# BOROSIL GLASS WORKS LIMITED

**CIN:** L99999MH1962PLC012538
**Registered Office:** 1101, Crescenzo, G-Block, Opp. MCA Club, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra
**Tel No.:** +91 22 67406300 **Email:** borosil@borosil.com **Website:** www.borosil.com

**MEETING OF THE SECURED CREDITORS OF BOROSIL GLASS WORKS LIMITED CONVENED AS PER THE DIRECTIONS OF THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH**

| MEETING OF SECURED CREDITORS: | |
|---|---|
| **Day** | Wednesday |
| **Date** | May 15, 2019 |
| **Time** | 10:00 a.m. |
| **Venue** | 1101, Crescenzo, G-Block, Opp. MCA Club, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 |

## INDEX

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH**
**COMPANY SCHEME APPLICATION NO 1524 OF 2018**

In the matter of Companies Act, 2013;

And

In the matter of Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013;

And

In the matter of Composite Scheme of Amalgamation and Arrangement amongst Vyline Glass Works Limited ('the Transferor Company 1' or 'VGWL'), Fennel Investment and Finance Private Limited ('the Transferor Company 2' or 'FIFPL') and Gujarat Borosil Limited ('the Transferor Company 3' or 'GBL') and Borosil Glass Works Limited ('the Transferee Company' or 'the Demerged Company' or 'BGWL') and Borosil Limited ('the Resulting Company' or 'BL') and their respective shareholders

**BOROSIL GLASS WORKS LIMITED**, a company incorporated under the provisions of the Companies Act, 1956, and having its registered office at 1101, Crescenzo, G-Block, Opp. MCA Club, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra ) ) ) ) ) **……. Applicant Company**

**NOTICE CONVENING THE MEETING OF THE SECURED CREDITORS OF THE APPLICANT COMPANY**

To,
All the secured creditors of Borosil Glass Works Limited (the **"Applicant Company"**)

**NOTICE** is hereby given that by an order dated March 29, 2019, in the above mentioned Company Scheme Application (the **"Order"**), the National Company Law Tribunal, Mumbai Bench (**"NCLT"** or **"Tribunal"**) has directed a meeting to be held of secured creditors of the Applicant Company for the purpose of considering, and if thought fit, approving with or without modification(s), the arrangement embodied in the Composite Scheme of Amalgamation and Arrangement amongst Vyline Glass Works Limited (**'the Transferor Company 1'** or **'VGWL'**), Fennel Investment and Finance Private Limited (**'the Transferor Company 2'** or **'FIFPL'**) and Gujarat Borosil Limited (**'the Transferor Company 3'** or **'GBL'**) and Borosil Glass Works Limited (**'the Transferee Company'** or **'the Demerged Company'** or **'BGWL'**) and Borosil Limited (**'the Resulting Company'** or **'BL'**) (formerly known 'Hopewell Tableware Limited') as and their respective shareholders (**"Scheme"**).

In pursuance of the said order and as directed therein further notice is hereby given that a meeting of secured creditors of the Applicant Company will be held at 1101, Crescenzo, G-Block, Opp. MCA Club, Bandra Kurla Complex, Bandra East, Mumbai – 400 051 on Wednesday, May 15, 2019 at 10:00 a.m. at which time and place you are requested to attend. At the meeting, the following resolution will be considered and if thought fit, be passed, with or without modification(s):

***RESOLVED THAT*** *pursuant to the provisions of Sections 230-232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, as may be applicable, read with related rules thereto as applicable under the Companies Act, 2013 as amended (including any statutory modification or re-enactment or amendment thereof), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Securities and Exchange Board of India Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, the observation letter issued by BSE Limited to Borosil Glass Works Limited dated November 05, 2018, the observation letter issued by the National Stock Exchange of India Limited to Borosil Glass Works Limited dated November 06, 2018, the observation letter issued by BSE Limited to Gujarat Borosil Limited dated November 05, 2018 and subject to the relevant provisions of other applicable laws and enabling provisions of the Memorandum of Association and Articles of Association of the Applicant Company and subject to the approval of Hon'ble National Company Law Tribunal, Mumbai Bench (**"NCLT"** or **"Tribunal"**) and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Tribunal or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Applicant Company (hereinafter referred to as the **"Board"**, which term shall be* *deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), the arrangement embodied in the Composite Scheme of Amalgamation and Arrangement amongst Vyline Glass Works Limited ('the Transferor Company 1' or 'VGWL'), Fennel Investment and Finance Private Limited ('the Transferor Company 2' or 'FIFPL') and Gujarat Borosil Limited ('the Transferor Company 3' or 'GBL') and Borosil Glass Works Limited ('the Transferee Company' or 'the Demerged Company' or 'BGWL') and Borosil Limited ('the Resulting Company' or 'BL') and their respective shareholders ("Scheme") placed before this meeting and initialled by the Chairman of the meeting for the purpose of identification, be and is hereby approved.*

***RESOLVED FURTHER THAT*** *the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Tribunal while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise without being required to seek any further approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.*

**TAKE FURTHER NOTICE** that you may attend and vote at the said meeting in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorised representative, is deposited at the registered office of the Applicant Company at 1101, Crescenzo, G-Block, Opp. MCA Club, Bandra Kurla Complex, Bandra East, Mumbai – 400 051, Maharashtra, not later than 48 (forty eight) hours before the time fixed for the aforesaid meeting. The form of proxy can be obtained free of charge from the registered office of the Applicant Company.

Copies of the Scheme, and of the Statement under Section 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with the enclosures as indicated in the Index, can be obtained free of charge at the registered office of the Applicant Company at 1101, Crescenzo, G-Block, Opp. MCA Club, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra, or at the office of its advocates, M/s Hemant Sethi & Co, 102 Nav Parmanu, A Wing, Behind Amar Cinema, Chembur, Mumbai – 400 071.

The Tribunal has appointed, Mr. Pramod N Mulgund, Chartered Accountant and failing him, Mr. Siddharth Thakur, Advocate, to be the Chairman of the said meeting including for any adjournment or adjournments thereof. The Scheme, if approved in the aforesaid meeting, will be subject to the subsequent approval of the Tribunal.

A copy of the Explanatory Statement, under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Scheme and the other enclosures as indicated in the Index are enclosed.

**Sd/-**
**Pramod N Mulgund**
**Chairperson appointed for the meeting**

Dated this April 03, 2019

**Registered Office:** 1101, Crescenzo,
G-Block, Opp. MCA Club, Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051, Maharashtra

**Notes:**

1. The form of proxy can be obtained free of charge from the registered office of the Applicant Company.

2. All alterations made in the form of proxy should be initialed.

3. Only secured creditors to whom any amount is due and payable as on February 28, 2019 by the Applicant Company may attend and vote (either in person or by proxy or by Authorized Representative) at the secured creditors meeting. The authorized representative of a body corporate which is a secured creditor of the Applicant Company may attend and vote at the secured creditors meeting provided a certified true copy of the resolution of the Board of Directors under Section 113 of the Companies Act, 2013 or other governing body of the body corporate authorizing such representative to attend and vote at the secured creditors meeting is deposited at the registered office of the Applicant Company not later than 48 hours before the meeting.

4. A secured creditor entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a secured creditor of the company. The Form of Proxy duly completed should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

5. Voting rights shall be in proportion to the principal amount due to the secured creditors as on the cut-off date i.e. Thursday, February 28, 2019.

6. The Notice is being sent to all the secured creditors, whose names appeared in the records of the Applicant Company as on February 28, 2019. This notice of the meeting of the secured creditors of the Applicant Company is also posted on the website of the Applicant Company viz. www.borosil.com

7. Secured creditors are requested to hand over the enclosed Attendance Slip, duly signed for admission to the meeting hall.

8. The Tribunal by its order has directed that a meeting of the secured creditors of the Applicant Company shall be convened and held at 1101, Crescenzo, G-Block, Opp. MCA Club, Bandra Kurla Complex, Bandra East, Mumbai – 400 051 on Wednesday, May 15, 2019 at 10:00 a.m. for the purpose of considering, and if thought fit, approving, with or without modification(s), the resolution approving the arrangement embodied in the Scheme. Secured Creditors would be entitled to vote in the said meeting either in person or through proxy.

9. The quorum of the meeting of the secured creditors of the Applicant Company shall be as prescribed under Section 103 of the Companies Act, 2013.

10. The notice convening the meeting will be published through advertisement in (i) Business Standard in the English language; and (ii) translation thereof in Navshakti in Marathi language.

11. Mrs. Shailashri Bhaskar, Practicing Company Secretary (Membership No. F5778) has been appointed as the scrutinizer to conduct the process of voting at the venue of the meeting in a fair and transparent manner.

12. The scrutinizer will submit report to the Chairman of the meeting after completion of the scrutiny of the votes cast by the secured creditors of the Applicant Company through poll paper at the venue of the meeting. The scrutinizer's decision on the validity of the vote shall be final. The results of votes cast through poll paper at the venue of the meeting will be announced within 48 hours from the conclusion of the meeting at the registered office of the Applicant Company. The results, together with the scrutinizer's reports, will be displayed at the registered office of the Applicant Company, on the website of the Applicant Company, www.borosil.com and the same will be communicated to BSE Limited and the National Stock Exchange of India Limited where the shares of the Applicant Company are listed.

13. In accordance with the provisions of Section 230 read with Section 232 of the Companies Act, 2013, the Scheme shall be acted upon only if majority of persons representing three-fourth in value of the secured creditors of the Company, voting by way of poll paper at the meeting, agree to the Scheme.

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH**
**COMPANY SCHEME APPLICATION NO 1524 OF 2018**

In the matter of Companies Act, 2013;

And

In the matter of Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013;

And

In the matter of Composite Scheme of Amalgamation and Arrangement amongst Vyline Glass Works Limited ('the Transferor Company 1' or 'VGWL'), Fennel Investment and Finance Private Limited ('the Transferor Company 2' or 'FIFPL') and Gujarat Borosil Limited ('the Transferor Company 3' or 'GBL') and Borosil Glass Works Limited ('the Transferee Company' or 'the Demerged Company' or 'BGWL') and Borosil Limited ('the Resulting Company' or 'BL') and their respective shareholders

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**……. Applicant Company**

**EXPLANATORY STATEMENT UNDER SECTION 230(3), 232(1) AND (2) AND 102 OF THE COMPANIES ACT 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENT AND AMALGAMATIONS) RULES, 2016**

1. Pursuant to an order dated March 29, 2019 passed by the National Company Law Tribunal, Mumbai Bench (**"NCLT"** or **"Tribunal"**) in the Company Application No. 1524 of 2018 (**"Order"**), a meeting of the secured creditors of Borosil Glass Works Limited (hereinafter referred to as **"Applicant Company"** or **"Transferee Company"** or **"Demerged Company"** or **"BGWL"** or **"Company"**) is being convened and held at 1101, Crescenzo, G-Block, Opp. MCA Club, Bandra Kurla Complex, Bandra East, Mumbai – 400 051 on Wednesday, May 15, 2019 at 10.00 a.m. for the purpose of considering and if thought fit, approving with or without modification(s), the proposed Composite Scheme of Amalgamation and Arrangement amongst Vyline Glass Works Limited ('the Transferor Company 1' or 'VGWL'), Fennel Investment and Finance Private Limited ('the Transferor Company 2' or 'FIFPL') and Gujarat Borosil Limited ('the Transferor Company 3' or 'GBL') and Borosil Glass Works Limited ('the Transferee Company' or 'the Demerged Company' or 'BGWL') and Borosil Limited ('the Resulting Company' or 'BL') and their respective shareholders ("Scheme") under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013. In terms of the said Order, the quorum for the said meeting shall be as prescribed under Section 103 of the Companies Act, 2013 present in person. Further, in terms of the said Order, the Tribunal has appointed Mr. Pramod N Mulgund, Chartered Accountant, and failing him, Mr. Siddharth Thakur, Advocate to be the Chairman of the said meeting of the Applicant Company including for any adjournment (s) thereof.

2. This statement is being furnished as required under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 (the "Act") read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (the "Rules").

3. As stated earlier, the Tribunal by its said Order has, inter alia, directed that a meeting of the secured creditors of the Applicant Company shall be convened and held at 1101, Crescenzo, G-Block, Opp. MCA Club, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 on Wednesday, May 15, 2019 at 10:00 a.m. for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme. Secured Creditors would be entitled to vote in the said meeting either in person or through proxy.

4. The draft Scheme was placed before the Audit Committee and Board of Directors of the Applicant Company and the Transferor companies and the Resulting Company at their respective meetings held on June 18, 2018. In accordance with

the provisions of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, the Audit Committee of the Company vide a resolution passed on June 18, 2018 and October 30, 2018 recommended the Scheme to the Board of Directors of the Applicant Company inter-alia taking into account:

a) The Valuation Report dated June 18, 2018 and Addendum to Valuation Report dated August 24, 2018 issued by M/s. SSPA & Co, Chartered Accountants for issue of shares pursuant to the Scheme;

b) The Fairness Opinion dated June 18, 2018 issued by Keynote Corporate Services Limited, Merchant Bankers;

Copy of the Valuation Report and Fairness Opinion is enclosed to this Notice.

