

BOARD OF DIRECTORS

Mr. N. D. Shetty Executive Chairman
DIN:00025868
Mr. T. N. Shetty Managing Director
DIN:00587108
Mr. F. S. Broacha
DIN:00198990
Mrs. K. J. Udeshi
DIN:01344073
Mr. Rolf E. von Bueren
DIN:01484448
Mr. L. Rajagopalan
DIN:00063935
Mr. Sikandar Talwar
DIN:01630705
Mr. R. Y. Ajila
DIN:01549005

Company Secretary

Mr. A. A. Lambay

Audit Committee

Mr. L. Rajagopalan Chairman
Mr. F. S. Broacha
Mrs. K. J. Udeshi

Nomination and Remuneration Committee

Mr. F. S. Broacha Chairman
Mr. L. Rajagopalan
Mrs. K. J. Udeshi

Stakeholders Relationship Committee

Mr. F. S. Broacha Chairman
Mr. L. Rajagopalan
Mr. Sikandar Talwar

Share Transfer Committee

Mr. N. D. Shetty Chairman
Mr. F. S. Broacha
Mr. L. Rajagopalan

Corporate Social Responsibility Committee

Mr. T. N. Shetty Chairman
Mr. F. S. Broacha
Mr. L. Rajagopalan
Mrs. K. J. Udeshi

Risk Management Committee

Mr. T. N. Shetty Chairman
Mr. F. S. Broacha
Mrs. K. J. Udeshi

Auditors

M/s Mukund M. Chitale & Co.
Chartered Accountants

Registered Office & Works

Village Gavasad, Taluka Padra
District Vadodara- 391430, Gujarat
Tel : +91 2662 242339 / 42
Fax : +91 2662 245081
Email: baroda@haldynglass.com
Website: www.haldynglass.com

CIN No.: L51909GJ1991PLCO15522

Corporate Office

B-1201, Lotus Corporate Park,
Off Western Express Highway,
Goregaon [East], Mumbai - 400 063
Telephone No.: + 91 22 4287 8999
Fax No : + 91 22 4287 8910
E Mail : cosec@haldyn.com

Bankers

State Bank of India
HDFC Bank Limited

Registrar & Share Transfer Agents

Universal Capital Securities Pvt. Ltd.
Unit: Haldyn Glass Limited
21, Shakil Niwas, Mahakali Caves Road,
Andheri [East], Mumbai – 400 093.
Tel. No. : +91 22 28207203,4,5 Fax No. : +91 22 28207207
E-mail : info@unisec.in, Website: www.unisec.in

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TWENTY-FIFTH ANNUAL GENERAL MEETING

Day : Thursday
Date : September 29, 2016
Time : 11.30 a.m.
Venue : Registered Office
Village Gavasad, Taluka Padra,
District: Vadodara – 391 430, Gujarat

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Twenty-fifth Annual Report on the business and operations together with the Audited Financial Statements of the Company for the year ended on March 31, 2016.

1] FINANCIAL RESULTS

[₹ In Lakhs]

Particulars	Standalone		Consolidated *
	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2016
Total Income	14,396.70	15,910.10	14,399.44
Earnings before interest, depreciation and tax	1,997.20	2,983.70	1,997.37
Interest and Finance Charges	125.26	35.23	125.82
Depreciation	789.34	546.62	789.34
Profit before Taxation	1,082.60	2,401.85	1,082.21
Provision for Current Tax	230.00	720.00	230.00
Provision for Deferred Tax	245.20	78.20	245.20
Wealth Tax	-	1.00	-
MAT Credit	(59.00)	-	(59.00)
Profit after tax	666.40	1,602.65	666.01
Surplus brought forward from previous year	6,215.82	6,139.95	6,215.83
Adjustments relating to Fixed Assets		[541.58]	
Profit available for appropriation Total	6882.22	7,201.02	6881.82
Appropriations:			
General Reserve	200.00	500.00	200.00
Proposed Dividend on Equity Shares	268.76	403.14	268.76
Tax on Proposed Dividend	54.71	82.06	54.71
Surplus carried forward to next Year	6358.75	6215.82	6358.35
Total	6882.22	7,201.02	6881.82

* This being the first year of consolidation, previous year's figures are not applicable.

