2	2	—	2
Shri Dipankar Chatterji	Independent	3	6	3	3	6
Shri Rakesh Kumar Sharma	Executive	4	2	—	—	—

[^]excludes directorship of companies u/s 25 of the Companies Act, 1956, Private Limited Companies, Limited Liability Companies and Foreign Companies.

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

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

During 2013-14, four Board meetings were held. The maximum time gap between two Board meetings does not exceed 120 days. The details of the meetings are as follows:-

SN.	Date of meeting	During the quarter	No. of Directors present
1	May 30, 2013	April 2013 – June 2013	8
2	August 09, 2013	July 2013 – September 2013	7
3	November 02, 2013	October 2013 – December 2013	8
4	February 10, 2014	January 2014– March 2014	7

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

3. AUDIT COMMITTEE

- **Terms of reference :**

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

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

Corporate Governance Report

2. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the Statutory Auditors, Tax Auditors and Internal Auditors of the Company and the fixation of their audit fees.
3. Approval of payment to Statutory Auditors for any other services rendered by them.
4. Reviewing, with the Management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - (a) Matters required to be included in the Director's Responsibility Statement forming a part of the Board's Report in terms of Section 217(2AA) of the Companies Act, 1956.
 - (b) Changes, if any, in accounting policies and practices and reasons for the same.
 - (c) Major accounting entries involving estimates based on the exercise of judgment by the Management.
 - (d) Significant adjustments made in the financial statements arising out of audit findings.
 - (e) Compliance with listing and other legal requirements relating to financial statements.
 - (f) Disclosure of any related party transactions.
 - (g) Qualifications in the Auditors' Report.
5. Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the Management, performance of Statutory and Internal Auditors and adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Reviewing, with Internal Auditors, any significant findings and follow-up there on.
9. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is a suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussion with Statutory Auditors, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividends) and creditors.
12. Carrying out any other function as mentioned in the terms of reference of the Audit Committee.

➤ **Composition, meetings and attendance during the year :**

During 2013-14, 12 meetings of the Audit Committee were held and the attendance of each member of the Committee is given below :-

Dates of meetings

May 03, 2013	May 29, 2013	June 17, 2013	August 09, 2013
September 11, 2013	September 30, 2013	October 29, 2013	November 02, 2013
December 09, 2013	February 01, 2014	February 10, 2014	February 24, 2014

Members of the Audit Committee have the requisite financial and management expertise. The Chairman of the Audit Committee attended the 67th Annual General Meeting of the Company.

Corporate Governance Report

Total strength of the Audit Committee : Three

Designation	Members	Category	Number of meetings held	Number of meetings Attended
Chairman	Shri Ratna Kumar Daga	Non-Executive, Independent Director	12	11
Member	Shri Sujit Bhattacharya	Non-Executive, Independent Director	12	11
Member	Shri Dipankar Chatterji	Non-Executive, Independent Director	12	9

4. REMUNERATION COMMITTEE

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

- **Composition, meetings and attendance during the year :**

During 2013-14, 2 meeting of the Remuneration Committee was held on May 30, 2013 and February 10, 2014.

Total strength of the Remuneration Committee : Three

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

The Remuneration Committee approved the re-appointment and increase in remuneration of the Executive Director in terms of the agreement entered by the Company with him.

- **Remuneration policy of the Company :**

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

The remuneration by way of commission to the Non-executive Directors is decided by the Board of Directors and distributed on an equal basis. The members had, at the Annual General Meeting held on August 11, 2012, approved the payment of remuneration by way of commission every year to the Non-Executive Directors of the Company ₹ 1,50,000 or 1% of the net profit for that year (calculated in accordance with the provisions of section 309(5) of the Companies Act, 1956), whichever is less, subject to the approval of Central Government as may be required, for the period of five years commencing from April 01, 2012 and ending on March 31, 2017. Due to inadequate profit no commission was paid/payable for the financial year 2013-14.

- **Details of the remuneration paid to the Directors during 2013-14**

● Non-Executive Directors

In addition to the commission as aforesaid, the Independent and Non-Executive Directors are entitled to a sitting fee of ₹ 20,000/- for attending each meeting of the Board and ₹ 15,000/- for the Audit Committee. The members of Remuneration Committee are paid a sitting fee of ₹ 10,000/- for attending each Committee Meeting. Further, no remuneration is paid for attending the meetings of the Share Transfer and Shareholders' Grievance Committee and Treasury Management Committee.

The Company obtained shareholders' approval for the payment of commission to Non-Executive Directors on August 11, 2012, for a period of five years. The amount of commission will be apportioned and paid among the Non-Executive Directors on the basis of duration of membership on the Board.

Corporate Governance Report

The details of sitting fees paid and commission payable during 2013-14 are as follows :

(In ₹)

Directors	Business relationship with HNG	Sitting fees	Commission	Total
Shri Chandra Kumar Somany*	Promoter	80,000	—	80,000
Shri Kishore Bhimani	None	100,000	—	100,000
Shri Sujit Bhattacharya	None	245,000	—	245,000
Shri Ratna Kumar Daga	None	245,000	—	245,000
Shri Dipankar Chatterji	None	205,000	—	205,000

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

• Executive Directors

The details of remuneration paid to Executive Directors during 2013-14 as per their respective agreements is as follows :

(In ₹)

Break-up of Remuneration	Shri Sanjay Somany *	Shri Mukul Somany*	Shri Rakesh Kumar Sharma
	Vice Chairman & Managing Director, Promoter's family	Vice Chairman & Managing Director, Promoters' family	Executive Director
Salary	2,96,81,496/-	2,96,81,496/-	56,13,826/-
Provident fund	24,01,200/-	24,01,200/-	3,96,000/-
Perquisites	Nil	Nil	Nil
Commission	Nil	Nil	Nil
Total	3,20,82,696/-	3,20,82,696/-	60,09,826/-

*Shri Sanjay Somany, Vice Chairman & Managing Director and Shri Mukul Somany, Vice Chairman & Managing Director, are brothers and are related to Shri Chandra Kumar Somany, Chairman of the Company.

Notes :

- The Company in its Annual General Meeting held on September 27, 2013 has appointed Shri Sanjay Somany and Shri Mukul Somany as Vice Chairman & Managing Director for a further period of 3 years w.e.f April 01, 2013.
- The Company in its Annual General Meeting held on September 27, 2013, re-appointed Shri Rakesh Kumar Sharma as an Executive Director for a period of two years w.e.f. March 01, 2013.
- As per agreement dated September 27, 2013, Shri Sanjay Somany & Shri Mukul Somany is eligible for a Commission @1.5% of the net profit computed in accordance with provisions of the Companies Act, 1956 subject to a ceiling of their annual basic salary respectively. Further, as per agreement dated April 1, 2013, Shri Rakesh Kumar Sharma is entitled to a commission of ₹ 13.2 Lakhs p.a.

Due to the inadequacy of profits during the financial year 2013-14, no commission was paid to executive/non-executive directors of the Company.

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

Corporate Governance Report

5. SHARE TRANSFER AND SHAREHOLDERS' GRIEVANCE COMMITTEE

- **Composition, meetings and attendance during the year :**

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

Designation	Members	Category	Number of meetings held	Number of meetings Attended
Chairman	Shri Kishore Bhimani	Non-Executive Independent Director	1	1
Member	Shri Ratna Kumar Daga	Non-Executive Independent Director	1	1
Member	Shri Sanjay Somany	Executive Director	1	0
Member	Shri Mukul Somany	Executive Director	1	1

During the year only one meeting was held on November 07, 2013. In compliance of Companies Act, 2013 the name of the Committee has been changed to "Stakeholder Relationship Committee."

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

- **Shareholders' complaints and pending share transfer :**

No investor grievance was pending at the beginning of the financial year 2013-14 nor at the end of the financial year 2013-14. During the financial year only one complaint/grievance were received and same was resolved within the stipulated time.

6. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Provisions of Companies Act, 2013 mandates the constitution of the CSR Committees to all listed companies. Accordingly the Company has constituted a CSR Committee at its Board Meeting held on May 20, 2014. The Committee comprises of Shri Sanjay Somany, Shri Mukul Somany and Shri Kishore Bhimani.

The Role and Responsibility 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 following areas for its CSR spending:
 - Eradication of hunger and poverty
 - Promotion of education
 - Promotion of gender equality and empowerment of women
 - Reducing child mortality and improving maternal health
 - Combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases.
 - Ensuring environmental sustainability
 - Employment enhancing vocational skills
 - Social business projects
 - Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.

7. WHISTLE BLOWER POLICY

The Board of Directors in its meeting held on May 20, 2014 approved the Whistle Blower Policy. Shri R. K. Daga (Chairman of the Audit Committee be and is hereby authorised to take necessary steps for the implementation of the same.

Corporate Governance Report

8. GENERAL BODY MEETINGS

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

General Meeting	Venue	Day and date	Time
67th Annual General Meeting	CII-Suresh Neotia Centre of excellence for leadership, DC-36, sector – I, Salt lake, Kolkata	Friday, September 27, 2013	10:00 am
66th Annual General Meeting	Indian Chamber of Commerce, ICC Towers, 4 India Exchange Place, 10th Floor, Kolkata 700 001	Saturday, August 11, 2012	2.00 pm
65th Annual General Meeting	Indian Chamber of Commerce, ICC Towers, 4 India Exchange Place, 10th Floor, Kolkata 700 001	Friday, August 19, 2011	3.30 pm

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

Shareholders' meeting	Special business requiring special resolution
67th Annual General Meeting	<ol style="list-style-type: none"> 1. Resolution requiring Re-appointment of Shri Rakesh Kumar Sharma as an Executive Director for the period of two years w.e.f March 1, 2013. 2. Resolution requiring Re-appointment of Shri Sanjay Somany as Vice Chairman and Managing Director of the Company. 3. Resolution requiring Re-appointment of Shri Mukul Somany as as Vice Chairman and Managing Director of the Company.
66th Annual General Meeting	Resolution requiring approval for commission payable to the non-executive Directors.
65th Annual General Meeting	No Special Resolution was passed.

Postal ballot

During the year under review, two times resolution was passed through postal ballot process :

1. Ordinary Resolution for creation/mortgage/hypothecation etc. on Company's movable or immovable properties for securing loan upto an aggregate amount of ₹ 4000 crores in terms of section 293(1)(a) of the Companies Act, 1956, and another Ordinary Resolution for enhancement of limit in terms of section 293(1)(d) of the Companies Act, 1956 to borrow additional funds up to ₹ 4000 crores.

Shri Mukesh Rathi, Practising Company Secretary, appointed as Scrutinizer by the Company received a total number of 34 ballots representing 86.75 % of total paid up capital of the Company out of which all were valid and 99.9998% had assented for the aforesaid resolution.

2. Special Resolution under section 309(5A) & (5B) of the Companies Act, 1956, for waiver of recovery of excess remuneration paid to Shri Sanjay Somany & Shri Mukul Somany, Vice Chairmen & Managing Directors of the Company.

Shri Mukesh Rathi, Practising Company Secretary, appointed as Scrutinizer by the Company received a total number of 39 ballots representing 86.75 % of total paid up capital of the Company out of which all were valid and 99.9984% had assented for the aforesaid resolution.

9. 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. The Register of Contracts containing the transactions in which the Directors are interested is placed before the Board regularly for its approval.
- Related party transactions in the ordinary course of business are reported to the Audit Committee. Such transactions are disclosed in Note No. 2.35 of Notes on Financial Statements in the Annual Report.

Corporate Governance Report

- During the last three years, there were no strictures or penalties imposed on the Company by either the Securities and Exchange Board of India (SEBI) or the Stock Exchanges, or any other statutory authority for non-compliance of any matter related to the capital market.
- The Company has a Whistle Blower Policy. The Company takes cognisance of the complaints made and suggestions given by the employees and others. Even anonymous complaints are looked into and whenever necessary, suitable corrective steps are taken. No employee of the Company was denied access to the Audit Committee of the Board of Directors of the Company.
- The Company conducts periodic reviews and reporting to the Board of Directors regarding risk assessment by senior executives with a view to minimise risk.
- None of the Non-Executive Directors hold any share in the Company except Shri Chandra Kumar Somany (holding 26,66,620 shares in his personal capacity).
- During 2013-14, the Company didn't make any public or rights issue.
- The financial statements for 2013-14 were prepared in accordance with the applicable Accounting Standards prescribed by the Institute of Chartered Accountants of India and as required under the Companies (Accounting Standards) Rules, 2006.
- The Vice Chairmen & Managing Directors and the Chief Financial Officer of the Company have certified to the Board in accordance with Clause 49(v) of the Listing Agreement pertaining to CEO/CFO Certification for the financial year ended March 31, 2014.
- Pursuant to the requirement of Clause 49 of the Listing Agreement as amended, the Company adopted a 'Code of Conduct for Directors and Senior Management' at the meeting of the Board of Directors held on August 13, 2010. The said Code is also placed on the website of the Company viz. www.hngil.com. The Directors and designated employees of the Company have complied with the provisions of the said Code of Conduct.
- The Management Discussion and Analysis forms a part of this Annual Report.
- According to Articles of Association of the Company, one-third of the Directors retires by rotation and, if eligible, seek re-appointment at the Annual General Meeting of the shareholders. The Board recommended the re-appointment of all the retiring Directors. The detailed profiles of all these Directors are provided in the "Notice for Annual General Meeting Section" of the Annual Report.
- The Central Government vide its Circular No. 2/2011, dated February 8, 2011 has granted general exemption to the companies under Section 212 of the Companies Act, 1956 from attaching the Financial Statements of the subsidiary companies. Accordingly, Financial Statements of the subsidiary companies are not annexed hereto. Shareholders of the Company as well as of the subsidiary companies who are interested in obtaining annual Financial Statements of the subsidiary companies and related detailed information may write to the Company Secretary at the Registered Office of the Company. These documents will also be available during business hours for inspection by the shareholders of the Company and of the subsidiary companies at the Registered Office of the Company and also at the Registered Offices of its Subsidiaries.

10. MEANS OF COMMUNICATION

The quarterly, half-yearly and annual financial results are published in the proforma prescribed under the Listing Agreement in one English Newspaper (normally in Financial Express) having wide circulation and another in vernacular language in Bengali (normally in Aarthik Lipi). However, only the annual results are sent to the shareholders of the Company. Moreover, the quarterly / annual results, investor presentations and official news releases are generally sent to the Stock Exchanges as well as also hosted on our website.

The Company's annual results along with various other information are displayed on the Company's web-site www.hngil.com

11. GENERAL SHAREHOLDERS' INFORMATION

- | | |
|--|--|
| ➤ Incorporation | The Company was incorporated in Calcutta, in the Province of Bengal, on February 23, 1946. |
| ➤ Corporate Identification Number (CIN) | L26109WB1946PLC013294 |

Corporate Governance Report

- **AGM : Date, time and venue** September 5, 2014 at 10.00 a.m.
CII – Suresh Neotia Centre of Excellence for Leadership, DC 36, sector I, behind City Centre, Salt Lake city, Kolkata 700 064.
- **Financial calendar** April to March
- 1st quarter results by 2nd week of August
 - 2nd quarter results by 2nd week of November
 - 3rd quarter results by 2nd week of February
 - 4th quarter results by 3rd week of May of next year
- **Date of book closure** August 31, 2014 to September 5, 2014 (both day 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 : mop@cse-india.com
Website:www.cse-ndia.com | 2] Bombay Stock Exchange Limited,
25, Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400 001
Email : is@bseindia.com
Website:www.bseindia.com | 3] National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai- 400 051
Email: ignse@nse.co.in
Website: www.nseindia.com |
|--|--|--|

- **Listing fees** Paid for the year 2014-15 for all the above stock exchanges.
- **Scrip code/Scrip Symbol**
- 10018003 on The Calcutta Stock Exchange Limited, Kolkata
 - 515145 on Bombay Stock Exchange Limited, Mumbai
 - HINDNATGLS on National Stock Exchange of India Limited, Mumbai

➤ **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 Bombay Stock Exchange Limited and National Stock Exchange of India Limited during the year and the respective high / low price data are as given below :

At Bombay Stock Exchange Limited

Month	High (₹)	Low (₹)	Volume (shares)
April, 2013	210.00	183.15	4539
May, 2013	214.55	184.50	84732
June, 2013	196.00	181.00	11539
July, 2013	188.80	150.00	7476
August, 2013	150.50	150.00	1659
September, 2013	199.00	150.00	6366
October, 2013	155.00	150.00	1929
November, 2013	157.50	150.00	3130
December, 2013	157.50	145.00	4597
January, 2014	157.50	143.10	23514
February, 2014	156.85	145.00	3859
March, 2014	159.95	135.30	6884

Source : www.bseindia.com

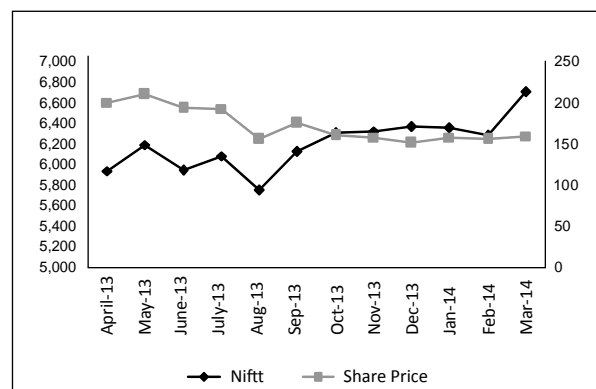
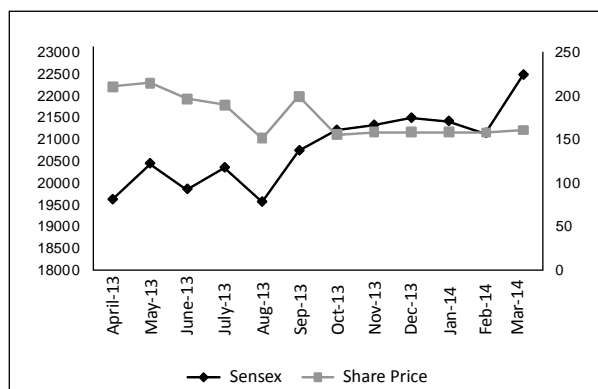
Corporate Governance Report

At National Stock Exchange Limited

Month	High (₹)	Low (₹)	Volume (shares)
April, 2013	200.00	181.00	9,242
May, 2013	209.95	186.65	62,928
June, 2013	192.70	180.00	11,635
July, 2013	192.00	150.00	4,421
August, 2013	155.00	150.00	727
September, 2013	175.00	150.00	3,358
October, 2013	160.00	150.00	1,697
November, 2013	157.50	150.00	360
December, 2013	151.00	150.00	2,770
January, 2014	157.50	144.05	3,956
February, 2014	154.95	145.00	5,610
March, 2014	158.85	140.05	11,242

Source : www.nseindia.com

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



➤ Registrar and Share Transfer Agent

In compliance with the SEBI directive, the Company appointed M/s Maheshwari Datamatics Pvt. Ltd., as its Registrar and Share Transfer Agent for all matters relating to shares both in physical as well in dematerialised mode. However, documents relating to shares are also received at the Company's registered office at 2, Red Cross Place, Kolkata 700 001, Tel. No: (033) 2254 3100, Fax No: (033) 2254 3130, e-mail address: cosec@hngil.com

➤ Share transfer system

The transfer of shares in physical form is processed and completed by M/s Maheshwari Datamatics Pvt. Ltd. within a period of 15 days from the date of receipt thereof, provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective depository participants.

Corporate Governance Report

➤ Distribution of shareholding as on March 31, 2014

Number of equity shares held	Folios	%	Shares	%
1 to 5,000	4,404	97.6713	707,344	0.8098
5001 to 10000	16	0.3548	132,093	0.1512
10001 to 20000	22	0.4879	319,984	0.3664
20001 to 30000	27	0.5988	614,449	0.7035
30001 to 40000	5	0.1109	187,500	0.2147
40001 to 50000	-	-	-	-
50001 to 100000	6	0.1331	445,234	0.5098
100001 and above	29	0.6432	84,931,961	97.2446
Grand total	4,509	100.0000	87,338,565	100.0000
Number of shareholders in :				
Physical mode	17	00.3770	11,755	0.0135
Electronic mode				
NSDL	2873	63.7170	81038281	92.7864
CDSL	1619	35.9060	6288529	7.2002
Total	4509	100.0000	87338565	100.00

➤ Shareholding pattern as on March 31, 2014

Category	Number of shares	%
Promoters and associates	61,123,840	69.9849
Institutions	6418621	7.3491
Domestic companies	2835257	3.2463
Resident individuals	16943292	19.3996
Foreign residents and NRIs	17196	0.0197
Trust	0	0.00
Clearing Member	359	0.0004
Total	87,338,565	100

➤ Dematerialisation of shares and liquidity

As on March 31, 2014, 87,326,810 shares comprising 99.9866% of the paid-up capital of the Company are in dematerialised mode. Chandra Kumar Somany Group, promoter of the Company, holds around 69.9849% of the paid-up capital of the Company as on March 31, 2014 and as on March 31, 2013, of which all the shares are held in dematerialised mode.

➤ **Demat ISIN Number 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 :

- | | |
|--|---|
| <ol style="list-style-type: none"> 2, Panchu Gopal Bhaduri Sarani,
Rishra-712 248,
Dist. Hooghly, West Bengal
Phone : (033) 2600 0200, Fax : (033) 2600 033 | <ol style="list-style-type: none"> Bahadurgarh-124507,
Dist : Jhajjar, Haryana.
Phone : (01276) 221400,
Fax : (01276) 221666 |
|--|---|

Corporate Governance Report

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

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

7. APIIC Industrial park,
Menakuru village, Naidupeta
SPSR Nellore, Andrapradesh
Phone: 91-8623-211001

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

6. Nashik Glass Work,
F1, MIDC Malegaon,
Dist. Sinnar, Nashik - 422113
Phone : (025511) 228900
Fax : (025511) 228999

➤ **Address for correspondence**

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

➤ **E-mail ID for investors' grievance**

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

➤ **The Board**

At present, the Chairman of the Company, Shri Chandra Kumar Somany does not have a separate office in the Company. The corporate office supports the Chairman in discharging his responsibilities.

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

➤ **Treasury Management Committee**

The Board of Directors at its meeting held on May 9, 2005, constituted a Committee of its member known as the Treasury Management Committee to approve and authorise transactions involving the day-to-day management of the funds with more efficiency. The Committee comprises of Shri Sanjay Somany, Shri Mukul Somany, Shri Ratna Kumar Daga and Shri Dipankar Chatterji as its members. During 2013-14, 11 meetings of the Treasury Management Committee were held.

➤ **Remuneration Committee**

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

➤ **Information to Shareholders**

Half-yearly results including summary of the significant events are currently not being sent to the shareholders of the Company. However, quarterly results are posted at the Company's website, in addition to being published into two newspapers, one in English and another in vernacular language.

➤ **Code of Conduct for
Prevention of Insider Trading**

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

For and on behalf of the Board

Chandra Kumar Somany
Chairman

Place : Kolkata
Date : May 20, 2014

Compliance Certificate

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 2013-14 in terms of Clause 49(I)(D)(ii) of the Listing Agreement with the Stock Exchanges.

Place : Kolkata
Date : May 20, 2014

Sanjay Somany
Vice Chairman & Managing Director
Mukul Somany
Vice Chairman & Managing Director

CERTIFICATE

The members of **Hindusthan National Glass & Industries Limited**

We have examined the compliance of the conditions of Corporate Governance by Hindusthan National Glass & Industries Ltd. for the year ended March 31, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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

In our opinion and to the best of information and explanations given to us, as well as according to the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement in all material aspects excepting the framework for risk management and its controls are in the process of being formalised/updated.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place : Kolkata
Date : May 20, 2014

For **LODHA & CO.**
(Chartered Accountants)
Firm's ICAI Registration No. 301051E
(H. K. Verma)
Partner
Membership Number : 055104

Independent Auditors' Report

To the Members of
Hindusthan National Glass & Industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Hindusthan National Glass & Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

As stated in Note no. 2.35.1 of the Financial Statements due to inadequacy of profit managerial remuneration to the extent of ₹ 1,121.70 Lakhs (including ₹ 579.43 Lakhs pertaining to previous year) has become in excess of the limits laid down in the Companies Act, 1956 awaiting Central Government approval. Pending such approvals, impact thereof on the Financial Statements is not ascertainable.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for possible effect of the matter described in the Basis for Qualified Opinion paragraph, the financial statements read with notes thereon give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

1. Attention is invited to Note No 2.13.1 regarding carry forward of Minimum Alternate Tax (MAT) Credit Entitlement of ₹ 2,587.57 Lakhs based on future taxable income projected by the Company.