5. Based upon the recommendations of the Audit Committee and on the basis of the evaluations, the Board of Directors of the Applicant Company has come to the conclusion that the Scheme is in the interest of the Applicant Company and its shareholders.

6. A copy of the Scheme as approved by the Board of Directors of the respective companies is enclosed herewith.

**BACKGROUND OF THE COMPANIES INVOLVED IN THE SCHEME IS AS UNDER:**

7. **Vyline Glass Works Limited ("Transferor Company 1" or "VGWL")**

7.1. Vyline Glass Works Limited was incorporated on June 01, 1987 under the Companies Act, 1956. There has been no change in the name of VGWL in the last five (5) years. The Corporate Identification Number of VGWL is U26109MH1987PLC215465. Permanent Account Number of VGWL is AAACV7127Q.

7.2. The registered office of VGWL is situated at 107, Famous Cine Studio Building, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai – 400 011. There has been no further change in the registered office address of VGWL in the last five (5) years.

7.3. The details of authorised, issued, subscribed and paid-up share capital of VGWL as on date is as under:

| **Particulars** | **Amount in INR** |
|---|---|
| **Authorised Capital** | |
| 20,00,000 Equity Shares of ₹ 10/- each | 2,00,00,000 |
| 5,00,000, 10% Non Cumulative Convertible Preference Shares of ₹ 10/- each | 50,00,000 |
| **Total** | **2,50,00,000** |
| **Issued, Subscribed and Paid-up** | |
| 19,50,000 Equity Shares of ₹ 10/- each, fully paid- up | 1,95,00,000 |
| **Total** | **1,95,00,000** |

7.4. VGWL is engaged into manufacturing of range of glassware items and sells its products to BGWL.

7.5. The shares of VGWL are not listed on any stock exchange.

7.6. The objects for which VGWL has been established are set out in its Memorandum of Association. The main objects of VGWL are set out hereunder:

*1. To carry on the business of Manufacturers, Dealers, Importers, Exporters and Agents of Laboratory glassware, Industrial Glassware, Novelty glassware Scientific Instruments and Consumer glasswares.*

*2. To buy, sell, and deal in minerals, used in the manufacture of glass Industries.*

*3. *To carry on the business of generation and storage of electricity through solar power and / or wind power, for transmission/ distribution or for self-consumption, for the purpose of light, heat, motive power and for all other purpose for which electric and other energy can be employed and shall include generation of energy by bio-*

*mass, bio-gas, waves or production of energy by any other non-conventional methods whether wind, solar, gas or otherwise and dealing in machinery and to carry out research & development for said activity, operation process or system, for the purpose of carrying out the main object.*

**Amended vide Special Resolution passed at Annual General Meeting held on 30/09/2015.*

8. **Fennel Investment and Finance Private Limited ("Transferor Company 2" or "FIFPL")**

8.1. Fennel Investment and Finance Private Limited was incorporated on February 22, 2002 under the Companies Act, 1956. There has been no change in the name of FIFPL in the last five (5) years. The Corporate Identification Number of FIFPL is U65993MH2002PTC294528. Permanent Account Number of FIFPL is AAACF7226Q.

8.2. The registered office of FIFPL was originally situated in the State of Maharashtra and subsequently, the registered office of FIFPL was shifted from the State of Maharashtra to the State of West Bengal with effect from October 20, 2010. Further, the registered office of FIFPL has been shifted from the State of West Bengal to the State of Maharashtra at 1101, Crescenzo, G-Block, Opp. MCA Club, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051, Maharashtra with effect from May 01, 2017.

8.3. The details of authorised, issued, subscribed and paid-up share capital of FIFPL as on date is as under:

| **Particulars** | **Amount in INR** |
|---|---|
| **Authorised Capital** | |
| 1,76,50,000 Equity Shares of ₹ 10/- each | 17,65,00,000 |
| 17,50,000, 9% Non-cumulative Redeemable Preference Shares of ₹ 10/- each | 1,75,00,000 |
| **Total** | **19,40,00,000** |
| **Issued, Subscribed and Paid-up** | |
| 90,49,000 Equity Shares of ₹ 10/- each, fully paid-up | 9,04,90,000 |
| **Total** | **9,04,90,000** |

8.4. FIFPL is a Non-Banking Financial Company. Its main business is of making investments.

8.5. The shares of FIFPL are not listed on any stock exchange.

8.6. The objects for which FIFPL has been established are set out in its Memorandum of Association. The main objects of FIFPL are set out hereunder:

*1. "To carry on business as a holding company and to acquire and invest in shares, stocks and other securities of companies engaged in manufacturing and dealing in all kinds of glass, glassware, allied and glass related products and for this purpose to invest in, buy, underwrite, acquire, hold and deal in shares, stocks, debentures, debenture-stocks, bonds, obligations and other securities issued or guaranteed by any company constituted for or carrying on or engaged in the aforesaid business in India and in debentures, debentures-stocks, bonds, units and other securities issued or guaranteed by any Government, public, municipal, local or other authority, department, body, trust, organisation or such other person.*

*2. To hold by way of investment shares, stocks, debentures debenture-stocks, bonds, units and other securities issued by companies engaged in manufacturing and dealing in all kinds of glass, glassware, allied and glass related products.*

*3. To carry on the business of providing financial and other services and assistance and to give guarantees or provide securities to or on behalf of or for the benefit of any company engaged in manufacturing and dealing in all kinds of glass. glassware, allied and glass related products and to carry on all such other related allied operations, activities and transactions including providing of advisory, consulting, research & development, training, technical, management, commercial, fund based, non fund based and other services."*

9. **Gujarat Borosil Limited ("Transferor Company 3" or "GBL")**

9.1. Gujarat Borosil Limited was incorporated on December 22, 1988 under the Companies Act, 1956. There has been no change in the name of GBL in the last five (5) years. The Corporate Identification Number of GBL is L26100MH1988PLC316817. Permanent Account Number of GBL is AAACG8440M.

9.2. The registered office of GBL was originally situated in the State of Gujarat at Village Govali, Taluka – Jhagadia, District – Bharuch – 393 001 and subsequently, the registered office of GBL was shifted from the State of Gujarat to the State of Maharashtra at 1101, Crescenzo, G-Block, Opp. MCA Club, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 with effect from November 05, 2018.

9.3. The details of authorised, issued, subscribed and paid-up share capital of GBL as on date is as under:

| Particulars | Amount in INR |
|---|---|
| **Authorised Capital** | |
| 12,00,00,000 Equity Shares of ₹ 5/- each | 60,00,00,000 |
| 90,00,000 9% Non-cumulative Non-Convertible Redeemable Preference Shares of ₹ 100/- each | 90,00,00,000 |
| **Total** | **1,50,00,00,000** |
| **Issued, Subscribed and Paid-up** | |
| 6,82,07,500 Equity Shares of ₹ 5/- each fully paid-up | 34,10,37,500 |
| 90,00,000 9% Non-cumulative Non Convertible Redeemable Preference Shares of ₹ 100/- each fully paid- up | 90,00,00,000 |
| **Total** | **1,24,10,37,500** |

9.4. GBL manufactures the world's finest textured solar glass.

9.5. The shares of GBL are listed on BSE Limited.

9.6. The objects for which GBL has been established are set out in its Memorandum of Association. The main objects of GBL are set out hereunder:

*To carry on the business of manufacturers, producers, exporters, importers, traders, distributors, buyers, sellers, agents for merchants and dealers in sheet glass, fusion glass, plate glass, wired glass, figured glass, tinted glass, float glass, safety glass, toughened glass, laminated glass, glass bottles, all kinds of glass, glassware, glazing material, glass goods, including mirrors, looking glass, scientific glasswares, glass tubes, tiles, bangles, beads, false pearls, phials, ampoules, containers, toys, decorative articles and other type or types of glass required in or used for defence, industrial, domestic, household, building, furniture, electric fittings, transport, vehicles, railways and other purposes and all kinds of articles and things which can or may conveniently be used for the manufacture of or in connection with all such articles and things as aforesaid and to carry on the business of glass leveller, patent solver, glass embosser acclesiastical lead workers, glass tablet, show card and show-case manufacturers and to subsidise, contribute to or otherwise assist or take part in doing any of those things and/or to joint with any other person or company in India or elsewhere or with any Government or Governmental authority in doing any of these things.*

10. **Borosil Glass Works Limited ("Applicant Company" or "Transferee Company" or "Demerged Company" or "BGWL" or "Company")**

10.1. Borosil Glass Works Limited was incorporated on December 14, 1962 under the Companies Act, 1956. There has been no change in the name of Borosil Glass Works Limited in the last five (5) years. The Corporate Identification Number of Borosil Glass Works Limited is L99999MH1962PLC012538. Permanent Account Number of Borosil Glass Works Limited is AAACB5484G.

10.2. The registered office of BGWL was originally situated at Khanna Construction House, 44, Dr. R.G. Thadani Marg, Worli, Mumbai - 400 018 and subsequently, the registered office of BGWL was shifted to 1101, Crescenzo, G-Block, Opp. MCA Club, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 with effect from June 18, 2018.

10.3. The details of authorised, issued, subscribed and paid-up share capital of Borosil Glass Works Limited as on date is as under:

| Particulars | Amount in INR |
|---|---|
| **Authorised Capital** | |
| 12,00,00,000 Equity Shares of ₹ 1/- each | 12,00,00,000 |
| **Total** | **12,00,00,000** |
| **Issued, Subscribed and Paid-up** | |
| 9,24,00,000 Equity Shares of ₹ 1/- each fully paid-up | 9,24,00,000 |
| **Total** | **9,24,00,000** |

10.4. Borosil Glass Works Limited is a market leader for laboratory glassware and microwavable kitchenware in India. It undertakes business mainly through 2 divisions, scientific and industrial product division and consumer product division.

10.5. The shares of BGWL are listed on BSE Limited and the National Stock Exchange of India Limited.

10.6. The objects for which BGWL has been established are set out in its Memorandum of Association. The main objects of BGWL are set out hereunder:

1. To acquire, take over and amalgamate the undertakings of Industrial and Engineering Apparatus Company Private Limited, a Company incorporated in India and having its registered office at Chotani Estate, Proctor Road, Grant Road, Bombay 7 and for that purpose to enter into appropriate agreements and to take all necessary steps.

2. To do business as manufacturers and importers of, and wholesale dealers in, and retailers or dealers of, scientific and laboratory glassware, technical glasswares, pharmaceutical glassware, pressed glassware, kitchenware. Oven glasswares, of all varieties and description, and any material or product which can or may be used as a substitute for glass and of all varieties and descriptions of products, materials, instruments, apparatuses made from borosilicate glasses and/or other varieties of glass or any material and product which can or may be used as a substitute for glass, and all products of which glass forms a part.

3. To carry on business as glass blowers, benders, bevellers, silvers, embossers, and engravers; and as artists, potters, glaziers, sandblast workers, colliery proprietors, bricks and tile makers, cement makers, quarry owners, metal and alloy makers, refiners and workers, engineers, joiners and wood-workers, manufacturing chemists, barge owners, lighterman, storage proprietors, depository owners, ironmongers, and hardware dealers, carriers, garges proprietors, and builders and decorators' merchants.

11. **Borosil Limited ("Resulting Company" or "BL")**

11.1. Borosil Limited was originally incorporated on the November 25, 2010 under the Companies Act, 1956 under the name of Hopewell Tableware Private Limited. The private company was then converted into a public company with effect from July 19, 2018 and subsequently the name was changed to Borosil Limited with effect from November 20, 2018. The Corporate Identification Number of BL is U26913MH2010PLC292722. Permanent Account Number of BL is AACCH5367G.

11.2. The Registered Office of BL was originally situated in the State of Rajasthan and subsequently shifted to 1101, Crescenzo, G-Block, Opp. MCA Club, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051, Maharashtra with effect from March 20, 2017.