2] PERFORMANCE

Your Company has achieved Turnover of ₹ 14,065.21 lakhs against ₹ 15,554.77 lakhs last year. Earnings before Interest, Depreciation and Tax for the year are at ₹ 1,997.20 lakhs as compared to ₹ 2,983.70 lakhs achieved in 2014-15. The Profit after Tax for the year is ₹ 666.40 lakhs vis-à-vis ₹ 1,602.65 lakhs last year.

EPS for 2015-16 is ₹ 1.24 as against ₹ 2.98 earned last year.

3] DIVIDEND

The Board of Directors of your Company is pleased to recommend a dividend of ₹ 0.50 per Equity Share of ₹ 1 each, for the approval of the shareholders at the ensuing Annual General Meeting. The total payout on account of dividend will be ₹ 323.47 lakhs inclusive of tax thereon of ₹ 54.71 lakhs.

4] TRANSFER TO RESERVE

For the year under review, an amount of ₹ 200.00 lakhs is proposed to be transferred to General Reserve and an amount of ₹ 6358.75 lakhs is proposed to be retained in the Profit and Loss Account.

5] **SHARE CAPITAL / ESOP**

The paid up Equity Share Capital as on March 31, 2016 was ₹ 537.52 Lakhs. The Company had approved a Resolution at the Fifteenth Annual General Meeting held on August 26, 2006 for Employee Stock Options Plan [ESOP] to the Directors / employees under the SEBI [Employee Stock Option Scheme and Employee Stock Purchase Scheme] Guidelines, 1999, with a view to attract, retain, motivate and reward the employees. However, no Stock Options have been offered or issued as on date.

The Company has not issued and allotted any securities during the year ended March 31, 2016.

6] **FINANCE**

Cash and cash equivalent as at March 31, 2016 was ₹ 434.80 lakhs against ₹ 2,929.81 lakhs last year. The entire capital expenditure on relining of one of its furnaces with enhanced capacity – completed during the year, was funded through internal means only. The Company continues to focus on judicious management of its working capital. Receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

7] **DEPOSITS**

During the year under review the Company has not accepted any deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies [Acceptance of Deposits] Rules, 2014.

8] **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The particulars of loans, guarantees and investment have been disclosed in the financial statements.

9] **MANAGEMENT DISCUSSION AND ANALYSIS:**

Pursuant to the amended Regulation 34 (3) read with Part B of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 your Directors wish to report as follows:

A) This section shall include discussion on the following matters within the limits set by the listed entity's competitive position:

a] **Industry Structure & Developments:**

The company manufactures empty glass containers used by liquor, food and beverage, pharma & cosmetic industries. Though liquor forms the biggest customer segment, yet, considering surplus capacity created by some of the existing manufacturers, the Company has recently diversified in to production of wide mouth / open jars (through press and blow process) and has reviewed efforts to increase export of its products. Ongoing studies have established that non glass food / drug containers are known to have ill effects on human health. National Green Tribunal – keeping environmental issues in to mind, wants curbs imposed on plastic packaging.

b] **Opportunities & Threats**

Due to easing foreign direct investment policies of India, global business community is bullish on India as an investment destination and is exploring the business relationship with Indian manufacturers. Make in India initiatives along with easing Government policies, may be seen as a turning point in the collective sentiment of a large number of business leaders in India. A recent survey has found next three years to be 'promising' from economic growth prospective which would result in significant business transformation. India, being a large untapped market along with young population turning consumers, good monsoon expected to double farmer incomes coupled with MGNREGA / 7th pay commission money coming in to system, would spur consumption demand and would be a force multiplier for the economy. These developments would provide enhanced opportunities to the company. The findings reveal an optimistic side of India Inc which has been reeling under pressure.

c] **Segment-wise or Product-wise Performance**

The Company operates only in one business segment of manufacturing / supplying of glass bottles & containers. There are no separate reportable segments as per Accounting Standard -17, issued by the Institute of Chartered Accountants of India.



d] Outlook

The Company has successfully completed up gradation of one of its furnaces with enhanced capacity. During the process other ancillary facilities too were up graded with latest technologies. The entire capital expenditure was funded through Company's internal resources. The Company has recently received ISO 22000 certificate for supplying food grade bottles. This will help the Company to strengthen quality parameters so as to become most preferred supplier to the customers. Considering emerging opportunities, your Company is cautiously optimistic for coming years.

e] Risks and Concerns

To counter the surplus capacity available, your Company has commenced efforts to increase export of its products and thus faces the risk of forex volatility to that extent. In addition, gas prices being linked to US dollar, the Company is also subject to the risk of resultant forex fluctuations. Other than these, the Company has limited exposure to foreign exchange risks as it mainly operates in domestic market. Apart from normal business risks, the volatility in global economies / BREXIT after effects can impact on developing and emerging economies –like India.