Independent Auditors' Report

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order"), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The report on the accounts of the branch offices audited under section 228 by a person other than the Company's auditor has been forwarded to us as required by clause (c) of sub-section (3) of section 228 and have been dealt with in preparing our report in the manner considered necessary by us;
 - (d) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (e) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 to the extent applicable;
 - (f) On the basis of written representations received from the Directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **LODHA & CO.**

Chartered Accountants

Firm's ICAI Registration No. : 301051E

H. K. Verma

Partner

Membership No : 055104

Place : Kolkata

Date : May 20, 2014

Annexure to the Independent Auditors' Report

(Referred to in Paragraph 1 of our Report of even date)

- i) a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. All the assets have not been physically verified by the Management during the year but there is regular programme of verification, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verifications.
- c. During the year, the Company has not disposed off substantial part of its fixed assets.
- ii) a. The inventory except stock lying with third parties, in few of the units and in transit has been physically verified by the Management at regular intervals during the year. In our opinion and according to the information and explanations given to us, the frequency of verification is reasonable.
- b. In our opinion, having regard to Para (ii) (a) above, the procedure for the physical verification of the inventory followed by the Management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. In our opinion and according to the information and explanation given to us, the Company is maintaining proper records for inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material to the extent verified.
- iii) a. The Company has not granted any loans, secured or unsecured, to companies covered in the register maintained under section 301 of the Act. Therefore the provisions of clause 4(iii) (a) to (d) of the Order are not applicable to the Company.
- b. The Company had not taken any unsecured loan from companies covered in the register maintained under section 301 of the Act. Therefore the provisions of clause 4(iii) (e) to (g) of the Order are not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items are of special nature for which alternative quotations are not available, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to the purchases of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the Company.
- v) a. To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Act have been so entered.
- b. In our opinion, having regard to the remarks as given in Para (iv) above, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of Act and aggregating during the year to Rupees Five Lakhs or more in respect of each party have been at prices which are considered reasonable having regard to prevailing market price for such goods and materials.
- vi) The Company has not accepted any deposits from the public during the year.
- vii) In our opinion, the Company has an adequate internal audit system commensurate with its size and nature of its business.
- viii) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by Central Government for the maintenance of cost records under section 209(1)(d) of the Act and are of the opinion that prima facie, the prescribed records have been made and maintained. We have however not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- ix) a. The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Wealth Tax, Service Tax, Income Tax, Sales Tax, Custom Duty, Excise Duty, Cess and other material statutory dues with the appropriate authorities. There are no undisputed statutory dues payable for a period of more than six months from the date these dues became payable as at March 31, 2014.
- b. According to the information and explanations given to us, the statutory dues which have not been deposited as on March 31, 2014 on account of disputes are as under :

Annexure to the Independent Auditors' Report

Name of the Statute	Nature of the dues	Amount (₹ In Lakhs)	Period to which amount relates	Forum where the dispute is pending
Bombay Sales Tax Act 1959	Sales Tax	5.13	1997-98	Commissioner Sales Tax, Pune
Finance Act, 1994	Service Tax	96.73	2005-06 to 2007-08	CESTAT
		2.95	2006-07 to 2008-09	CESTAT
Maharashtra Value Added Tax Act, 2002	Sales Tax	36.44	2004-05	Jt. Commissioner (Sales Tax Appeal), Nashik
		114.00	2005-06 & 2006-07	Maharashtra Sales Tax Tribunal, Mumbai
The Central Excise Act, 1944	Excise Duty	16.60	2002 to 2006	CESTAT
		3.99	2006 to 2007	CESTAT
		13.06	1993-97	Dy. Commissioner Central Excise
		22.26	1994-97	CESTAT
		483.19	1995-97	Supreme Court
		25.10	1995-96	CESTAT
		67.84	1999-2000	Supreme Court
		195.00	2001-02, 2002-03, 2003-04, 2004-05 & 2005-06	Supreme Court
		33.88	2002-03	CESTAT
		0.30	2002-03	CESTAT
		105.31	2003-04	Supreme Court
		5.79	2004-05, 2005-06	Addl. Commissioner Central Excise
		115.11	2006-07	Commissioner Central Excise
		3.94		Commissioner of Service Tax
		5.03		Joint Commissioner Central Excise
		4.47	2007-08	Assistant Commissioner Central Excise
		0.61	2007-08	High Court, Madras
		4.15	2007-08 to 2010-11	Bombay High Court
		267.22	2007-08, 2008-09 and 2009-2010	Commissioner of Service Tax
		86.19	2008-09	Assistant Commissioner Central Excise
The Central Excise Act, 1944	Service Tax	7.38	2010-11	Assistant Commissioner Central Excise
		7.71	2010-11	Commissioner Appeal
		0.61	2010-11	Commissioner Appeals Central Excise
		4.77	2011-12	Assistant Commissioner Central Excise
		9.05	2004-05	CESTAT
		0.82	2006-07	CESTAT
		0.27	2006-07 & 2007-08	CESTAT
		0.01	2007-08 & 2008-09	CESTAT

Annexure to the Independent Auditors' Report

Name of the Statute	Nature of the dues	Amount (₹ In Lakhs)	Period to which amount relates	Forum where the dispute is pending
The Sales Tax Act, 1932		0.99	2008-09	CESTAT
		4.17	2008-09	Dy. Commissioner Central Excise
		0.64	2009-10	Dy. Commissioner Central Excise
		1.19	2010-11	Asst. Commissioner Central Excise
	Sales Tax	6.68	2003-2004	T.T. Tribunal, Dehradun
		582.70	2006-07	JCST
		258.02	2008-09	Senior Joint Commissioner of Commercial Tax Appeal
		12.48	2009-10	Senior Joint Commissioner of Sales Tax
		198.27	2010-2011	Senior Joint Commissioner of Sales Tax
		721.11	2013-14	Mumbai High Court

- x) The Company has no accumulated losses at the end of the financial year. It has not incurred cash losses in the current year. However, it has incurred cash losses in the immediately preceding financial year.
- xi) In our opinion and on the basis of information and explanations given to us by the Management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The Company is not a chit fund or a nidhi mutual benefit fund/society. Accordingly, the provisions of clause 4 (xiii) of the Order are not applicable to the Company.
- xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Order are not applicable to the Company.
- xv) In our opinion, the terms and conditions on which the Company has given guarantee for loans taken by body corporate from bank are not prima facie prejudicial to the interest of the Company.
- xvi) According to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
- xvii) According to the information and explanations and on an overall examination of the Balance Sheet of the Company, we report that the Company has used funds to the extent of ₹ 4,845.44 Lakhs raised on short term basis mainly on account of losses and fixed assets.
- xviii) During the year, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix) The Company has not issued any secured debenture during the year. Accordingly, clause 4(xix) of the Order is not applicable to the Company.
- xx) The Company has not raised any money through a public issue during the year.
- xxi) Based upon the audit procedures performed and information and explanations given to us, we report that no material fraud on or by the Company has been noticed or reported during the course of our audit.

Place : Kolkata
Date : May 20, 2014

For **LODHA & CO.**
Chartered Accountants
Firm's ICAI Registration No. : 301051E
H. K. Verma
Partner
Membership No : 055104

Balance Sheet as at March 31, 2014

₹ in Lakhs

Particulars	Note No.	As at March 31, 2014	As at March 31, 2013
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2.1(a)	1,746.77	1,746.77
(b) Reserves and Surplus	2.1(b)	74,893.04	96,835.09
(2) Share application money pending allotment	2.2	–	1,460.00
(3) Non-Current Liabilities			
(a) Long-term Borrowings	2.3	168,278.53	176,724.76
(b) Deferred Tax Liabilities (Net)	2.4	–	2,099.08
(c) Other Long-term Liabilities	2.5	1,600.33	2,107.76
(d) Long-Term Provisions	2.6	653.56	771.36
(4) Current Liabilities			
(a) Short-Term Borrowings	2.7	53,564.97	63,112.99
(b) Trade Payables	2.8	37,729.03	32,412.02
(c) Other Current Liabilities	2.9	53,611.01	54,509.83
(d) Short-Term Provisions	2.10	5,297.12	9,044.23
Total		397,374.36	440,823.89
II. ASSETS			
(1) Non current assets			
(a) Fixed Assets			
(i) Tangible Assets	2.11	250,402.05	268,362.36
(ii) Intangible Assets	2.11	86.13	332.56
(iii) Capital Work-in-Progress		14,578.30	14,795.74
(b) Non-Current Investments	2.12	14,472.86	18,089.23
(c) Long-Term Loans and Advances	2.13	6,587.32	13,179.82
(d) Other Non-Current Assets	2.14	136.07	130.44
(2) Current Assets			
(a) Inventories	2.15	51,666.87	49,821.64
(b) Trade Receivables	2.16	37,394.34	48,960.98
(c) Cash and Bank Balances	2.17	2,912.48	3,793.84
(d) Short-Term Loans and Advances	2.18	17,437.98	23,228.13
(e) Other Current Assets	2.19	1,699.96	129.15
Total		397,374.36	440,823.89
Summary of Significant Accounting Policies	1		
Notes on Financial Statements	2.1 to 2.46		

The notes are an integral part of the Financial Statements.

As per our report of even date

For **LODHA & CO.**

Chartered Accountants

Chandra Kumar Somany
Chairman

Mukul Somany
Vice Chairman and
Managing Director

H. K. Verma
Partner

Ajay Kumar Rai
Company Secretary

Bimal Kumar Garodia
Sr. Vice President and
Chief Financial Officer

Place : Kolkata

Date : May 20, 2014

Statement of Profit & Loss for the year ended March 31, 2014

₹ in Lakhs

Particulars	Note No.	For the Year ended March 31, 2014	For the Year ended March 31, 2013
REVENUE			
Revenue from Operations (Gross)	2.20	198,528.47	199,941.77
Less : Excise Duty		17,089.96	17,358.42
I. Revenue from Operations (Net)		181,438.51	182,583.35
II. Other Income	2.21	8,910.29	649.39
III. Total Revenue (I + II)		190,348.80	183,232.74
EXPENSES			
Cost of Materials Consumed	2.22	53,832.26	54,850.60
Changes In Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	2.23	(1,634.67)	(15,424.59)
Employee Benefit Expenses	2.24	16,271.61	16,265.66
Other Expenses	2.25	95,443.15	111,972.49
IV. Total Expenses		163,912.35	167,664.16
V. Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) (III - IV)		26,436.45	15,568.58
VI. Depreciation and Amortization Expense	2.11	24,841.27	19,994.07
Transferred from Revaluation Reserve	2.1(b)	(139.82)	(162.72)
		24,701.45	19,831.35
VII. Finance Costs	2.26	25,652.26	20,356.72
VIII. Profit / (Loss) Before Tax (V-VI-VII)		(23,917.26)	(24,619.49)
IX. Tax expense			
(1) Current Tax		—	—
(2) Deferred Tax Charge/(Credit)	2.4	(2,099.08)	(7,439.20)
Total Tax Expenses	2.27	(2,099.08)	(7,439.20)
X. Profit/ (Loss) for the year (VIII-IX)		(21,818.18)	(17,180.29)
XI. Earnings per Equity Share :	2.28		
(1) Basic		(24.98)	(19.67)
(2) Diluted		(24.98)	(19.67)
Number of shares used in computing earnings per share			
(1) Basic		87,338,565	87,338,565
(2) Diluted		87,338,565	87,338,565
Summary of Significant Accounting Policies	1		
Notes on Financial Statements	2.1 to 2.46		

The notes are an integral part of the Financial Statements.

As per our report of even date

For **LODHA & CO.**

Chartered Accountants

Chandra Kumar Somany
Chairman

Mukul Somany
Vice Chairman and
Managing Director

H. K. Verma
Partner

Ajay Kumar Rai
Company Secretary

Bimal Kumar Garodia
Sr. Vice President and
Chief Financial Officer

Place : Kolkata

Date : May 20, 2014

Cash Flow Statement

for the year ended March 31, 2014

₹ in Lakhs

Particulars	Note No.	For the year ended March 31, 2014	For the year ended March 31, 2013
CASH FLOW FROM OPERATING ACTIVITIES			
Profit/ (Loss) Before Tax		(23,917.26)	(24,619.49)
Non-Cash adjustments to reconcile Profit Before Tax To Net Cash Flows			
Depreciation/Amortisation		24,701.45	19,831.35
Loss/(profit) on sale/discard of fixed assets		276.43	783.19
Unrealised foreign exchange (gain)/ loss		636.01	(328.19)
Bad Debts and Provision for Doubtful Debts		561.34	116.05
Provision for Loss on Derivative Transactions		123.58	355.37
Interest Income		(140.55)	(289.95)
Dividend Income on Long term Investments		(4.31)	(40.44)
Net Loss/(Gain) on sale of Current Investments		(74.32)	(16.55)
Net Loss/(Gain) on sale of Long Term Investments		(7,598.06)	–
Finance Costs		25,652.26	20,356.72
Liability no longer required written back		(293.13)	(762.60)
Operating Profit before Working Capital Changes		19,923.44	15,385.46
Movement in Working Capital :			
Increase/(Decrease) in Trade Payables and Other Liabilities		(1,190.80)	25,646.01
Decrease/(Increase) in Trade Receivables		11,001.63	(14,774.39)
Decrease/(Increase) in Inventories		(1,845.24)	(19,707.57)
Decrease/(Increase) in Loans and Advances		5,916.34	(510.90)
Cash Generated from/(used in) Operations		33,805.37	6,038.61
Direct taxes paid (net of refunds)		(27.02)	96.92
Net Cash Flow from/(used in) Operating Activities (A)		33,778.35	6,135.53
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets, including intangible assets, CWIP and capital advances		(8,111.24)	(42,342.09)
Proceeds from sale of fixed assets		1,632.30	33.41
Proceeds from sale of non-current investment		13,460.75	0.50
Purchase of non-current investment		(2,246.33)	–
Redemption /(Investment) in bank deposits with maturity more than 3 months		(0.41)	(1.87)
Purchase of current investment		(10,000.00)	(6,500.00)
Refund of Share Application money paid		8,531.33	–
Share Application money paid		(1,596.33)	(3,755.00)
Proceeds from sale/maturity of current investments		10,074.32	6,516.55
Interest received		100.41	274.32
Dividend received from subsidiary company		2.64	39.60
Dividend received from others		1.67	0.84
Net Cash Flow from/(used in) Investing Activities (B)		11,849.11	(45,733.74)

Cash Flow Statement for the year ended March 31, 2014

₹ in Lakhs

Particulars	Note No.	For the year ended March 31, 2014	For the year ended March 31, 2013
CASH FLOW FROM FINANCING ACTIVITIES			
Receipt/(Refund) of Share Application money		(1,460.00)	1,460.00
Proceeds from borrowings		26,758.00	68,826.90
Repayment of borrowings		(45,908.43)	(7,052.73)
Interest paid		(25,809.17)	(19,638.62)
Dividend paid on Equity Shares including Dividend Distribution Tax		(84.00)	(1,260.61)
Net Cash Flow from/(used in) Financing activities (C)		(46,503.60)	42,334.94
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		(876.14)	2,736.73
Cash and cash equivalents at the beginning of the year		3,787.62	1,050.89
Cash and Cash Equivalents at the end of the year		2,911.48	3,787.62
Components of Cash and Cash Equivalents			
Balances with Banks :			
In current accounts		90.65	214.70
In cash credit accounts		958.76	1,044.53
In deposit accounts (With original maturity of less than 3 months)		—	2,507.44
In dividend accounts		2.22	2.11
Cheques in hand		1,843.25	2.15
Cash on hand		16.60	16.69
Total Cash and Cash Equivalents	2.17	2,911.48	3,787.62
Summary of Significant Accounting Policies	1		

The above Cash Flow Statements has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 on "Cash Flow Statements" as prescribed by the Companies (Accounting Standard) Rules, 2006.

The notes are an integral part of the Financial Statements.

As per our report of even date

For **LODHA & CO.**

Chartered Accountants

Chandra Kumar Somany
Chairman

Mukul Somany
Vice Chairman and
Managing Director

H. K. Verma
Partner

Ajay Kumar Rai
Company Secretary

Bimal Kumar Garodia
Sr. Vice President and
Chief Financial Officer

Place : Kolkata

Date : May 20, 2014

Summary of Significant Accounting Policies and Notes on Financial Statements

1. Significant Accounting Policies

a. Accounting Convention

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

b. Use of Estimates

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

c. Fixed Assets

- i. Fixed Assets are stated at cost of acquisition or cost of construction or at revalued amounts wherever such assets have been revalued or at fair value as the case may be.
- ii. All direct expenditure relating to construction of project are capitalised as **"Pre-operative & Trial Run Expenses (pending allocation)"**. Administrative and general overheads which are specifically attributable to the construction of the project and /or bringing it to the working conditions for intended use (Net of Revenue during the said period) are also capitalised as **"Pre-operative & Trial Run Expenses (Pending allocation)"**.

d. Depreciation and Amortization

Tangible Assets

- i. Depreciation except otherwise stated has been provided at the rates specified under Schedule XIV to the Companies Act, 1956 on assets installed/acquired up to March 31, 1990 on written down value method and in respect of additions thereafter on straight line method.
- ii. Certain Plant and Equipments have been considered as continuous process plant as defined under Schedule XIV to the Companies Act, 1956 on the basis of technical evaluation.
- iii. Depreciation on increase in value of Fixed Assets due to revaluation is provided on the basis of remaining useful life as estimated by the valuer on the straight line method and is transferred from Revaluation Reserve to Statement of Profit and Loss.
- iv. Depreciation on incremental cost arising on account of exchange difference is amortised on straight line method over the remaining life of the assets.
- v. Second hand machines are depreciated on straight line method based on their useful lives as estimated by independent technical experts.

Intangible Assets

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

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

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

Summary of Significant Accounting Policies and Notes on Financial Statements

e. **Impairment**

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

f. **Investments**

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

g. **Inventories**

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

h. **Foreign Exchange Transactions and Derivatives**

Transactions in foreign currencies are accounted for at the exchange rate prevailing on the date of the transaction. Foreign currency monetary assets and liabilities at the year-end are translated using closing exchange rates. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transactions during the year are recognised as revenue or expenses in the Statement of Profit and Loss except in respect of non current liabilities related to fixed assets/capital work-in-progress in which case, these are adjusted to the cost of respective fixed assets/ capital work-in-progress.

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

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

i. **Revenue Recognition**

- i) All expenses and revenues are accounted for on mercantile basis except otherwise stated.
- ii) Revenues from Export Incentives, Insurance and other claims, etc. is recognised on the basis of certainties of its utilisation and related realisation.
- iii) Sales are inclusive of Packing Charges and Excise Duty but exclusive of Value Added Tax, Rebates, Discounts and Claims etc.

j. **CENVAT / Value Added Tax (VAT) Credit**

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

k. **Employee Benefits**

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

Summary of Significant Accounting Policies and Notes on Financial Statements

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

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

l. **Research and Development**

Revenue expenditure on Research and Development is charged to the Statement of Profit and Loss in the year in which it is incurred.

m. **Subsidies and Grants**

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

n. **Borrowing Costs**

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

o. **Income Tax**

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

p. **Lease**

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

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

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

q. **Provisions, Contingent Liabilities and Contingent Assets**

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

r. **Measurement of EBITDA**

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) as a separate line item on the face of the Statement of Profit and Loss. The Company measures EBITDA on the basis of profit/(loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

Notes to Financial Statements as at and for the year ended March 31, 2014

₹ in Lakhs

NOTE 2.1 (a) SHARE CAPITAL

Particulars	As at March 31, 2014	As at March 31, 2013
Authorised Share Capital	51,150.00	51,150.00
2,55,75,00,000 (2,55,75,00,000) Equity Shares of ₹ 2/- each		
Issued, Subscribed and fully paid - up Share Capital	1,746.77	1,746.77
8,73,38,565 (8,73,38,565) Equity Shares of ₹ 2/- each		
Out of above 3,21,21,725 (3,21,21,725) Equity Shares have been issued pursuant to a Scheme of Amalgamation and Arrangement for consideration other than cash.		
	1,746.77	1,746.77

2.1(a).1 The Company has only one class of equity shares having a par value of ₹ 2 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after discharge of all liabilities, in proportion of their shareholding.

2.1(a).2 There is no change in the number of shares outstanding at the beginning and at the end of the reporting period.

2.1(a).3 Details of the Shareholders holding more than 5% shares along with number of shares held:

Name of Shareholders	Number of Shares held 31 March, 2014	Number of Shares held 31 March, 2013
Brabourne Commerce Private Limited	21,414,485	21,414,485
Spotlight Vanijya Limited	16,199,975	16,199,975
Dilip S Damle (Trustee HNG and ACE Trust)	14,641,600	14,641,600
Ironwood Investment Holdings	6,348,025	6,348,025
Rungamattee Trexim Private Limited	4,420,550	4,420,550
Spotme Tracon Private Limited	4,420,545	4,420,545

NOTE 2.1 (b) RESERVE AND SURPLUS

Particulars	Ref Note No.	As at March 31, 2014	As at March 31, 2013
Capital Reserves	2.1(b).1		
As per last Balance Sheet		5,592.95	5,592.95
Securities Premium Account			
As per last Balance Sheet		5,823.09	5,823.09
Debenture Redemption Reserve			
As per last Balance Sheet		5,625.00	5,625.00
Revaluation Reserve			
As per last Balance Sheet	2.11.3a - 2.11.3c	9,049.12	9,212.21
Less : Transfer to Statement of Profit and Loss		(139.82)	(162.72)
Less : Adjustments on discarding / sale of assets		(1.20)	(0.37)
		8,908.10	9,049.12

Notes to Financial Statements as at and for the year ended March 31, 2014

₹ in Lakhs

NOTE 2.1 (b) RESERVE AND SURPLUS

Particulars	Ref Note No.	As at March 31, 2014	As at March 31, 2013
General Reserve	2.1(b).1		
As per last Balance Sheet		70,744.93	77,485.15
Less : Transfer to Surplus		–	(6,740.22)
		70,744.93	70,744.93
Surplus			
As per last Balance Sheet		–	10,286.57
Add : Net Profit/(Loss) after Tax transferred from Statement of Profit and Loss		(21,818.18)	(17,180.29)
Add : Transfer from General Reserve		–	6,740.22
Add : Provision for Proposed Dividend including Dividend Distribution Tax written back - On Foregoing of right to receive dividend by HNG Trust and ACE Trust	2.1(b).2	17.15	255.25
Amount available for appropriation		(21,801.03)	101.75
Appropriations :			
Proposed Equity Dividend		–	87.34
Tax on proposed equity dividend		–	14.41
Net Surplus in the Statement of Profit and Loss		(21,801.03)	–
Total Reserves and Surplus		74,893.04	96,835.09

2.1(b).1 In terms of Scheme of Arrangement pursuant to the Order of Hon'ble High Court, Calcutta dated April 7, 2008 and by the Hon'ble High Court, Delhi dated March 19, 2008 (the Scheme) sanctioning the amalgamation of Ace Glass Containers Limited (AGCL) with the Company, 13,68,872 and 21,41,448 equity shares of ₹ 10/- each of the Company issued in lieu of the shares of the Company held by AGCL and shares of AGCL held by the Company were transferred to ACE Trust and HNG Trust respectively in earlier years for the sole benefit of the Company. Out of the shares so transferred 68,44,360 and 77,97,240 equity shares of ₹ 2/- each of the Company (after subdivision of 1 equity share of ₹ 10/- each into 5 equity shares of ₹ 2/- each w.e.f. 13/11/2009) are held by ACE Trust and HNG Trust respectively as on March 31, 2014. In view of the shares being held for the sole benefit of the Company as mentioned above, the book value of ₹ 6,014.85 Lakhs of these investments have 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.

2.1(b).2 In respect of 1,46,41,600 Equity Shares held by HNG Trust and ACE Trust, the Trustees had informed the Company of their decision to forego their rights to dividend on shares held by them for the year 2012-13 and accordingly proposed dividend and dividend distribution tax amounting to ₹ 14.64 Lakhs (₹ 219.62 Lakhs) and ₹ 2.51 Lakhs (₹ 35.63 Lakhs) respectively has been written back during the year.

NOTE 2.2 SHARE APPLICATION MONEY PENDING ALLOTMENT

The Shareholders in its meeting held on December 18, 2012 had approved the proposal of allotment of 110,00,000 equity shares of ₹ 2 each for cash at price of ₹ 200, including a premium of ₹ 198 each aggregating to ₹ 220,00,00,000 to M/s Rungamattee Trexim Private Limited, Spotlight Vanijya Limited and Spotme Tracon Private Limited on a preferential basis. The Company had received share application money of ₹ 1,460.00 Lakhs for 7,30,000 equity shares. Equity Shares were required to be allotted within 15 days from the receipt of all necessary approvals from statutory authorities (stock exchanges wherever Company's shares are listed, in this case). In view of inordinate delay in receiving such approvals, the Company has refunded the application money so received during the year.