11.3. The details of authorised, issued, subscribed and paid-up share capital of BL as on date is as under:

| **Particulars** | **Amount in INR** |
|---|---|
| **Authorised Capital** | |
| 27,00,00,000 Equity Shares of ₹ 1/- each | 27,00,00,000 |
| 2,80,00,000, 6% Optionally Convertible Non-Cumulative Redeemable Preference Shares of ₹ 10/- each | 28,00,00,000 |
| **Total** | **55,00,00,000** |
| **Issued, Subscribed and Paid-up** | |
| 25,75,00,000 Equity Shares of ₹ 1/- each, fully paid-up | 25,75,00,000 |
| 2,80,00,000, 6% Optionally Convertible Non-Cumulative Redeemable Preference Shares of ₹ 10/- each, fully paid-up | 28,00,00,000 |
| **Total** | **53,75,00,000** |

11.4. BL is engaged into manufacturing of opal glassware items.

11.5. The shares of the BL are not listed on any stock exchange.

11.6. The objects for which BL has been established are set out in its Memorandum of Association. The main objects of BL are set out hereunder:

*1. "To carry on in India or elsewhere the business to manufacture, produce, treat, process, design, develop, build, convert, compound, cure, crush, distribute, display, exchange, barter, explore, extract, excavate, finish, formulate, grind, handle, fabricate, import, export, purchase, sell, jobwork, metal work, thermal work, mix, modify, market, operate, prepare, and to act as brokers, agents, stockists, consignors, collaborators, distributors, suppliers, promoters, adatias, concessionaires, consultants, C and F agents, wholesalers, retailers and sales organisers of all shapes sizes, varieties, specifications, descriptions, applications and uses of ceramic refractory, sanitary wares, ceramicwares, earthenwares, tablewares, hotelwares, pressedwares, decorative wares, garden wares, kitchen wares, crockeries, potteries, insulators, terracotta, porcelainware, bathroom, accessories, pipes, wall tiles, floor tiles, roofing tiles, porcelain tiles, bricks, building materials, asbestos sheets, poles, blocks, plumbing fixtures, related chemicals, compositions, products of all classes, viz; fibre glass, glass, wood, fireclay, refractories, including fittings, parts, accessories, consumbles, components and by-products thereof whether made of mild steel, galvanised or forged steel, brass,. copper, aluminium, gypsum, lime, stone, porcelain, sand, ores, cement, concrete, asbestos cement, china-clay, pulp, paper, plastic, chemical, stone, stone powder, PVC, rubber, canvas, acrylic, fibre, glass, glass fibre, or any other man made synthetic or natural material or any combination thereof."*

12. **BACKGROUND OF THE SCHEME**

The Scheme *inter-alia* provides for the following:

(i) Amalgamation of Vyline Glass Works Limited ('the Transferor Company 1' or 'VGWL'), Fennel Investment and Finance Private Limited ('the Transferor Company 2' or 'FIFPL') and Gujarat Borosil Limited ('the Transferor Company 3' or 'GBL') with Borosil Glass Works Limited ('the Transferee Company' or 'BGWL'); and

(ii) Demerger of the Scientific and Industrial products and Consumer products business of BGWL along with the scientific and industrial products and consumer products business into Borosil Limited ('the Resulting Company' or 'BL').

13. **RATIONALE OF THE SCHEME**

a. Result in simplification of the group structure by eliminating cross holdings;

b. Confer shares in each business to each existing shareholder of all the companies thereby giving them an opportunity to participate in both the businesses i.e. scientific & industrial products and consumer products businesses of BGWL and solar business of GBL. They will be able to decide whether to stay invested or monetize their investment in either of the businesses thereby unlocking value for the shareholders;

c. Enable each business to pursue growth opportunities and offer investment opportunities to potential investors; and

d. Result in economies in business operations, provide optimal utilization of resources and greater administrative efficiencies.

In view of the aforesaid, the Board of Directors of the companies involved in the Scheme have considered and proposed this Scheme under the provisions of Sections 230-232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.

14. **SALIENT FEATURES OF THE SCHEME**

Salient features of the Scheme are set out as below:

- The Scheme is presented under Sections 230-232 and other applicable provisions of the Act, as may be applicable;

- The Transferor companies, the Applicant Company and the Resulting Company shall make applications and / or petitions under Section 230- 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 to the National Company Law Tribunal, Bench at Mumbai as the case may be for sanction of this Scheme and all matters ancillary or incidental thereto;

- The 'Appointed Date' for the Scheme is October 01, 2018, or such other date as may be fixed by the National Company Law Tribunal or the Board of Directors.

- "Effective Date" means the date on which the certified copies of the orders of National Company Law Tribunal sanctioning this Scheme, is filed by VGWL, FIFPL, GBL, BGWL and BL with the jurisdictional Registrar of Companies.

- Upon the effectiveness of this Scheme and in consideration of the amalgamation of VGWL, FIFPL and GBL with BGWL, BGWL shall, without any further act or deed, issue and allot equity shares credited as fully paid-up, to the extent indicated below, to the members of VGWL, FIFPL and GBL holding fully paid up equity shares in VGWL, FIFPL and GBL respectively and whose names appear in the Register of Members of VGWL, FIFPL and GBL or to such of their respective heirs, executors, administrators or other legal representative or other successors in title as may be recognized by the Board of Directors of BGWL based on the Share Exchange Ratio in the following manner:

  ***On amalgamation of the Transferor Company 1 with the Transferee Company***
  *"200 (Two Hundred) fully paid up Equity Shares of ₹ 1 each of Transferee Company shall be issued and allotted as fully paid up for every 81 (Eighty One) Equity Shares of ₹ 10 each fully paid up held in the Transferor Company 1."*

  ***On amalgamation of the Transferor Company 2 with the Transferee Company***
  *"200 (Two Hundred) fully paid up Equity Shares of ₹ 1 each of Transferee Company shall be issued and allotted as fully paid up for every 109 (One Hundred and Nine) Equity Shares of ₹ 10 each fully paid up held in the Transferor Company 2."*

  ***On amalgamation of the Transferor Company 3 with the Transferee Company***
  *"1 (One) fully paid up Equity Share of ₹ 1 each of Transferee Company shall be issued and allotted as fully paid up for every 2 (Two) Equity Shares of ₹ 5 each fully paid up held in the Transferor Company 3."*

- Upon the effectiveness of this Scheme and in consideration of the demerger of the demerged undertaking of BGWL into BL, BL shall, without any further act or deed, issue and allot equity shares credited as fully paid-up, to the extent indicated below, to the members of BGWL holding fully paid up equity shares in BGWL respectively and whose names appear in the Register of Members of BGWL or to such of their respective heirs, executors, administrators or other legal representative or other successors in title as may be recognized by the Board of Directors of BL based on the Share Entitlement Ratio in the following manner:

*"1 (One) fully paid up Equity Share of ₹1 each of the Resulting Company shall be issued and allotted as fully paid up for every 1 (One) Equity Share of ₹ 1 each fully paid up held in the Demerged Company."*

- This Scheme is conditional upon and subject to the following:

  (a) The sanction or approval of the Appropriate Authorities including SEBI, Stock Exchanges in respect of the Scheme being obtained in respect of any of the matters in respect of which such sanction or approval is required or on the expiry of any statutory time period pursuant to which such approval is deemed to have been granted;

  (b) Approval of the Scheme by the requisite majority in number and value of such class of persons including the respective members and/or creditors of the Transferor companies, the Transferee Company/the Demerged Company and the Resulting Company as required under the Act and as may be directed by NCLT;

  (c) Approval of the shareholders of BGWL and GBL through e-voting and/or any other mode as may be required under any Applicable Law. The Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders of BGWL and GBL, against it as required under the SEBI Circular. The term 'public' shall carry the same meaning as defined under Rule 2 of Securities Contracts (Regulation) Rules, 1957; and

  (d) Certified or authenticated copy of the Order of NCLT sanctioning the Scheme being filed with the respective Registrar of Companies by the Transferor companies, the Transferee Company/Demerged Company and the Resulting Company as may be applicable.

You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only some of the key provisions of the Scheme.

15. **APPROVALS**

a. Pursuant to the SEBI Circular read with Regulation 37 of the SEBI Listing Regulations, the Applicant Company had filed necessary applications before BSE Limited seeking their no-objection to the Scheme. The Applicant Company has received the observation letter from BSE Limited dated November 05, 2018 conveying their no-objection to the Scheme. Copy of the aforesaid observation letter is enclosed herewith.

b. Pursuant to the SEBI Circular read with Regulation 37 of the SEBI Listing Regulations, the Applicant Company had filed necessary applications before the National Stock Exchange of India Limited seeking their no-objection to the Scheme. The Applicant Company has received the observation letter from the National Stock Exchange of India Limited dated November 06, 2018 conveying their no-objection to the Scheme. Copy of the aforesaid observation letter is enclosed herewith.

c. As required by the SEBI Circular, the Applicant Company has filed the Complaint Report with BSE Limited on August 24, 2018 and the National Stock Exchange of India Limited on September 18, 2018. A copy of the aforementioned Complaint Report is enclosed herewith.

16. **CAPITAL STRUCTURE PRE AND POST SCHEME**

a. The pre-scheme capital structure of VGWL, FIFPL and GBL is mentioned in paragraphs 7, 8 and 9 above. Pursuant to the Scheme, as consideration, equity shares in Borosil Glass Works Limited will be issued to the equity shareholders of VGWL, FIFPL and GBL in accordance with the valuation report obtained from an independent Chartered Accountant. Also, equity shares in the Resulting Company will be issued to the equity shareholders of Borosil Glass Works Limited in accordance with the valuation report obtained from an independent Chartered Accountant.

b. Post the Scheme, VGWL, FIFPL and GBL shall stand dissolved without being wound-up.

c. Pre and post Scheme capital structure of BGWL is as follows:

| **Particulars** | **Pre Scheme** | | **Post Scheme (Expected)** | |
|---|---|---|---|---|
| **Authorised Share Capital** | **No. of shares** | **Amount in Crores (₹)** | **No. of shares** | **Amount in Crores (₹)** |
| Equity shares of ₹ 1/- each | 12,00,00,000 | 12.00 | 91,65,00,000 | 91.65 |
| Preference shares of ₹ 10/- each | | | 9,22,50,000 | 92.25 |
| **Issued, Subscribed and Paid-up Share Capital** | | | | |
| Equity shares of ₹ 1/- each, fully paid up | 9,24,00,000 | 9.24 | 11,40,59,520 | 11.41 |

d. Pre and post Scheme capital structure of BL is as follows:

| **Particulars** | **Pre Scheme** | | **Post Scheme (Expected)** | |
|---|---|---|---|---|
| **Authorised Share Capital** | **No. of shares** | **Amount in Crores (₹)** | **No. of shares** | **Amount in Crores (₹)** |
| Equity shares of ₹ 1/- each | 27,00,00,000 | 27.00 | 27,00,00,000 | 27.00 |
| Preference shares of ₹ 10/- each | 2,80,00,000 | 28.00 | 2,80,00,000 | 28.00 |
| **Issued, Subscribed and Paid-up Share Capital** | | | | |
| Equity shares of ₹ 1/- each, fully paid up | 25,75,00,000 | 25.75 | 11,40,59,520 | 11.41 |
| Preference shares of ₹ 10/- each, fully paid up | 2,80,00,000 | 28.00 | | |

17. **PRE AND POST SCHEME SHAREHOLDING PATTERN**

17.1 The pre and post scheme shareholding pattern of the Applicant Company based on the shareholding as on March 31, 2019 is as follows:

| **Sl. No.** | **Particulars** | **Pre-scheme** | | **Post-scheme** | |
|---|---|---|---|---|---|
| | **Description** | **No. of shares** | **%** | **No. of shares** | **%** |
| **(A)** | **Shareholding of Promoter and Promoter Group** | | | | |
| **1** | **Indian** | | | | |
| (a) | **Individuals/ Hindu Undivided Family** | 3,96,55,440 | 42.92 | 4,86,53,751 | 42.66 |
| (b) | Central Government/ State Government(s) | | | | |
| (c) | **Bodies Corporate Names** | | | | |
| | Fennel Investment And Finance Private Limited | 49,62,280 | 5.37 | | |
| | Croton Trading Private Limited | 1,21,34,240 | 13.13 | 1,30,87,339 | 11.47 |
| | **LLP Names** | | | | |
| | Gujarat Fusion Glass LLP | 80 | 0.00 | 31,36,404 | 2.75 |