However, the Company is confident to counter such risks by process improvements, judicious product mix and exploring alternative supply sources. The Company complies with safety norms and has adequate insurance coverage for all its assets.

f) Internal Control Systems and their adequacy

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are regularly tested and certified by Statutory Auditors as well as Internal Auditors and cover the Plant, Corporate office and key areas of business. Significant audit observations and follow up actions thereon are reported to the Audit Committee. The Audit Committee reviews the adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations including those relating to strengthening of the Company's risk management policies and system.

g) Discussion on Financial Performance with respect to operational performance

Closure of one of our furnaces during the year for relining and expansion and resultant lower sales during the year, higher depreciation due to capital expenditure and increased finance cost due to working capital utilization contributed to lower profits. The lower demand has also affected the overall profitability.

In spite of capital expenditure during the year, the Company, barring a small vehicle loan remains a debt free company.

h) Material Developments in Human Resources / Industrial Relations front, including number of employee employed

Our relations with the employees are cordial. Your director would like to place on record their appreciation of the commitment and efficient services rendered by all employees of the Company, without whose whole hearted efforts, the overall satisfactory performance of the Company would not have been possible.

B. DISCLOSURE OF ACCOUNTING TREATMENT:

The Company prepares its financial statements in compliance with the prescribed Accounting Standard and hence no further disclosure is required to be made in terms of Part B of Schedule V read with regulations 34 (3) and 53 (f) of LODR.

10] DIRECTORS & KEY MANAGERIAL PERSONNEL

a) Directors

In accordance with the provisions of the Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mr. R.Y. Ajila [DIN: 01549005], retires by rotation and, being eligible, has offered himself for reappointment.

b) Key Managerial Personnel

The following employees were designated as whole – time key managerial personnel by the Board of Directors during the year under review:

- I. Mr. T.N. Shetty, Managing Director
- II. Mr. G.P. Chaturvedi, Vice President Finance and Chief Financial Officer
- III. Mr. A.A.Lambay, Company Secretary

11] MEETINGS

During the year under review, 5 (five) Board Meetings and 4 (four) Audit Committee Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the LODR.

12] DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors have submitted the declaration of Independence as required under Section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 as well as LODR.

13] BOARD EVALUATION

In compliance with the provisions of the Companies Act, 2013 read with the Rules framed there under and Regulation 17 of the LODR, the Board had carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of the Committees. The Board of Directors expressed their satisfaction with the evaluation process.

14] CORPORATE GOVERNANCE

As required under Regulation 34(3) read with Schedule VI of the LODR, a report on Corporate Governance, along with the Certificate from the Statutory Auditors of the Company regarding the compliance with the conditions of Corporate Governance forms part of the Annual Report.

15] AUDIT COMMITTEE

The Audit Committee is constituted in line with the regulatory requirements mandated by the Companies Act, 2013 and the Listing Regulations. The details of the Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report.

16] NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is constituted in line with the regulatory requirements mandated by the Companies Act, 2013 and the LODR. The details of the Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report.

17] CORPORATE SOCIAL RESPONSIBILITY (CSR) – INITIATIVES

In terms of the provisions of Section 135 of the Act read with Companies [Corporate Social Responsibility Policy [Rules] 2014, the Board of Directors of your Company has constituted a Corporate Social Responsibility ["CSR"] Committee which is chaired by Mr. T. N. Shetty (DIN:00587108). The other members of the Committee are Mr. F. S. Broacha (DIN: 00198990), Mr. L. Rajgopalan (DIN: 00063935) and Mrs. K. J. Udeshi (DIN: 01344073), Independent Directors. Mr. Ganesh Chaturvedi, CFO is a permanent invitee to the Committee. Your Company also has in place a CSR Policy and the same is available on your Company's website viz. <http://www.haldynglass.com/direct/csr-policy.pdf>. The Committee recommends to the Board activities proposed to be undertaken during the year.