Notes to Financial Statements as at and for the year ended March 31, 2014

₹ in Lakhs

NOTE 2.3 LONG TERM BORROWINGS

Particulars	Ref Note No.	As at March 31, 2014		As at March 31, 2013	
		Non-Current	Current Maturities	Non-Current	Current Maturities
SECURED LOANS					
(a) Debentures	2.3.1				
(i) 10.40% Redeemable Non-Convertible Debentures privately placed with Life Insurance Corporation of India		20,000.00	—	20,000.00	—
(ii) 11.75% Redeemable Non-Convertible Debentures privately placed with General Insurance Corporation of India		1,666.67	833.33	2,500.00	—
(b) Term Loans					
From Banks	2.3.2 & 2.3.6	112,042.67	29,678.35	110,348.44	28,328.50
From Financial Institutions	2.3.3 & 2.3.6	22,241.00	2,332.33	23,209.58	416.66
(c) Vehicle Finance Loan	2.3.6 & 2.3.7				
From Bank		360.41	366.90	727.31	423.76
From Others		—	—	—	62.82
UNSECURED LOANS					
(d) Term Loans					
From Bank	2.3.2 & 2.3.8	7,500.00	500.00	10,000.00	—
From Others	2.3.4 & 2.3.8	3,125.00	312.50	8,375.00	625.00
(e) Deferred Payment Liabilities					
Sales Tax Deferrment Loan	2.3.5	1,342.78	221.65	1,564.43	—
		168,278.53	34,245.06	176,724.76	29,856.74

2.3.1 Security and Repayment Details of Non Convertible Debentures

Particulars	Repayment in Financial year			
	2014-15	2015-16	2016-17	2021-22
10.40% Secured Non-Convertible Debentures allotted on 03.02.2012 are due for redemption at par at the end of the tenure i.e 03.02.2022. However, there is a put and call option available to the issuer/investor which can be exercised at the end of seventh year from the deemed date of allotment.	—	—	—	10,000.00
10.40% Secured Non-Convertible Debentures allotted on 23.11.2011 are due for redemption at par at the end of the tenure i.e 23.11.2021. However, there is a put and call option available to the issuer/investor which can be exercised at the end of seventh year from the deemed date of allotment.	—	—	—	10,000.00
11.75% Secured Non-Convertible Debentures allotted on 18.06.2009 are due for redemption at par in three equal instalments at the end of 5th, 6th & 7th year from the deemed date of allotment.	833.33	833.33	833.34	—

All the aforesaid 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, save and except specific assets exclusively hypothecated in favour of respective lenders.

Notes to Financial Statements as at and for the year ended March 31, 2014

₹ in Lakhs

2.3.2 Repayment details of Term Loans from Banks outstanding as on March 31, 2014 are as follows :

	Foreign Currency Term Loan	10.75% - 12.25%	12.30% - 13.75%	Total
2014-2015	9,980.28	11,641.60	8,556.47	30,178.35
2015-2016	2,998.00	4,450.00	14,700.00	22,148.00
2016-2017	8,394.40	766.67	14,100.00	23,261.07
2017-2018	10,193.20	937.50	15,100.00	26,230.70
2018-2019	11,992.00	937.50	13,100.00	26,029.50
2019-2020	2,398.40	937.50	13,100.00	16,435.90
2020-2021	—	937.50	4,500.00	5,437.50
Total	45,956.28	20,608.27	83,156.47	149,721.02

2.3.3 Repayment details of Term Loans from Financial Institutions outstanding as on March 31, 2014 are as follows :

2014-2015	1,499.00	833.33	—	2,332.33
2015-2016	2,248.50	833.33	—	3,081.83
2016-2017	2,998.00	1,354.17	—	4,352.17
2017-2018	3,747.50	1,875.00	—	5,622.50
2018-2019	4,497.00	1,875.00	—	6,372.00
2019-2020	—	1,875.00	—	1,875.00
2020-2021	—	937.50	—	937.50
Total	14,990.00	9,583.33	—	24,573.33

2.3.4 Repayment details of Term Loans from Others outstanding as on March 31, 2014 are as follows :

2014-2015	—	312.50	—	312.50
2015-2016	—	1,250.00	—	1,250.00
2016-2017	—	1,250.00	—	1,250.00
2017-2018	—	625.00	—	625.00
Total	—	3,437.50	—	3,437.50

2.3.5 Deferred Sales Tax loans outstanding March 31, 2014 are interest free and are payable as per the repayment schedule as follows :

2014-2015	221.65
2015-2016	494.10
2016-2017	450.20
2017-2018	398.48
Total	1,564.43

2.3.6 Term loans from Banks and Financial Institutions are secured by first charge ranking pari-passu on all immovable properties by way of equitable mortgage and hypothecation of all moveable properties both present and future of the Company and second charge ranking pari-passu on entire current assets of the Company, both present and future, save and except specific assets exclusively hypothecated in favour of respective lenders. Vehicle Finance Loans are secured against vehicles obtained under finance lease arrangements.

Notes to Financial Statements as at and for the year ended March 31, 2014

₹ in Lakhs

2.3.7 Repayment Details of Vehicle Finance Loan from Bank outstanding March 31, 2014 are as follows :

	Total
2014-15	366.90
2015-16	276.59
2016-17	83.82
Total	727.31

2.3.8 Term Loans are against pledge of shares of the Company held by HNG & ACE Trust.

NOTE 2.4 DEFERRED TAX LIABILITIES (Net)

Particulars	Ref Note No.	As at March 31, 2014	Current Year Charge/ (Credit)	As at March 31, 2013
Deferred Tax Liabilities				
Depreciation and related items		26,489.79	457.77	26,032.02
Gross Deferred Tax Liability		26,489.79	457.77	26,032.02
Deferred Tax Assets				
Expenses Allowable on Payment Basis		609.29	(152.68)	761.97
Unabsorbed Depreciation		25,504.59	3,836.61	21,667.98
Provision for Loss on Derivative Transaction		—	(1,265.93)	1,265.93
Provision for Doubtful Debts		375.91	138.85	237.06
Gross Deferred Tax Asset		26,489.79	2,556.85	23,932.94
Net Deferred Tax Liability		—	(2,099.08)	2,099.08

2.4.1 Timing difference with respect to depreciation differential has been considered to the extent of deferred tax liability. As a matter of prudence, the remaining amount of the differential resulting in deferred tax asset has been ignored.

NOTE 2.5 OTHER LONG-TERM LIABILITIES

Particulars	Ref Note No.	As at March 31, 2014	As at March 31, 2013
Other Liabilities			
Premium on Forward Contract		—	391.73
Payable on account of Forward Contract		—	253.25
Deposits from Customers		1,078.89	883.72
Retention from Others		521.44	579.06
		1,600.33	2,107.76

Notes to Financial Statements as at and for the year ended March 31, 2014

₹ in Lakhs

NOTE 2.6 LONG-TERM PROVISIONS

Particulars	Ref Note No.	As at March 31, 2014	As at March 31, 2013
Provision for Employee Benefits		653.56	771.36
		653.56	771.36

NOTE 2.7 SHORT-TERM BORROWINGS

Particulars	Ref Note No.	As at March 31, 2014	As at March 31, 2013
Secured Loans			
Working Capital Facilities From Banks repayable on demand	2.7.1	50,023.94	46,891.51
Buyer's Credit	2.7.1	3,541.03	9,771.48
Unsecured Loans			
From Bodies corporate		—	6,450.00
		53,564.97	63,112.99

Note :

2.7.1 Working Capital Facilities (Fund Based and Non-Fund Based and acceptances as referred to in Note no. 2.8.1 below) from banks are secured by hypothecation of entire current assets of the company, both present and future and second charge on entire fixed assets of the company in favour of consortium bankers led by State Bank of India

NOTE 2.8 TRADE PAYABLES

Particulars	Ref Note No.	As at March 31, 2014	As at March 31, 2013
Payables for goods and services	2.8.1 & 2.8.2	37,729.03	32,412.02
		37,729.03	32,412.02

2.8.1 Payable for goods and services includes acceptances 5,407.81 2,461.73

2.8.2 Disclosure of 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). In certain cases there are delays in payment made to such suppliers. Total Overdue amount out of principal amount outstanding at the end of the year is ₹ 611.32 Lakhs (Previous Year ₹ 538.07 Lakhs). Based on above the relevant disclosures u/s 22 of the Act are as follows :

	As at March 31, 2014	As at March 31, 2013
1. Principal amount outstanding at the end of the year	995.44	718.46
2. Interest amount due at the end of the year	61.21	20.44

Notes to Financial Statements as at and for the year ended March 31, 2014

₹ in Lakhs

NOTE 2.9 OTHER CURRENT LIABILITIES

Particulars	Ref Note No.	As at March 31, 2014		As at March 31, 2013	
Current maturities of long-term debt	2.3		33,878.16		29,370.16
Current maturities of vehicle finance loan	2.3		366.90		486.58
Interest accrued but not due on borrowings			1,350.07		1,587.85
Interest accrued and due on borrowings			1,065.78		984.92
Unpaid dividend	2.9.1		2.22		2.11
Other payables			16,947.88		22,078.21
Premium on Forward Contract		781.31		1,706.51	
Payable on account of Forward Contract		158.81		–	
Statutory Dues - PF, ESI, Service Tax, TDS, Entry Tax etc.		2,098.27		1,262.87	
Excise Duty Liability on Closing Stock		3,326.12		3,025.29	
Capital Creditors		8,633.47		11,990.00	
Advance from Customers		1,405.21		3,901.26	
Advances against sale of Land	2.9.2	400.00		–	
Book Overdraft		9.96		30.60	
Others		134.73		161.68	
			53,611.01		54,509.83

2.9.1 This is not due for payment to Investor Education and Protection Fund

2.9.2 Represents advance received in respect of Sale Deed executed for Land at Outram Street.

NOTE 2.10 SHORT-TERM PROVISIONS

Particulars	Ref Note No.	As at March 31, 2014		As at March 31, 2013	
Provision for Employee Benefits			992.07		912.92
Proposed Dividend on Equity Shares	2.1(a).1		–		87.34
Tax on Dividend			–		14.41
Income Tax			4,297.45		4,297.45
Wealth Tax			7.60		7.68
Provision for Derivative Transactions	2.21.2		–		3,724.43
			5,297.12		9,044.23

Notes to Financial Statements as at and for the year ended March 31, 2014

NOTE 2.11

FIXED ASSETS

NOTE 2.11 FIXED ASSETS												₹ in Lakhs
			GROSS BLOCK				DEPRECIATION/AMORTIZATION (Refer Note 2.11.1)				NET BLOCK	
Sl. No.	Particulars	Ref. No.	Book Value at 01.04.2013	Additions	Deductions/ Adjustments	Book Value at 31.03.2014	Upto 31.03.2013	For the Year	Deductions	Upto 31.03.2014	As on 31.03.2014	As on 31.03.2013
	TANGIBLE											
1	Freehold Land		16,092.88	126.45	1,315.21	14,904.12	-	-	-	-	14,904.12	16,092.88
2	Leasehold Land		2,739.83	-	-	2,739.83	130.48	32.09	-	162.57	2,577.26	2,609.35
3	Buildings	2.11.2	61,931.13	667.77	7.26	62,591.64	5,804.79	1,766.03	0.02	7,570.80	55,020.84	56,126.34
4	Leasehold Buildings		30.36	-	-	30.36	6.25	7.21	-	13.46	16.90	24.11
5	Plant and Equipments		270,188.40	7,735.18	2,272.44	275,651.14	80,121.67	22,283.41	1,734.09	100,670.99	174,980.15	190,066.73
6	Furniture and Fixtures		624.80	1.58	0.16	626.22	241.91	31.02	0.16	272.77	353.45	382.89
7	Vehicles		4,388.96	7.85	123.35	4,273.46	1,638.81	441.15	76.65	2,003.31	2,270.15	2,750.15
8	Office Equipments		515.40	5.36	3.36	517.40	205.49	33.66	0.93	238.22	279.18	309.91
			356,511.76	8,544.19	3,721.78	361,334.17	88,149.40	24,594.57	1,811.85	110,932.12	250,402.05	268,362.36
	INTANGIBLE											
9	Computer Software		1,370.38	0.27	-	1,370.65	1,037.82	246.70	-	1,284.52	86.13	332.56
			1,370.38	0.27	-	1,370.65	1,037.82	246.70	-	1,284.52	86.13	332.56
	Total		357,882.14	8,544.46	3,721.78	362,704.82	89,187.22	24,841.27	1,811.85	112,216.64	250,488.18	268,694.92
	Previous Year		210,435.72	150,210.10	2,763.68	357,882.14	71,124.43	20,009.50	1,946.71	89,187.22	268,694.92	

Notes :

2.11.1	Depreciation for the year includes ₹ NIL (Previous Year ₹ 15.43 Lakhs) transferred to Pre-Operative Expenses.
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2.11.2	Building includes ₹ 1,144.89 Lakhs for acquiring Equity Shares in a body corporate. By virtue of acquiring the Shares, the Company has right to use and occupy certain office space.
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		2013-14	2012-13
2.11.3.(a)	Land and Buildings of Rishra and Bahadurgarh units were revalued by an approved valuer on 01.04.1992 and on 31.03.2006 on current replacement cost basis. Accordingly net amount was added to the book value of the respective assets with corresponding credit to Revaluation Reserve.	10,891.99	10,891.99
2.11.3.(b)	Plant and Equipment of Rishra and Bahadurgarh units were revalued by an approved valuer on 01.04.1995 on current replacement cost basis. Accordingly net amount was added to the book value of the respective assets with corresponding credit to Revaluation Reserve.	4,831.31	4,831.31
2.11.3.(c)	Depreciation transferred from Revaluation Reserve to Statement of Profit and Loss.	139.82	162.72
2.11.4	Refer Note 2.3 to Financial Statements in respect of charges created		
2.11.5	In accordance with the amendment to AS 11, the Company has capitalised/decapitalised exchange loss/gain respectively arising on long-term foreign currency loan, amounting to ₹ 3,545.75 Lakhs (Previous Year : ₹ 2,079.50 Lakhs) to the cost of Plant & Equipments.		

Notes to Financial Statements as at and for the year ended March 31, 2014

₹ in Lakhs

NOTE 2.12 INVESTMENTS

Particulars	Ref Note No.	As at March 31, 2014	As at March 31, 2013
Non-Current investments			
Trade (valued at cost unless stated otherwise)			
Unquoted Equity Instruments			
Capexil Agencies Limited 5 (5) Shares at ₹ 1000 each, fully paid up		0.05	0.05
Non-Trade (valued at cost unless stated otherwise)			
Unquoted Equity Instruments :			
Subsidiaries - Fully paid-up Equity Shares			
HNG Global GmbH 1,10,00,000 (1,00,00,000) of Face Value Eur 1 each	2.12.2 & 2.35	7,137.77	6,356.04
Glass Equipment (India) Limited 38,400 (26,400) of Face Value ₹ 100 each		1,520.42	55.82
Quality Minerals Limited 9,384 (9,384) of Face Value ₹ 100 each		9.38	9.38
Associate - Fully paid-up Equity Shares			
HNG Float Glass Limited * NIL (11,50,00,000) of Face Value ₹ 10 each	2.12.3 & 2.35	—	11,500.00
Joint Venture - Fully paid-up Equity Shares			
HNG Float Glass Limited 5,63,73,005 (Nil) of Face Value ₹ 10 each	2.12.3 2.12.4 & 2.35	5,637.30	—
Other Bodies Corporate - Fully paid-up Equity Shares			
Brabourne Commerce Private Limited 107 (107) of Face Value ₹ 10 each		0.09	0.09
The Calcutta Stock Exchange Association Limited 8,364 (8,364) of Face Value of ₹ 1 each		167.28	167.28
Government Securities			
National Savings Certificates		0.57	0.57
		14,472.86	18,089.23

* Ceased to be an Associate w.e.f. July 1, 2013

- 2.12.1 Aggregate amount of unquoted investment 14,472.86 18,089.23
- 2.12.2 Investment held by the Company in HNG Global GmbH are pledged in the favour of the term lender for HNG Global GmbH in respect of its borrowing facility.
- 2.12.3 During the year, the Company, along with the promoters of HNG Float Glass Limited (HNGFL) (HNG Group) has entered into a Joint Venture agreement on a equal basis (50:50) with Trakaya Cam Sanayii AS of Turkey (joint venture partner) for jointly pursuing the float glass business through HNGFL in India. Accordingly, 586.27 lakhs equity shares in HNGFL have been divested by the Company in favour of the joint venture partner and profit of ₹ 7,598.06 lakhs arising in this respect has been included in Other Income for the year ended March 31, 2014.
- 2.12.4 Information on Joint Venture :

SL No.	Name of Joint venture	Country of Incorporation	Percentage of ownership interest
(i)	HNG Float Glass Limited	India	18.31%

Notes to Financial Statements as at and for the year ended March 31, 2014

₹ in Lakhs

The Company's share of each of the assets, liabilities, income, expenses, etc (each without elimination of the effect of transactions between the Company and the Joint Venture) related to its interest in this joint venture, based on the audited financial statements are :

SL No.	Particulars	As at March 31, 2014	As at March 31, 2013
(a)	ASSETS		
	Tangible assets	8,756.42	—
	Intangible assets	0.28	—
	Capital work-in-progress	93.49	—
	Long term loans and advances	237.17	—
	Other non current assets	10.61	—
	Inventories	1,302.62	—
	Trade receivables	1,019.91	—
	Cash and bank balances	99.95	—
	Short term loans and advances	52.95	—
	Other current assets	19.75	—
		11,593.15	—
(b)	LIABILITIES		
	Share Capital	5,637.30	—
	Reserve and Surplus	(1,638.15)	—
	Long term borrowings	2,508.94	—
	Other long term liabilities	134.38	—
	Long term provisions	14.89	—
	Short term borrowings	1,520.13	—
	Trade payables	1,085.36	—
	Other current liabilities	2,328.51	—
	Short term provisions	1.79	—
		11,593.15	—
(c)	INCOME		
	Revenue from Operations	6,402.97	—
	Other Income	36.51	—
		6,439.48	—
(d)	EXPENSES		
	Cost of Material Consumed	1,847.57	—
	Changes in Inventories	144.86	—
	Employee Benefits	197.23	—
	Finance Costs	411.88	—
	Depreciation and Amortization	570.64	—
	Other Expenses	3,507.21	—
		6,679.39	—
(e)	OTHER MATTERS		
	Contingent Liabilities	556.71	—
	Capital Commitments(Net of advance)	0.11	—
		556.82	—

Notes to Financial Statements as at and for the year ended March 31, 2014

₹ in Lakhs

NOTE 2.13 LONG-TERM LOANS AND ADVANCES

Particulars	Ref Note No.	As at March 31, 2014		As at March 31, 2013	
Unsecured, Considered Good					
Loans and Advances to Related Parties	2.35				
Share Application Money			–		6,935.00
Loans and Advances to Others					
Capital Advances against Fixed Assets			1,384.61		1,411.16
Security Deposits			1,251.02		1,062.17
Loans and advances to employees			–		0.75
MAT Credit Entitlement	2.13.1		2,587.57		2,587.57
Other loans and advances			1,364.12		1,183.17
Receivable on account of Forward Contract		837.75		650.91	
Input VAT Credit - Deferred	2.13.2	515.23		515.23	
Prepaid Expenses		11.14		17.03	
			6,587.32		13,179.82

2.13.1 In view of the Management, the Company is expected to pay normal tax within the credit entitlement period and thereby no adjustment in this respect has been considered necessary.

2.13.2 Input VAT Credit - Deferred can be utilised only after repayment of corresponding amount of Sales Tax Deferred Loan.

NOTE 2.14 OTHER NON-CURRENT ASSETS

Particulars	Ref Note No.	As at March 31, 2014		As at March 31, 2013	
Deposits with Bank with original maturity of more than 12 months	2.14.1		136.07		130.44
			136.07		130.44

2.14.1 Deposit with Banks are pledged with the Government Authorities.

NOTE 2.15 INVENTORIES (Valued at lower of Cost or Net Realisable Value) (Value taken and certified by the Management)

Particulars		As at March 31, 2014		As at March 31, 2013	
Raw Materials (Including in transit ₹ 1193.11 Lakhs, Previous Year ₹ 662.10 Lakhs)			5,288.70		5,086.62
Work-in-Progress			782.19		793.07
Finished Goods			32,510.41		30,864.86
Stores and Spare (Including in transit ₹ 862.79 Lakhs, Previous Year ₹ 241.63 Lakhs)	2.15.1		12,058.87		11,824.36
Packing Materials (Including in transit ₹ Nil, Previous Year ₹ 8.60 Lakhs)			1,026.70		1,252.73
			51,666.87		49,821.64

Notes to Financial Statements as at and for the year ended March 31, 2014

₹ in Lakhs

2.15.1 Inventories of Stores and Spare Parts include certain slow moving, non-moving and obsolete items. A provision of ₹ 729.97 Lakhs (Previous Year ₹ 715.01 Lakhs) towards obsolescence for such slow moving, non-moving and obsolete items are carried in the books and the Management is of the opinion that the same is adequate and no further provision is required there against.

2.15.2 Inventories includes items lying with third parties.

2.15.3 Refer Note 2.3 to Financial Statements in respect of charge created.

NOTE 2.16 TRADE RECEIVABLES

Particulars	Ref Note No.	As at March 31, 2014	As at March 31, 2013
Unsecured			
Trade Receivables outstanding for a period exceeding six months from the date they are due for payment			
Considered Good		2,204.70	5,180.15
Considered Doubtful		997.94	457.54
Less : Provision for Doubtful Debts		(997.94)	(457.54)
		2,204.70	5,180.15
Others			
Considered Good		35,189.64	43,780.83
		37,394.34	48,960.98

2.16.1 The accounts of some of the customers are pending reconciliation / confirmation.

2.16.2 Provision as carried in the books are against doubtful debts and in the opinion of the Management the same is adequate and no further provision is required there against.

NOTE 2.17 CASH AND BANK BALANCES (As certified by the Management)

Particulars	Ref Note No.	As at March 31, 2014	As at March 31, 2013
Cash and Cash Equivalents			
Balances with banks :			
- In current accounts		90.65	214.70
- In cash credit accounts		958.76	1,044.53
- In deposit accounts (With original maturity of less than 3 months)		—	2,507.44
- In dividend accounts		2.22	2.11
Cheques on hand		1,843.25	2.15
Cash on hand		16.60	16.69
		2,911.48	3,787.62
Other Bank Balances			
In deposit accounts (With original maturity of less than 12 months)	2.17.1	1.00	6.22
		2,912.48	3,793.84

2.17.1 Deposit with Banks are pledged with the Government Authorities.

Notes to Financial Statements as at and for the year ended March 31, 2014

₹ in Lakhs

NOTE 2.18 SHORT-TERM LOANS AND ADVANCES

Particulars	Ref Note No.	As at March 31, 2014	As at March 31, 2013
Unsecured, Considered Good			
Loans and Advances to Related Parties	2.35		
Other Recoverable		141.32	4.80
Loans and Advances			
Security Deposits		11.66	21.31
Loans to Employees	2.18.1	10.69	20.19
Advance to Suppliers		1,677.09	1,665.91
Advance income Tax (Including refund receivables)		4,718.23	4,691.29
Advance Fringe Benefit Tax		0.04	0.04
Balances / Deposit with Government Authorities	2.18.2	8,899.67	12,431.85
Other Loans and Advances		1,979.28	4,392.74
Receivable on account of Forward Contract		1,558.89	2,298.19
Prepaid expenses		323.94	207.39
Others	2.18.3	96.45	1,887.16
Considered Doubtful			
Advance to Suppliers		58.10	182.15
Less : Provision for Doubtful loans and advances		(58.10)	(182.15)
Balances / Deposit with Government Authorities		49.95	57.74
Less : Provision for Doubtful loans and advances		(49.95)	(57.74)
		17,437.98	23,228.13

2.18.1 Disclosure pursuant to clause 32 of the Listing Agreement

		Outstanding as at March 31, 2014	Maximum Balance outstanding during the year
(i)	Loans and Advances in the nature of loans where there is :		
	No Interest or interest below the rates specified in Section 372A of Companies Act, 1956*	10.69	10.85

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

2.18.2 Includes ₹ 23.21 Lakhs (Previous Year ₹ 23.21 Lakhs) deposited against demand raised by the Sales Tax Authority.

2.18.3 Includes Insurance Claim Receivable ₹ 45.65 Lakhs (Previous Year : ₹ 143.56 Lakhs).

NOTE 2.19 OTHER CURRENT ASSETS

Particulars	Ref Note No.	As at March 31, 2014	As at March 31, 2013
Interest Receivable		140.09	99.95
Fixed Assets held for disposal			
- Land	2.9.1	1,443.80	-
- Other Assets	2.19.1	116.07	29.20
		1,699.96	129.15

2.19.1 Valued at lower of net book value or estimated net realisable value.

Notes to Financial Statements as at and for the year ended March 31, 2014

₹ in Lakhs

NOTE 2.20 REVENUE FROM OPERATIONS

Particulars	Ref Note No.	For the year ended March 31, 2014	For the year ended March 31, 2013
Sale of Products			
Finished Goods		196,832.41	198,429.71
Other Operating Revenue			
Scrap Sales		441.92	548.12
Insurance Claim received		281.72	0.43
Liabilities no longer required written back		293.13	762.60
Others	2.20.1	679.29	200.91
Revenue from Operations (Gross)		198,528.47	199,941.77
Less : Excise Duty			
- On Finished goods		17,089.96	17,358.42
Revenue from Operations (Net)		181,438.51	182,583.35

2.20.1 Industrial Promotion Assistance received under State Incentive Scheme has been included under Other Operating Revenue.