| Sl. No. | Particulars | Pre-scheme | | Post-scheme | |
|---|---|---|---|---|---|
| | Description | No. of shares | % | No. of shares | % |
| | Sonargaon Properties LLP | 0 | 0.00 | | |
| | Spartan Trade Holdings LLP | | | 11,47,313 | 1.01 |
| | Borosil Holdings LLP | | | 9,18,179 | 0.80 |
| | Associated Fabricators LLP | | | 2,34,111 | 0.21 |
| (d) | Financial Institutions/ Banks | | | | |
| (e) | Any Others | | | | |
| | **Sub Total(A)(1)** | **5,67,52,040** | **61.42** | **6,71,77,097** | **58.90** |
| **2** | **Foreign** | | | | |
| (a) | Individuals (Non-Residents Individuals/ Foreign Individuals) | 1,05,63,680 | 11.43 | 1,32,33,662 | 11.60 |
| (b) | Bodies Corporate | - | - | - | - |
| (c) | Institutions | - | - | - | - |
| (d) | Any Others | - | - | - | - |
| | **Sub Total(A)(2)** | **1,05,63,680** | **11.43** | **1,32,33,662** | **11.60** |
| | **Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)** | **6,73,15,720** | **72.85** | **8,04,10,759** | **70.50** |
| **(B)** | **Public shareholding** | | | | |
| **1** | **Institutions** | | | | |
| (a) | Mutual Funds / UTI | 30,000 | 0.03 | 30,000 | 0.03 |
| (b) | Financial Institutions / Banks | 1,45,037 | 0.16 | 1,69,037 | 0.15 |
| (c) | Central Government/ State Government(s) | - | - | - | - |
| (d) | Venture Capital Funds | - | - | - | - |
| (e) | Insurance Companies | 4,000 | 0.00 | 4,000 | 0.00 |
| (f) | Foreign Institutional Investors | 23,00,086 | 2.49 | 23,00,086 | 2.02 |
| (g) | Foreign Venture Capital Investors | - | - | - | - |
| (h) | Any Other Alternate Investment Fund Foreign Portfolio Investor | 76,800 | 0.08 | 76,800 | 0.07 |
| | **Sub-Total (B)(1)** | **25,55,923** | **2.77** | **25,79,923** | **2.26** |
| **2** | **Non-institutions** | | | | |
| (a) | Bodies Corporate | - | - | - | - |
| (b) | Individuals | | | | |
| I | Individual shareholders holding nominal share capital up to ₹ 2 lakh | 1,73,86,033 | 18.82 | 2,25,10,464 | 19.74 |
| II | Individual shareholders holding nominal share capital in excess of ₹ 2 lakh. | 2,48,470 | 0.27 | 9,55,370 | 0.84 |
| (c) | NBFCs registered with RBI | 2,06,077 | 0.22 | 2,17,947 | 0.19 |
| (d) | Any Other | | | | |
| | **Trusts** | 3,000 | 0.00 | 3,281 | 0.00 |
| | **Foreign Nationals** | 39,000 | 0.04 | 39,050 | 0.03 |
| | **Hindu Undivided Family** | 6,36,919 | 0.69 | 8,94,694 | 0.78 |
| | **LLP/ Partnership Firm** | 1,07,672 | 0.12 | 1,36,172 | 0.12 |
| | **Non - Resident Indians** | 7,22,261 | 0.78 | 8,88,946 | 0.78 |

| Sl. No. | Particulars | Pre-scheme | | Post-scheme | |
|---|---|---|---|---|---|
| | **Description** | **No. of shares** | **%** | **No. of shares** | **%** |
| | **Clearing Member** | 1,90,669 | 0.21 | 2,77,111 | 0.24 |
| | **Bodies Corporate** | 12,52,766 | 1.36 | 22,82,424 | 2.00 |
| | **IEPF** | 17,33,990 | 1.88 | 28,61,879 | 2.51 |
| | **Directors & Relatives** | 1,500 | 0.00 | 1,500 | 0.00 |
| | **Sub-Total (B)(2)** | **2,25,28,357** | **24.38** | **3,10,68,838** | **27.24** |
| | **Total Public Shareholding (B)= (B)(1)+(B)(2)** | **2,50,84,280** | **27.15** | **3,36,48,761** | **29.50** |
| | **TOTAL (A)+(B)** | **9,24,00,000** | **100** | **11,40,59,520** | **100** |
| **(C)** | Shares held by Custodians and against which DRs have been issued | - | - | - | - |
| | **GRAND TOTAL (A)+(B)+(C)** | **9,24,00,000** | **100** | **11,40,59,520** | **100** |

17.2. The pre-scheme shareholding of the Transferor Company 1 as on March 31, 2019 is as follows:

| Sr. No. | Names of Shareholders | No. of equity shares of ₹ 10/- each | Shareholding % |
|---|---|---|---|
| 1 | Rekha Kheruka | 7,56,545 | 38.80% |
| 2 | Kiran Kheruka | 7,42,246 | 38.06% |
| 3 | Bajrang Lal Kheruka | 1,71,500 | 8.79% |
| 4 | Pradeep Kumar Kheruka | 1,57,205 | 8.06% |
| 5 | Gujarat Fusion Glass LLP | 1,13,600 | 5.83% |
| 6 | Manjulaben R Shah | 1,000 | 0.05% |
| 7 | Rashmi A Shah | 1,500 | 0.08% |
| 8 | Babulal S Shah | 1,000 | 0.05% |
| 9 | Vinay B Shah | 500 | 0.03% |
| 10 | Chandraben B Shah | 500 | 0.03% |
| 11 | Paresh B Shah | 500 | 0.03% |
| 12 | Laxmi Bai | 2,500 | 0.13% |
| 13 | Prakash Rajani | 500 | 0.03% |
| 14 | K Santhana Krishnan | 200 | 0.01% |
| 15 | Sadana N Mehta | 300 | 0.02% |
| 16 | Nitin N Mehta | 400 | 0.02% |
| 17 | Kiran Kheruka Jointly with Irene Sequeira | 1 | 0.00% |
| 18 | Kiran Kheruka Jointly with K. Venugopal Panicker | 1 | 0.00% |
| 19 | Kiran Kheruka Jointly with Praveen G. Kanchan | 1 | 0.00% |
| 20 | Kiran Kheruka Jointly with Vinod Kumar Menon | 1 | 0.00% |
| | **TOTAL** | **19,50,000** | **100%** |

Post-scheme shareholding : Not applicable as the Transferor Company 1 shall stand dissolved without being wound-up pursuant to the Scheme.

17.3. The pre-scheme shareholding of the Transferor Company 2 as on March 31, 2019 is as follows:

| Sr. No. | Names of Shareholders | No. of equity shares of ₹ 10/- each | Shareholding % |
|---|---|---|---|
| 1 | Bajrang Lal Kheruka | 1,07,682 | 1.19% |
| 2 | Pradeep Kumar Kheruka | 2,17,177 | 2.40% |
| 3 | Shreevar Kheruka | 36,196 | 0.40% |
| 4 | Kiran Kheruka | 1,76,456 | 1.95% |
| 5 | Rekha Kheruka | 2,83,234 | 3.13% |
| 6 | Borosil Glass Works Limited | 41,48,967 | 45.85% |
| 7 | Vyline Glass Works Limited | 7,50,163 | 8.29% |
| 8 | Croton Trading Private Limited | 5,19,412 | 5.74% |
| 9 | Spartan Trade Holdings LLP | 6,25,286 | 6.91% |
| 10 | Borosil Holdings LLP | 5,00,408 | 5.53% |
| 11 | Gujarat Fusion Glass LLP | 15,56,428 | 17.20% |
| 12 | Associated Fabricators LLP | 1,27,591 | 1.41% |
| | **TOTAL** | **90,49,000** | **100%** |

Post-scheme shareholding : Not applicable as the Transferor Company 2 shall stand dissolved without being wound-up pursuant to the Scheme.

17.4. The pre-scheme shareholding pattern of the Transferor Company 3 as on March 31, 2019 is as follows:

| Sl. No. | Particulars | Pre-scheme | |
|---|---|---|---|
| | **Description** | **No. of shares** | **%** |
| **(A)** | **Shareholding of Promoter and Promoter Group** | | |
| **1** | **Indian** | | |
| (a) | **Individuals/ Hindu Undivided Family** | 75,33,333 | 11.04 |
| (b) | Central Government/ State Government(s) | - | - |
| (c) | **Bodies Corporate Names** | | |
| | Borosil Glass Works Limited | 1,72,22,376 | 25.25 |
| | Fennel Investment And Finance Private Limited | 2,26,00,000 | 33.13 |
| | Croton Trading Private Limited | 100 | 0.00 |
| (d) | Financial Institutions/ Banks | - | - |
| (e) | Any Others | - | - |
| | **Sub Total(A)(1)** | **4,73,55,809** | **69.43** |
| **2** | **Foreign** | | |
| (a) | Individuals (Non-Residents Individuals/ Foreign Individuals) | 37,66,667 | 5.52 |
| (b) | Bodies Corporate | | |
| (c) | Institutions | - | - |
| (d) | Any Others | - | - |
| | **Sub Total(A)(2)** | **37,66,667** | **5.52** |
| | **Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)** | **5,11,22,476** | **74.95** |

| Sl. No. | Particulars | Pre-scheme | |
|---|---|---|---|
| | **Description** | **No. of shares** | **%** |
| **(B)** | **Public shareholding** | | |
| **1** | **Institutions** | | |
| (a) | Mutual Funds / UTI | - | - |
| (b) | Financial Institutions / Banks | 48,000 | 0.07 |
| (c) | Central Government/ State Government(s) | - | - |
| (d) | Venture Capital Funds | - | - |
| (e) | Insurance Companies | - | - |
| (f) | Foreign Institutional Investors | - | - |
| (g) | Foreign Venture Capital Investors | - | - |
| (h) | Any Other Alternate Investment Fund Foreign Portfolio Investor) | - | - |
| | **Sub-Total (B)(1)** | **48,000** | **0.07** |
| **2** | **Non-institutions** | | |
| (a) | Bodies Corporate | | |
| (b) | Individuals | - | - |
| I | Individual shareholders holding nominal share capital up to ₹ 2 lakh | 1,02,04,923 | 14.96 |
| II | Individual shareholders holding nominal share capital in excess of ₹ 2 lakh. | 14,13,800 | 2.07 |
| (c) | NBFCs registered with RBI | 23,740 | 0.03 |
| (d) | Any Other | | |
| | **Trusts** | 563 | 0.00 |
| | **Foreign Nationals** | 100 | 0.00 |
| | **Hindu Undivided Family** | 5,15,550 | 0.76 |
| | **Non - Resident Indians** | 3,33,369 | 0.49 |
| | **Clearing Member** | 1,72,884 | 0.25 |
| | **LLP/ Partnership Firm** | 57,000 | 0.08 |
| | **Body Corporate** | 20,59,316 | 3.02 |
| | **IEPF** | 22,55,779 | 3.31 |
| | **Sub-Total (B)(2)** | **1,70,37,024** | **24.98** |
| | **Total Public Shareholding (B)= (B) (1)+(B)(2)** | **1,70,85,024** | **25.05** |
| | **TOTAL (A)+(B)** | **6,82,07,500** | **100** |
| **(C)** | Shares held by Custodians and against which DRs have been issued | - | - |
| | **GRAND TOTAL (A)+(B)+(C)** | **6,82,07,500** | **100** |

Post-scheme shareholding pattern: Not applicable as the Transferor Company 3 shall stand dissolved without being wound-up pursuant to the Scheme.

17.5. The pre and post scheme shareholding pattern of the Resulting Company as on March 31, 2019 is as follows:

| Sl. No. | Particulars | Pre-scheme | | Post-scheme | |
|---|---|---|---|---|---|
| | **Description** | **No. of shares** | **%** | **No. of shares** | **%** |
| **(A)** | **Shareholding of Promoter and Promoter Group** | | | | |
| **1** | **Indian** | | | | |
| (a) | **Individuals/ Hindu Undivided Family** | 15 | 0.01 | 4,86,53,751 | 42.66 |

| Sl. No. | Particulars | Pre-scheme | | Post-scheme | |
|---|---|---|---|---|---|
| | Description | No. of shares | % | No. of shares | % |
| (b) | Central Government/ State Government(s) | | | | |
| (c) | **Bodies Corporate Names** | | | | |
| | Borosil Glass Works Limited | 25,74,99,985 | 99.99 | | |
| | Croton Trading Private Limited | | | 1,30,87,339 | 11.47 |
| | **LLP Names** | | | | |
| | Gujarat Fusion Glass LLP | | | 31,36,404 | 2.75 |
| | Sonargaon Properties LLP | | | - | - |
| | Spartan Trade Holdings LLP | | | 11,47,313 | 1.01 |
| | Borosil Holdings LLP | | | 9,18,179 | 0.80 |
| | Associated Fabricators LLP | | | 2,34,111 | 0.21 |
| (d) | Financial Institutions/ Banks | | | - | - |
| (e) | Any Others | | | - | - |
| | **Sub Total(A)(1)** | **25,75,00,000** | **100** | **6,71,77,097** | **58.90** |
| **2** | **Foreign** | | | | |
| (a) | Individuals (Non-Residents Foreign Individuals) | | | 1,32,33,662<br>- | 11.60<br>- |
| (b) | Bodies Corporate | | | - | - |
| (c) | Institutions | | | - | - |
| (d) | Any Others | | | - | - |
| | **Sub Total(A)(2)** | | | **1,32,33,662** | **11.60** |
| | **Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)** | **25,75,00,000** | **100** | **8,04,10,759** | **70.50** |
| **(B)** | **Public shareholding** | | | | |
| **1** | **Institutions** | | | | |
| (a) | Mutual Funds / UTI | | | 30,000 | 0.03 |
| (b) | Financial Institutions / Banks | | | 1,69,037 | 0.15 |
| (c) | Central Government/ State Government(s) | | | - | - |
| (d) | Venture Capital Funds | | | - | - |
| (e) | Insurance Companies | | | 4,000 | 0.00 |
| (f) | Foreign Institutional Investors | | | 23,00,086 | 2.02 |
| (g) | Foreign Venture Capital Investors | | | - | - |
| (h) | Any Other Alternate Investment Fund Foreign Portfolio Investor) | | | 76,800 | 0.07 |
| | **Sub-Total (B)(1)** | | | **25,79,923** | **2.26** |
| **2** | **Non-institutions** | | | | |
| (a) | Bodies Corporate | | | - | - |
| (b) | Individuals | | | | |
| I | Individual shareholders holding nominal share capital up to ₹ 2 lakh | | | 2,25,10,464 | 19.74 |
| II | Individual shareholders holding nominal share capital in excess of ₹ 2 lakh. | | | 9,55,370 | 0.84 |
| (c) | NBFCs registered with RBI | | | 2,17,947 | 0.19 |

