

**LODHA  
& CO**

Chartered Accountants

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The Board of Directors  
Hindusthan National Glass & Industries Limited  
2 Red Cross Place,  
Kolkata 700 001

Limited Review Report

1. We have reviewed the accompanying statement of unaudited financial results of Hindusthan National Glass & Industries Limited for the quarter ended on 30<sup>th</sup> September 2013 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors and has been initialed by us for identification only.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, we report that, nothing has come to our notice that causes us to believe that the accompanying statements of unaudited financial results prepared in accordance with Accounting Standards as referred to in Section 211 (3C) of the Companies Act, 1956 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement with Stock Exchanges in India including the manner in which is to be disclosed, or that it contains any material misstatement.

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



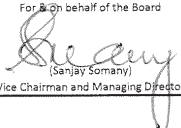
H K Verma  
Partner  
Membership No.055104



Dated: 2<sup>nd</sup> day of November 2013  
Place: Kolkata

| HINDUSTHAN NATIONAL GLASS & INDUSTRIES LIMITED  |  |                       |             |                   |                 |               |             |
|---|--|-----------------------|-------------|-------------------|-----------------|---------------|-------------|
| UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2013  |  |                       |             |                   |                 |               |             |
|   |  |                       |             |                   |                 | (Rs In Lakhs) |             |
| PART - I  |  |                       |             |                   |                 |               |             |
| SI No.  | PARTICULARS  | UNAUDITED             |             |                   | UNAUDITED       |               | AUDITED     |
|   |  | 3 MONTHS ENDED        |             |                   | HALF YEAR ENDED |               | YEAR ENDED  |
|   |  | 30-09-2013            | 30-06-2013  | 30-09-2012        | 30-09-2013      | 30-09-2012    | 31-03-2013  |
| 1   | <b>Income from operations</b>  |                       |             |                   |                 |               |             |
|   | (a) Net Sales / Income from Operations (Net of excise duty)  | 39,860                | 50,411      | 38,581            | 90,271          | 86,512        | 1,81,071    |
|   | (b) Other operating income   | 258                   | 394         | 260               | 652             | 412           | 1,512       |
|   | <b>Total income from operations (net)</b>  | 40,118                | 50,805      | 38,841            | 90,923          | 86,924        | 1,82,583    |
| 2   | <b>Expenses</b>  |                       |             |                   |                 |               |             |
|   | (a) Cost of materials consumed   | 12,968                | 14,105      | 15,011            | 27,073          | 29,242        | 54,851      |
|   | (b) Changes in inventories of finished goods, work-in-progress and stock-in-trade.   | (4,490)               | 1,238       | (15,207)          | (3,252)         | (20,333)      | (15,425)    |
|   | (c) Employee benefit expense   | 4,079                 | 4,127       | 4,192             | 8,206           | 8,139         | 16,266      |
|   | (d) Power and Fuel   | 16,220                | 18,064      | 20,277            | 34,284          | 39,936        | 77,808      |
|   | (e) Depreciation and amortisation expense  | 6,282                 | 6,125       | 4,445             | 12,407          | 7,577         | 19,831      |
|   | (f) Other expenses   | 8,185                 | 8,408       | 10,053            | 16,593          | 18,602        | 34,118      |
|   | <b>Total Expenses</b>  | 43,244                | 52,067      | 38,771            | 95,311          | 83,163        | 1,87,449    |
| 3   | <b>Profit from operations before other income, finance costs and exceptional items (1-2)</b>   | (3,126)               | (1,262)     | 70                | (4,388)         | 3,761         | (4,866)     |
| 4   | Other Income   | 945                   | 7,695       | 455               | 8,640           | 532           | 604         |
| 5   | <b>Profit (+)/Loss(-) from ordinary activities before finance costs and exceptional items (3+4)</b>  | (2,181)               | 6,433       | 525               | 4,252           | 4,293         | (4,262)     |
| 6   | Finance costs  | 6,140                 | 6,370       | 4,375             | 12,510          | 7,275         | 20,357      |
| 7   | <b>Profit (+)/Loss(-) from ordinary activities after finance costs but before exceptional items (5-6)</b>                                  | (8,321)               | 63          | (3,850)           | (8,258)         | (3,082)       | (24,619)    |
| 8   | Exceptional items  | -                     | -           | -                 | -               | -             | -           |
| 9   | <b>Profit (+)/Loss(-) from Ordinary Activities before tax (7-8)</b>  | (8,321)               | 63          | (3,850)           | (8,258)         | (3,082)       | (24,619)    |
| 10  | Tax expense  | (396)                 | (766)       | (1,001)           | (1,162)         | (1,001)       | (7,439)     |
| 11  | <b>Net Profit (+)/Loss(-) from ordinary activities after tax (9-10)</b>  | (7,925)               | 829         | (2,849)           | (7,096)         | (2,081)       | (17,180)    |
| 12  | Extraordinary item (net of tax expense)  | -                     | -           | -                 | -               | -             | -           |