NOTE 2.21 OTHER INCOME

Particulars	Ref Note No.	For the year ended March 31, 2014	For the year ended March 31, 2013
Interest Income		140.55	289.95
Dividend Income on Non-current Investments	2.21.1	4.31	40.44
Net Gain on sale and purchase of Current Investments		74.32	16.55
Net Gain on sale of Long-Term Investments		7,598.06	—
Rent and Hire Charges		144.95	92.94
Exchange Gain (Net)		—	127.83
Provision no longer required written back	2.21.2	764.63	—
Miscellaneous Income		183.47	81.68
		8,910.29	649.39

2.21.1 Dividend Income on Non-Current Investments includes Dividend from Subsidiaries 2.64 39.60

2.21.2 The Company has entered into a settlement with a bank, with regard to certain disputed foreign exchange transactions entered into in earlier years. In terms of the settlement, the Company has paid the settled amount and excess provision to the extent of ₹ 764.63 Lakhs has been written back.

NOTE 2.22 COST OF MATERIAL CONSUMED

Particulars	Ref Note No.	For the year ended March 31, 2014	For the year ended March 31, 2013
Raw Materials Consumed	2.39	53,832.26	54,850.60
		53,832.26	54,850.60

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

Notes to Financial Statements as at and for the year ended March 31, 2014

₹ in Lakhs

NOTE 2.23 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	Ref Note No.	For the year ended March 31, 2014		For the year ended March 31, 2013	
Closing Stock					
Finished Goods			32,510.41		30,864.86
Work-in-Progress			782.19		793.07
Less :			33,292.60		31,657.93
Opening Stock					
Finished Goods		30,864.86		12,239.92	
Work-in-Progress		793.07	31,657.93	529.12	12,769.04
Transfer from Pre-Operative Expenses - Refer Note 2.31					
Finished Goods		–		3,262.80	
Work-in-Progress		–	–	201.50	3,464.30
			31,657.93		16,233.34
			(1,634.67)		(15,424.59)

NOTE 2.24 EMPLOYEE BENEFIT EXPENSES

Particulars	Ref Note No.	For the year ended March 31, 2014		For the year ended March 31, 2013	
Salaries and Wages			14,704.31		14,394.82
Contribution to Provident and Other Funds			1,075.67		1,317.69
Workmen and Staff Welfare Expenses			491.63		553.15
			16,271.61		16,265.66

Refer note 2.35.1-For Remuneration paid to Vice Chairman & Managing Directors and Executive Director.

NOTE 2.25 OTHER EXPENSES

Particulars	Ref Note No.	For the year ended March 31, 2014		For the year ended March 31, 2013	
Stores and Spare Parts Consumed	2.25.1		6,226.62		8,859.19
Power and Fuel	2.25.2		62,950.25		77,807.79
Packing Materials Consumed and Packing Charges			16,008.23		14,709.67
Rent			1,090.89		793.18
Rates and Taxes			159.96		203.44
Repairs :					
Buildings			62.44		133.11
Plant and Machinery			750.26		748.95
Others			179.18		167.32
Freight outwards, Transport and Other Selling Expenses (Net of realisation ₹ 5,668.35 Lakhs, previous year ₹ 4,870.90 Lakhs)			1,511.58		1,439.52
Commission on Sales			140.23		181.30
Insurance			370.48		345.84
Excise Duty on Increase/(Decrease) of Stock			404.97		1,628.82

Notes to Financial Statements as at and for the year ended March 31, 2014

₹ in Lakhs

NOTE 2.25 OTHER EXPENSES

Particulars	Ref Note No.	For the year ended March 31, 2014		For the year ended March 31, 2013	
Bad Debts/Advances Written Off		28.54		51.56	
Less : Provision for Doubtful Debts / advances written back		(27.88)	0.66	(50.99)	0.57
Provision for Doubtful Debtors/Advances			617.23		272.44
Charity and Donation			0.38		–
Loss on sale/discard of Fixed Assets			276.43		783.19
Exchange Loss (Net)			1,256.67		–
Provision for Loss on Derivative Transactions			–		400.33
Other Miscellaneous Expenses	2.25.3		3,436.69		3,497.83
			95,443.15		111,972.49

2.25.1 Profit or loss on sale of stores has been adjusted in consumption.

2.25.2 Electricity Duty waiver benefit under State Incentive Schemes and subsidy received under State Incentive has been credited to Power and Fuel Account.

2.25.3 Other Miscellaneous Expenses include :

Particulars	Ref Note No.	For the year ended March 31, 2014	For the year ended March 31, 2013
a) Payment to Auditors			
To Statutory Auditor :			
Audit Fees		10.50	10.50
Tax Audit Fees		4.00	4.00
Management Services & Certification Work		3.73	10.20
Reimbursement of expenses		–	0.40
To Branch Auditors :			
Audit Fees		9.00	9.00
Management Services & Certification Work		2.25	3.25
Reimbursement of expenses		0.69	0.60
		30.17	37.95
b) Directors Travelling Expenses		27.21	45.57
c) Directors Sitting Fees		8.75	10.30

NOTE 2.26 FINANCE COSTS

	Ref Note No.	For the year ended March 31, 2014	For the year ended March 31, 2013
Interest Expense	2.26.1	23,416.79	18,609.57
Other borrowing Costs		2,235.47	1,747.15
		25,652.26	20,356.72

2.26.1 Interest subsidy towards Interest on Term Loan receivable under State Investment Promotion Policy has been adjusted with interest on term loan paid. 24.71 50.44

Notes to Financial Statements as at and for the year ended March 31, 2014

₹ in Lakhs

NOTE 2.27 TAX EXPENSES

Particulars	Ref Note No.	For the year ended March 31, 2014	For the year ended March 31, 2013
Deferred tax charge/(credit)		(2,099.08)	(7,439.20)
		(2,099.08)	(7,439.20)

NOTE 2.28 EARNINGS PER SHARE (EPS)

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

	Ref Note No.	For the year ended March 31, 2014	For the year ended March 31, 2013
Profit /(Loss) After Tax		(21,818.18)	(17,180.29)
Net Profit/(Loss) for calculation of basic EPS	(a)	(21,818.18)	(17,180.29)
Weighted Average no.of Equity shares in calculating basic EPS	(b)	87,338,565	87,338,565
Effect of Dilution :			
Share Application Money (Nos)	(c)	—	116,000
Potential Weighted average number of equity shares in calculating diluted EPS [(d)=(b)+(c)]	(d)	87,338,565	87,454,565
Basic and Diluted EPS (a/b)-[In ₹]		(24.98)	(19.67)

The Company had received share application money during the previous year which was pending allotment. On allotment, the impact on EPS was anti dilutive and hence not considered above for computation of diluted EPS.

NOTE 2.29 CONTINGENT LIABILITIES (to the extent not provided for)

Sl. No.	Particulars	Ref Note No.	As at March 31, 2014	As at March 31, 2013
(i)	Guarantee furnished to bank on behalf of Subsidiaries		49,262.31	43,487.85
(ii)	Guarantee furnished to a bank on behalf of an entity over which directors of the Company have significant influence		1,800.00	1,800.00
(iii)	Sales Tax matter under appeals		1,148.57	1,169.28
(iv)	Excise Duty and Octroi demand issued against which the Company has preferred appeals and which in the opinion of the Management are not tenable.		1,618.32	1,186.19
(v)	Cases pending with Labour Courts (to the extent ascertainable)		599.24	179.37
(vi)	Claim for increased price of land acquired at Bahadurgarh by the then Punjab Government and given to the Company against which the claimants have preferred an appeal in the Supreme Court against the order of the High Court.		0.30	0.30
(vii)	Other Claims against the Company not acknowledged as debt.		432.48	561.44
(viii)	Octroi on Transportation of natural gas through pipeline.		310.09	296.41
(ix)	Local Area Development Tax Demand		2,982.37	2,465.38

Notes to Financial Statements as at and for the year ended March 31, 2014

₹ in Lakhs

NOTE 2.29 CONTINGENT LIABILITIES (to the extent not provided for)

Sl. No.	Particulars	Ref Note No.	As at March 31, 2014	As at March 31, 2013
(x)	Demand of stamp duty against leasehold land purchased from Haryana Sheet Glass Ltd.*		96.10	96.10
(xi)	Disputed Entry Tax for the Financial Year 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13 and 2013-14**		59.81	59.59
(xii)	Show cause notice from Central Excise FY 2008-09 ***		–	9.74
(xiii)	Export Commitment against EPCG		–	535.48

* Appeal filed before Tax Board, Rajasthan

** Challenged by the other body and pending before Hon'ble Supreme Court.

*** Appeal filed before Commissioner- Appeal - Jaipur

On the basis of current status of individual cases and as per the legal advices received, wherever applicable the Management is of the view that no provision is required in respect of these cases. Further Cash outflow in respect of item no. (iii) to (xii) as mentioned above is dependent upon outcome of final judgement/decision.

NOTE 2.30 CAPITAL AND OTHER COMMITMENTS

Particulars	Ref Note No.	For the year ended March 31, 2014	For the year ended March 31, 2013
Capital commitments for procurement of capital assets (Net of advance of ₹ 1,384.61 Lakhs, PY ₹ 1,418.01 Lakhs)		14,701.21	16,286.08

NOTE 2.31 CAPITALISATION OF EXPENDITURE

The Company has capitalised the following expenses of revenue nature incurred for construction of fixed assets and trial run, to the cost of fixed asset/capital work-in-progress (CWIP). Consequently, expenses/revenue disclosed under the respective notes are net of amounts capitalised by the Company.

Sl. No.	Particulars	Ref Note No.	For the year ended March 31, 2014	For the year ended March 31, 2013
(i)	Salaries and Wages		–	558.71
(ii)	Contribution to Provident and Others Funds		–	37.46
(iii)	Power and Fuel		–	4,112.20
(iv)	Miscellaneous expenses		–	1,009.44
(v)	Finance Costs		–	4,446.14
(vi)	Professional Fees		–	170.39
(vii)	Stores & Spares Consumed		–	2,379.20
(viii)	Payment to Contractors		–	169.15
(ix)	Depreciation and amortization expense		–	15.43
(x)	Cost of Material Consumed		–	3,367.70
(xi)	Packing Material Consumed and Packing Charges		–	730.16
			–	16,995.98
(xii)	Sales during Trial production		–	(3,164.71)
(xiii)	Closing Stock of Finished Goods generated out of trial run production (Note 2.23)		–	(3,262.80)

Notes to Financial Statements as at and for the year ended March 31, 2014

₹ in Lakhs

Sl. No.	Particulars	Ref Note No.	For the year ended March 31, 2014	For the year ended March 31, 2013
(xiv)	Closing Stock of Work-in-Progress generated out of trial run production (Note 2.23)		—	(201.50)
	Total		—	10,366.97
	Add : Brought Forward from previous year		102.05	6,227.42
	Less : Capitalised during the year		3.77	16,492.14
	Total carried forward		98.28	102.05

NOTE 2.32 DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

Particulars	Ref Note No.	As at March 31, 2014		As at March 31, 2013	
Nature of Instrument/Nature of Loan		Foreign Currency (in Lakhs)	INR Value (₹ in Lakhs)	Foreign Currency (in Lakhs)	INR Value (₹ in Lakhs)
a) Derivatives outstanding as at the balance sheet date					
USD					
Cross Currency Coupon Swap-External Commercial Borrowings - (Number of Contracts-CY- 2 , PY-2)		200.00	11,992.00	200.00	10,901.00
Cross Currency Coupon Swap-Foreign Currency Loans - (Number of Contracts-CY- NIL, PY-2)		—	—	199.34	10,864.78
		200.00	11,992.00	399.34	21,765.78
Forward Contract to buy US Dollar					
-Hedge of Foreign currency loan		450.69	27,023.64	825.26	44,980.96
b) Particulars of unhedged foreign currency exposure as at the reporting date					
Import Trade Payables					
- EUR		42.09	3,470.42	54.08	3,780.77
- GBP		1.10	109.49	3.32	275.06
- JPY		0.84	0.49	0.84	0.49
- USD		70.44	4,223.72	79.11	4,311.77
- AUD		0.70	38.59	-	-
Export Trade Receivables					
- USD		6.39	383.30	8.91	484.79
Foreign Currency Loans					
- USD		650.00	38,974.00	730.00	39,788.65

Notes to Financial Statements as at and for the year ended March 31, 2014

₹ in Lakhs

NOTE 2.33 GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

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

a) Defined Contribution Scheme

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

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Employer's Contribution to Provident Fund	540.29	492.51
Employer's Contribution to Pension Fund	278.80	288.31
Employer's Contribution to Superannuation Fund	17.86	20.02

The guidance on implementing Accounting Standard - 15 (Revised 2005) on Employees Benefits issued by Accounting Standard Board (ASB) states that benefits involving employer established provident funds, which require the interest shortfalls to be recompensed are to be considered as "Defined Benefit Plans". The Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities during the quarter ended December 31, 2011. The actuary has accordingly provided a valuation and based on the below provided assumptions there is no shortfall as at March 31, 2014.

The Company contributed Rs. NIL towards provident fund during the year ended March 31, 2014 (Rs. NIL during the year ended March 31, 2013).

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

Particulars	As at March 31, 2014	As at March 31, 2013
Plan assets at year end, at fair value	8,117.56	8,029.68
Present value of benefit obligation at year end	7,707.59	7,313.49
Asset / Liability recognised in Balance Sheet	409.97	716.19

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

Particulars	As at March 31, 2014	As at March 31, 2013
Fixed Income/Debt Securities	8.55%	8.20%
Expected guaranteed interest rate	8.75%	8.50%

b) Defined Benefit Plan

The employees' gratuity fund scheme managed by Insurer is a Defined Benefit Plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Notes to Financial Statements as at and for the year ended March 31, 2014

₹ 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				
	2013-14	2012-13	2011-12*	2010-11	2009-10
Liability at the beginning of the year *	2,653.45	2,256.49	1,799.89	765.49	726.27
Current Service Cost	199.63	205.85	187.81	195.67	57.90
Interest Cost	225.59	92.79	138.56	57.76	53.65
Actuarial (Gain) / Loss	30.80	425.55	266.07	116.11	39.05
Benefits paid	(293.68)	(327.23)	(135.84)	(87.07)	(111.38)
Liability at the end of the year	2,815.79	2,653.45	2,256.49	1,047.96	765.49

*Opening Unfunded Liability amounting to ₹ 751.93 Lakhs relating to PY 2011-12 has been consider under Funded Liability being funded during the previous year

Particulars	Gratuity Unfunded				
	2013-14	2012-13	2011-12*	2010-11	2009-10
Liability at the beginning of the year *	378.80	357.08	341.57	834.50	717.61
Current Service Cost	40.38	49.04	47.40	112.99	77.99
Interest Cost	33.82	33.11	58.02	77.12	62.08
Actuarial (Gain) / Loss	(118.64)	(57.27)	(89.91)	157.29	1.81
Benefits paid	(6.14)	(3.16)	-	(88.40)	(24.99)
Liability at the end of the year	328.22	378.80	357.08	1,093.50	834.50

*Opening Unfunded Liability amounting to ₹ 751.93 Lakhs relating to PY 2011-12 has been consider under Funded Liability being funded during the previous year

Particulars	Total Defined Benefit Obligations				
	2013-14	2012-13	2011-12	2010-11	2009-10
Defined benefit obligation (funded) at the end of the year	2,815.79	2,653.45	2,256.49	1,047.96	765.49
Defined benefit obligation (unfunded) at the end of the year	328.22	378.80	357.08	1,093.50	834.50
Total Defined benefit obligation at the end of the year	3,144.01	3,032.25	2,613.57	2,141.46	1,599.99

Particulars	Compensated Absences Unfunded	
	2013-14	2012-13
Liability at beginning of the year	459.78	411.11
Current Service Cost	165.93	161.05
Interest Cost	38.22	38.64
Actuarial (Gain) / Loss	(191.89)	(62.91)
Benefits paid	(70.22)	(88.11)
Liability at the end of the year	401.82	459.78

Notes to Financial Statements as at and for the year ended March 31, 2014

₹ in Lakhs

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

Particulars	Gratuity Funded				
	2013-14	2012-13	2011-12	2010-11	2009-10
Fair Value of plan assets at the beginning of the year	2,144.88	1,364.92	695.13	684.53	592.24
Expected return on plan assets	193.04	63.60	74.04	54.76	47.38
Actuarial Gain / (Loss)	(20.52)	146.67	(34.01)	42.91	156.29
Employers' contribution	258.56	896.92	765.60	—	—
Benefits paid	(293.68)	(327.23)	(135.84)	(87.07)	(111.38)
Fair Value of plan assets at the end of the year	2,282.28	2,144.88	1,364.92	695.13	684.53
Actual return on plan assets	—	—	—	267.89	170.12

III. Expense recognised in the Statement of Profit and Loss (Under the head "Contribution to provident and other funds" - Refer Note 2.24)

Particulars	Gratuity Funded				
	2013-14	2012-13	2011-12	2010-11	2009-10
Current Service Cost	199.63	205.85	187.81	195.67	57.90
Interest Cost	225.59	92.79	138.56	57.76	53.65
Expected Return on plan assets	193.04	63.60	74.04	54.76	47.38
Net Actuarial (Gain) / Loss to be recognized	51.32	278.89	300.08	73.20	(117.24)
Expenses recognised in Statement of Profit and Loss	283.50	513.92	552.40	271.87	(53.07)

Particulars	Gratuity Unfunded				
	2013-14	2012-13	2011-12	2010-11	2009-10
Current Service Cost	40.38	49.04	47.40	112.99	77.99
Interest Cost	33.82	33.11	58.02	77.12	62.08
Expected Return on plan assets	—	—	—	—	—
Net Actuarial (Gain) / Loss to be recognized	(118.64)	(57.27)	(89.91)	157.29	1.81
Expenses recognised in Statement of Profit and Loss	(44.44)	24.88	15.51	347.40	141.88

Particulars	Compensated Absences Unfunded	
	2013-14	2012-13
Current Service Cost	165.93	161.05
Interest Cost	38.22	38.64
Net Actuarial (Gain) / Loss to be recognized	(191.89)	(62.91)
Expenses recognised in Profit and Loss account	12.26	136.78

Notes to Financial Statements as at and for the year ended March 31, 2014

₹ in Lakhs

IV. Balance Sheet Reconciliation

Particulars	Gratuity Funded				
	2013-14	2012-13	2011-12	2010-11	2009-10
Present value of the Defined Benefit Obligations at the end of the year	2,815.79	2,653.45	2,256.49	1,047.96	765.49
Fair Value of the plan assets at the end of the year	2,282.28	2,144.88	1,364.93	695.13	684.53
Amount recognised in Balance Sheet	533.51	508.57	891.56	352.83	80.96

Particulars	Gratuity Unfunded				
	2013-14	2012-13	2011-12	2010-11	2009-10
Present value of the Defined Benefit Obligations at the end of the year	328.22	378.80	357.08	1,093.50	834.50
Fair Value of the plan assets at the end of the year	–	–	–	–	–
Amount recognised in Balance Sheet	328.22	378.80	357.08	1,093.50	834.50

Particulars	Compensated Absences Unfunded	
	2013-14	2012-13
Present value of the Defined Benefit Obligations at the end of the year	401.82	459.78
Fair Value of the plan assets at the end of the year	–	–
Amount recognised in Balance Sheet	401.82	459.78

Particulars	Gratuity Funded				
	2013-14	2012-13	2011-12	2010-11	2009-10
Opening Net Liability	508.57	891.57	352.83	80.96	134.03
Expenses as above	283.50	513.92	552.40	271.87	(53.07)
Employers' Contribution	258.56	896.92	765.60	–	–
Amount recognised in Balance Sheet	533.51	508.57	139.63	352.83	80.96

Particulars	Gratuity Unfunded				
	2013-14	2012-13	2011-12	2010-11	2009-10
Opening Net Liability	378.80	357.08	1,093.50	834.50	717.61
Expenses as above	(44.44)	24.88	15.51	347.40	141.88
Employers' Contribution	(6.14)	(3.16)	–	(88.40)	(24.99)
Amount recognised in Balance Sheet	328.22	378.80	1,109.01	1,093.50	834.50

Particulars	Compensated Absences Unfunded	
	2013-14	2012-13
Opening Net Liability	459.78	411.11
Expenses as above	12.26	136.78
Employers' Contribution	(70.22)	(88.11)
Amount recognised in Balance Sheet	401.82	459.77

Notes to Financial Statements as at and for the year ended March 31, 2014

₹ in Lakhs

V. Compensated Absences

The actuarial liability of Compensated Absences (Unfunded) of accumulated privileged leave of the employees of the Company as at March 31, 2014 is ₹ 348.77 Lakhs (March 31, 2013- ₹ 396.55 Lakhs).

- VI. In respect of Gratuity (funded), the funds are managed by the insurers. Accordingly, the percentage or amount that each major category constitutes the Fair Value of total plan assets and effect thereof on overall expected rate of return on asset have not been disclosed.

VII. Principal Actuarial assumptions at the Balance Sheet Date

Particulars	Gratuity Funded				
	2013-14	2012-13	2011-12	2010-11	2009-10
Mortality Table	LICI 1994-1996	LICI 1994-1996	LICI 1994-1996	LICI 1994-1996	LICI 1994-1996
Discount rate (per annum)	9.00%	8.00%	8.00%	8.00%	8.00%
Expected rate of return on plan assets (per annum)	9.00%	8.00%	8.00%	8.00%	8.00%
Rate of escalation in salary (per annum)	6.00%	7.00%	7.00%	5.00%	5.00%

Particulars	Gratuity Unfunded				
	2013-14	2012-13	2011-12	2010-11	2009-10
Mortality Table	LICI 1994-1996	LICI 1994-1996	LICI 1994-1996	LICI 1994-1996	LICI 1994-1996
Discount rate (per annum)	9.00%	8.00%	8.00%	8.00%	8.00%
Expected rate of return on plan assets (per annum)	0.00%	0.00%	0.00%	0.00%	0.00%
Rate of escalation in salary (per annum)	6.00%	7.00%	7.00%	5.00%	5.00%

The estimates of rate of escalation in salary considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

The contributions expected to be made by the Company for the year 2014-15 is yet to be determined.

NOTE 2.34 SEGMENT INFORMATION

The Company's exclusive business is manufacturing and selling of Container Glass and as such in the opinion of the Management this is the only reportable segment, as per the Accounting Standard 17 on Segment Reporting, issued under Companies (Accounting Standards) Rules, 2006.

Geographical Segment

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

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Domestic Market	187,045.79	185,910.39
Overseas Market	11,482.68	14,031.38
Total	198,528.47	199,941.77

Notes to Financial Statements as at and for the year ended March 31, 2014

₹ in Lakhs

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

Particulars	As at March 31, 2014	As at March 31, 2013
Domestic Market	36,571.84	47,385.44
Overseas Market	822.50	1,575.54
Total	37,394.34	48,960.98

NOTE 2.35 RELATED PARTY DISCLOSURES

I. Names of the related parties and nature of relationship

A) Subsidiary Companies

Glass Equipment (India) Limited (GEIL)
HNG Global GmbH (HNGGG)
Quality Minerals Limited (QML)

B) Associate Company (Upto June 30, 2013)

HNG Float Glass Limited (HNGFL)

C) Joint Venture Company (From July 1, 2013)

HNG Float Glass Limited (HNGFL)

D) Key Management Personnels and their relatives.

- (i) Mr. C. K. Somany - Chairman and Non Executive Director (Relative of Key Management Personnel)
- (ii) Mr. Sanjay Somany - Vice Chairman and Managing Director and Key Management Personnel
- (iii) Mr. Mukul Somany - Vice Chairman and Managing Director and Key Management Personnel
- (iv) Mr. Rakesh Kumar Sharma - Executive Director and Key Management Personnel

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

AMCL Machinery Limited (AMCL)
Brabourne Commerce Private Limited
Mould Equipment Limited (MEL)
Rungamattee Trexim Private Limited (RTPL)
Somany Foam Limited (SFL)
Spotme Tracon Private Limited (STPL)
Spotlight Vanijya Limited (SVL)

II. Related Party Transactions

a) Aggregate amount of Transactions with Subsidiary Companies :

Nature of transaction	Name of the related party	For the year ended March 31, 2014	For the year ended March 31, 2013
Sale of Goods	Glass Equipment (I) Limited	22.86	27.57
Purchase of Stores & Spares	Glass Equipment (I) Limited	489.82	1,574.12
Payment on behalf of Related Party	Glass Equipment (I) Limited	—	35.97
Purchase of Fixed Assets	Glass Equipment (I) Limited	281.16	1,181.52
Receipt of Services	Glass Equipment (I) Limited	4.00	28.97
Provision of Facilities	Glass Equipment (I) Limited	30.65	31.17

Notes to Financial Statements

as at and for the year ended March 31, 2014

₹ in Lakhs

Nature of transaction	Name of the related party	For the year ended March 31, 2014	For the year ended March 31, 2013
Dividend Received	Glass Equipment (I) Limited	2.64	39.60
Reimbursement of Expenses	Glass Equipment (I) Limited	0.46	2.32
Investment in Shares	Glass Equipment (I) Limited	1,464.60	—
	HNG Global GmbH	781.73	—
Share Application Money paid	Glass Equipment (I) Limited	814.60	—
Recovery of expenses	HNG Global GmbH	185.90	35.65
	Glass Equipment (I) Limited	5.28	—
Reimbursement of Expenses paid	Glass Equipment (I) Limited	—	1.62

b) Aggregate amount of Transactions with Associate Company: (Upto June 30, 2013)

Nature of transaction	Name of the related party	For the year ended March 31, 2014	For the year ended March 31, 2013
Purchase of Goods	HNG Float Glass Limited	25.85	53.29
Purchase of Assets	HNG Float Glass Limited	—	21.18
Share Application Money Paid	HNG Float Glass Limited	—	3,105.00
Share Application Money Paid (Refunded)	HNG Float Glass Limited	6,285.00	—
Recovery of Expenses	HNG Float Glass Limited	0.08	8.40

c) Aggregate amount of Transactions with Joint Venture Company: (From July 1, 2013)

Nature of transaction	Name of the related party	For the year ended March 31, 2014	For the year ended March 31, 2013
Sale of Goods	HNG Float Glass Limited	8.64	—
Purchase of Goods	HNG Float Glass Limited	3.72	—
Purchase of Assets	HNG Float Glass Limited	6.65	—
Receipt of Services	HNG Float Glass Limited	43.45	—
Rendering Transitional Support services (Gross of TDS)	HNG Float Glass Limited	27.57	—

d) Aggregate amount of Transactions with Key Management Personnel and their relatives :

Particulars	Ref Note No.	Sanjay Somany	Mukul Somany	Rakesh Kumar Sharma
Remuneration (included in Employee Benefit Expenses- Note 2.24)				
FY 2013-14	2.35.1	320.83	320.83	60.10
FY 2012-13		300.38	300.38	62.26

2.35.1 Remuneration paid to Vice Chairmen and Managing Directors and Executive Director includes ₹ 579.43 Lakhs for the previous year and ₹ 542.27 Lakhs for the year, which due to inadequacy of profit has exceeded the limits prescribed under the provisions of Companies Act, 1956. The Company has made an application before the Central Government and necessary approval in this respect is awaited.

