



HINDUSTHAN NATIONAL GLASS & INDUSTRIES LTD.

Registered Office : 2, Red Cross Place, Post Box : 2722, Kolkata - 700 001, India

Tel. : 2254 3100, Fax : (91) (33) 2254 3130

E-mail : hngkol@hngil.com, Website : www.hngindia.com

CIN - L26109WB1946PLC013294



SEC/SE/382

June 3, 2017

The Dy. Manager (Listing)
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400 023.

(Scrip Code: 515145)

Dear Sir,

This has reference to your mail dated 31st May, 2017 regarding discrepancies in Financial Results of the Company for the quarter/Year ended 31st March, 2017. Our explanation with respect to the observations dealing with said discrepancies are as follows:

1. Declaration of Statement of Impact of Audit Qualification both Consolidated and Standalone Financial Results for the year end March, 2017 was submitted to your good office vide our letter dated 15th May, 2017. Copy of the said statement is again enclosed for your ready reference.
2. With respect to your observation that Company has not submitted the Financial Results as per Schedule III, we would like to clarify that the Financial Results, comprising of results for quarter and year ended 31st March were submitted as specified in the said schedule.

We will like to draw your attention to Note given under "GENERAL INSTRUCTIONS FOR PREPARATION OF FINANCIAL STATEMENTS OF A COMPANY REQUIRED TO COMPLY WITH Ind AS" in Division - II of Schedule III which is reproduced below for your reference.

"This Schedule sets out the minimum requirements for disclosure on the face of the Financial Statements, i.e., Balance Sheet, Statement of Changes in Equity for the period, the Statement of Profit and Loss for the period (The term 'Statement of Profit and Loss' has the same meaning as 'Profit and Loss Account') and Notes. Cash flow statement shall be prepared, where applicable, in accordance with the requirements of the relevant Indian Accounting Standard.

Line items, sub line items and sub-totals shall be presented as an addition or substitution on the face of the Financial Statements when such presentations is relevant to an understanding of the company's financial position or performance or to cater to industry or sector-specific disclosure requirements or when required for compliance with the amendments to the Companies Act, 2013 or under the Indian Accounting Standards."



From the above, it may be mentioned that Ministry of Corporate Affairs has clearly specified in its notification that Company can make an addition or substitution on the face of the Financial Statement when such presentation is relevant to an understanding of the Company's Financial position or performance to cater to industry or sector-specific disclosure requirement or when required for compliance with the amendments to the Companies Act, 2013 or under the Indian Accounting Standard.

The Guidance note on the Revised Schedule VI of the Companies Act, 1956 as issued by the Institute of the Chartered Accountants of India(ICAI) had also dealt with the above clause and confirmed the same.


You will appreciate that in Company's context Earning before Interest, Tax, Depreciation and Amortisation is an important information for understanding the Financial performance of the Company relevant to the various users of the financial statement, lenders and stakeholders of the Company. Accordingly, it has been decided to add an additional line item on the face of the statement of profit and loss. The disclosure has been decided to be kept in line with the financial statement to be submitted to shareholders for their approval for the year ended 31st March 2017.

Please note that in addition of a line item as followed by the company is in consonance with the requirement of Schedule III and as such there is no violation to that effect.

In case your good self have any further suggestions on this matter, we will be happy to follow the same.

Thanking you,

Yours sincerely,
For Hindusthan National Glass & Industries Ltd.


(Ajay Kumar Rai)
Company Secretary & Legal Counsel



Encl: as above.

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2017 (Standalone)

Rs in Lakhs

Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (audited figures after adjusting for qualifications)
Turnover/ Total Income	2,16,587	Not Applicable
Total Expenditure	2,29,300	
Net Profit/ (Loss)	(12,713)	
Earnings Per Share	(14.56)	
Total Assets	3,58,592	
Total Liabilities	3,19,114	
Net Worth	(1,593)	
Any other financial item (as felt appropriate by the management)	Nil	

II

a. Details of Audit Qualification:

(i) Qualification regarding payment of managerial remuneration, due to inadequacy of profit, in excess of limits laid down in the Companies Act, 2013.

(ii) Qualification regarding levy of entry tax.

b. Type of Audit Qualification: Qualified Opinion

c. Frequency of qualification:

(i) Twice, since March 2016.

(ii) Once, pertaining only to the year ended March 31, 2017

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not Applicable

(i) Management's estimation on the impact of audit qualification: Not Applicable in both the cases

(ii) If management is unable to estimate the impact, reasons for the same:

(a) During the year, the company has made payment of remuneration of Rs. 642 Lakhs to the Vice chairman and Managing Directors of the company which has exceeded the maximum limit as prescribed under schedule V of the Companies Act 2013. The shareholders through Postal Ballot have already approved the remuneration vide resolution dated 30th March 2015. However, due to no profit or inadequate profit, the remuneration as approved by the shareholders has exceeded the limit as prescribed under Schedule V of the Companies Act 2013.

Necessary applications had already been made to the central government for obtaining approval for payment of excess managerial remuneration to both VC and MD and the same is awaited.

(b) The effect of the decision of Supreme Court on entry tax matter is yet to be given by the various state governments and the amount of said levy is yet to be determined. Accordingly, the same has not been recognised by the company.






Due to reasons given herein above, the impact of both the matter could not be ascertained and given effect by us.

(iii) Auditors' Comments on (i) or (ii) above:

(a) Pending the approval from the Central Government with regard to the remuneration payable to the Managing Directors and Vice chairman, the impact of the above is presently not ascertainable and as such could not be commented upon by us.

(b) As the various state government and judicial forums is yet to take final decision, the impact of the above is not ascertainable and as such could not be commented upon by us.

III

Mukul Somany Vice Chairman & Managing Director	
Ratna Kumar Daga Chairman Audit Committee	
Bimal Kumar Garodia Sr. Vice President & Chief Financial Officer	
For Lodha & Co. Chartered Accountants FRN: 301051E H K Verma Partner M No. 055104	 

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2017 (Consolidated)

Rs in Lakhs

Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (audited figures after adjusting for qualifications)
Turnover/ Total Income	2,17,274	Not Applicable
Total Expenditure	2,29,300	
Net Profit/ (Loss)	(12,026)	
Earnings Per Share	(13.10)	
Total Assets	3,58,916	
Total Liabilities	3,19,114	
Net Worth	(1,265)	
Any other financial item (as felt appropriate by the management)	Nil	

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- (ii) Qualification regarding levy of entry tax.
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- c. Frequency of qualification:
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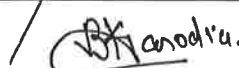
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