| Sl. No. | Particulars | Pre-scheme | | Post-scheme | |
|---|---|---|---|---|---|
| | **Description** | **No. of shares** | **%** | **No. of shares** | **%** |
| (d) | Any Other | | | | |
| | **Trusts** | | | 3,281 | 0.00 |
| | **Foreign Nationals** | | | 39,050 | 0.03 |
| | **Hindu Undivided Family** | | | 8,94,694 | 0.78 |
| | **LLP/ Partnership Firm** | | | 1,36,172 | 0.12 |
| | **Non - Resident Indians** | | | 8,88,946 | 0.78 |
| | **Clearing Member** | | | 2,77,111 | 0.24 |
| | **Bodies Corporate** | | | 22,82,424 | 2.00 |
| | **IEPF** | | | 28,61,879 | 2.51 |
| | **Directors & Relatives** | | | 1,500 | 0.00 |
| | **Sub-Total (B)(2)** | | | **3,10,68,838** | **27.24** |
| | **Total Public Shareholding (B)= (B)(1)+(B)(2)** | | | **3,36,48,761** | **29.50** |
| | **TOTAL (A)+(B)** | **25,75,00,000** | **100** | **11,40,59,520** | **100** |
| **(C)** | Shares held by Custodians and against which DRs have been issued | | | | |
| | **GRAND TOTAL (A)+(B)+(C)** | **25,75,00,000** | **100** | **11,40,59,520** | **100** |

18. **EXTENT OF SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

18.1. The Directors and Key Managerial Personnel (KMP) and their respective relatives of VGWL, FIFPL, GBL, BGWL and BL may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding in the Applicant Company, or to the extent the said Directors / KMP are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust that hold shares in the Applicant Company. Save as aforesaid, none of the Directors, Managing Director or the Manager or KMP of VGWL, FIFPL, GBL, BGWL and BL have any material interest in the Scheme.

18.2. The details of the present directors and KMP of VGWL, FIFPL and GBL and their respective shareholdings in VGWL, FIFPL and GBL respectively and BGWL as on date are as follows:

VGWL Director's shareholding in VGWL and BGWL

| Name of Directors / KMP | Designation | Shares held in VGWL | Shares held in BGWL |
|---|---|---|---|
| Sorabh Singhal | Director | Nil | Nil |
| Dharmesh Harshadrai Naik | Director | Nil | Nil |
| Somchand Mehta | Director | Nil | Nil |

FIFPL Director's shareholding in FIFPL and BGWL

| Name of Directors / KMP | Designation | Shares held in FIFPL | Shares held in BGWL |
|---|---|---|---|
| Bajrang Lal Kheruka | Director | 1,07,682 | 1,13,63,680 |
| Pradeep Kumar Kheruka | Director | 2,17,177 | 1,05,63,680 |
| Rabindra Nath Jhunjhunwala | Director | Nil | Nil |

GBL Director's/ KMP's shareholding in GBL and BGWL

| Name of Directors / KMP | Designation | Shares held in GBL | Shares held in BGWL |
|---|---|---|---|
| Pradeep Kumar Kheruka | Director | 37,66,667 | 1,05,63,680 |
| Shreevar Kheruka | Additional Director | 37,66,666 | 2,000 |
| Ramaswami Velayudhan Pillai | Whole-time Director | NIL | NIL |
| Ashok Jain | Director | NIL | NIL |
| Shalini Kalsi Kamath | Independent Director | NIL | NIL |
| Raj Kumar Jain | Additional & Non-Executive Independent Director | NIL | NIL |
| Pradeep Vasudeo Bhide | Additional & Non-Executive Independent Director | NIL | NIL |
| Haigreve Khaitan | Additional & Non-Executive Independent Director | NIL | NIL |
| Asif Syed Ibrahim | Additional & Non-Executive Independent Director | NIL | NIL |
| Milind Madhavrao Gurjar | Chief Executive Officer | NIL | NIL |
| Sunil Kishanlal Roongta | Chief Financial Officer | NIL | NIL |
| Kishor Haresh Talreja | Company Secretary | NIL | NIL |

18.3. The details of the present directors and KMP of BGWL and their respective shareholdings in BGWL, VGWL, FIFPL, GBL and BL as on date are as follows:

| Name of Directors / KMP | Designation | Shares held in BGWL | Shares held in VGWL | Shares held in FIFPL | Shares held in GBL | Shares held in BL |
|---|---|---|---|---|---|---|
| Bajrang Lal Kheruka | Executive Chairman | 1,13,63,680 | 1,71,500 | 1,07,682 | 37,66,667 | Nil |
| Pradeep Kumar Kheruka | Non- Executive Vice Chairman | 1,05,63,680 | 1,57,205 | 2,17,177 | 37,66,667 | Nil |
| Shreevar Kheruka | Managing Director & Chief Executive Officer | 2,000 | Nil | 36196 | 37,66,666 | 10 – As nominee of BGWL |
| Rajesh Kumar Chaudhary | Whole-time Director | 600 Shares as an Individual 900 Shares as Karta of HUF | Nil | Nil | 50,000 Shares as Karta of HUF | Nil |
| Naveen Kumar Kshatriya | Independent Director | Nil | Nil | Nil | Nil | Nil |
| Anupa Sahney | Independent Director | Nil | Nil | Nil | Nil | Nil |
| Kewal Kundanlal Handa | Independent Director | Nil | Nil | Nil | Nil | Nil |
| Swadhin Padia | Chief Financial Officer | 400 shares jointly with his wife | Nil | Nil | Nil | Nil |
| Gita Yadav | Company Secretary | Nil | Nil | Nil | Nil | Nil |

18.4. The details of the present directors and KMP of BL and their respective shareholdings in BGWL and BL as on date are as follows:

| Name of Directors / KMP | Designation | Shares held in BL | Shares held in BGWL |
|---|---|---|---|
| Pradeep Kumar Kheruka | Director | Nil | 1,05,63,680 |
| Shreevar Kheruka | Director | 10 – As nominee of BGWL | 2000 |
| Ashok Jain | Director | Nil | Nil |
| Ramaswami Velayudhan Pillai | Director | Nil | Nil |
| Rituraj Sharma | Director | Nil | 19,200 |
| Hemant Kumar Arora | Independent Director | Nil | Nil |
| Sanjeev Kumar Jha | Manager | Nil | Nil |
| Ashwani Jain | Chief Financial Officer | Nil | Nil |
| Manoj Dere | Company Secretary | Nil | Nil |

19. **GENERAL**

19.1 VGWL, FIFPL, GBL, BGWL and BL have made applications before the Tribunal for the sanction of the Scheme under Sections 230-232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.

19.2 The amount due from VGWL as on September 30, 2018 to its secured creditors is ₹ 19,73,80,093/- and unsecured creditors is ₹ 13,29,16,691/-.

19.3 There are no secured creditors in FIFPL and the amount due from FIFPL as on September 30, 2018 to its unsecured creditors is ₹ 94,70,000/-.

19.4 The amount due from GBL as on December 31, 2018 to its secured creditors is ₹ 13,80,01,751 and unsecured creditors is ₹ 1,47,63,98,282/-.

19.5 The amount due from BGWL as on September 30, 2018 to its secured creditors is ₹ 64,66,32,205/- and unsecured creditors is ₹ 29,26,99,460/-.

19.6 The amount due from BL as on September 30, 2018 to its secured creditors is ₹ 28,37,69,877/- and unsecured creditors is ₹ 1,49,15,74,325/-.

19.7 In relation to the meeting of the Applicant Company, secured creditors of the Applicant Company whose names are appearing in the records of the Applicant Company as on February 28, 2019 shall be eligible to attend and vote at the meeting either in person or by proxies convened as per the directions of the Tribunal.

19.8 The rights and interests of creditors of either of the companies will not be prejudicially affected by the Scheme as no sacrifice or waiver is at all called from them nor their rights sought to be modified in any manner and post the Scheme, the Transferrr Company will be able to meet its liabilities as they arise in the ordinary course of business.

19.9 None of Directors and KMP of the Applicant Company or their respective relatives is in any way connected or interested in the aforesaid resolution except to the extent of their respective shareholding, if any.

19.10 The latest audited accounts for the year ended March 31, 2018 of Transferee Company indicates that it is in a solvent position and would be able to meet liabilities as they arise in the course of business. There is no likelihood that any secured or unsecured creditor of the Applicant Company would lose or be prejudiced as a result of this Scheme being passed since no sacrifice or waiver is at all called for from them nor are their rights sought to be adversely modified in any manner. Hence, the Scheme will not cast any additional burden on the shareholders or creditors of the Applicant Company, nor will it adversely affect the interest of any of the shareholders or creditors.

19.11 There are no winding up proceedings pending against the Applicant Company as of date.

19.12 No investigation proceedings are pending or are likely to be pending under the provisions of Chapter XIV of the Companies Act, 2013 or under the provisions of the Companies Act, 1956 in respect of the Applicant Company.

19.13 A copy of the Scheme is being filed with the Registrar of Companies, Mumbai, Maharashtra.

19.14 VGWL, FIFPL, GBL, BGWL and BL are required to seek approvals / sanctions / no- objections from certain regulatory and governmental authorities for the Scheme which inter alia includes Registrar of Companies, Official Liquidator, Regional Director and Income-tax authorities which it will obtain at the relevant time.

19.15 In the event that the Scheme is withdrawn in accordance with its terms, the Scheme shall stand revoked, cancelled and be of no effect and null and void.

19.16 Names and addresses of the Directors/ KMP and Promoters of VGWL are as under:

| Sr. No. | Name of Director | Address |
|---|---|---|
| 1. | Sorabh Singhal | D-402, Kavita Dham, Jadeshwar Road, Bharuch - 392001 |
| 2. | Dharmesh Harshadrai Naik | Flat No.701, Kandivali Kamalvan Co-Op. Hsg. Soc., M.G. Road, Dahanukarwadi, Opp. Bobby Shopping Center, Kandivali, Mumbai - 400067 |
| 3. | Somchand Mehta | E-905, 9th Floor, Oberoi Splendor, Opp Majas Bus Depot, J.V. Link Road, Jogeshwari (East), Mumbai - 400 060 |

| Sr. No. | Name of Promoter | Address |
|---|---|---|
| 1. | Rekha Kheruka | Flat No. 410, Samudra Mahal, Dr. Annie Besant Road, Worli, Mumbai - 400 018 |
| 2. | Kiran Kheruka | Flat No. 410, Samudra Mahal, Dr. Annie Besant Road, Worli, Mumbai - 400 018 |
| 3. | Bajrang Lal Kheruka | Flat No. 410, Samudra Mahal, Dr. Annie Besant Road, Worli, Mumbai - 400 018 |
| 4. | Pradeep Kumar Kheruka | Apartment no. 3101, Tower 5, Burj Residence, Down Town, Dubai, United Arab Emirates |
| 5. | Gujarat Fusion Glass LLP | Khanna Construction House, 44, Dr. R.G. Thadani Marg, Worli, Mumbai - 400018 |
| 6. | Kiran Kheruka Jointly with Irene Sequeira | Flat No. 410, Samudra Mahal, Dr. Annie Besant Road, Worli, Mumbai - 400 018 |
| 7. | Kiran Kheruka Jointly with K. Venugopal Panicker | Flat No. 410, Samudra Mahal, Dr. Annie Besant Road, Worli, Mumbai - 400 018 |
| 8. | Kiran Kheruka Jointly with Praveen G. Kanchan | Flat No. 410, Samudra Mahal, Dr. Annie Besant Road, Worli, Mumbai - 400 018 |
| 9. | Kiran Kheruka Jointly with Vinod Kumar Menon | Flat No. 410, Samudra Mahal, Dr. Annie Besant Road, Worli, Mumbai - 400 018 |