Notes to Financial Statements as at and for the year ended March 31, 2014

₹ in Lakhs

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

Nature of transaction	Name of the related party	For the year ended March 31, 2014	For the year ended March 31, 2013
Purchase of Goods	Somany Foam Limited	4.49	1.41
	Mould Equipment Limited	7.94	6.89
	AMCL Machinery Limited	95.66	11.89
Purchase of Fixed Assets	AMCL Machinery Limited	242.22	23.93
Reimbursement of Expenses	AMCL Machinery Limited	8.69	—
Recovery of Expenses On Behalf of Related Party	AMCL Machinery Limited	0.49	16.55
	Mould Equipment Limited	1.16	—
Sale of Fixed Assets	Somany Foam Limited	3.03	—
Purchase of Stores & Spares	AMCL Machinery Limited	2.63	—
Sale of Stores Material	Somany Foam Limited	4.35	7.69
Receipt of Services	Mould Equipment Limited	237.68	200.93
	AMCL Machinery Limited	0.81	7.49
Interest Paid	Spotlight Vanijya Limited	66.97	—
	Brabourne Commerce Private Limited	46.36	—
Rent Paid	Spotlight Vanijya Limited	6.00	6.00
	Rungamattee Trexim Private Limited	3.00	3.00
Rent Received	Mould Equipment Limited	15.51	15.51
Loan Taken during the year	Brabourne Commerce Private Limited	1,500.00	—
	Spotlight Vanijya Limited	1,000.00	—
Refund of Loan (Taken)	Brabourne Commerce Private Limited	1,500.00	—
	Spotlight Vanijya Limited	1,000.00	—
Share Application Money Received (Refunded)	Spotlight Vanijya Limited	920.00	—
	Spotme Tracon Private Limited	240.00	—
	Rungamattee Trexim Private Limited	300.00	—
Share Application Money Received	Spotlight Vanijya Limited	—	920.00
	Spotme Tracon Private Limited	—	240.00
	Rungamattee Trexim Private Limited	—	300.00

f) Balance of related parties is as follows:

Nature of Balance	Name of the related party	As at March 31, 2014	As at March 31, 2013
Receivable/Advances	Glass Equipment (I) Limited	663.33	—
	Somany Foam Limited	—	0.40
Payable	Glass Equipment (I) Limited	45.00	42.47
	AMCL Machinery Limited	188.75	29.26
	Mould Equipment Limited	38.05	17.90
	Somany Foam Limited	3.50	—
	HNG Float Glass Limited	—	28.94
Share Application Money Paid	Glass Equipment (I) Limited	—	650.00
Pending Allotment	HNG Float Glass Limited	—	6,285.00

Notes to Financial Statements

as at and for the year ended March 31, 2014

₹ in Lakhs

Nature of Balance	Name of the related party	As at March 31, 2014	As at March 31, 2013
Share Application Money Received Pending Allotment	Spotlight Vaniya Limited	–	920.00
	Spotme Tracon Private Limited	–	240.00
	Rungamattee Trexim Private Limited	–	300.00
Corporate Guarantee given to bank	AMCL Machinery Limited	1,800.00	1,800.00
	Glass Equipment (I) Limited	4,000.00	5,110.00
	HNG Global GmbH	45,262.31	38,377.85
Investment in Shares	HNG Global GmbH	–	6,356.04
	HNG Float Glass Limited	–	11,500.00
Surety Taken	Glass Equipment (I) Limited	100.00	50.00
Expenses incurred on behalf of Related Party	HNG Global GmbH	141.32	4.80

NOTE 2.36 LEASES

The Company has acquired certain assets under Financial Lease, the cost of which is included in the gross blocks of buildings and vehicles. The lease term is 75 years (Rishikesh and Head Office) and 95 years (in case of Sinnar) for Building. The lease term is 3 years for vehicles, after which the legal title will pass on the Company. The lease has been recognised as an asset at the present value of the minimum lease payments. Minimum lease payments payable in future at the Balance Sheet date and their present value are as under:

Particulars	Lease Payments	Present Value
Not more than one year	62.10	50.09
Later than one year and not more than five year	92.49	83.17
Later than five years	42.82	0.85

Assets taken under operating leases :

Office premises and office equipments are obtained on Operating Lease. There is no contingent rent in the lease agreements. The lease term is for 1-3 years and is renewable at the mutual agreement of both the parties. There is no escalation clause in the lease agreements. There are no restrictions imposed by lease agreements. There are no sublease and all the leases are cancelable in nature. The aggregate lease rentals are charged as "Rent" in Note '2.25' of the financial statement.

NOTE 2.37 DEFERRAL/CAPITALISATION OF EXCHANGE DIFFERENCES

In accordance with the amendment to AS 11, the Company has capitalised/decapitalised exchange loss/gain respectively arising on long-term foreign currency loan, amounting to ₹ 3,545.75 Lakhs (PY. ₹ 2,079.50 Lakhs) to the cost of Plant & Equipments. The Company does not have any other long-term foreign currency monetary item. Hence, the amount of exchange loss deferred in the "Foreign Currency Monetary Item Translation Difference Account" is ₹ NIL (Previous Year : ₹ NIL). The unamortised amount as on March 31, 2014 is ₹ 5,088.98 Lakhs (Previous year : ₹ 2,172.55 Lakhs).

Notes to Financial Statements as at and for the year ended March 31, 2014

₹ in Lakhs

NOTE 2.38 FINISHED GOODS STOCK AND SALES

Particulars	Sales *		Closing Stock	
	For the year ended March 31, 2014	For the year ended March 31, 2013	For the year ended March 31, 2014	For the year ended March 31, 2013
Bottles	195,788.01	198,429.71	32,510.41	30,864.86

* Sales include breakages of bottles.

NOTE 2.39 RAW MATERIAL CONSUMED

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Silica Sand	10,666.61	8,575.21
Soda Ash	26,856.05	26,367.36
Cullet	9,146.46	11,208.16
Others	7,052.54	8,480.14
Total	53,721.66	54,630.87

Excluding raw material processing charges 110.60 219.73

NOTE 2.40 VALUE OF RAW MATERIALS, SPARE PARTS AND COMPONENTS CONSUMED

Particulars	Ref Note No.	For the year ended March 31, 2014		For the year ended March 31, 2013	
		% of total consumption	Value	% of total consumption	Value
Raw Material	2.40 (a)				
Imported		35.49	19,063.99	28.24	15,425.42
Indigenous		64.51	34,637.68	71.76	39,205.45
		100.00	53,721.67	100.00	54,630.87
Spare Parts	2.40 (b)				
Imported		5.37	294.82	23.30	1,626.17
Indigenous		94.53	5,099.63	76.70	5,354.58
		100.00	5,394.45	100.00	6,980.75

2.40 (a) Excluding Raw Materials Processing / ACL Printing Charges 110.60 219.73

2.40 (b) Excluding stores consumed 832.17 1,878.44

Notes to Financial Statements as at and for the year ended March 31, 2014

₹ in Lakhs

NOTE 2.41 VALUE OF IMPORTS CALCULATED ON CIF BASIS

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Raw Materials	16,387.77	19,266.03
Components, Spare Parts and Stores etc.	1,987.48	6,622.92
Capital Goods (including CWIP)	327.11	8,442.31

NOTE 2.42 EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Travelling Expenses	17.64	100.71
Selling Commission	21.65	55.14
Finance Charges	3,070.04	2,682.46
Repairs	112.34	103.10
Professional / Technical Fees	352.69	361.66
Others	5.88	5.25

NOTE 2.43 EARNINGS IN FOREIGN CURRENCY (ACCRUAL BASIS)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
F.O.B. Value of Exports	5,464.78	9,217.36

NOTE 2.44

The Board is of the opinion that the assets other than Fixed Assets and non current investments have a value on realisation in the ordinary course of business atleast equal to the amount at which they are stated.

NOTE 2.45

The Board of Directors of the Company has approved the Scheme of Amalgamation of its wholly owned subsidiaries, Glass Equipment (India) Limited and Quality Minerals Limited with the Company with effect from April 1, 2014, subject to necessary approvals.

NOTE 2.46

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

The notes are an integral part of the Financial Statements.

As per our report of even date

For **LODHA & CO.**

Chartered Accountants

Chandra Kumar Somany
Chairman

Mukul Somany
Vice Chairman and
Managing Director

H. K. Verma
Partner

Ajay Kumar Rai
Company Secretary

Bimal Kumar Garodia
Sr. Vice President and
Chief Financial Officer

Place : Kolkata

Date : May 20, 2014

STATEMENT REGARDING SUBSIDIARY COMPANIES PURSUANT TO SECTION 212 OF COMPANIES ACT, 1956

1	Name of the Subsidiary Company	HNG Global GmbH	Glass Equipment (India) Limited	Quality Minerals Ltd
2	Financial Year of the Subsidiary Company ended on	March 31, 2014	March 31, 2014	March 31, 2014
3	Holding Company's interest	Entire Subscribed Capital comprising of 1,10,00,000 Equity Shares of Euro 1/- each.	Entire Subscribed Capital comprising of 38,400 Equity Shares of ₹ 100/- each.	9,384 Equity Shares of ₹ 100/- each out of the Subscribed and paid up Capital of 9,410 Equity Shares of ₹ 100/- each.
4	Extent of holding	100%	100%	99.72%
5	Net Profit/(Loss) of the Subsidiary (₹)	95,025,586	(52,380,128)	1,543,917
6	For the financial year of the Subsidiary			
	A] Profits/(Losses) so far as it concerns the members of the holding company and not dealt with in the holding company's accounts.	95,025,586	(52,380,128)	1,539,594
	B] Profits/(Losses) so far as it concerns the members of the holding company and dealt with in the holding company's accounts.	NIL	264,000	NIL
7	For previous financial years since it became a Subsidiary.			
	A] Profits/(Losses) so far as it concerns the members of the holding company and not dealt with in the holding company's accounts.	(369,108,449)	234,986,973	21,697,774
	B] Profits/(Losses) so far as it concerns the members of the holding company and dealt with in the holding Company's accounts.	NIL	22,398,263	NIL

Chandra Kumar Somany
Chairman

Mukul Somany
Vice Chairman and
Managing Director

Ajay Kumar Rai
Company Secretary

Bimal Kumar Garodia
Sr. Vice President and
Chief Financial Officer

Independent Auditors' Report

To the Board of Directors of Hindusthan National Glass and Industries Limited on the Consolidated Financial Statements of Hindusthan National Glass And Industries Limited, Its Subsidiaries, Associate and Joint Venture

We have audited the accompanying consolidated financial statements of Hindusthan National Glass And Industries Limited ("the Company"), its subsidiaries, Joint Venture/Associate which comprise the Consolidated Balance Sheet as at March 31, 2014, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the Auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

As stated in Note no. 2.35.1 of the Financial Statements, due to inadequacy of profit, managerial remuneration to the extent of ₹ 1,121.70 Lakhs (including ₹ 579.43 Lakhs pertaining to previous year) has become in excess of the limits laid down in the Companies Act, 1956 awaiting Central Government's approval. Pending such approvals, impact thereof on the Financial Statements is not ascertainable.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except of the matters described in the Basis for Qualified Opinion paragraph and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) In the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

Attention is invited to Note No 2.13.1 regarding carry forward of Minimum Alternate Tax (MAT) Credit Entitlement of ₹ 2,587.57 Lakhs based on future taxable income projected by the Company.

Other Matters

- (a) We did not audit the financial statements of any of the subsidiary companies, Glass Equipment (India) Limited, Quality Minerals Limited and HNG Global GmbH whose financial statements reflect total assets of ₹ 52,668.12 Lakhs as at March 31, 2014, total revenue of ₹ 3,0374.68 Lakhs and Net cash flows of ₹ (1,257.03) Lakhs for the year ended as on that date. The financial statements of these subsidiaries were audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.
- (b) We did not audit the financial statements of HNG Float Glass Limited, Associate/a jointly controlled entity whose financial statements reflect the Company's proportionate share of total assets of ₹ 11,593.15 Lakhs as at March 31, 2014, total revenue of ₹ 6,439.48 Lakhs and net cash flows of (₹ 117.63) Lakhs for the year ended as on that date. The financial statements of this Joint Venture was audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of this jointly controlled entity, is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

For **LODHA & CO.**

Chartered Accountants

Firm's ICAI Registration No. : 301051E

H.K. Verma

Partner

Membership No : 55104

Place : Kolkata

Date : May 20, 2014

Consolidated Balance Sheet as at March 31, 2014

₹ in Lakhs

Particulars	Note No.	As at March 31, 2014	As at March 31, 2013
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2.1(a)	1,746.77	1,746.77
(b) Reserves and Surplus	2.1(b)	71,530.75	88,959.20
(2) Share application money pending allotment	2.2	–	1,460.00
(3) Minority Interest		0.67	0.63
(4) Non-Current Liabilities			
(a) Long-term borrowings	2.3	201,545.71	204,105.11
(b) Deferred Tax Liabilities (Net)	2.4	–	2,071.39
(c) Other Long-Term Liabilities	2.5	1,734.71	2,107.76
(d) Long-Term Provisions	2.6	680.85	783.16
(5) Current Liabilities			
(a) Short-Term Borrowings	2.7	57,663.49	65,809.44
(b) Trade Payables	2.8	41,471.66	34,399.41
(c) Other Current Liabilities	2.9	62,838.21	61,254.52
(d) Short-Term Provisions	2.10	5,764.23	9,563.56
Total		444,977.05	472,260.95
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	2.11	291,185.90	295,360.13
(ii) Intangible Assets	2.11	265.14	500.22
(iii) Capital Work-in-Progress	2.11.9	15,374.85	17,864.77
(iv) Goodwill on Consolidation		1.65	1.40
(b) Non-Current Investments	2.12	167.99	6,029.61
(c) Deferred Tax Assets (Net)	2.4	264.30	–
(d) Long-Term Loans and Advances	2.13	6,971.15	12,826.70
(e) Other Non-Current Assets	2.14	146.69	130.45
(2) Current Assets			
(a) Inventories	2.15	62,589.13	58,562.00
(b) Trade Receivables	2.16	45,300.41	52,438.25
(c) Cash and Bank Balances	2.17	3,137.97	3,873.52
(d) Short-Term Loans and Advances	2.18	17,819.94	24,440.92
(e) Other Current Assets	2.19	1,751.93	232.98
Total		444,977.05	472,260.95
Summary of Significant Accounting Policies	1		
Notes on Consolidated Financial Statements	2.1 to 2.41		

The notes are an integral part of the Consolidated Financial Statements.

As per our report of even date

For **LODHA & CO.**

Chartered Accountants

Chandra Kumar Somany
Chairman

Mukul Somany
Vice Chairman and
Managing Director

H. K. Verma
Partner

Ajay Kumar Rai
Company Secretary

Bimal Kumar Garodia
Sr. Vice President and
Chief Financial Officer

Place : Kolkata

Date : May 20, 2014

Consolidated Statement of Profit & Loss for the year ended March 31, 2014

₹ in Lakhs

Particulars	Note No.	For the Year ended March 31, 2014	For the Year ended March 31, 2013
REVENUE			
Revenue from operations (Gross)	2.20	235,481.62	223,750.47
Less : Excise Duty		17,887.03	17,647.30
I. Revenue from operations (Net)		217,594.59	206,103.17
II. Other Income	2.21	12,865.67	745.67
III. Total Revenue (I + II)		230,460.26	206,848.84
EXPENSES			
Cost of Materials Consumed	2.22	62,414.38	59,498.28
Purchase of Stock-in-Trade		112.77	483.28
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	2.23	(1,018.37)	(15,389.60)
Employee Benefit Expense	2.24	21,645.59	21,046.52
Other Expenses	2.25	109,598.50	122,211.00
IV. Total Expenses		192,752.87	187,849.48
V. Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) (III - IV)		37,707.39	18,999.36
VI. Depreciation and Amortization expense	2.11	29,331.38	23,054.71
Transferred from Revaluation Reserve	2.1 (b)	(166.42)	(198.02)
		29,164.96	22,856.69
VII. Finance Costs	2.26	28,640.81	22,355.17
VIII. Profit / (Loss) Before Tax (V-VI-VII)		(20,098.38)	(26,212.50)
IX. Tax expense			
(1) Current tax	2.27	6.91	29.48
(2) Deferred tax	2.4	(2,335.69)	(7,446.57)
Total Tax Expenses	2.27	(2,328.78)	(7,417.09)
X. Profit / (Loss) After Tax before share of results of associates and minority interests (VIII-IX)		(17,769.60)	(18,795.41)
XI. Less : Minority Interests		0.04	0.04
XII. Add : Share of Profit/(Loss) of Associate		(1,906.83)	-
Share of Profit / (Loss) in Associate for the year 2013-14 (Upto 30th June, 2013)		(1,092.26)	-
Share of Profit/(Loss) in Associate for the year 2012-13		(814.57)	-
XIII. Profit/(Loss) for the period from continuing operations (X - XI - XII)		(19,676.39)	(18,795.45)
XIV. Earnings Per Equity Share	2.28		
(1) Basic		(22.53)	(21.52)
(2) Diluted		(22.53)	(21.52)
Number of shares used in computing Earnings per share			
(1) Basic		87,338,565	87,338,565
(2) Diluted		87,338,565	87,338,565
Summary of Significant Accounting Policies	1		
Notes on Consolidated Financial Statements	2.1 to 2.41		

The notes are an integral part of the Consolidated Financial Statements.

As per our report of even date

For **LODHA & CO.**

Chartered Accountants

Chandra Kumar Somany
Chairman

Mukul Somany
Vice Chairman and
Managing Director

H. K. Verma
Partner

Ajay Kumar Rai
Company Secretary

Bimal Kumar Garodia
Sr. Vice President and
Chief Financial Officer

Place : Kolkata

Date : May 20, 2014

Consolidated Cash Flow Statement for the year ended March 31, 2014

₹ in Lakhs

Particulars	Note	For the year ended March 31, 2014	For the year ended March 31, 2013
CASH FLOW FROM OPERATING ACTIVITIES			
Profit Before Tax		(20,098.38)	(26,212.50)
Non-Cash Adjustments to Reconcile Profit Before Tax to Net Cash Flows			
Depreciation/Amortisation		29,164.97	22,856.69
Loss/(profit) on sale/discard of fixed assets		277.13	783.24
Unrealised foreign exchange loss		672.83	(331.30)
Bad Debts and Provision for Doubtful Debts		561.34	116.05
Provision for Loss on Derivative Transactions		123.58	355.37
Interest Income		(169.25)	(354.18)
Receipt of Subsidy		(32.19)	(85.94)
Dividend Income on Long term Investments		(4.31)	(40.44)
Net Loss/(Gain) on sale of Current Investments		(74.32)	(16.55)
Net Loss/(Gain) on sale of Long Term Investments		(11,444.61)	–
Finance Costs		28,228.95	22,355.17
Liability no longer required written back		(294.51)	(764.24)
Operating Profit Before Working Capital Changes		26,911.23	18,661.37
Movement in Working Capital :			
Increase/(Decrease) in Trade Payables and Other Liabilities		110.54	24,726.26
Decrease/(Increase) in Trade Receivables		7,798.77	(17,063.82)
Decrease/(Increase) in Inventories		(2,643.22)	(20,196.64)
Decrease/(Increase) in Loans and Advances		6,942.32	(676.31)
Cash Generated from/(used in) Operations		39,119.64	5,450.86
Direct taxes paid (net of refunds)		62.38	166.02
Net Cash Flow from/(used in) Operating Activities (A)		39,182.02	5,616.88
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets (including intangible assets, CWIP and capital advances)		(14,672.81)	(51,498.21)
Proceeds from sale of fixed assets		1,632.35	43.06
Proceeds from sale of non-current investment		13,460.75	0.50
Purchase of non-current investment		(2,246.33)	–
Redemption /(Investment) in bank deposits with maturity more than 3 months		(39.46)	2.08
Purchase of current investment		(10,000.00)	(6,500.00)
Refund of Share application money		8,531.33	–
Share application money paid		(1,596.33)	(3,105.00)
Proceeds from sale/maturity of current investments		10,074.32	6,516.55
Interest received		116.92	327.84
Dividend received from subsidiary company		2.64	39.60
Dividend received from others		1.67	0.84
Net Cash Flow from/(used in) Investing Activities (B)		5,265.05	(54,172.74)

Consolidated Cash Flow Statement for the year ended March 31, 2014

₹ in Lakhs

Particulars	Note	For the year ended March 31, 2014	For the year ended March 31, 2013
CASH FLOW FROM FINANCING ACTIVITIES			
Receipt of Share Application money		(1,460.00)	1,460.00
Proceeds from borrowings		30,187.99	78,674.81
Proceeds from issuance of Share Capital		824.45	-
Repayment of Borrowings		(48,178.68)	(8,005.61)
Interest paid		(25,814.67)	(21,389.64)
Share application money received		(650.00)	-
Increase in Share Capital		12.00	-
Subsidy Received		(177.72)	1,754.56
Dividend paid on Equity Shares including Dividend Distribution Tax		(87.09)	(1,306.63)
Net Cash Flow from/(used in) Financing Activities (C)		(45,343.72)	51,187.49
Exchange Differences on Translation of Foreign Subsidiary (D)		98.01	44.35
Net increase/(decrease) in Cash and Cash equivalents(A+B+C+D)		(798.64)	2,675.98
Cash and Cash equivalents at the beginning of the year		3,797.00	1,121.02
Cash and Cash Equivalents at the end of the year		2,998.36	3,797.00
Components of Cash and Cash Equivalents			
Balances with banks:			
In current accounts		174.64	220.24
In cash credit accounts		958.76	1,044.53
In Deposit accounts (With original maturity of less than 3 months)		0.75	2,508.19
In unpaid dividend accounts		2.22	2.11
Cheques on hand		1,843.25	2.15
Cash on hand		18.74	19.78
Total Cash and Cash Equivalents	2.17	2,998.36	3,797.00
Summary of Significant Accounting Policies	1		

The above Cash Flow Statements has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 on "Cash Flow Statements" as prescribed by the Companies (Accounting Standard) Rules, 2006.

The notes are an integral part of the Consolidated Financial Statements.

As per our report of even date

For **LODHA & CO.**

Chartered Accountants

Chandra Kumar Somany
Chairman

Mukul Somany
Vice Chairman and
Managing Director

H. K. Verma
Partner

Ajay Kumar Rai
Company Secretary

Bimal Kumar Garodia
Sr. Vice President and
Chief Financial Officer

Place : Kolkata

Date : May 20, 2014

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

Notes on the Consolidated Financial Statements of the Company and its Subsidiaries, Associates & Joint venture.