The Company acknowledges and recognizes the concept of Corporate Social Responsibility ("CSR"), which leads to triple (bottom line) benefits by way of (i) profits, (ii) protection of environment and (iii) fight for social justice / quick development of the country. The Company is, however, facing difficulties in identifying well-organized non-governmental organizations in remote and rural area which can assess and identify the real needs of the community and work along with companies as implementation agencies to ensure successful implementation of CSR activities. The draft rules for CSR activities had left many matters unanswered while CSR Rules released recently have answered many questions. The time taken for release of Rules is justified by the clarity which the norms have brought out in comparison to the draft rules. The Company is looking forward to creating an impact with its CSR contribution that is quantifiable, measurable and objective. The Company has identified several projects relating to Education, Social Empowerment & Welfare, Infrastructure Development, Sustainable Livelihood, Health Care and Education during the year and initiated various activities in neighbouring villages, and around plant location. The work on several initiatives has been discussed; however, the same has not materialized during the previous year due to unanswered matters in the CSR Rules and the Company was not able to spend any amount as CSR expenditure.

Recently, pending identification of suitable projects, the Company has contributed a sum of ₹ 25 lakhs to the Prime Minister's Relief Fund which is permissible under the said Rules.

The Annual Report on CSR activities is attached as Annexure II forming part of this Report.

18] MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

19] DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/ COURTS/ TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND THE COMPANY'S OPERATIONS IN FUTURE

During the year under review, no material orders were passed by the Regulators / Courts / Tribunals, impacting the Company's going concern status and future operations. However it may be noted that Office of the Regional Director North-Western Region Ahmadabad, Ministry of Corporate Affairs initiated inspection vide their letter Ref: RD/NWR/206(5)/insp/9/2015-16/4232 dated January 21, 2016. Till date the company has replied all the letters received from Regional Director, Ahmadabad.

20] DETAILS OF SUBSIDIARY / JOINT VENTURES / ASSOCIATE COMPANIES

The Company had no subsidiary as at the end of the financial year ended March 31, 2016. However it may be noted that on June 23, 2015 your Company entered into a Joint Venture Agreement ["the JV Agreement"] with Heinz Glas International GmbH ["Heinz"], for manufacture and marketing of clear glass containers for the cosmetics and perfumery industries, in India and abroad. Details of the same are produced hereunder

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Haldyn Heinz Fine Glass Private Limited B-1202, Lotus Corporate Park, Off Western Express Highway, Goregaon [East], Mumbai - 400 063.	U26960MH2015PTC261972	Associate	50%	2 (6) of the Companies Act, 2013

Pursuant to provisions of section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's associates in Form AOC-1 is attached to the financial statements of the Company as Annexure- IV to this Report

Further, pursuant to the provisions of section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of associate, is available on the website of the Company.

Joint Venture:-

The Company continues its objective of diversification and expansion within it's core competence area of glass manufacturing. It has entered into a joint venture with 'Heinz Glas' from Germany to manufacture cosmetic glass. This new joint venture is being executed through a new company called "Haldyn-Heinz Fine Glass Pvt. Ltd." where both Haldyn and Heinz, have invested equally and have a 50 : 50 equity share holding structure.

The joint venture company will manufacture glass flacons for the perfume and cosmetics industry with technical support from Heinz. A large portion of the products will cater to the export market. Commercial production is expected to commence by the fourth quarter of the current financial year.

21] REMUNERATION OF THE DIRECTORS/KEY MANAGERIAL PERSONNEL (KMP) / EMPLOYEES:

Your Company has framed a Remuneration Policy which lays down a framework in relation to the Directors, Key Managerial Personnel and Senior Management of the Company. The Policy also lays down the criteria for selection and appointment of Independent Directors. The details of the policy are explained in the Corporate Governance Report.

The information required under Section 197 read with Rule 5 of the Companies(Appointment and Remuneration of Managerial Personnel) Rules 2014 is given below:-

Name/ Designation	Date of Joining	Age Years	Experience [in Years]	Remuneration [₹. Lakhs]	Ratio of Remuneration of each Director/ KMP to median Remuneration of employees	Percentage increase in Remuneration	Particulars of previous Employment
Mr. N.D.Shetty Executive Chairman [Din: 00025868]	April 25, 1991	76	52	123.87	71.77	-0.49	N.A.
Mr. T.N. Shetty Managing Director [Din: 00587108]	August 01, 2009	42	19	122.97	71.25	-15.42	N.A.
Mr. G. P. Chaturvedi V.P.-Finance & Chief Financial Officer	November 13, 2013	58	28	28.16	16.32	4.41	Asst. Vice President – Finance, SAH Petroleums Limited
Mr. A. A. Lambay Company Secretary	February 2, 2008	68	12	8.38	4.86	3.84	Company Secretary, S.K.S. Logistics Limited