Names and addresses of the directors and promoters of FIFPL are as under:

| Sr. No. | Name of Director | Address |
|---|---|---|
| 1. | Bajrang Lal Kheruka | Flat No. 410, Samudra Mahal, Dr. Annie Besant Road, Worli, Mumbai - 400 018 |
| 2. | Pradeep Kumar Kheruka | Apartment no. 3101, Tower 5, Burj Residence, Down Town, Dubai, United Arab Emirates |
| 3. | Rabindra Nath Jhunjhunwala | New Pushpa Milan 67, Worli Hill Road, Worli, Mumbai – 400 018 |

| Sr. No. | Name of Promoter | Address |
|---|---|---|
| 1. | Bajrang Lal Kheruka | Flat No. 410, Samudra Mahal, Dr. Annie Besant Road, Worli, Mumbai - 400 018 |
| 2. | Pradeep Kumar Kheruka | Apartment No. 3101, Tower 5, Burj Residence, Down Town, Dubai |
| 3. | Shreevar Kheruka | Flat No. 410, Samudra Mahal, Dr. Annie Besant Road, Worli, Mumbai - 400 018 |
| 4. | Kiran Kheruka | Flat No. 410, Samudra Mahal, Dr. Annie Besant Road, Worli, Mumbai – 400 018 |
| 5. | Rekha Kheruka | Flat No. 410, Samudra Mahal, Dr. Annie Besant Road, Worli, Mumbai – 400 018 |
| 6. | Borosil Glass Works Limited | 1101, Crescenzo, G - Block, Opp. MCA Club, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 |
| 7. | Vyline Glass Works Limited | 107, Famous Cine Studio Building, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai – 400 011 |
| 8. | Croton Trading Private Limited | B 3/3 Gillander House, 8 Netaji Subhas Road, Kolkata - 700 001 |
| 9. | Spartan Trade Holdings LLP | B 3/3 Gillander House, 8 Netaji Subhas Road, Kolkata - 700 001 |
| 10. | Borosil Holdings LLP | B 3/3 Gillander House, 8 Netaji Subhas Road, Kolkata - 700 001 |
| 11. | Gujarat Fusion Glass LLP | Khanna Construction House, 44, Dr. R. G. Thadani Marg, Worli, Mumbai – 400 018 |
| 12. | Associated Fabricators LLP | B 3/3 Gillander House, 8 Netaji Subhas Road, Kolkata - 700 001 |

Names and addresses of the directors/KMP and promoters of GBL are as under:

| Sr. No. | Name of Director/KMP | Address |
|---|---|---|
| 1. | Pradeep Kumar Kheruka | Apartment No.3101, Tower 5, Burj Residences, Downtown, Opp Burj Al Khalifa, Dubai |
| 2. | Shreevar Kheruka | Flat No. 410, Samudra Mahal, Dr. Annie Besant Road, Worli, Mumbai - 400 018 |
| 3. | Ramaswami Velayudhan Pillai | Lokhandwala Complex, Bala Saheb Devras Marg, 35/Room No.507/B Wing, Sheetal Apnaghar No. 9, Co. Op. Housing Society, Andheri (West), Azad Nagar, Mumbai - 400 053 |
| 4. | Ashok Jain | A/1203, Vastu Tower, Evershine Nagar, Ryan International School, Malad (West), Mumbai - 400 064 |
| 5. | Shalini Kalsi Kamath | A-1203/1204, Chaitanya Towers, Appsaheb Marathe Marg, Near Ravindra Natya Mandir, Prabhadevi, Mumbai – 400025 |

| Sr. No. | Name of Director/KMP | Address |
|---|---|---|
| 6. | Raj Kumar Jain | Flat No. A-1601, Abrol Vastu Park, Evershine Nagar, Malad (West), Mumbai - 400064 |
| 7. | Pradeep Vasudeo Bhide | H. No. D - 1/48, 1st Floor, Vasant Vihar, Near D Block Market, Delhi-110057 |
| 8. | Haigreve Khaitan | 1104 Sterling Seaface Dr Annie Besant Road Worli Mumbai 400 018 |
| 9. | Asif Syed Ibrahim | C-1/41, Pandara Park, Lodi Road H.O. South Delhi, Delhi 110003 |
| 10. | Milind Madhavrao Gurjar | IB 44, Disha Sanskriti, Silk City, Itkheda, Paithan Road, Aurangabad – 431001 |
| 11. | Sunil Kishanlal Roongta | 08/A Swastik Park, Shreedevdoot Aprts. Owners Asso Opp. Judges Bunglow, Premchand Nagar Road, Bodakdev, Ahmedabad – 380015 |
| 12. | Kishor Haresh Talreja | A/211, Premji Nagar, The Borivali Neelkamal CHSL, $10^{th}$ Road, Daulat Nagar, Borivali (East), Mumbai – 400066 |

| Sr. No. | Name of Promoter | Address |
|---|---|---|
| 1. | Bajrang Lal Kheruka | Flat No. 410, Samudra Mahal, Dr. Annie Besant Road, Worli, Mumbai - 400 018 |
| 2. | Pradeep Kumar Kheruka | Apartment. No.3101, Tower 5, Burj Residences, Downtown, Opp Burj Al Khalifa, Dubai |
| 3. | Shreevar Kheruka | Flat No. 410, Samudra Mahal, Dr. Annie Besant Road, Worli, Mumbai - 400 018 |
| 4. | Borosil Glass Works Limited | 1101, Crescenzo, G - Block, Opp. MCA Club, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 |
| 5. | Fennel Investment and Finance Private Limited | 1101, Crescenzo, G - Block, Opp. MCA Club, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 |
| 6. | Croton Trading Private Limited | B 3/3 Gillander House 8, Netaji Subhas Road, Kolkata – 700001 |

Names and addresses of the directors/KMP and promoters of BGWL are as under:

| Sr. No. | Name of Director/KMP | Address |
|---|---|---|
| 1. | Bajrang Lal Kheruka | Flat No. 410, Samudra Mahal, Dr. Annie Besant Road, Worli, Mumbai - 400 018 |
| 2. | Pradeep Kumar Kheruka | Apartment No. 3101, Tower 5, Burj Residence, Down Town, Dubai, United Arab Emirates |
| 3. | Shreevar Kheruka | Flat No. 410, Samudra Mahal, Dr. Annie Besant Road, Worli, Mumbai - 400 018 |
| 4. | Rajesh Kumar Chaudhary | C/1001, Ekta Meadows, BHD Siddharth Nagar, Borivali (East), Mumbai - 400066 |
| 5. | Naveen Kumar Kshatriya | 1101, B-Wing, $11^{th}$ Floor, Lodha Bellissimo, Apollo Mills Compound, NM Joshi Road, Mahalaxmi, Mumbai – 400 011 |
| 6. | Anupa Sahney | 6, Manavi Apartment, 36, Ridge Road, Malabar Hill, Mumbai – 400 006 |
| 7. | Kewal Kundanlal Handa | 204 Morya Landmark 1, Off Link Road, Andheri (West), Mumbai – 400053 |
| 8. | Swadhin Padia | B-1/601, Greenland CHSL, J.B. Nagar, Andheri (East), Mumbai - 400 059 |
| 9. | Gita Yadav | Flat No. A – 202, Sanskruti Apartment, Vasai – Nalasopara Link Road, Vasai (East) – 401 209 |

| Sr. No. | Name of Promoter | Address |
|---|---|---|
| 1. | Kiran Kheruka | Flat No. 410, Samudra Mahal, Dr. Annie Besant Road, Worli, Mumbai - 400 018 |
| 2. | Rekha Kheruka | Flat No. 410, Samudra Mahal, Dr. Annie Besant Road, Worli, Mumbai - 400 018 |
| 3. | Bajrang Lal Kheruka | Flat No. 410, Samudra Mahal, Dr. Annie Besant Road, Worli, Mumbai - 400 018 |
| 4. | Pradeep Kumar Kheruka | Apartment No. 3101, Tower 5, Burj Residence, Down Town, Dubai, United Arab Emirates |
| 5. | Shreevar Kheruka | Flat No. 410, Samudra Mahal, Dr. Annie Besant Road, Worli, Mumbai - 400 018 |
| 6. | Fennel Investment And Finance Private Ltd | 1101, Crescenzo, G-Block, Opp. MCA Club, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra |
| 7. | Croton Trading Private Limited | B 3/3, Gillander House 8, N.S. Road, Kolkata, West Bengal - 700 001 |
| 8. | Gujarat Fusion Glass LLP | Khanna Construction House, 44, Dr. R. G. Thadani Marg, Worli, Mumbai – 400 018, Maharashtra |
| 9. | Sonargaon Properties LLP | B 3/3, Gillander House 8, N.S. Road Kolkata, West Bengal - 700 001 |

Names and addresses of the directors/KMP and promoters of BL are as under:

| Sr. No. | Name of Director/KMP | Address |
|---|---|---|
| 1. | Pradeep Kumar Kheruka | Apartment No. 3101, Tower 5, Burj Residence, Down Town, Dubai |
| 2. | Shreevar Kheruka | Flat No. 410, Samudra Mahal, Dr. Annie Besant Road, Worli, Mumbai - 400 018 |
| 3. | Ashok Jain | 1203, Vastu Tower, ‘A’ Wing Evershine Nagar, Malad (West), Mumbai - 400 064 |
| 4. | Ramaswami Velayudhan Pillai | B - 507, Sheetal Apnaghar No. 9 CHS, Lokhandwala, Swami Samarth Nagar, Andheri (West), Mumbai – 400053 |
| 5. | Rituraj Sharma | B-1/39, Snehadhara CHS, Dadabhai Cross RD.3, Vile Parle (West), Mumbai – 400 056 |
| 6. | Hemant Kumar Arora | 435, Civil Lines, Roorkee, Hardwar – 247 667 |
| 7. | Sanjeev Kumar Jha | A-1,102, Jeevan Ashray, Sector No. 6, New LIC Building, Vidhyadhar Nagar, Jaipur - 302039 |
| 8. | Ashwani Jain | 308, Indra Colony, Tonk – 304 001, Rajasthan |
| 9. | Manoj Dere | 702, Nirman Building, Near Liberty Garden, Mamledar Wadi Road, Malad West, Mumbai 400 064 |

| Sr. No. | Name of Promoter | Address |
|---|---|---|
| 1. | Borosil Glass Works Limited | 1101, Crescenzo, G - Block, Opp. MCA Club, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 |

19.17. Details of Directors of VGWL who voted in favour / against / did not participate on resolution passed at the meeting of the Board of Directors of VGWL are given below:

| Sr. No. | Name of Director | Voted in favour / against / did not vote or participate | |
|---|---|---|---|
| | | June 18, 2018 | September 11, 2018 |
| 1. | Sorabh Singhal | In Favour | Absent |
| 2. | Dharmesh Harshadrai Naik | In Favour | In Favour |
| 3. | Somchand Mehta | In Favour | In Favour |

19.18. Details of directors of FIFPL who voted in favour / against / did not participate on resolution passed at the meeting of the Board of Directors of FIFPL are given below:

| Sr. No. | Name of Director | Voted in favour / against / did not vote or participate | |
|---|---|---|---|
| | | June 18, 2018 | September 28, 2018 |
| 1. | Bajrang Lal Kheruka | In Favour | In Favour |
| 2. | Pradeep Kumar Kheruka | In Favour | In Favour |
| 3. | Rabindra Nath Jhunjhunwala | In Favour | Absent |

19.19. Details of directors of GBL who voted in favour / against / did not participate on resolution passed at the meeting of the Board of Directors of GBL are given below:

| Sr. No. | Name of Director | Voted in favour / against / did not vote or participate | |
|---|---|---|---|
| | | June 18, 2018 | October 30, 2018 |
| 1. | Bajrang Lal Kheruka | In Favour | *Not Applicable |
| 2. | Pradeep Kumar Kheruka | Absent | In Favour |
| 3. | Shreevar Kheruka | *Not Applicable | In Favour |
| 4. | Ramaswami Velayudhan Pillai | In Favour | In Favour |
| 5. | Ashok Jain | In Favour | In Favour |
| 6. | Shashi Mehra | In Favour | In Favour |
| 7. | Jagdish Joshi | In Favour | Absent |
| 8. | Ashok Kumar Doda | In Favour | In Favour |
| 9. | Shalini Kalsi Kamath | In Favour | In Favour |

19.20. Details of directors of the Applicant Company who voted in favour / against / did not participate on resolution passed at the meeting of the Board of Directors of the Applicant Company are given below:

| Sr. No. | Name of Director | Voted in favour / against / did not vote or participate | |
|---|---|---|---|
| | | June 18, 2018 | October 30, 2018 |
| 1. | Bajrang Lal Kheruka | In Favour | In Favour |
| 2. | Pradeep Kumar Kheruka | Absent | In Favour |
| 3. | Shreevar Kheruka | In Favour | In Favour |
| 4. | Rajesh Kumar Chaudhary | In Favour | In Favour |
| 5. | Utpal Kumar Mukhopadhya | Absent | *Not Applicable |
| 6. | Sukhinder Bagai | In Favour | In Favour |
| 7. | Naveen Kumar Kshatriya | In Favour | In Favour |
| 8. | Anupa Sahney | In Favour | In Favour |
| 9. | Kewal Kundanlal Handa | *Not Applicable | Absent |

19.21. Details of directors of BL who voted in favour / against / did not participate on resolution passed at the meeting of the Board of Directors of BL are given below:

| Sr. No. | Name of Director | Voted in favour / against / did not vote or participate | |
|---|---|---|---|
| | | June 18, 2018 | October 30, 2018 |
| 1. | Pradeep Kumar Kheruka | Absent | In Favour |
| 2. | Shreevar Kheruka | In Favour | In Favour |
| 3. | Ashok Jain | In Favour | In Favour |
| 4. | Ramaswami Velayudhan Pillai | In Favour | In Favour |
| 5. | Rituraj Sharma | In Favour | In Favour |
| 6. | Hemant Kumar Arora | Absent | In Favour |
| 7. | Utpal Kumar Mukhopadhya | Absent | *Not Applicable |

*Not Applicable as they were not the Directors on the relevant dates.