1 Principles of Consolidation

- a) The Consolidated Financial Statements have been prepared in accordance with the Accounting Standard 21 (AS 21) on "Consolidated Financial Statements" and Accounting Standard 23 (AS 23) on "Accounting for Investments in Associates in Consolidated Financial Statements" as notified vide Companies (Accounting Standards) Rules, 2006.
- b) The Subsidiaries (which along with Hindusthan National Glass & Industries Limited, the holding company, constitute the group) have been considered in the preparation of these consolidated financial statements are :

Name of Subsidiary	Country of Incorporation	Percentage of voting power either directly or through subsidiaries as at	
		March 31, 2014	March 31, 2013
HNG Global GmbH	Germany	100%	100%
Glass Equipment (India) Limited	India	100%	100%
Quality Minerals Limited	India	99.72%	99.72%

c) Investment in Associate / Joint Venture

Name of Associate	Country of Incorporation	Percentage of voting power held as at	
		March 31, 2014	March 31, 2013
HNG Float Glass Limited #	India	NIL	47.41%

Ceased to be an Associate w.e.f. July 1, 2013

Investment in Joint Venture

Name of Joint Venture	Country of Incorporation	Percentage of voting power held as at	
		March 31, 2014	March 31, 2013
HNG Float Glass Limited	India	18.31%	NIL

Ceased to be an Associate w.e.f. July 1, 2013

d) Consolidation Procedures

- i) For preparation of Consolidated Financial Statements, the financial statements of the Company and its subsidiaries have been combined on a line - by - line basis by adding together like items of assets, liabilities, revenue and expenditures after eliminating intra group balances and transactions and the resulting unrealised profits and losses.
- ii) Foreign Subsidiary - Revenue items have been consolidated at the average of foreign exchange rate prevailing during the year. The assets and liabilities, both monetary and non-monetary, of the non-integral foreign operations are translated at the closing rate. The exchange difference on monetary and non-monetary items which in substance forms part of Company's net investment in the non-integral foreign operations are accumulated in the Foreign Currency Translation Reserve.
- iii) Investment in Associate is accounted in accordance with AS-23 on "Accounting for Investments in Associates in Consolidated Financial Statements", under "Equity Method". Unrealised Profit/Loss are eliminated.
- iv) The difference between the cost of investment in the associate and subsidiaries and the share of net assets at the time of acquisition of shares in the associate is identified in the consolidated financial statements as Goodwill or Capital Reserve as the case may be.
- v) As far as possible, the Consolidated Financial Statements are prepared using uniform accounting policies for similar material transactions and other events in similar circumstances otherwise as stated elsewhere.
- vi) Interest in Joint Ventures is reported using proportionate consolidation method in the Consolidated Financial Statements as per AS-27. A separate line item is added in Consolidated Financial Statements for proportionate share of assets, liabilities, income and expenses.

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2014

2 Other Significant Accounting Policies

a) Accounting Convention

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

b) Use of Estimates

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

c) Fixed Assets

- i) Fixed Assets are stated at cost of acquisition or cost of construction or at revalued amounts wherever such assets have been revalued or at fair value as the case may be.
- ii) All direct expenditure relating to construction of project are capitalised as "Pre-operative & Trial Run Expenses (pending allocation)". Administrative and general overheads which are specifically attributable to the construction of the project and /or bringing it to the working conditions for intended use (Net of Revenue during the said period) are also capitalised as "Pre-operative & Trial Run Expenses (Pending allocation)".

d) Depreciation and Amortization

Tangible Assets

- i) Depreciation except otherwise stated has been provided at the rates specified under Schedule XIV to the Companies Act, 1956 on assets installed/acquired up to March 31, 1990 on written down value method and in respect of additions thereafter on straight line method.
- ii) Certain Plant and Equipments have been considered as continuous process plant as defined under Schedule XIV to the Companies Act, 1956 on the basis of technical evaluation.
- iii) Depreciation on increase in value of Fixed Assets due to revaluation is provided on the basis of remaining useful life as estimated by the valuer on the straight line method and is transferred from Revaluation Reserve to Statement of Profit and Loss.
- iv) Depreciation on incremental cost arising on account of exchange difference is amortised on straight line method over the remaining life of the assets.
- v) Second hand machines are depreciated on straight line method based on their useful lives as estimated by independent technical experts.
- vi) Fixed Assets at Nashik Plant are estimated to have lower residual lives than that envisaged as per the rates provided in Schedule XIV of the Companies Act, 1956. Depreciation has been provided based on the estimated shorter residual lives as follows :

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

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2014

Intangible Assets

vii) (A) For the Company

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

(B) For the Subsidiary

95% value of the Computer Softwares, Technical Knowhow and License Fees are amortised

Computer Softwares are amortised on SLM @ 16.21% per year. License Fees are amortised on SLM over a period of three years.

e) Impairment

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

f) Investments

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

g) Inventories

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

h) Foreign Exchange Transactions and Derivatives

Transactions in foreign currencies are accounted for at the exchange rate prevailing on the date of the transaction. Foreign currency monetary assets and liabilities other than net investments in non-integral foreign operations are translated at the exchange rate prevailing on the Balance Sheet date. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transaction during the year are recognised as revenue or expenses in the Statement of Profit and Loss except in respect of non-current liabilities related to fixed assets/capital work-in-progress in which case, these are adjusted to the cost of respective fixed assets/capital work-in-progress. Exchange difference arising on a monetary item that, in substance, forms part of an enterprise's net investments in a non-integral foreign operation are accumulated in a foreign currency translation reserve.

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

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

For the purpose of consolidation, income and expenses are translated at average rates and the assets and liabilities are stated at closing rate. The net impact of such change is accumulated under foreign currency translation reserve.

i) Revenue Recognition

- i) All expenses and revenues are accounted for on mercantile basis except otherwise stated.
- ii) Revenues from Export Incentives, Insurance and other claims etc. is recognised on the basis of certainties as to its utilisation and related realisation.
- iii) Sales are inclusive of Packing Charges and Excise Duty but exclusive of Value Added Tax, Rebates, Discounts and Claims etc.

j) CENVAT / Value Added Tax (VAT) Credit

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

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2014

k) Employee Benefits

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

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

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

l) Research and Development

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

m) Subsidies and Grants

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

n) Borrowing Costs

Borrowing costs that are attributable to the acquisition/construction of Fixed Assets are capitalised as part of the cost of respective assets. Other borrowing costs are recognised as an expense in the year in which they are incurred and in case of foreign subsidiary it is amortised over the life of the assets.

o) Income Tax

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

p) Lease

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

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

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

q) Provisions, Contingent Liabilities and Contingent Assets

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

r) Measurement of EBITDA

As permitted by the Guidance Note on the *Revised Schedule VI to the Companies Act, 1956*, the Company has elected to present Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) as a separate line item on the face of the Statement of Profit and Loss. The Company measures EBITDA on the basis of profit/(loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2014

₹ in Lakhs

NOTE 2.1 (a) SHARE CAPITAL

Particulars	As at March 31, 2014	As at March 31, 2013
Authorised Share Capital	51,150.00	51,150.00
2,55,75,00,000 (2,55,75,00,000) Equity Shares of ₹ 2/- each		
Issued, Subscribed and fully paid - up Share Capital	1,746.77	1,746.77
8,73,38,565 (8,73,38,565) Equity Shares of ₹ 2/- each		
Out of above 3,21,21,725 (3,21,21,725) Equity Shares have been issued pursuant to a Scheme of Amalgamation and Arrangement for consideration other than cash.		
	1,746.77	1,746.77

2.1(a).1 The Company has only one class of equity shares having a par value of ₹ 2 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after discharge of all liabilities, in proportion of their shareholding.

2.1(a).2 There is no change in the number of shares outstanding at the beginning and at the end of the reporting period.

2.1(a).3 Details of the Shareholders holding more than 5% shares alongwith number of shares held :

Name of Shareholders	Number of Shares held March 31, 2014	Number of Shares held March 31, 2013
Brabourne Commerce Private Limited	21,414,485	21,414,485
Spotlight Vanijya Limited	16,199,975	16,199,975
Dilip S Damle (Trustee HNG and ACE Trust)	14,641,600	14,641,600
Ironwood Investment Holdings	6,348,025	6,348,025
Rungamattee Trexim Private Limited	4,420,550	4,420,550
Spotme Tracon Private Limited	4,420,545	4,420,545

NOTE 2.1 (b) RESERVE AND SURPLUS

Particulars	Ref Note No.	As at March 31, 2014	As at March 31, 2013
Foreign Exchange Fluctuation Reserve (arising on Consolidation)			
As per last Balance Sheet		281.55	237.20
Add : Addition during the year		98.01	44.35
		379.56	281.55
Capital Reserve on Consolidation			
As per last Balance Sheet		2.90	2.90
		2.90	2.90
Capital Reserves	2.1(b).1		
As per last Balance Sheet		5,592.95	5,592.95
		5,592.95	5,592.95
Securities Premium Account			
As per last Balance Sheet		5,823.09	5,823.09
Add : Premium on issue of shares		1,550.11	—
		7,373.20	5,823.09

Notes to Financial Statements as at and for the year ended March 31, 2014

₹ in Lakhs

NOTE 2.1 (b) RESERVE AND SURPLUS

Particulars	Ref Note No.	As at March 31, 2014	As at March 31, 2013
Debenture Redemption Reserve			
As per last Balance Sheet		5,625.00	5,625.00
		5,625.00	5,625.00
Revaluation Reserve			
As per last Balance Sheet	2.11.3a - 2.11.3d	9,305.42	9,503.81
Less: Transfer to Statement of Profit and Loss		(166.42)	(198.02)
Less: Adjustments on discarding / sale of Assets		(1.20)	(0.37)
		9,137.80	9,305.42
General Reserve			
As per last Balance Sheet	2.1(b).1	72,884.05	79,624.27
Add : During the year		750.31	(6,740.22)
		73,634.36	72,884.05
Surplus			
As per last Balance Sheet		(10,555.76)	1,349.04
Add : Net Profit/(Loss) after Tax transferred from Statement of Profit and Loss		(19,676.39)	(18,795.45)
Add : Transfer from General Reserve		–	6,740.22
Add : Provision for Proposed Dividend including Dividend Distribution Tax written back - Forego of right to receive Dividend by HNG Trust and ACE Trust	2.1(b).2	17.15	255.25
Amount available for Appropriation		(30,215.00)	(10,450.94)
Appropriations:			
Proposed Equity Dividend	2.1(a).1	–	89.98
Tax on proposed equity dividend		0.02	14.84
Net Surplus in the Statement of Profit and Loss		(30,215.02)	(10,555.76)
Total Reserves and Surplus	2.1(b).3	71,530.75	88,959.20

- 2.1(b).1 In terms of Scheme of Arrangement pursuant to the Order of Hon'ble High Court, Calcutta dated April 7, 2008 and by the Hon'ble High Court, Delhi dated March 19, 2008 (the Scheme) sanctioning the amalgamation of Ace Glass Containers Limited (AGCL) with the Company, 13,68,872 and 21,41,448 equity shares of ₹ 10/- each of the Company issued in lieu of the shares of the Company held by AGCL and shares of AGCL held by the Company were transferred to ACE Trust and HNG Trust respectively in earlier years for the sole benefit of the Company. Out of the shares so transferred 68,44,360 and 77,97,240 equity shares of ₹ 2/- each of the Company (after subdivision of 1 equity share of ₹ 10/- each into 5 equity shares of ₹ 2/- each w.e.f. 13/11/2009) are held by ACE Trust and HNG Trust respectively as on March 31, 2014. In view of the shares being held for the sole benefit of the Company as mentioned above, the book value of ₹ 6,014.85 Lakhs of these investments have 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.
- 2.1(b).2 In respect of 1,46,41,600 Equity Shares held by HNG Trust and ACE Trust, the Trustees had informed the Company of their decision to forego their rights to dividend on shares held by them for the year 2012-13 and accordingly proposed dividend and dividend distribution tax amounting to ₹ 14.64 Lakhs (₹ 219.62 Lakhs) and ₹ 2.51 Lakhs (₹ 35.63 Lakhs) respectively was written back during the year.
- 2.1(b).3 Includes ₹ 1,638.15 Lakhs on account of share in Joint Venture.

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2014

₹ in Lakhs

NOTE 2.2 SHARE APPLICATION MONEY PENDING ALLOTMENT

The Shareholders in its meeting held on December 18, 2012 had approved the proposal of allotment of 110,00,000 equity shares of ₹ 2 each for cash at price of ₹ 200, including a premium of ₹ 198 each aggregating to ₹ 220,00,00,000 to M/s Rungamattee Trexim Private Limited, Spotlight Vanijya Limited and Spotme Tracon Private Limited on a preferential basis. The Company had received share application money of ₹ 1,460.00 Lakhs for 7,30,000 equity shares. Equity Shares were required to be allotted within 15 days from the receipt of all necessary approvals from statutory authorities (stock exchanges wherever Company's Shares are listed, in this case). In view of inordinate delay in receiving such approvals, the Company has refunded the application money so received during the year.

NOTE 2.3 LONG-TERM BORROWINGS

Particulars	Ref Note No.	As at March 31, 2014		As at March 31, 2013	
		Non-Current	Current Maturities	Non-Current	Current Maturities
SECURED LOANS					
(a) Debentures	2.3.1				
10.40% Redeemable Non-Convertible Debentures privately placed with Life Insurance Corporation of India		20,000.00	—	20,000.00	—
11.75% Redeemable Non-Convertible Debentures privately placed with General Insurance Corporation of India		1,666.67	833.33	2,500.00	—
(b) Term Loans					
From Banks	2.3.2 & 2.3.6	144,701.55	35,904.59	137,724.92	33,810.21
From Financial Institutions	2.3.3 & 2.3.6	22,845.72	2,574.22	23,209.58	416.66
(c) Vehicle Finance Loan	2.3.6 & 2.3.7				
From Bank		363.99	372.35	731.18	424.99
From Others		—	—	—	62.82
UNSECURED LOANS					
(d) Term Loans					
From Bank	2.3.2 & 2.3.8	7,500.00	500.00	10,000.00	—
From Others	2.3.4 & 2.3.8	3,125.00	312.50	8,375.00	625.00
(e) Deferred Payment Liabilities					
Sales Tax Deferment Loan	2.3.5	1,342.78	221.65	1,564.43	—
	2.3.9	201,545.71	40,718.64	204,105.11	35,339.68

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2014

₹ in Lakhs

2.3.1 Security and Repayment Details of Non Convertible Debentures

	Repayment in Financial year			
	2014-15	2015-16	2016-17	2021-22
10.40% Secured Non-Convertible Debentures allotted on 03.02.2012 are due for redemption at par at the end of the tenure i.e 03.02.2022. However, there is a put and call option available to the issuer/investor which can be exercised at the end of seventh year from the deemed date of allotment.(LIC)	–	–	–	10,000.00
10.40% Secured Non-Convertible Debentures allotted on 23.11.2011 are due for redemption at par at the end of the tenure i.e 23.11.2021. However, there is a put and call option available to the issuer/investor which can be exercised at the end of seventh year from the deemed date of allotment.(LIC)	–	–	–	10,000.00
11.75% Secured Non-Convertible Debentures allotted on 18.06.2009 are due for redemption at par in three equal instalments at the end of 5th, 6th & 7th year from the deemed date of allotment. (GIC)	833.33	833.33	833.34	–

All the aforesaid 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, save and except specific assets exclusively hypothecated in favour of respective lenders.

2.3.2 Repayment details of Term Loans from Banks outstanding as on March 31, 2014 are as follows :

	Foreign Currency Term Loan	10.75% - 12.25%	12.30% - 15.00%	Total
2014-2015	14,998.69	11,646.03	9,759.87	36,404.59
2015-2016	9,433.78	4,445.57	16,002.33	29,881.68
2016-2017	16,363.70	766.67	15,266.16	32,396.53
2017-2018	17,888.07	937.50	15,500.00	34,325.57
2018-2019	19,686.87	937.50	13,100.00	33,724.37
2019-2020	2,398.40	937.50	13,100.00	16,435.90
2020-2021	–	937.50	4,500.00	5,437.50
Total	80,769.51	20,608.27	87,228.36	188,606.14

2.3.3 Repayment details of Term Loans from Financial Institutions outstanding as on March 31, 2014 are as follows :

	Foreign Currency Term Loan	10.75% - 12.25%	12.30% - 15.00%	Total
2014-2015	1,740.89	833.33	–	2,574.22
2015-2016	2,490.39	833.33	–	3,323.72
2016-2017	3,239.89	1,354.17	–	4,594.06
2017-2018	3,868.44	1,875.00	–	5,743.44
2018-2019	4,497.00	1,875.00	–	6,372.00
2019-2020	–	1,875.00	–	1,875.00
2020-2021	–	937.50	–	937.50
Total	15,836.61	9,583.33	–	25,419.94

2.3.4 Repayment details of Term Loans from Others outstanding as on March 31, 2014 are as follows :

	Foreign Currency Term Loan	10.75% - 12.25%	12.30% - 15.00%	Total
2014-2015	–	312.50	–	312.50
2015-2016	–	1,250.00	–	1,250.00
2016-2017	–	1,250.00	–	1,250.00
2017-2018	–	625.00	–	625.00
Total	–	3,437.50	–	3,437.50

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2014

₹ in Lakhs

2.3.5 Deferred Sales Tax loans outstanding as on March 31, 2014 are interest free and are payable as per the repayment schedule as follows:

	Total
2014-2015	221.65
2015-2016	494.10
2016-2017	450.20
2017-2018	398.48
Total	1,564.43

2.3.6 Term loans from Banks and Financial Institutions are secured by first charge ranking pari-passu on all immovable properties by way of equitable mortgage and hypothecation of all moveable properties both present and future of the Company and second charge ranking pari-passu on entire current assets of the Company, both present and future, save and except specific assets exclusively hypothecated in favour of respective lenders.

Vehicle Finance Loans are secured against fixed assets obtained under finance lease arrangements.

2.3.7 Repayment Details of Vehicle Finance Loan from Bank outstanding as on March 31, 2014 are as follows :

	Total
2014-15	372.35
2015-16	279.20
2016-17	84.79
Total	736.34

2.3.8 Term Loans are against pledge of shares of the Company held by HNG & ACE Trust.

2.3.9 Includes ₹ 2,508.94 Lakhs on account of share in Joint Venture.

NOTE 2.4 DEFERRED TAX LIABILITIES/ASSETS (Net)

Particulars	Ref Note No.	As at March 31, 2014	Current Year Charge/ (Credit)	As at March 31, 2013
Deferred Tax Liabilities				
Depreciation and related items		985.20	(3,378.84)	4,364.04
Gross Deferred Tax Liability		985.20	(3,378.84)	4,364.04
Deferred Tax Assets				
Difference between carrying amount of fixed assets in the Consolidated Financial Statement & Income Tax Return		(297.86)	(318.75)	20.89
Timing Difference w.r.t. Fixed Assets		–	–	–
Short Term Capital Loss		0.21	–	0.21
Expenses Allowable on Payment Basis		1,171.24	402.68	768.56
Provision for Loss on Derivative Transaction		–	(1,265.93)	1,265.93
Provision for Doubtful Debts		375.91	138.85	237.06
Gross Deferred Tax Asset		1,249.50	(1,043.15)	2,292.65
Net Deferred Tax Liability / (Asset)		(264.30)	(2,335.69)	2,071.39

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2014

₹ in Lakhs

2.4.1 Timing difference with respect to depreciation differential has been considered to the extent of deferred tax liability. As a matter of prudence, the remaining amount of the differential resulting in deferred tax asset has been ignored.

NOTE 2.5 OTHER LONG-TERM LIABILITIES

Particulars	Ref Note No.	As at March 31, 2014	As at March 31, 2013
Other Liabilities			
Premium on Forward Contract		–	391.73
Payable on account of Forward Contract		–	253.25
Deposits from Customers		1,078.89	–
Retention from Others		655.82	1,462.78
	2.5.1	1,734.71	2,107.76

2.5.1 Includes ₹ 134.38 Lakhs on account of share in Joint Venture.

NOTE 2.6 LONG-TERM PROVISIONS

Particulars	Ref Note No.	As at March 31, 2014	As at March 31, 2013
Provision for Employee Benefits		680.85	783.16
	2.6.1	680.85	783.16

2.6.1 Includes ₹ 14.89 Lakhs on account of share in Joint Venture.

NOTE 2.7 SHORT-TERM BORROWINGS

Particulars	Ref Note No.	As at March 31, 2014	As at March 31, 2013
Secured Loans			
Working Capital Facilities From Banks repayable on demand	2.7.1	53,723.48	49,587.96
Buyer's Credit	2.7.1	3,546.39	9,771.48
Unsecured Loans			
From Body Corporates		–	6,450.00
From Other Parties Payable on demand		393.62	–
	2.7.2	57,663.49	65,809.44

Note :

2.7.1 Working Capital Facilities (Fund Based and Non-Fund Based and acceptances as referred to in Note no. 2.8.1 below) from banks are secured by hypothecation of entire current assets of the Company, both present and future and second charge on entire fixed assets of the Company in favour of consortium bankers led by State Bank of India.

2.7.2 Includes ₹ 1,520.13 Lakhs on account of share in Joint Venture.

NOTE 2.8 TRADE PAYABLES

Particulars	Ref Note No.	As at March 31, 2014	As at March 31, 2013
Payables for goods and services	2.8.1 & 2.8.2	41,471.66	34,399.41
	2.8.3	41,471.66	34,399.41

2.8.1 Payable for goods and services includes acceptances 5,407.81 2,461.73

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2014

₹ in Lakhs

2.8.2 Disclosure of 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". In certain cases there are delays in payment made to such suppliers. Total Overdue amount out of principal amount outstanding at the end of the year is ₹ 611.32 Lakhs (Previous Year ₹ 538.07 Lakhs). Based on above the relevant disclosures u/s 22 of the aforesaid Act are as follows :

Particulars	Ref Note No.	As at March 31, 2014	As at March 31, 2013
1. Principal amount outstanding at the end of the year		995.44	718.46
2. Interest amount due at the end of the year		61.21	20.44

2.8.3 Includes ₹ 1,085.36 Lakhs on account of share in Joint Venture.

NOTE 2.9 OTHER CURRENT LIABILITIES

Particulars	Ref Note No.	As at March 31, 2014	As at March 31, 2013
Current maturities of long term debt	2.3	40,346.29	34,851.87
Current maturities of vehicle finance loan	2.3	372.35	487.81
Interest accrued but not due on borrowings		1,368.82	1,600.09
Interest accrued and due on borrowings		1,588.66	1,472.90
Unpaid dividend	2.9.1	2.22	2.11
Other payables		19,159.87	22,839.74
Premium on Forward Contract		825.19	1,706.51
Payable on account of Forward Contract		158.81	—
Statutory Dues - PF, ESI, Service Tax, TDS, Entry Tax etc.		3,664.73	1,852.83
Excise Duty Liability on Closing Stock		3,360.42	3,055.89
Deposits/Retention from Customers/Capital Creditors etc.		8,752.34	12,078.84
Advance from Customers		1,472.84	3,901.26
Advance from Customers for supply , services towards fixed assets		338.77	—
Advances against sale of Land	2.9.2	400.00	—
Credit balance of current account		40.05	79.27
Others		146.72	165.14
	2.9.3	62,838.21	61,254.52

2.9.1 This is not due for payment to Investor Education and Protection Fund.

2.9.2 Represents advance received in respect of Sale Deed executed for Land at Outram Street.

2.9.3 Includes ₹ 2,328.51 Lakhs on account of share in Joint Venture.

NOTE 2.10 SHORT-TERM PROVISIONS

Particulars	Ref Note No.	As at March 31, 2014	As at March 31, 2013
Provision for Employee Benefits		1,208.64	1,078.19
Proposed Dividend on Equity Shares	2.1(a).1	—	89.98
Tax on Dividend		—	14.84
Income Tax		4,477.71	4,470.80
Wealth Tax		7.60	7.68
Others		70.28	3,902.07
Provision for Derivative Transaction	2.21.2	—	3,724.43
Others		70.28	177.64
	2.10.1	5,764.23	9,563.56

2.10.1 Includes ₹ 1.79 Lakhs on account of share in Joint Venture.

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2014

₹ in Lakhs

NOTE 2.11 FIXED ASSETS

			GROSS BLOCK						DEPRECIATION/AMORTIZATION (Refer Note 2.11.1)						NET BLOCK	
Sl. No.	Particulars	Ref. No.	Book Value at 01.04.2013	Acquisition	Additions	Deductions/ Adjustments	Foreign Exchange Fluctuation Reserve	Book Value at 31.03.2014	Upto 31.03.2013	Acquisition	For the Year	Deductions/ Adjustments	Foreign Exchange Fluctuation Reserve	Upto 31.03.2014	As on 31.03.2014	As on 31.03.2013
	TANGIBLE															
1	Land		14,463.33	6.28	127.05	1,315.21	149.74	13,431.19	5.60	-	-	-	-	5.60	13,425.59	14,457.73
2	Leasehold Land	2.11.3	5,204.13	150.56	-	-	-	5,354.69	124.88	8.19	33.27	-	-	166.34	5,188.35	5,079.35
3	Buildings	2.11.2	70,581.06	2,308.95	676.79	7.26	1,551.82	75,111.36	6,232.87	189.23	2,289.23	0.02	83.46	8,794.77	66,316.59	64,348.19
4	Leasehold Buildings		30.36	-	-	-	-	30.36	6.25	-	7.21	-	-	13.46	16.90	24.11
5	Plant and Equipments	2.11.6	291,357.63	8,979.45	11,446.87	2,272.95	3,845.86	313,356.86	85,185.30	2,098.04	25,746.16	1,734.27	685.26	111,980.49	201,376.37	206,172.33
6	Furniture and Fixtures		2,875.42	40.43	87.82	1.95	401.76	3,403.48	723.73	11.71	388.49	1.08	90.79	1,213.64	2,489.84	2,151.69
7	Office and Other Equipments		623.53	65.04	5.65	3.68	-	690.54	266.10	27.71	40.23	1.08	-	332.96	357.58	357.43
8	Vehicles		4,432.50	49.90	7.85	125.04	-	4,365.21	1,663.10	15.27	449.29	77.13	-	2,050.53	2,314.68	2,769.40
	INTANGIBLE		389,567.96	11,600.61	12,352.03	3,726.09	5,949.18	415,743.69	94,207.83	2,350.15	28,953.88	1,813.58	893.51	124,557.79	291,185.90	295,360.13
9	Computer Software		1,717.25	19.81	116.12	-	47.95	1,901.13	1,217.03	17.98	377.50	(0.50)	22.98	1,635.99	265.14	500.22
	Total	2.11.7 & 2.11.8	391,285.21	11,620.42	12,468.15	3,726.09	5,997.13	417,644.82	95,424.86	2,368.13	29,331.38	1,813.08	882.49	126,193.78	291,451.04	295,860.35
	Previous Year		235,838.42	-	157,667.13	2,780.21	559.87	391,285.21	74,277.82	-	23,070.14	1,953.55	30.45	95,424.86	295,860.35	

Notes :

2.11.1	Depreciation for the year includes ₹ Nil (Previous Year ₹ 15.43 Lakhs) transferred to Pre-Operative Expenses (pending allocation).															
2.11.2	Building includes ₹ 1,144.89 Lakhs for acquiring Equity Shares in a body corporate. By virtue of acquiring the shares, the Company has right to use and occupy certain office space.															
2.11.3.(a)	Land and Buildings of Rishra and Bahadurgarh units were revalued by an approved valuer on 01.04.1992 and on 31.03.2006 on current replacement cost basis. Accordingly net amount was added to the book value of the respective assets with corresponding credit to Revaluation Reserve.															
2.11.3.(b)	Plant and Equipment of Rishra and Bahadurgarh units were revalued by an approved valuer on 01.04.1995 on current replacement cost basis. Accordingly net amount was added to the book value of the respective assets with corresponding credit to Revaluation Reserve.															
2.11.3.(c)	Plant and Equipment of GEIL unit were revalued by an approved valuer on 31.03.2008 by using current replacement cost basis. Accordingly net amount was added to the book value of the respective assets with corresponding credit to Revaluation Reserve.															
2.11.3.(d)	Depreciation transferred from Revaluation Reserve Account to Statement of Profit and Loss.															
2.11.4	Refer Note 2.3 in respect of charges created.															
2.11.5	In accordance with the amendment to AS 11, the Company has capitalised/decapitalised exchange loss/gain respectively arising on long-term foreign currency loan, amounting to ₹ 3,583.60 Lakhs (Previous Year : ₹ 2,079.50 Lakhs) to the cost of Plant & Equipments.															
2.11.6	Net Block of Tangible Assets and Intangible Assets Includes ₹ 8,756.41 Lakhs & ₹ 0.28 Lakhs respectively on account of share in Joint Venture.															
2.11.7	Depreciation/Amortization Includes ₹ 570.64 Lakhs on account of share in Joint Venture.															
2.11.8	Capital Work in Progress Includes ₹ 93.49 Lakhs on account of share in Joint Venture.															