Notes

1. Remuneration includes Salary, House Rent Allowance / Rent free furnished accommodation, Commission, Reimbursement of Medical Expenses, Leave Travel Assistance and other perquisites evaluated as per the Income-tax Rules, 1962, excluding Company's Contribution to Provident Fund.
2. Appointment is on contractual basis. Other terms and conditions are as per the agreement between the incumbent and the Company.
3. Mr. N. D. Shetty and Mr. T. N. Shetty are related to each other and to Mr. R. Y. Ajila.

22] VIGIL MECHANISIM

In pursuance of the provisions of section 177 [9] & [10] of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil mechanism policy is available on the website of the Company at <http://www.haldynglass.com/direct/vigil-mech.pdf>

23] RISK MANAGEMENT POLICY

The Company has framed Risk Management Policy. The Main objective of this policy is to ensure sustainable business growth with stability and to promote proactive approach to identifying, evaluating and resolving risks associated with its business. In order to achieve the key objective, the policy establishes structured and disciplined approach to risk management in order to guide decisions on risk related issues.

Under the current challenging and competitive environment, the strategy for mitigating inherent risk in accomplishing the growth plan of the Company is imperative. The common risk interalia are regulatory risk, competition, financial risk, technology obsolescence, human resources risk, political risks, investments, retention of talents, expansion of facilities and product price risk.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134[3] [m] of the Companies Act, 2013 read with Rule 8 of the Companies [Accounts] Rules, 2014, is furnished in the Annexure-I forming part of this Report.

25] DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 [5] of the Companies Act, 2013, the Directors confirm that:

- i) In the preparation of the annual accounts, the applicable Accounting Standards have been followed along with the proper explanations relating to material departures.
- ii) Appropriate Accounting Policies have been selected and applied consistently. 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 as at March 31, 2016 and of the Profit and Loss Account for the Financial Year 2015-16 have been made.
- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities.
- iv) The Annual Accounts have been prepared on a going concern basis.
- v) The policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, prevention & detection of frauds / errors, accuracy and completeness of the accounting records, and the timely preparation of reliable financial information internal Financial Controls, are adequate and were operating effectively;
- vi) Proper systems are in place to ensure compliance of all laws applicable to the Company and that such systems are adequate and operating effectively.

26] RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business and the provisions of the Companies Act, 2013, Rules made thereunder and the LODR are not attracted.

All Related Party Transactions are placed before the Audit Committee and also the Board for approval. Prior omnibus approval of the Audit Committee is obtained for transactions which are foreseen and repetitive in nature. The transactions entered into pursuant to omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis.

Particulars of contracts / arrangement with related parties entered into under section 188[1] were available in AOC 2 as Annexure-V to this report.

The details of transactions with Related Parties are given in the notes to the Financial Statements in accordance with the Accounting Standards.

The Company has not given any loan to its Associate Company and hence disclosure under Part A of Schedule V read with regulation 34 (3) and 53 (f) of LODR is not required.

The policy on Related Party Transactions as approved by the Board is uploaded on the website of the Company at <http://www.haldynglass.com/direct/related-party.pdf.com>

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

27] AUDITORS**a) Statutory Auditors**

At the 24th Annual General Meeting held on September 29, 2015, the members had approved the appointment of M/s. Mukund M. Chitale & Co., Chartered Accountants, [Firm Registration No. 106655W], to hold office from the conclusion of the 24th Annual General meeting until the conclusion of the 29th Annual General Meeting of the Company to be held in the year 2020, [subject to ratification of their appointment by the Members at every Annual General Meeting held after the 24th Annual General Meeting] on such remuneration plus applicable service tax, and reimbursement of travelling and out of pocket expenses incurred for the purpose of audit as may be mutually agreed between the Board of Directors and the Auditors.

In accordance with Section 139 of the Act, Members are requested to ratify the appointment of the Auditors for the balance term to hold office from the conclusion of the 25th Annual General Meeting till the conclusion of the 29th Annual General Meeting.