19.22 For the purpose of the Scheme, SSPA & Co, Chartered Accountants have recommended share exchange ratio for merger of VGWL, FIFPL and GBL with BGWL and share entitlement ratio for demerger of the demerged undertaking of BGWL into BL. Keynote Corporate Services Limited, a Category I Merchant Banker after having reviewed the valuation report of M/s SSPA & Co, Chartered Accountants and on consideration of all the relevant factors and circumstances, opined that in their view the independent valuer's proposed share exchange ratio and share entitlement ratio is fair.

19.23 A report adopted by the Directors of the Applicant Company, explaining effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders, laying out in particular the share allotment, is attached herewith. The Applicant Company does not have any depositors, deposit trustee and debenture trustee. There will be no adverse effect on account of the Scheme as far as the employees and creditors of the Applicant Company are concerned.

19.24 A copy of the Audited Financial Statements of VGWL, FIFPL, GBL, BGWL and BL for the year ended March 31, 2018 are attached herewith.

19.25 As far as the employees of the Applicant Company are concerned there would not be any change in their terms of employment on account of the Scheme. Further, no change in the Board of Directors of the Applicant Company is envisaged on account of the Scheme.

19.26 The following documents will be open for inspection by the secured creditors of the Applicant Company at its registered office at 1101, Crescenzo, G-Block, Opp. MCA Club, Bandra Kurla Complex, Bandra East, Mumbai – 400 051, Maharashtra between 10.00 a.m. and 12.00 noon on all days (except Saturdays, Sundays and public holidays) upto the date of the meeting:

(i) Copy of the order passed by the Tribunal in Company Scheme Application No. 1524 of 2018, dated March 29, 2019;

(ii) Copy of the Memorandum and Articles of Association of VGWL, FIFPL, GBL, BGWL and BL;

(iii) Copy of the audited financial statements of VGWL, FIFPL, GBL, BGWL and BL for the last three financial year ended March 31, 2018, March 31, 2017 and March 31, 2016;

(iv) Copy of the unaudited financial statements of VGWL, FIFPL, GBL, BGWL and BL for the financial year ended December 31, 2018;

(v) Copy of the Register of Directors' shareholding of the Applicant Company and the Transferor Companies and the Resulting Company, respectively;

(vi) Copy of Valuation Report dated June 18, 2018 and addendum to valuation report dated August 24, 2018 submitted by M/s SSPA & Co, Chartered Accountants;

(vii) Copy of the Fairness Opinion dated June 18, 2018, issued by Keynote Corporate Services Limited;

(viii) Copy of the Audit Committee Report dated June 18, 2018 of the Applicant Company;

(ix) Copy of the resolutions dated June 18, 2018 passed by the respective Board of Directors of VGWL, FIFPL, GBL, BGWL and BL, approving the Scheme;

(x) Copy of the Accounting Treatment certificate dated July 23, 2018 issued by Pathak H.D. & Associates, Chartered Accountants, to the Applicant Company certifying the proposed accounting treatment specified in clause 6 and 23 of the Scheme;

(xi) Copy of the Complaints Report dated August 24, 2018, submitted by the Applicant Company to BSE Limited and Complaints Report dated September 18, 2018, submitted by the Applicant Company to the National Stock Exchange of India Limited;

(xii) Copy of the no objection letter issued by BSE Limited dated November 05, 2018 to the Applicant Company;

(xiii) Copy of the no objection letter issued by the National Stock Exchange of India Limited dated November 06, 2018 to the Applicant Company;

(xiv) Copy of the Scheme; and

(xv) Copy of the Reports dated September 11, 2018, September 28, 2018 and October 30, 2018 adopted by the Board of Directors of VGWL, FIFPL, GBL, BGWL and BL respectively pursuant to provision of Section 232(2)(c) of the Companies Act, 2013.

19.27 This Statement may be treated as an Explanatory Statement under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016. A copy of this Scheme, Explanatory Statement and Form of Proxy may be obtained free of charge on any working day (except Saturdays, Sundays and public holidays) prior to the date of the meeting, from the Registered Office of the Applicant Company.

**Sd/-**
**Pramod N Mulgund**
**Chairman appointed for the meeting**

Dated this April 03, 2019

**Registered Office:**
1101, Crescenzo, G-Block, Opp. MCA Club,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051, Maharashtra

**COMPOSITE SCHEME OF AMALGAMATION AND ARRANGEMENT AMONGST VYLINE GLASS WORKS LIMITED ('THE TRANSFEROR COMPANY 1' OR 'VGWL') AND FENNEL INVESTMENT AND FINANCE PRIVATE LIMITED ('THE TRANSFEROR COMPANY 2' OR 'FIFPL') AND GUJARAT BOROSIL LIMITED ('THE TRANSFEROR COMPANY 3' OR 'GBL') AND BOROSIL GLASS WORKS LIMITED ('THE TRANSFEREE COMPANY' OR 'THE DEMERGED COMPANY' OR 'BGWL') AND BOROSIL LIMITED ('THE RESULTING COMPANY' OR 'BL') AND THEIR RESPECTIVE SHAREHOLDERS**

**A) <u>Preamble</u>**

**1.** This Composite Scheme of Amalgamation and Arrangement ('Scheme') is presented under Sections 230 – 232 and other applicable provisions of the Companies Act, 2013, rules and regulations thereunder, for:

(a) Amalgamation of Vyline Glass Works Limited ('the Transferor Company 1' or 'VGWL'), Fennel Investment and Finance Private Limited ('the Transferor Company 2' or 'FIFPL') and Gujarat Borosil Limited ('the Transferor Company 3' or 'GBL') with Borosil Glass Works Limited ('the Transferee Company' or 'BGWL'); and

(b) Demerger of the Scientific and Industrial products and Consumer products business of BGWL along with the scientific and industrial products and consumer products business (vested in BGWL pursuant to amalgamation of VGWL with BGWL) into BOROSIL LIMITED ('the Resulting Company' or 'BL').

**2.** This Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

**B) Rationale for the Scheme**

The proposed restructuring would:

- Result in simplification of the group structure by eliminating cross holdings;

- Confer shares in each business to each existing shareholder of all the companies thereby giving them an opportunity to participate in both the businesses i.e. scientific & industrial products and consumer products businesses of BGWL and solar business of GBL. They will be able to decide whether to stay invested or monetize their investment in either of the businesses thereby unlocking value for the shareholders;

- Enable each business to pursue growth opportunities and offer investment opportunities to potential investors; and

- Result in economies in business operations, provide optimal utilization of resources and greater administrative efficiencies.

**C) Parts of the Scheme**

The Scheme is divided into following parts:

a) **Part A** deals with the Definitions and Share Capital;

b) **Part B** deals with the amalgamation of VGWL, FIFPL and GBL with BGWL;

c) **Part C** deals with the demerger of the Demerged Undertaking (as defined hereinafter) into BL;

d) **Part D** deals with the General Terms and Conditions.

**PART A: DEFINITIONS AND SHARE CAPITAL**

1. In this scheme unless repugnant to the meaning or context thereof, the following expressions shall have the following meanings:

1.1. **"Act" or "the Act"** means the Companies Act, 2013 and Rules framed thereunder as in force from time to time;

1.2. **"Applicable Law"** means any applicable statute, notification, bye laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or instructions having the force of law enacted or issued by any Appropriate Authority, including any statutory modification or re-enactment thereof for the time being in force;

1.3. **"Appointed Date"** means October 1, 2018 or such other date as may be fixed by the National Company Law Tribunal or the Board of Directors (as defined hereinafter);

1.4. **"Appropriate Authority"** means any applicable central, state or local government, legislative body, regulatory, administrative or statutory authority, agency or commission or department or public or judicial body or authority, including, but not limited, to Securities and Exchange Board of India, Stock Exchanges, Regional Director, Registrar of Companies, National Company Law Tribunal and Reserve Bank of India;

1.5. **"Board of Directors" or "Board"** in relation to the Transferor Company 1, Transferor Company 2, Transferor Company 3, the Transferee Company/ the Demerged Company and the Resulting Company, as the case may be, means the Board of Directors of such company, and unless repugnant to the subject, context or meaning thereof, shall be deemed to include every committee (including any committee of directors) or any person authorized by the Board or by any such committee;

1.6. **"Demerged Company" or "Transferee Company" or "BGWL"** means Borosil Glass Works Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 1101, Crescenzo, G-Block, Opp. MCA Club, Bandra Kurla Complex, Bandra East, Mumbai – 400 051;

1.7. **"Demerged Company ESOS" or "Borosil ESOS" or "ESOS 2017"** means Borosil Employee Stock Option Scheme 2017, established as per the Employee Stock Option Scheme by BGWL under the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended;

1.8. **"Demerged Undertaking"** shall mean undertaking, business, activities and operations pertaining to business of scientific and industrial products (such as laboratory glassware, instruments, disposable plastics etc.), consumer products (such as microwavable and flameproof kitchenware, glass tumblers, storage products, consumerware appliances etc.)of the Demerged Company comprising of all the assets (moveable, incorporeal and immoveable) and liabilities which relate thereto, or are necessary therefore and including specifically the following:

(a) All assets, title, properties, interests, investments (including investments in subsidiaries, associates, shares, bonds, debentures, mutual funds, liquid funds, other funds and art works etc. of the Demerged Company), loans, advances (including accrued interest) and rights, including rights arising under contracts, wherever located (including in the possession of vendors, third parties or elsewhere), whether real, personal or mixed, tangible, intangible or contingent, exclusively used or held for use in business, activities and operations pertaining to its Demerged Undertaking, including but not limited to all land, factory building, equipments, plant and machinery, offices, capital work in progress, furniture, fixtures, office equipment, appliances, accessories, receivables, vehicles, deposits, all stocks, assets, balances with banks, cash and cash equivalents, all customer contracts, contingent rights or benefits, etc, pertaining to its Demerged Undertaking (collectively, the "Demerged Undertaking Assets")

(b) All debts, liabilities, guarantees, assurances, commitments and obligations of any nature or description, whether fixed, contingent or absolute, asserted or un-asserted, matured or un-matured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising, (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability), or pertaining to the Demerged Undertaking activities (collectively, "Demerged Undertaking Liabilities")

(c) All contracts, agreements, licenses, leases, linkages, memoranda of undertakings, memoranda of agreement, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, sales orders, purchase orders or other instruments of whatsoever nature to which the Demerged Company is a party, exclusively relating to the undertaking, business, activities and operations pertaining to the Demerged Undertaking or otherwise identified to be for the exclusive benefit of the same, including but not limited to the relevant licenses, water supply/ environment approvals, and all other rights and approvals, electricity permits, telephone connections, building and parking rights, pending applications for

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GUJARAT BOROSIL LTD. MUMBAI

BOROSIL GLASS WORKS LIMITED MUMBAI

Borosil Limited Mumbai

consents or extension, all incentives, tax benefits, deferrals, subsidies, concessions, benefits, grants, rights, claims, liberties, special status and privileges enjoyed or conferred upon or held or availed of by the Demerged Company in relation to its Demerged Undertaking , permits, quotas, consents, registrations, lease, tenancy rights in relation to offices and residential properties, permissions, incentives, if any, in relation to its Demerged Undertaking , and all other rights, title, interests, privileges and benefits of every kind in relation to its Demerged Undertaking (collectively, "Demerged Undertaking Contracts");