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2014

₹ in Lakhs

NOTE 2.12 INVESTMENTS

Particulars	Ref Note No.	As at March 31, 2014	As at March 31, 2013
Non-Current Investments			
Trade (valued at cost unless stated otherwise)			
Unquoted Equity Instruments			
Capexil Agencies Limited 5 (5) Shares at ₹ 1000 each, fully paid up		0.05	0.05
Non-Trade (valued at cost unless stated otherwise)			
Unquoted Equity Instruments:			
Associates - Fully paid-up Equity Shares	2.12.2		
HNG Float Glass Limited * NIL (11,50,00,000) of Face Value ₹ 10 each		-	5,861.62
Other Body Corporate - Fully paid-up Equity Shares			
Brabourne Commerce Private Limited 107 (107) of Face Value ₹ 10 each		0.09	0.09
The Calcutta Stock Exchange Association Limited 8,364 (8,364) of Face Value ₹ 1 each		167.28	167.28
Government Securities			
National Savings Certificate		0.57	0.57
		167.99	6,029.61

* Ceased to be an Associate w.e.f. July 1, 2013

2.12.1 Aggregate amount of unquoted investment 167.99 6,029.61

2.12.2 During the year, the Company, along with the promoters of HNG Float Glass Limited (HNGFL) (HNG Group) has entered into a Joint Venture agreement on a equal basis (50:50) with Trakya Cam Sanayii AS of Turkey (joint venture partner) for jointly pursuing the float glass business through HNGFL in India. Accordingly, 586.27 lakhs equity shares in HNGFL have been divested by the Company in favour of the joint venture partner and profit of ₹ 7,598.06 Lakhs arising in this respect has been included in Other Income for the year ended March 31, 2014.

Subsequent to this disposal, the Company has 5,63,73,005 number of shares at a book value of ₹ 5,637.30 Lakhs. For this account, ₹ 3,698.66 Lakhs being share of profit/loss upto June 30, 2013, till the time this was an associate Company has been adjusted to General Reserve.

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2014

₹ in Lakhs

NOTE 2.13 LONG-TERM LOANS AND ADVANCES

Particulars	Ref Note No.	As at March 31, 2014	As at March 31, 2013
Unsecured, Considered Good			
Capital Advances Against Fixed Assets		1,414.35	1,557.70
Security Deposits		1,254.77	1,062.21
Loans and Advances to Related Parties	2.35		
Share Application Money		–	6,285.00
Loans to Bodies Corporate		116.50	116.50
Loans and Advances to employees		–	0.75
MAT credit entitlement	2.13.1	2,587.57	2,587.57
Others		1,597.96	1,216.97
Receivable on account of Forward Contract		837.75	650.91
Input VAT Credit - Deferred	2.13.2	515.23	515.23
Balances with Excise / Sales Tax Authorities		231.29	–
Income tax refund		1.65	–
Prepaid expenses		12.04	50.83
	2.13.3	6,971.15	12,826.70

2.13.1 In view of the Management, the Company is expected to pay normal tax within the credit entitlement period and thereby no adjustment in this respect has been considered necessary.

2.13.2 Input VAT Credit - Deferred can be utilised only after repayment of corresponding amount of Sales Tax Deferred Loan.

2.13.3 Includes ₹ 237.17 Lakhs on account of share in Joint Venture.

NOTE 2.14 OTHER NON-CURRENT ASSETS

Particulars	Ref Note No.	As at March 31, 2014	As at March 31, 2013
Interest receivable		3.43	–
Deposits with Bank with original maturity of more than 12 months	2.14.1	143.25	130.44
Deposit with Central Excise (Post office Saving Bank A/C)		0.01	0.01
	2.14.2	146.69	130.45

2.14.1 Receipts deposited with the Government Authorities.

2.14.2 Includes ₹ 10.61 Lakhs on account of share in Joint Venture.

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2014

₹ in Lakhs

NOTE 2.15 INVENTORIES

(Valued at lower of Cost or Net Realisable Value)

(Value taken and certified by the Management)

Particulars	Ref Note No.	As at March 31, 2014	As at March 31, 2013
Raw Materials (Including in transit ₹ 1,193.34 Lakhs, Previous Year ₹ 662.55 Lakhs)		6,442.24	6,169.44
Work-in-Progress		1,481.17	1,325.78
Finished Goods		35,796.98	33,843.22
Stock in Trade (Traded Goods)		675.65	757.26
Stores and Spare (Including in transit ₹ 862.79 Lakhs, Previous Year ₹ 241.63 Lakhs)	2.15.1	16,498.77	14,818.22
Packing Materials (Including in transit ₹ Nil, Previous Year ₹ 8.60 Lakhs)		1,694.32	1,648.08
	2.15.4	62,589.13	58,562.00

2.15.1 Inventories of Stores and Spare Parts include certain slow moving, non-moving and obsolete items. A provision of ₹ 729.97 Lakhs (Previous Year ₹ 715.01 Lakhs) towards obsolescence for such slow moving, non-moving and obsolete items are carried in the books and the Management is of the opinion that the same is adequate and no further provision is required there against.

2.15.2 Inventories includes items lying with third parties/job workers.

2.15.3 Refer Note 2.3 in respect of charge created.

2.15.4 Includes ₹ 1,302.62 Lakhs on account of share in Joint Venture.

NOTE 2.16 TRADE RECEIVABLES

Particulars	Ref Note No.	As at March 31, 2014	As at March 31, 2013
Unsecured			
Trade Receivables outstanding for a period exceeding six months from the date they are due for payment			
Considered Good		2,204.70	5,180.14
Considered Doubtful		1,055.66	457.54
Less : Provision for Doubtful Debts		(1,055.66)	(457.54)
		2,204.70	5,180.14
Others			
Considered Good		43,095.71	47,258.11
	2.16.3	45,300.41	52,438.25

2.16.1 The accounts of some of the customers are pending reconciliation / confirmation.

2.16.2 Provision as carried in the books are against doubtful debts and in the opinion of the Management the same is adequate and no further provision is required there against.

2.16.3 Includes ₹ 1,019.91 Lakhs on account of share in Joint Venture.

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2014

₹ in Lakhs

NOTE 2.17 CASH AND BANK BALANCES (As certified by the management)

Particulars	Ref Note No.	As at March 31, 2014	As at March 31, 2013
Cash and Cash Equivalents			
Balances with banks:			
In current accounts		174.64	220.24
In cash credit accounts		958.76	1,044.53
In deposit accounts (With original maturity of less than 3 months)		0.75	2,508.19
In dividend accounts		2.22	2.11
Cheques on hand		1,843.25	2.15
Cash on hand		18.74	19.78
		2,998.36	3,797.00
Other Bank Balances			
In deposit accounts (With original maturity of less than 12 months)	2.17.1	139.61	76.52
	2.17.2	3,137.97	3,873.52

2.17.1 Deposit with Banks are pledged with the Government Authorities.

2.17.2 Includes ₹ 99.95 Lakhs on account of share in Joint Venture.

NOTE 2.18 SHORT-TERM LOANS AND ADVANCES

Particulars	Ref Note No.	As at March 31, 2014	As at March 31, 2013
Unsecured, Considered good			
Security Deposits		15.88	21.31
Advance recoverable in cash or kind		20.54	—
Loans and Advances to Related parties	2.35		
Other Recoverable		1.28	1.28
Loans and Advances			
Loans to employees		14.56	21.17
Advance to Suppliers		1,061.08	1,705.13
Advance Income Tax (Including refund receivables)		4,900.27	4,962.72
Advance Fringe Benefit Tax		0.04	0.04
Balances / Deposit with Govt. Authorities	2.18.1	9,690.55	13,261.57
Other Loans and advances		2,115.74	4,467.70
Prepaid expenses		460.40	282.35
Receivable on account of Forward Contract		1,558.89	2,298.19
Others	2.18.2	96.45	1,887.16
Considered Doubtful			
Advance to Suppliers		58.10	182.15
Less: Provision for Doubtful loans and advances		(58.10)	(182.15)
Balances / Deposit with Govt. Authorities		49.95	57.74
Less : Provision for Doubtful loans and advances		(49.95)	(57.74)
	2.18.3	17,819.94	24,440.92

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2014

₹ in Lakhs

2.18.1 Includes ₹ 23.21 Lakhs (Previous Year ₹ 23.21 Lakhs) deposited against demand raised by the Sales Tax Authority.

2.18.2 Includes Insurance Claim Receivable ₹ 45.65 Lakhs (Previous Year : ₹ 143.56 Lakhs).

2.18.3 Includes ₹ 52.95 Lakhs on account of share in Joint Venture.

NOTE 2.19 OTHER CURRENT ASSETS

Particulars	Ref Note No.	As at March 31, 2014	As at March 31, 2013
Interest Receivable		187.09	203.78
Fixed Assets held for disposal- Land	2.9.1	1,443.80	–
Unamortised premium on forward contract		0.07	–
Export benefits receivables		4.90	–
Fixed Assets held for disposal - others	2.19.1	116.07	29.20
	2.19.2	1,751.93	232.98

2.19.1 Valued at lower of net book value or estimated net realisable value.

2.19.2 Includes ₹ 19.75 Lakhs on account of share in Joint Venture.

NOTE 2.20 REVENUE FROM OPERATIONS

Particulars	Ref Note No.	For the year ended March 31, 2014	For the year ended March 31, 2013
Sale of Products			
Finished Goods		233,612.03	222,091.46
Service Revenue		9.49	–
Other Operating Revenue			
Scrap Sales		470.75	631.80
Insurance Claim received		290.38	4.78
Liabilities no longer required written back		294.51	764.24
Others	2.20.1	804.46	258.19
Revenue from Operations (Gross)		235,481.62	223,750.47
Less : Excise Duty		17,887.03	17,647.30
Revenue from Operations (Net)	2.20.2	217,594.59	206,103.17

2.20.1 Industrial Promotion Assistance received under State Incentive Scheme has been included under Other Operating Revenue.

2.20.2 Includes ₹ 6,402.97 Lakhs on account of share in Joint Venture.

NOTE 2.21 OTHER INCOME

Particulars	Ref Note No.	For the year ended March 31, 2014	For the year ended March 31, 2013
Interest Income		169.25	354.18
Dividend Income on Non-current Investments	2.21.1	4.31	40.44
Net Gain on sale and purchase of Current Investments		74.32	16.55
Net Gain on sale of Long-Term Investments		11,444.61	–
Rent and Hire Charges		114.30	63.39
Exchange Gain (Net)		–	107.36
Receipt of Subsidy		32.19	85.94
Provision no longer required written back	2.21.2	764.63	–
Miscellaneous Income		262.06	77.81
	2.21.3	12,865.67	745.67

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2014

₹ in Lakhs

2.21.1 Dividend Income on Non Current Investments includes

Dividend from Subsidiaries.

2.64

39.60

2.21.2 The Company has entered into a settlement with a bank, with regard to certain disputed foreign exchange transactions entered into in earlier years. In terms of the settlement, the Company has paid the settled amount and excess provision to the extent of ₹ 764.63 Lakhs has been written back which is included under the head "Provision no longer required written back"

2.21.3 Includes ₹ 36.51 Lakhs on account of share in Joint Venture.

NOTE 2.22 COST OF MATERIAL CONSUMED

Particulars	Ref Note No.	For the year ended March 31, 2014	For the year ended March 31, 2013
Raw Materials Consumed		62,414.38	59,498.28
	2.22.2	62,414.38	59,498.28

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

2.22.2 Includes ₹ 1,847.57 Lakhs on account of share in Joint Venture.

NOTE 2.23 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	Ref Note No.	For the year ended March 31, 2014	For the year ended March 31, 2013
Closing Stock			
Finished Goods		34,854.06	33,843.22
Traded Goods		672.08	757.26
Work-in-Progress		1,418.48	1,325.78
		36,944.62	35,926.26
Less :			
Opening Stock			
Finished Goods		33,843.21	15,410.00
Traded Goods		757.26	864.92
Work-in-Progress		1,325.78	35,926.25
Transfer from Pre-Operative Expenses	2.31		797.44
Finished Goods		–	3,262.80
Work-in-Progress		–	201.50
		35,926.25	20,536.66
	2.23.1	(1,018.37)	(15,389.60)

2.23.1 Includes ₹ 144.86 Lakhs on account of share in Joint Venture.

NOTE 2.24 EMPLOYEE BENEFIT EXPENSES

Particulars	Ref Note No.	For the year ended March 31, 2014	For the year ended March 31, 2013
Salaries and Wages		19,100.24	18,347.23
Contribution to Provident and Other Funds		1,780.94	1,962.88
Workmen and Staff Welfare Expenses		764.41	736.41
	2.24.1	21,645.59	21,046.52

Refer note 2.35.1-For Remuneration paid to Vice Chairmen & Managing Directors and Executive Director.

2.24.1 Includes ₹ 197.23 Lakhs on account of share in Joint Venture.

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2014

₹ in Lakhs

NOTE 2.25 OTHER EXPENSES

Particulars	Ref Note No.	For the year ended March 31, 2014		For the year ended March 31, 2013	
Stores and Spare Parts Consumed	2.25.1		6,828.76		10,227.64
Power and Fuel	2.25.2		70,304.37		82,529.94
Packing Material Consumed and Packing Charges			17,672.97		15,589.85
Rent			1,336.83		1,309.13
Rates and Taxes			354.02		286.40
Repair and Maintenance :					
Buildings			111.07		145.62
Plant and Machinery			1,097.34		1,034.71
Others			187.97		170.40
Freight outwards, Transport and Other Selling Expenses (Net of realisation ₹ 5,668.35 Lakhs, P.Y. ₹ 4,870.90 Lakhs)			3,022.97		2,356.44
Commission on Sales			157.08		181.30
Insurance			520.12		476.36
Excise Duty on Increase/(Decrease) of Stock			408.67		1,601.59
Bad Debts/Advances Written Off		28.54		51.56	
Less: Provision for Doubtful Debts / advances written back		(27.88)	0.66	(50.99)	0.57
Provision for Doubtful Debtors/Advances			617.23		272.44
Charity and Donation			1.04		0.42
Legal and Professional Fees			14.58		–
Loss on Sale/discard of Fixed Assets			277.13		783.24
Exchange Loss (Net)			1,356.06		–
Provision For Loss on Derivative Transaction			–		355.37
Other Miscellaneous Expenses	2.25.3		5,329.63		4,889.58
	2.25.4		109,598.50		122,211.00

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

2.25.2 Electricity duty waiver benefit under State Incentive Schemes and subsidy received under State Incentive has been credited to Power and Fuel Account.

2.25.3 Other Miscellaneous Expenses include :

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2014

₹ in Lakhs

Particulars	Ref Note No.	For the year ended March 31, 2014	For the year ended March 31, 2013
a) Payment to Auditors			
To Statutory Auditor:			
Audit Fees		41.35	43.79
Tax Audit Fees		4.00	4.00
Management Services & Certification Work		3.73	10.20
Reimbursement of expenses		-	0.40
To Branch Auditors:			
Audit Fees		9.00	9.00
Management Services & Certification Work		2.25	3.25
Reimbursement of expenses		0.69	0.60
		61.02	71.24
b) Directors Sitting Fees		8.90	10.50

2.25.4 Includes ₹ 3,507.21 Lakhs on account of share in Joint Venture.

NOTE 2.26 FINANCE COSTS

Particulars	Ref Note No.	For the year ended March 31, 2014	For the year ended March 31, 2013
Interest Expense	2.26.1	26,371.09	20,549.61
Other borrowing Costs		2,269.72	1,805.56
	2.26.2	28,640.81	22,355.17

2.26.1 Interest subsidy towards Interest on Term Loan receivable under State Investment Promotion Policy has been adjusted with Interest on Term Loan paid. 24.71 50.44

2.26.2 Includes ₹ 411.88 Lakhs on account of share in Joint Venture.

NOTE 2.27 TAX EXPENSES

Particulars	Ref Note No.	For the year ended March 31, 2014	For the year ended March 31, 2013
Provision for Current Tax		6.91	36.35
Income Tax for earlier years		-	(6.87)
Deferred tax Charge/(Credit)		(2,335.68)	(7,446.57)
		(2,328.77)	(7,417.09)

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2014

₹ in Lakhs

NOTE 2.28 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 March 31, 2014	For the year ended March 31, 2013
Profit /(Loss) After Tax		(19,676.40)	(18,795.45)
Net Profit/(Loss) for calculation of basic & diluted EPS	(a)	(19,676.40)	(18,795.45)
Weighted Average no. of Equity shares in calculating basic & diluted EPS	(b)	87,338,565	87,338,565
Effect of Dilution :			
Share Application Money (Nos)	(c)	–	116,000
Potential Weighted average number of equity shares in calculating diluted EPS [(d)=(b)+(c)]	(d)	87,338,565	87,454,565
Basic and Diluted EPS (a/b)-[In ₹]		(22.53)	(21.52)

NOTE 2.29 CONTINGENT LIABILITIES (to the extent not provided for)

Sl. No.	Particulars	Ref Note No.	As at March 31, 2014	As at March 31, 2013
(i)	Guarantee furnished to bank on behalf of Subsidiaries		49,262.31	43,487.85
(ii)	Guarantee furnished to a bank on behalf of an entity over which directors of the Company have significant influence		1,800.00	2,948.00
(iii)	Sales Tax matter under appeals		1,148.57	1,169.28
(iv)	Excise Duty and Octroi demand issued against which the Company has preferred appeals and which in the opinion of the Management are not tenable.		1,652.50	1,186.19
(v)	Cases pending with labour courts (to the extent ascertainable)		599.24	179.37
(vi)	Claim for increased price of land acquired at Bahadurgarh by the then Punjab Government and given to the Company against which the claimants have preferred an appeal in the Supreme Court against the order of the High Court.		0.30	0.30
(vii)	Other Claims against the Company not acknowledged as debt.		452.32	561.45
(viii)	Octroi on transportation of natural gas through pipeline.		310.09	296.41
(ix)	Local area development tax liability		2,982.37	2,465.38
(x)	Demand of Stamp Duty against leasehold land purchased from Haryana Sheet Glass Ltd.*		96.10	96.10
(xi)	Disputed Entry Tax for the Financial Year 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13 and 2013-14**		59.81	59.59
(xii)	Show cause notice from Central Excise FY 2008-09 ***		–	9.74
(xiii)	Surety given to Sales Tax Department		100.00	50.00
(xiv)	Income Tax Demand for A.Y 1996-97 & 2011-12		93.58	–
(xv)	Export Commitment against EPCG		522.54	535.48

* Appeal filed before Tax Board, Rajasthan

** Challenged by the other body and pending before Hon'ble Supreme Court.

*** Appeal filed before Commissioner- Appeal - Jaipur

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2014

On the basis of current status of individual cases and as per the legal advices received, wherever applicable the Management is of the view that no provision is required in respect of these cases. Further Cash outflow in respect of item no. (iii) to (xii) as mentioned above is dependent upon outcome of final judgement/decision.

2.29.1 Includes ₹ 556.71 Lakhs on account of share in Joint Venture.

NOTE 2.30 CAPITAL AND OTHER COMMITMENTS

₹ in Lakhs

Particulars	Ref Note No.	For the year ended March 31, 2014	For the year ended March 31, 2013
Capital commitments for procurement of capital assets (Net of advance of ₹ 1,414.35 Lakhs P.Y. ₹ 1,564.56 Lakhs)	2.30.1	14,877.96	16,676.26

2.30.1 Includes ₹ 0.11 Lakhs on account of share in Joint Venture.

NOTE 2.31 CAPITALISATION OF EXPENDITURE

The Company has capitalised the following expenses of revenue nature incurred for construction of fixed assets and trial run to the cost of fixed asset/capital work-in-progress (CWIP). Consequently, expenses/revenue disclosed under the respective notes are net of amounts capitalised by the Company.

Sl. No.	Particulars	Ref Note No.	As at March 31, 2014	As at March 31, 2013
(i)	Salaries and Wages		—	558.71
(ii)	Contribution to Provident and Others Funds		—	37.46
(iii)	Power and Fuel		—	4,112.20
(iv)	Miscellaneous expenses		—	1,009.44
(v)	Finance Costs		66.22	4,584.41
(vi)	Professional Fees		—	170.39
(vii)	Stores & Spares Consumed		—	2,379.20
(viii)	Payment to Contractors		—	169.15
(ix)	Depreciation and Amortization expense		—	15.43
(x)	Cost of Material Consumed		1,144.73	3,367.70
(xi)	Packing Material Consumed and Packing Charges		—	730.16
			1,210.95	17,134.25
(xii)	Sales during Trial production		—	(3,164.71)
(xiii)	Closing Stock of Finished Goods generated out of trial run production (Note 2.23)		—	(3,262.80)
(xiv)	Closing Stock of Work in Progress generated out of trial run production (Note 2.23)		—	(201.50)
	Total		1,210.95	10,505.24
	Add: Brought Forward from previous year		270.52	6,257.42
	Less : Capitalised during the year		100.23	16,492.14
	Total carried forward		1381.24	270.52

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2014

₹ in Lakhs

NOTE 2.32 DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

Particulars	Ref Note No.	As at March 31, 2014		As at March 31, 2013	
		Foreign Currency (in Lakhs)	INR Value (₹ in Lakhs)	Foreign Currency (in Lakhs)	INR Value (₹ in Lakhs)
a) Derivatives outstanding as at the balance sheet date					
USD					
Cross Currency Coupon Swap-External Commercial Borrowings - (Number of Contracts - CY - 2, PY - 2)		222.88	13,364.18	200.00	10,901.00
Cross Currency Coupon Swap-Foreign Currency Loans - (Number of Contracts - CY - Nil, PY - 2)		–	–	199.34	10,864.78
EUR					
Interest Rate Swaps - (Number of Contracts - CY-3, PY - 1)		400.00	27,023.64	440.00	30,758.20
Forward Contract to buy US Dollar - Hedge of Foreign currency loan		450.78	27,029.02	–	–
		1,073.66	67,416.84	839.34	52,523.97
b) Particulars of unhedged foreign currency exposure as at the reporting date					
Import Trade Payables					
- EUR		42.12	3,472.23	54.08	3,780.77
- GBP		1.10	109.49	3.32	275.06
- JPY		0.84	0.49	0.84	0.49
- USD		70.53	4,228.88	79.11	4,311.77
- AUD		0.70	38.59	–	–
Export trade receivables					
- USD		6.45	385.72	8.91	484.79
Foreign Currency loans					
- USD		694.73	41,655.90	730.00	39,788.65

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2014

₹ in Lakhs

NOTE 2.33 GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

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

a) Defined Contribution Scheme

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

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Employer's Contribution to Provident Fund	568.38	508.85
Employer's Contribution to Pension Fund	289.22	300.59
Employer's Contribution to Superannuation Fund	17.86	20.02

The guidance on implementing Accounting Standard - 15 (Revised 2005) on Employees Benefits issued by Accounting Standard Board (ASB) states that benefits involving employer established provident funds, which require the interest shortfalls to be recompensed are to be considered as "Defined Benefit Plans". The Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities during the quarter ended December 31, 2011. The Actuary has accordingly provided a valuation and based on the below provided assumptions there is no shortfall as at March 31, 2014.