There are no qualifications, reservations or adverse remarks or disclaimers made by the Statutory Auditors in their report.

b) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies [Appointment and Remuneration of Managerial Personnel] Rules 2014, the Company had appointed M/s. SPANJ & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is part of this report.

The report does not contain any qualifications, reservation or adverse remark.

28] AUDITORS' REPORT

The specific notes forming part of the accounts referred to in the Auditors Report are self explanatory and give complete information and without any qualifications or adverse remarks. Hence no comment is required.

29] EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9, as required under section 92 of the Companies Act, 2013, is annexed as Annexure - III and forms an integral part of this Report.

30] DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a 'Respect for Gender' Policy on prevention, prohibition and redressal of sexual harassment in line with the provisions of the Sexual Harassment of Women at Work place [Prevention, Prohibition and Redressal] Act, 2013 and the Rules framed thereunder.

The Company has not received any written complaint on sexual harassment during the financial year.

31] REPORTING OF FRAUDS:

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and /or Board under Section 143(12) of the Act and Rules framed thereunder.

32] ACKNOWLEDGEMENTS

Your Directors thank all the shareholders, customers, vendors, banks and the State and Central Governments for the support extended during the year and look forward to their continued support in the future. Your Directors also place on record their appreciation of the contribution made by the Company's employees at all levels.

For and on behalf of the Board

N. D. Shetty

Executive Chairman

[DIN: 00025868]

Place: Mumbai

Dated August 25, 2016

ANNEXURE- I TO THE DIRECTORS' REPORT

[Section 134 (3)(m) of The Companies Act, 2013 read with Rules 8(3) of the Companies [Accounts] Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2016.

1. CONSERVATION OF ENERGY:

The company has selected the most energy efficient equipment for new plant

- High Capacity Centrifugal air compressor installed to have the best specific power consumption.
- High efficiency imported fuel burners installed on glass melting furnace to get best fuel efficiency.
- Energy efficiency Siemens motor installed on all the blowers along with VFD control to reduce speed.

Form of disclosure of particulars with respect to Conservation of Energy. A. Power and Fuel Consumption

Sr. No.	Particulars	Unit	2015-2016	2014-2015
A.1	Electricity			
A.1.a	Purchased			
	Units	Lakhs Kwh	143.51	64.05
	Total amount	₹ Lakhs	1110.556	496.89
	Average Rate / Kwh	₹	7.73	7.76
A.1.b	Own generation [CPP 1+2+3]*	Lakhs Kwh	45.854	131.91
	SCM of N Gas	Thousand SCM	1239.3	34.29
	Average KWH/SCM of NG	units	3.87	3.82
A.2	A.2.a			
	Furnace Oil			
	Quantity Consumption	M.T.	916.950	154.800
	Total amount	₹ Lakhs	160.16	43.88
	Average Rate / M.T.	₹	17.46	28.35
	A.2.b			
	LDO		nil	
	Quantity purchased	Kilo Litre		Nil
	Total amount	₹		Nil
	Average Rate / Kilo Litre	₹		Nil
A.3	A.3			
	Others – Natural Gas			
	Quantity purchased	Thousand SCM	13577.984	16887.115
	Total amount*	₹ Lakhs	1786.68	2334.79
	Average Rate / SCM	₹	13.16	13.82

* including electricity duty on captive generation.

The Company manufactures a wide variety of glass bottles and containers of different sizes and volume. Hence, consumption per unit of production is not measurable.

2. TECHNOLOGY ABSORPTION Form - B

Form of disclosure of particulars with respect to technology absorption.

Research and development [R & D]

During the year under review, efforts continued to improve the quality of products through normal research and development.

Technology, absorption, adaptation and innovation:

- The furnace batch house made fully automatic with PLC control to have better glass homogeneity.
- The bottle forming machine of 3 lines change from mechanical system to Electronic timing to increase speed.
- Open Access power purchasing started to purchase power at competitive rates from IEX, bilateral trade.

FOREIGN EXCHANGE EARNINGS AND OUTGO

- Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services and export plans:

The Company has been making focused efforts to increase its export.

- Foreign Exchange Earning and Outgo

During the year the Company incurred expenses of ₹ 832.15 lakhs and earned ₹ 213.76 lakhs in foreign exchange.

For and on behalf of the Board

N. D. Shetty

Executive Chairman [DIN: 00025868]

Place: Mumbai
Dated August 25, 2016