| 13  | <b>Net Profit (+)/Loss(-) for the period (11-12)</b>   | (7,925)               | 829         | (2,849)           | (7,096)         | (2,081)       | (17,180)    |
| 14  | Paid-up equity share capital (face value per share Rs 2/-)   | 1,747                 | 1,747       | 1,747             | 1,747           | 1,747         | 1,747       |
| 15  | Reserve excluding revaluation reserves as per balance sheet of previous accounting year  | -                     | -           | -                 | -               | -             | 1,04,813    |
| 16  | Earnings Per Share (EPS)   |                       |             |                   |                 |               |             |
|   | (i) basic and diluted EPS before extraordinary items for the period, for the year to date and for the previous year (not to be annualised) | (9.07)                | 0.95        | (3.26)            | (8.12)          | (2.38)        | (19.67)     |
|   | (ii) basic and diluted EPS after extraordinary items for the period, for the year to date and for the previous year (not to be annualised) | (9.07)                | 0.95        | (3.26)            | (8.12)          | (2.38)        | (19.67)     |
| 17  | (a) Debt Service Coverage Ratio (DSCR)*  |                       |             |                   | 0.44            | 0.57          | 0.79        |
|   | (b) Interest Service Coverage Ratio (ISCR)**   |                       |             |                   | 0.91            | 1.00          | 1.19        |
| * DSCR = PBDIT/(Interest Expense on Long term borrowings + Scheduled Principal Repayment pertaining to long term Borrowings)                  |  |                       |             |                   |                 |               |             |
| ** ISCR = PBDIT/(Interest Expense on Long term borrowings)  |  |                       |             |                   |                 |               |             |
| PART - II   |  |                       |             |                   |                 |               |             |
| SI No.  | PARTICULARS  | UNAUDITED             |             |                   | UNAUDITED       |               | AUDITED     |
|   |  | 3 MONTHS ENDED        |             |                   | HALF YEAR ENDED |               | YEAR ENDED  |
|   |  | 30-09-2013            | 30-06-2013  | 30-09-2012        | 30-09-2013      | 30-09-2012    | 31-03-2013  |
| A   | <b>PARTICULARS OF SHAREHOLDING</b>   |                       |             |                   |                 |               |             |
| 1   | Public shareholding -  |                       |             |                   |                 |               |             |
|   | - Number of equity shares  | 2,62,14,725           | 2,62,14,725 | 2,62,14,725       | 2,62,14,725     | 2,62,14,725   | 2,62,14,725 |
|   | - Percentage of shareholding   | 30.02                 | 30.02       | 30.02             | 30.02           | 30.02         | 30.02       |
| 2   | Promoters and promoter group Shareholding  |                       |             |                   |                 |               |             |
|   | (a) Pledged / Encumbered   |                       |             |                   |                 |               |             |
|   | - Number of Shares   | Nil                   | Nil         | Nil               | Nil             | Nil           | Nil         |
|   | - Percentage of Shares (as a % of the total shareholding of promoter and promoter group)   | -                     | -           | -                 | -               | -             | -           |
|   | - Percentage of Shares (as a % of the total share capital of the company)  | -                     | -           | -                 | -               | -             | -           |
|   | (b) Non encumbered   |                       |             |                   |                 |               |             |
|   | - Number of Shares   | 6,11,23,840           | 6,11,23,840 | 6,11,23,840       | 6,11,23,840     | 6,11,23,840   | 6,11,23,840 |
|   | - Percentage of Shares (as a % of the total shareholding of promoter and promoter group)   | 100.00                | 100.00      | 100.00            | 100.00          | 100.00        | 100.00      |
|   | - Percentage of Shares (as a % of the total share capital of the company)  | 69.98                 | 69.98       | 69.98             | 69.98           | 69.98         | 69.98       |
| <b>PARTICULARS</b>  |  | <b>3 MONTHS ENDED</b> |             | <b>30-09-2013</b> |                 |               |             |
| B   | <b>INVESTOR COMPLAINTS</b>   |                       |             |                   |                 |               |             |
|   | Pending at the beginning of the quarter  | Nil                   |             |                   |                 |               |             |
|   | Received during the quarter  | -                     |             |                   |                 |               |             |
|   | Disposed of during the quarter   | -                     |             |                   |                 |               |             |
|   | Remaining unresolved at the end of the quarter   | Nil                   |             |                   |                 |               |             |
| Notes :   |  |                       |             |                   |                 |               |             |
| 1 The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 2nd November 2013.     |  |                       |             |                   |                 |               |             |
| 2 The Statutory Auditors have carried out a limited review of the financial results for the quarter and half year ended 30th September, 2013. |  |                       |             |                   |                 |               |             |