The Company contributed ₹ NIL towards provident fund during the year ended March 31, 2014 (₹ NIL during the year ended March 31, 2013).

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

Particulars	As at March 31, 2014	As at March 31, 2013
Plan assets at year end at fair value	8,117.56	8,029.68
Present value of benefit obligation at year end	7,707.59	7,313.49
Asset / Liability recognised in Balance Sheet	409.97	716.19

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

Particulars	As at March 31, 2014	As at March 31, 2013
Fixed Income/Debt Securities	8.55%	8.20%
Expected guaranteed interest rate	8.75%	8.50%

b) Defined Benefit Plan

The employees' gratuity fund scheme managed by Insurer is a Defined Benefit Plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2014

₹ 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				
	2013-14	2012-13	2011-12*	2010-11	2009-10
Liability at the beginning of the year *	2,759.55	2,359.57	1,886.46	858.43	816.15
Current Service Cost	206.35	213.15	196.00	203.32	64.93
Past Service Cost	—	0.60	—	—	—
Interest Cost	234.42	100.65	144.77	64.56	60.19
Actuarial (Gain) / Loss	26.98	422.38	286.02	111.29	44.75
Benefits paid	(309.62)	(336.80)	(153.68)	(103.07)	(127.59)
Liability at the end of the year	2,917.68	2,759.55	2,359.57	1,134.53	858.43

*Opening Unfunded Liability amounting to ₹ 751.93 Lakhs relating to PY 2011-12 has been consider under Funded Liability being funded during the previous year

Particulars	Gratuity Unfunded				
	2013-14	2012-13	2011-12*	2010-11	2009-10
Liability at the beginning of the year *	385.01	361.36	350.17	842.33	717.61
Current Service Cost	43.35	49.28	47.58	113.56	78.35
Interest Cost	35.15	33.59	58.54	77.78	62.39
Actuarial (Gain) / Loss	(119.07)	(56.06)	(94.93)	157.03	8.97
Benefits paid	(7.37)	(3.16)	—	(88.40)	(24.99)
Liability at the end of the year	337.07	385.01	361.36	1,102.30	842.33

*Opening Unfunded Liability amounting to ₹ 751.93 Lakhs relating to PY 2011-12 has been consider under Funded Liability being funded during the previous year

Particulars	Total Defined Benefit Obligations				
	2013-14	2012-13	2011-12	2010-11	2009-10
Defined Benefit Obligation (funded) at the end of the year	2,917.68	2,759.55	2,359.57	1,134.53	858.43
Defined Benefit Obligation (unfunded) at the end of the year	346.25	385.00	361.36	1,102.10	842.33
Total Defined Benefit Obligation at the end of the year	3,263.93	3,144.55	2,720.93	2,236.63	1,700.76

Particulars	Compensated Absences Unfunded	
	2013-14	2012-13
Liability at beginning of the year	466.53	417.95
Current Service Cost	170.14	161.50
Interest Cost	39.01	39.25
Actuarial (Gain) / Loss	(191.57)	(63.08)
Benefits paid	(75.41)	(89.09)
Liability at the end of the year	408.71	466.53

Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2014

₹ in Lakhs

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

Particulars	Gratuity Funded				
	2013-14	2012-13	2011-12	2010-11	2009-10
Fair Value of plan assets at the beginning of the year	2,230.65	1,426.85	752.55	767.64	665.53
Expected return on plan assets	200.76	4.95	78.64	61.41	53.24
Actuarial Gain / (Loss)	(21.81)	(12.70)	(45.41)	26.57	164.38
Employers' contribution	278.90	41.16	794.75	–	12.08
Benefits paid	(309.62)	(9.57)	(153.68)	(103.07)	(127.59)
Fair Value of plan assets at the end of the year	2,378.88	2,230.65	1,426.85	752.55	767.64
Actual return on plan assets	–	–	–	252.92	198.27

III. Expense recognised in the Statement of Profit and Loss (Under the head "Contribution to provident and other funds" - Refer Note 2.24)

Particulars	Gratuity Funded				
	2013-14	2012-13	2011-12	2010-11	2009-10
Current Service Cost	206.35	213.15	196.00	203.32	64.93
Past Service Cost	–	0.60	–	–	–
Interest Cost	234.42	100.65	144.77	64.56	60.19
Expected Return on plan assets	185.32	58.64	78.64	61.41	53.24
Net Actuarial (Gain) / Loss to be recognized	48.79	288.40	331.43	84.72	(119.63)
Expenses recognised in Statement of Profit and Loss	304.25	544.16	593.56	291.19	(47.75)

Particulars	Gratuity Unfunded				
	2013-14	2012-13	2011-12	2010-11	2009-10
Current Service Cost	55.39	49.28	47.58	113.36	78.35
Interest Cost	38.59	33.59	58.54	77.78	62.39
Expected Return on plan assets	–	–	–	–	–
Net Actuarial (Gain) / Loss to be recognized	(120.47)	(56.06)	(94.93)	157.03	8.97
Expenses recognised in Statement of Profit and Loss	(26.49)	26.81	11.17	348.17	149.71

Particulars	Compensated Absences Unfunded	
	2013-14	2012-13
Current Service Cost	170.14	161.50
Interest Cost	39.01	39.25
Net Actuarial (Gain) / Loss to be recognized	(191.57)	(63.08)
Expenses recognised in Profit and Loss account	17.58	137.67

Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2014

₹ in Lakhs

IV. Balance Sheet Reconciliation

Particulars	Gratuity Funded				
	2013-14	2012-13	2011-12	2010-11	2009-10
Present value of the Defined Benefit Obligations at the end of the year	2,917.69	2,759.55	2,359.57	1,134.53	858.43
Fair Value of the plan assets at the end of the year	2,378.87	2,230.64	1,426.85	637.71	767.64
Amount recognised in Balance Sheet	538.82	528.91	932.72	381.98	90.79

Particulars	Gratuity Unfunded				
	2013-14	2012-13	2011-12	2010-11	2009-10
Present value of the Defined Benefit Obligations at the end of the year	335.14	385.00	361.36	1,102.10	842.33
Fair Value of the plan assets at the end of the year	–	–	–	–	–
Amount recognised in Balance Sheet	335.14	385.00	361.36	1,102.10	842.33

Particulars	Compensated Absences Unfunded	
	2013-14	2012-13
Present value of the Defined Benefit Obligations at the end of the year	407.72	466.53
Fair Value of the plan assets at the end of the year	–	–
Amount recognised in Balance Sheet	407.72	466.53

Particulars	Gratuity Funded				
	2013-14	2012-13	2011-12	2010-11	2009-10
Opening Net Liability	528.91	932.73	381.98	90.79	150.62
Expenses as above	288.81	534.26	593.57	291.18	(47.75)
Employers' Contribution	278.90	938.08	736.45	–	(12.08)
Amount recognised in Balance Sheet	538.82	528.91	1,711.99	381.98	90.79

Particulars	Gratuity Unfunded				
	2013-14	2012-13	2011-12	2010-11	2009-10
Opening Net Liability	385.00	361.36	1,102.10	842.33	717.61
Expenses as above	(43.72)	26.81	11.18	348.17	149.71
Employers' Contribution	(6.14)	(3.16)	–	88.40	24.99
Amount recognised in Balance Sheet	335.14	385.00	1,113.29	1,102.10	842.33

Particulars	Compensated Absences Unfunded	
	2013-14	2012-13
Opening Net Liability	466.53	417.95
Expenses as above	13.89	137.67
Employers' Contribution	(72.71)	87.12
Amount recognised in Balance Sheet	407.71	466.53

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2014

V. Compensated Absences

The actuarial liability of Compensated Absences (Unfunded) of accumulated privileged leave of the employees of the Company as at March 31, 2014 is ₹ 358.14 Lakhs (March 31, 2013 - ₹ 403.30 Lakhs).

VI. In respect of Gratuity (funded), the funds are managed by the insurers. Accordingly, the percentage or amount that each major category constitutes the Fair Value of total plan assets and effect thereof on overall expected rate of return on asset have not been disclosed.

VII. Principal Actuarial assumptions at the Balance Sheet Date

₹ in Lakhs

Particulars	Gratuity Funded				
	2013-14	2012-13	2011-12	2010-11	2009-10
Mortality Table	LICI 1994-1996	LICI 1994-1996	LICI 1994-1996	LICI 1994-1996	LICI 1994-1996
Discount rate (per annum)	8.00%	8.00%	8.00%	8.00%	8.00%
Expected rate of return on plan assets (per annum)	8.00%	8.00%	8.00%	8.00%	8.00%
Rate of escalation in salary (per annum)	7.00%	7.00%	7.00%	5.00%	5.00%

Particulars	Gratuity Unfunded				
	2013-14	2012-13	2011-12	2010-11	2009-10
Mortality Table	LICI 1994-1996	LICI 1994-1996	LICI 1994-1996	LICI 1994-1996	LICI 1994-1996
Discount rate (per annum)	8.00%	8.00%	8.00%	8.00%	8.00%
Expected rate of return on plan assets (per annum)	0.00%	0.00%	0.00%	0.00%	0.00%
Rate of escalation in salary (per annum)	7.00%	7.00%	7.00%	5.00%	5.00%

The estimates of rate of escalation in salary considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

The contributions expected to be made by the Company for the year 2014-15 is yet to be determined.

NOTE 2.34 SEGMENT INFORMATION

Segments have been identified by the Company in line with the Accounting Standard on Segment Reporting (AS-17), taking into account the organisational structure as well as the different risk and returns of these segments. Details of these segments are as follows :

- Glass Container - Manufacturing and selling of Glass Bottles and Tumblers
- Glass Machines - Manufacturing and selling of Glass Forming Machines, Spares and providing related services.
- Minerals - Purchase, processing and sale of Silica Sand and Feldspar.
- Float Glass - Manufacturing of Float Glass.

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

₹ in Lakhs

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Domestic Market	223,998.93	209,719.09
Overseas Market	11,482.69	14,031.38
Total	235,481.62	223,750.47

Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2014

₹ in Lakhs

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

Particulars	As at March 31, 2014	As at March 31, 2013
Domestic Market	44,474.39	50,862.71
Overseas Market	826.02	1,575.54
Total	45,300.41	52,438.25

Business Segment

	Reportable Segments	Glass Containers		Glass Machines		Minerals		Float Glass		Eliminations		Total	
		2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
i	REVENUE												
	External sales/services	210,496.74	205,104.81	694.87	998.36	0.01	-	6,402.97	-	-	-	217,594.59	206,103.18
	Inter-segment sales/services	516.68	27.57	-	1,407.95	-	-	-	-	(516.68)	(1,435.52)	-	(0.01)
	Total Revenue	211,013.42	205,132.38	694.87	2,406.31	0.01	-	6,402.97	-	-	-	217,594.59	206,103.17
ii	RESULT												
	Segment result	(3,524.52)	(4,299.04)	(458.41)	85.40	(0.31)	(0.88)	135.46	-	3,846.58	(28.25)	(1.20)	(4,242.77)
	Other expenses net of unallocable income											(8,374.38)	(31.25)
	Operating Profit											8,373.18	(4,211.52)
	Interest expenses											(28,642.75)	(22,352.71)
	Interest income											171.19	351.73
	Profit from ordinary activities											(20,098.38)	(26,212.50)
	Extraordinary Profit/(Loss)											-	-
	Net profit											(20,098.38)	(26,212.50)
	Income Tax-Current											(6.91)	(29.48)
	Income Tax-Deferred											2,335.69	7,446.57
	Taxes for Earlier year											-	-
	Mat Credit											-	-
	Profit After Tax											(17,769.60)	(18,795.41)
iii	OTHER INFORMATION												
	Segment assets	412,523.52	447,401.23	7,192.25	6,414.51	133.50	138.23	11,034.60	-	(1,845.00)	(2,537.51)	429,038.88	451,416.47
	Unallocated corporate assets									15,938.18	20,844.49	15,938.18	20,844.49
	Total assets											444,977.06	472,260.96
	Segment liabilities	351,831.51	361,731.70	3,638.58	2,911.44	0.15	0.16	7,573.00		(141.41)	(47.27)	362,901.84	364,596.04
	Unallocated corporate liabilities									8,797.70	15,498.95	8,797.70	15,498.95
	Total liabilities											371,699.54	380,094.99
	Capital expenditure	8,888.13	157,638.34	3,540.65	57.81	-	-	39.37		-	(29.02)	12,468.15	157,667.13
	Depreciation	28,426.44	22,771.58	167.89	85.83	-	0.05	570.64		-	(0.77)	29,164.96	22,856.69

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2014

NOTE 2.35 RELATED PARTY DISCLOSURES

I. Names of the related parties and nature of relationship

A) Associate Company (Upto June 30, 2013)

HNG Float Glass Limited (HNGFL)

C) Joint Venture Company (From July 1, 2013)

HNG Float Glass Limited (HNGFL)

C) Key Management Personnels and their relatives.

(i) Mr. C. K. Somany - Chairman and Non Executive Director (Relative of Key Management Personnel)

(ii) Mr. Sanjay Somany - Vice Chairman and Managing Director and Key Management Personnel

(iii) Mr. Mukul Somany - Vice Chairman and Managing Director and Key Management Personnel

(iv) Mr. Rakesh Kumar Sharma - Executive Director and Key Management Personnel

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

AMCL Machinery Limited (AMCL)

Brabourne Commerce Private Limited

Mould Equipment Limited (MEL)

Rungamattee Trexim Private Limited (RTPL)

Somany Foam Limited (SFL)

Spotme Tracon Private Limited (STPL)

Spotlight Vanijya Limited (SVL)

II. Related Party Transactions

a) Aggregate amount of Transactions with Associate Companies upto June 30, 2013

₹ in Lakhs

Nature of transaction	Name of the related party	For the year ended March 31, 2014	For the year ended March 31, 2013
Purchase of Goods	HNG Float Glass Limited	25.85	53.29
Purchase of Assets	HNG Float Glass Limited	—	21.18
Share Application Money Paid	HNG Float Glass Limited	—	3,105.00
Share Application Money Paid (Refunded)	HNG Float Glass Limited	6,285.00	—
Recovery of Expenses	HNG Float Glass Limited	0.08	8.40

b) Aggregate amount of Transactions with Joint Venture Company From July 1, 2013

Nature of transaction	Name of the related party	For the year ended March 31, 2014	For the year ended March 31, 2013
Purchase of Goods	HNG Float Glass Limited	3.72	—
Purchase of Assets	HNG Float Glass Limited	6.65	—
Receipt of Services	HNG Float Glass Limited	43.45	—

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2014

₹ in Lakhs

Nature of transaction	Name of the related party	For the year ended March 31, 2014	For the year ended March 31, 2013
Rendering Transitional Support Services(Gross of TDS)	HNG Float Glass Limited	27.57	—

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

Nature of transaction	Ref Note No.	Sanjay Somany	Mukul Somany	Rakesh Kumar Sharma
Remuneration (included in Employee Benefit Expenses- Note 2.24)				
FY 2013-14		320.83	320.83	60.10
FY 2012-13		300.38	300.38	62.26

2.35.1 Remuneration paid to Vice Chairmen and Managing Directors and Executive Director includes ₹ 579.43 Lakhs for the previous year and ₹ 542.27 Lakhs for the year, which due to inadequacy of profit has exceeded the limits prescribed under the provisions of Companies Act, 1956. The Company has made an application before the Central Government and necessary approval in this respect is awaited.

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

Nature of transaction and balances	For the year ended March 31, 2014	For the year ended March 31, 2013
Purchase of Goods	108.09	79.08
Purchase of Fixed Assets	258.43	23.93
Recovery of Expenses	1.65	16.55
Sale of Fixed Assets	3.03	—
Purchase of Stores & Spares	3.09	—
Sale of Stores Material	4.35	7.69
Receipt of Services	238.49	208.42
Interest Paid	138.39	—
Rent Paid	9.00	9.00
Rent Received	15.51	15.51
Loan Taken during the year	3,031.00	—
Share Application Money Received	—	1,460.00
Share Application Money Received (Refunded)	1,460.00	—
Loan Taken (Repaid)	4,407.51	—
Reimbursement of expenses (Paid)	8.71	0.08

e) Balance of related parties is as follows :

Nature of transaction and balances	As at March 31, 2014	As at March 31, 2013
Receivable	1.28	1.67
Payable	230.76	76.10
Share Application Money Paid Pending Allotment	—	6,285.00
Share Application Money Received Pending Allotment	—	1,460.00
Corporate Guarantee given to bank	1,800.00	1,800.00

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2014

₹ in Lakhs

NOTE 2.36 DISCLOSURE FOR JOINT VENTURE

Name of the Company : HNG Float Glass Limited
Nature of Relationship : Joint Venture
Nature of Business : Float Glass
Description : HNG Float Glass Limited is a Joint Venture between HNGIL, Trakya Cam Sanayii A.S. & HNGIL Promoters. HNGIL together with its promoters holding 50% and Trakya Cam Sanayii A.S. holding the remaining 50%.

Share in Joint Venture :

The Company has the following investment, in a jointly controlled entity.

Name	Country of Incorporation	Percentage of Ownership Interest as at March 31, 2014
HNG Float Glass Limited	India	18.31%

The Company's share of each of the assets, liabilities, income, expenses, etc (each without elimination of the effect of transactions between the Company and the Joint Venture) related to its interest in this joint venture, based on the audited Financial Statements are :

Description	Nature of Transaction	As at March 31, 2014	As at March 31, 2013
(a) Assets	Tangible Assets	8,756.42	—
	Intangible Assets	0.28	—
	Capital Work-in-Progress	93.49	—
	Long Term Loans and Advances	237.17	—
	Other Non Current Assets	10.61	—
	Inventories	1,302.62	—
	Trade Receivables	1,019.91	—
	Cash and Bank Balances	99.95	—
	Short Term Loans and Advances	52.95	—
	Other Current Assets	19.75	—
	Total	11,593.15	—
(b) Liabilities	Share Capital	5,637.30	—
	Reserve and Surplus	(1,638.15)	—
	Long Term Borrowings	2,508.94	—
	Deferred Tax Liability	—	—
	Other Long Term Liabilities	134.38	—
	Long Term Provisions	14.89	—
	Short Term Borrowings	1,520.13	—
	Trade Payables	1,085.36	—
	Other Current Liabilities	2,328.51	—
	Short Term Provisions	1.79	—
	Total	11,593.15	—

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2014

₹ in Lakhs

Description	Nature of Transaction	As at March 31, 2014	As at March 31, 2013
(c) Income	Revenue From Operations	6,402.97	—
	Other Incomes	36.51	—
	Total	6,439.48	—
(d) Expense	Cost of Material Consumed	1,847.57	—
	Purchase of Stock in Trade	—	—
	Changes in Inventories	144.86	—
	Employee Benefits	197.23	—
	Finance Costs	411.88	—
	Depreciation and Amortization	570.64	—
	Other Expenses	3,507.21	—
	Total	6,679.39	—
(e) Other Matters	Contingent Liabilities	556.71	—
	Capital Commitments	0.11	—

Previous year's figures have been regrouped/restated wherever necessary to confirm to this year's classification.

NOTE 2.37 LEASES

The Company has acquired certain assets under Financial Lease, the cost of which is included in the Gross Blocks of Buildings and Vehicles. The lease term is 75 years (Rishikesh and Head Office) and 95 years (in case of Sinnar) for building. The lease term is 3 years for vehicles, after which the legal title will pass on the Company. The lease has been recognised as an asset at the present value of the minimum lease payments. Minimum lease payments payable in future at the Balance Sheet date and their present value are as under :

Particulars	Lease Payments	Present Value
Not more than one year	67.56	50.09
Later than one year and not more than five year	95.67	83.17
Later than five years	42.82	0.85

Assets taken under operating leases :

Office premises and office equipments are obtained on Operating Lease. There is no contingent rent in the lease agreements. The lease term is for 1-3 years and is renewable at the mutual agreement of both the parties. There is no escalation clause in the lease agreements. There are no restrictions imposed by lease agreements. There are no sublease and all the leases are cancelable in nature. The aggregate lease rentals are charged as "Rent" in Note '2.25' of the Consolidated Financial Statement.

NOTE 2.38 DEFERRAL/CAPITALISATION OF EXCHANGE DIFFERENCES

In accordance with the amendment to AS 11, the Company has capitalised/decapitalised exchange loss/gain respectively arising on long-term foreign currency loan, amounting to ₹ 3,930.02 Lakhs (PY. ₹ 2,079.50 Lakhs) to the cost of Plant & Equipments. The Company does not have any other long-term foreign currency monetary item. Hence, the amount of exchange loss deferred in the "Foreign Currency Monetary Item Translation Difference Account" is ₹ NIL (Previous Year : ₹ NIL). The unamortised amount as on March 31, 2014 is ₹ 5,088.98 Lakhs (Previous year : ₹ 2,172.55 Lakhs).

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2014

NOTE 2.39

The Board is of the opinion that the assets other than Fixed Assets and Non-Current Investments have a value on realisation in the ordinary course of business atleast equal to the amount at which they are stated.

NOTE 2.40

The Board of Directors of the Company has approved the Scheme of Amalgamation of its wholly owned subsidiaries, Glass Equipment (India) Limited and Quality Minerals Limited with the Company with effect from April 1, 2014, subject to necessary approvals.

NOTE 2.41

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

The notes are an integral part of the Consolidated Financial Statements.

As per our report of even date

For **LODHA & CO.**

Chartered Accountants

Chandra Kumar Somany

Chairman

Mukul Somany

*Vice Chairman and
Managing Director*

H. K. Verma

Partner

Ajay Kumar Rai

Company Secretary

Bimal Kumar Garodia

*Sr. Vice President and
Chief Financial Officer*

Place : Kolkata

Date : May 20, 2014

Statement Pursuant to Exemption received under Section 212(8) of the Companies Act, 1956 relating to Subsidiary Companies for the financial year ended on March 31, 2014

Sl No.	Particulars	Name of the Subsidiaries					
		Glass Equipment (India) Limited		HNG Global GmbH		Quality Minerals Limited	
		2013 - 2014	2012 - 2013	2013 - 2014	2012 - 2013	2013 - 2014	2012 - 2013
a	Issued & Subscribed Capital	38.40	26.40	9,068.95	6,990.50	9.41	9.41
b	Reserves	3,732.31	2,830.13	(4,294.10)	(4,045.39)	232.42	216.98
c	Total Assets	7,691.78	6,707.60	44,978.90	39,138.78	261.74	239.41
d	Total Liabilities	7,691.78	6,707.60	44,978.90	39,138.78	261.74	239.41
e	Investment (other than investment in subsidiary)	—	—	—	—	—	—
f	Turnover (Gross of Excise duty)	771.07	2,693.54	29,574.90	22,549.03	—	—
g	Profit Before Tax	(760.40)	66.15	950.26	(1,652.66)	22.35	21.75
h	Provision for Taxation	(236.60)	15.36	—	—	6.91	6.71
i	Profit After Tax	(523.80)	50.79	950.26	(1,652.66)	15.44	15.04
j	Proposed Dividend (including Dividend Distribution Tax)	0.02	3.07	—	—	—	—

Corporate Information

CHAIRMAN

Shri Chandra Kumar Somany

VICE CHAIRMAN & MANAGING DIRECTOR

Shri Sanjay Somany

Shri Mukul Somany

DIRECTORS

Shri Dipankar Chatterji

Shri Kishore Bhimani

Shri Ratna Kumar Daga

Shri Sujit Bhattacharya

Shri Rakesh Kumar Sharma – Executive Director

CHIEF FINANCIAL OFFICER

Shri Bimal Kumar Garodia

COMPANY SECRETARY

Shri Ajay Kumar Rai

AUDITORS

Lodha & Co., Chartered Accountants

COST AUDITORS

Shome & Banerjee, Cost Accountants

N. Radhakrishnan & Co., Cost Accountants

REGISTERED OFFICE

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Kolkata – 700 001

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6, Mangoe Lane (Surendra Mohan Ghosh Sarani),
2nd Floor, Kolkata- 700 001

Phone : (033) 2243-5029/ 5809

Email : mdpldc@yahoo.com

WORKS

Bahadurgarh

Naidupeta

Nashik

Neemrana

Puducherry

Rishikesh

Rishra

BANKS / FINANCIAL INSTITUTIONS

Axis Bank Limited

Bank of Baroda

Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.
(trading as Rabobank International)

DBS Bank Limited

Export Import Bank of India

General Insurance Corporation of India

HDFC Bank Limited

Life Insurance Corporation of India

Standard Chartered Bank

State Bank of India

Syndicate Bank

The Hongkong & Shanghai Banking Corporation Limited



HINDUSTHAN NATIONAL GLASS & INDUSTRIES LIMITED

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