| 3 STATEMENT OF ASSETS AND LIABILITIES                |  | (Rs In Lakhs)   |  |
|--|--|---|--|
| Particular's   |  |   |  |
|  | As At<br>30-09-2013  | As At<br>31-03-2013   |  |
| <b>I EQUITY AND LIABILITIES</b>                      |  |   |  |
| <b>(1) Shareholder's Funds</b>                       |  |   |  |
| (a) Share Capital                                    | 1,747  | 1,747   |  |
| (b) Reserves and Surplus                             | 89,684   | 96,835  |  |
| (c) Money received against share warrants            | -  | -   |  |
| <b>Sub-total - Shareholder's funds</b>               | <b>91,431</b>  | <b>98,582</b>   |  |
| <b>(2) Share application money pending allotment</b> | -  | 1,460   |  |
| <b>(3) Minority Interest</b>                         | -  | -   |  |
| <b>(4) Non-Current Liabilities</b>                   |  |   |  |
| (a) Long-term borrowings                             | 1,71,764   | 1,76,725  |  |
| (b) Deferred tax liabilities (Net)                   | 937  | 2,099   |  |
| (c) Other Long term liabilities                      | 2,121  | 2,108   |  |
| (d) Long term provisions                             | 819  | 771   |  |
| <b>Sub-total - Non-current liabilities</b>           | <b>1,75,641</b>  | <b>1,81,703</b>   |  |
| <b>(5) Current Liabilities</b>                       |  |   |  |
| (a) Short-term borrowings                            | 51,944   | 63,113  |  |
| (b) Trade payables                                   | 28,906   | 32,412  |  |
| (c) Other current liabilities                        | 59,479   | 54,510  |  |
| (d) Short-term provisions                            | 5,256  | 9,044   |  |
| <b>Sub-total - Current liabilities</b>               | <b>1,45,585</b>  | <b>1,59,079</b>   |  |
| <b>TOTAL - EQUITY AND LIABILITIES</b>                | <b>4,12,657</b>  | <b>4,40,824</b>   |  |
| <b>II. ASSETS</b>                                    |  |   |  |
| <b>(1) Non-current assets</b>                        |  |   |  |
| (a) Fixed assets                                     | 2,79,121   | 2,83,491  |  |
| (b) Non-current investments                          | 14,473   | 18,089  |  |
| (c) Long term loans and advances                     | 8,982  | 13,180  |  |
| (d) Other non-current assets                         | 131  | 130   |  |
| <b>Sub-total - Non-current assets</b>                | <b>3,02,707</b>  | <b>3,14,890</b>   |  |
| <b>(2) Current assets</b>                            |  |   |  |
| (a) Inventories                                      | 52,649   | 49,822  |  |
| (b) Trade receivables                                | 32,177   | 48,961  |  |
| (c) Cash and Bank Balances                           | 211  | 3,794   |  |
| (d) Short-term loans and advances                    | 24,775   | 23,228  |  |
| (e) Other current assets                             | 138  | 129   |  |
| <b>Sub-total - Current assets</b>                    | <b>1,09,950</b>  | <b>1,25,934</b>   |  |
| <b>TOTAL - ASSETS</b>                                | <b>4,12,657</b>  | <b>4,40,824</b>   |  |
| 4  | The Company operates mainly in one business segment, i.e. manufacturing and selling of glass containers.   |   |  |
| 5  | The Audit Report for the year ended 31st March, 2013, included a qualification with regard to remuneration paid to managerial personnel which also has an impact on the results for the current quarter, have been stated as below:<br><br>Remuneration paid to Vice Chairman & Managing Directors includes Rs 160.38 lakhs for the current quarter (Rs 320.81 lakhs for the six months ended 30th September 2013 and Rs. 547.00 lakhs for the year ended 31st March, 2013) which due to inadequacy of profit has exceeded the limits prescribed under the provisions of Companies Act, 1956 are subject to approval of Central Government.<br><br>With regard to remuneration to Executive Director for the year ended 31st March 2013 and the current year which was subject to approval of Central Government and Share Holders, such approvals have been received during the quarter.<br><br>Further for Vice Chairman & Managing Directors shareholders approval has been obtained during the current quarter. The Company is in the process of obtaining the pending approval(s) for the same. |   |  |
| 6  | During the six months ended September 30, 2013, the Company, along with the promoters of HNG Float Glass Limited (HNGFL) (HNG Group) has entered into a Joint Venture agreement on an equal basis (50:50) with Trakaya Cam Sanyai 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 the preceding quarter in favour of the joint venture partner and profit of Rs 7,598.06 lakhs arising in this respect included in Other Income for the period upto 30th September 2013.  |   |  |
| 7  | Other Income for the current quarter includes Rs. 764.63 Lakhs being excess provision arising out of settlement with a bank with regard to certain disputed foreign exchange transactions entered into in earlier years.   |   |  |
| 8  | Previous year's / quarters figures have been re-arranged / re-grouped wherever necessary.  |   |  |
|  | Place : Kolkata<br>Date : 2nd November, 2013   | For & on behalf of the Board<br><br>(Sanjay Somany)<br>Vice Chairman and Managing Director |  |