(d) All registrations, brands, trademarks, trade names, service marks, copyrights, patents (except the patents applications made by/patents already held by the Transferor Company 3 under the Patents Act, 1970 which vested into the Transferee Company on amalgamation of the Transferor Company 3 with the Transferee Company), designs, domain names, applications for trademarks, trade names, service marks, copyrights, designs and domain names exclusively used by or held for use by the Demerged Company in the Demerged Undertaking (collectively, "Demerged Undertaking IP")

(e) All permits, licenses, consents, approvals, authorizations, quotas, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights, and any waiver of the foregoing, issued by any legislative, executive, or judicial unit of any Governmental or semi-Governmental entity or any department, commission, board, agency, bureau, official or other regulatory, local, administrative or judicial authority exclusively used or held for use by the Demerged Company in the undertaking, business, activities and operations pertaining to the Demerged Undertaking (collectively, "Demerged Undertaking Licenses");

(f) All such permanent employees of the Demerged Company, employees/personnel engaged on contract basis and contract labourers and interns/ trainees, both on-shore and off-shore, as are primarily engaged in or in relation to the Demerged Undertaking (including the employees of the Transferor Company 1 transferred to the Transferee Company on amalgamation of the Transferor Company 1 with the Transferee Company), business, activities and operations pertaining to the Demerged Undertaking , at its respective offices, branches etc, and any other employees/personnel and contract labourers and interns/trainees hired by the Demerged Company after the date hereof who are exclusively engaged in or in relation to the Demerged Undertaking, business, activities and operations pertaining to the Demerged Undertaking (collectively, "Demerged Undertaking Employees");

(g) All liabilities present and future (including contingent liabilities pertaining to or relatable to the Demerged Undertaking of the Demerged Company), as may be determined by the Board of the Demerged Company;

(h) All deposits and balances with Government, Semi-Government, local and other authorities and bodies, customers and other persons, earnest moneys and/ or security deposits paid or received by the Demerged Company, directly or indirectly in connection with or in relation to the Demerged Undertaking of the Demerged Company;

(i) All books, records, files, papers, directly or indirectly relating to the Demerged Undertaking of the Demerged Company; but shall not include any portion of the remaining business of the Demerged Company; and

(j) Any other asset / liability which is deemed to be pertaining to the Demerged Undertaking by the Board of the Demerged Company

Any question that may arise as to whether a specific asset or liability pertains or does not pertain to the Demerged Undertaking or whether it arises out of the activities or operations of the Demerged Undertaking shall be decided by mutual agreement between the Board of the Demerged Company and the Resulting Company.

1.9. **"Effective Date" or "coming into effect of this Scheme" or "upon the scheme becoming effective" or "effectiveness of the scheme"** means the date on which the certified copies of the orders of National Company Law Tribunal sanctioning this Scheme, is filed by VGWL, FIFPL, GBL, BGWL and BL with the jurisdictional Registrar of Companies;

1.10. **"Employees"** means all the employees of the Transferor Company 1, Transferor Company 2, Transferor Company 3 and Demerged Undertaking of the Demerged Company on the Effective Date;

1.11. **"National Company Law Tribunal" or "Tribunal" or "NCLT"** means the National Company Law Tribunal as constituted and authorized as per the provisions of the Companies Act, 2013 for approving any scheme of arrangement, compromise or reconstruction of companies under Section 230 – 232 of the Companies Act, 2013 of the Companies Act, 2013;

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FENNEL INVESTMENT AND FINANCE PVT. LTD.

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BOROSIL GLASS WORKS LIMITED MUMBAI

Borosil Limited Mumbai

1.12. **"Record Date 1"** shall be the date to be fixed by the Board of BGWL in consultation with the Transferor Companies for the purpose of determining the equity shareholders of VGWL, FIFPL and GBL for issue of equity shares, pursuant to this Scheme;

1.13. **"Record Date 2"** shall be the date to be fixed by the Board of BL in consultation with BGWL for the purpose of determining the equity shareholders of BGWL for issue of equity shares, pursuant to this Scheme;

1.14. "**Reserve pertaining to the Demerged Undertaking"** means all the reserves of the Transferee Company before giving effect of Part B of the Scheme as on the Appointed Date net-off of the Transferee Company's investments and balances in Transferor Company 3;

1.15. **"Resulting Company" or "BL"** means Borosil Limited (formerly known as Hopewell Tableware Limited), a company incorporated under the Companies Act, 1956 and having its registered office at 1101, Crescenzo, G - Block, Opp. MCA Club, Bandra Kurla Complex, Bandra East, Mumbai - 400 051, Maharashtra;

1.16. **"Scheme"** or **"the Scheme"** or **"this Scheme"** means the Composite Scheme of Amalgamation and Arrangement in its present form (along with any annexures, schedules, etc., annexed/attached hereto) or with any modification(s) and amendments made under Clause 34 of this Scheme from time to time and with appropriate approvals and sanctions as imposed or directed by the Tribunal or such other competent authority, as may be required under the Act, as applicable, and under all other applicable laws;

1.17. **"SEBI"** means the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992;

1.18. **"SEBI Circular"** means the circular issued by the SEBI, being Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017 and any amendments thereof or modifications issued pursuant to regulations 11, 37 and 94 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015;

1.19. **"Share Entitlement Ratio"** means the ratio in which the equity shares of BL are to be issued and allotted to the shareholders of BGWL on demerger as per Part C of this Scheme;

1.20. **"Share Exchange Ratio"** means the ratio in which the equity shares of BGWL are to be issued and allotted to the shareholders of VGWL, FIFPL and GBL on amalgamation as per Part B of this Scheme;

1.21. **"Stock Exchanges"** means the BSE Limited ('BSE') and/ or wherever applicable, the National Stock Exchange of India Limited ('NSE');

1.22. **"Transferor Company 1" or "VGWL"** means Vyline Glass Works Limited, a company incorporated under the Companies Act 1956, and having its registered office at 107, Famous Cine Studio Building, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai – 400 011;

1.23. **"Transferor Company 2" or "FIFPL"** means Fennel Investment and Finance Private Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 1101, Crescenzo, G - Block, Opp. MCA Club, Bandra Kurla Complex, Bandra East, Mumbai - 400 051, Maharashtra; and

1.24. **"Transferor Company 3" or "GBL"** means Gujarat Borosil Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 1101, Crescenzo, G-Block, Opp. MCA Club, Bandra Kurla Complex, Bandra East, Mumbai – 400 051;

(For the purpose of this Scheme, the Transferor Company 1, the Transferor Company 2 and the Transferor Company 3 shall also be collectively referred hereto as the ***"Transferor Companies"*** wherever required)

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

In the Scheme, unless the context otherwise requires:

(i) reference to clauses, recitals and schedules, unless otherwise provided, are to clauses, recitals and schedules of and to this Scheme;

(ii) references to the singular shall include the plural and vice versa and references to any gender includes the other gender;

(iii) references to a statute or statutory provision include that statute or provision as from time to time modified or re-enacted or consolidated and (so far as liability thereunder may exist or can arise) shall include also any past statutory provision (as from time to time modified or re-enacted or consolidated) which such provision has directly or indirectly replaced, provided that nothing in this Clause shall operate to increase the liability of any Party beyond that which would have existed had this Clause been omitted.

## 2. DATE OF TAKING EFFECT AND OPERATIVE DATE

2.1. The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT or made as per Clause 34 of the Scheme, shall be effective from the Appointed Date and shall be operative from the Effective Date. The various parts of the Scheme shall be deemed to have taken effect in following sequence:

2.1.1. Firstly, Part B of the Scheme (relating to amalgamation of Transferor Companies with Transferee Company) shall be deemed to have taken effect, prior to Part C of the Scheme; and

2.1.2. Thereafter, Part C of the Scheme (relating to demerger of Demerged Undertaking from the Demerged Company into the Resulting Company) shall be deemed to have taken effect, after Part B of the Scheme.

## 3. SHARE CAPITAL

3.1. The authorized, issued, subscribed and paid-up share capital of VGWL as on March 31, 2018 is as under:

| Particulars | Amount in INR |
|---|---|
| **Authorised Capital** | |
| 2,000,000 Equity Shares of Rs. 10/- each | 20,000,000 |
| 500,000, 10% Non Cumulative Convertible Preference Shares of Rs. 10/- each | 5,000,000 |
| **Total** | **25,000,000** |
| **Issued, Subscribed and Paid-up** | |
| 1,950,000 Equity Shares of Rs. 10/- each, fully paid up | 19,500,000 |
| **Total** | **19,500,000** |

From March 31, 2018 until the date of the Scheme being approved by the Board of VGWL, there has been no change in the authorised, issued, subscribed and paid up share capital of VGWL.

3.2. The authorized, issued, subscribed and paid-up share capital of FIFPL as on March 31, 2018 is as under:

| Particulars | Amount in INR |
|---|---|
| **Authorised Capital** | |
| 17,650,000 Equity Shares of Rs. 10/- each | 176,500,000 |
| 1,750,000, 9% Non Cumulative Redeemable Preference Shares of Rs. 10/- each | 17,500,000 |
| **Total** | **194,000,000** |
| **Issued, Subscribed and Paid-up** | |
| 9,049,000 Equity Shares of Rs. 10/- each, fully paid up | 90,490,000 |
| **Total** | **90,490,000** |

From March 31, 2018 until the date of the Scheme being approved by the Board of FIFPL, there has been no change in the authorised, issued, subscribed and paid up share capital of the FIFPL.

3.3. The authorized, issued, subscribed and paid-up share capital of GBL as on March 31, 2018 is as under:

VYLINE GLASS WORKS LTD. MUMBAI

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BOROSIL GLASS WORKS LIMITED MUMBAI

Borosil Limited Mumbai

| Particulars | Amount in INR |
|---|---|
| **Authorised Capital** | |
| 12,00,00,000 Equity Shares of Rs. 5 each | 60,00,00,000 |
| 90,00,000 9% Non-cumulative Non Convertible Redeemable Preference Shares of Rs. 100 each | 90,00,00,000 |
| **Total** | **1,50,00,00,000** |
| **Issued, Subscribed and Paid-up** | |
| 6,82,07,500 Equity Shares of Rs. 5 each fully paid up | 34,10,37,500 |
| 90,00,000 9% Non-cumulative Non Convertible Redeemable Preference Shares of Rs. 100 each fully paid up | 90,00,00,000 |
| **Total** | **1,24,10,37,500** |

From March 31, 2018 until the date of the Scheme being approved by the Board of GBL, there has been no change in the issued, subscribed and paid up share capital of the GBL. The shares of GBL are listed on BSE.

3.4. The authorized, issued, subscribed and paid-up share capital of BGWL as on March 31, 2018 is as under:

| Particulars | Amount in INR |
|---|---|
| **Authorised Capital** | |
| 12,00,00,000 Equity Shares of Re. 1 each | 12,00,00,000 |
| **Total** | **12,00,00,000** |
| **Issued, Subscribed and Paid-up** | |
| 2,31,00,000 Equity Shares of Re. 1 each fully paid up | 2,31,00,000 |
| **Total** | **2,31,00,000** |
| | |

Subsequent to March 31, 2018, there has been a change in the authorised, issued, subscribed and paid up share capital of BGWL, pursuant to bonus issue in the ratio of 3:1, as mentioned hereunder. The shares of BGWL are listed on BSE and NSE.

| Particulars | Amount in INR |
|---|---|
| **Authorised Capital** | |
| 12,00,00,000 Equity Shares of Re. 1 each | 12,00,00,000 |
| **Total** | **12,00,00,000** |
| **Issued, Subscribed and Paid-up** | |
| 9,24,00,000 Equity Shares of Re. 1 each fully paid up | 9,24,00,000 |
| **Total** | **9,24,00,000** |
| | |

3.5. The authorized, issued, subscribed and paid-up share capital of BL as on March 31, 2018 is as under:

| Particulars | Amount in INR |
|---|---|
| **Authorised Capital** | |
| 27,000,000 Equity Shares of Rs. 10/- each | 270,000,000 |
| 28,000,000, 6% Optionally Convertible Non-Cumulative Redeemable Preference Shares of Rs. 10/- each | 280,000,000 |
| **Total** | **550,000,000** |
| **Issued, Subscribed and Paid-up** | |
| 25,750,000 Equity Shares of Rs. 10/- each, fully paid | 257,500,000 |
| 28,000,000, 6% Optionally Convertible Non-Cumulative Redeemable Preference Shares of Rs. 10/- each, fully paid | 280,000,000 |
| **Total** | **537,500,000** |
| | |

Subsequent to March 31, 2018, there has been a change in the authorised, issued, subscribed and paid up share capital of the BL on account of sub-division of equity shares from Rs. 10 each to Re. 1 each, as mentioned hereunder. The entire share capital of BL is held by BGWL.

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BOROSIL GLASS WORKS LIMITED MUMBAI

Borosil Limited Mumbai

| Particulars | Amount in INR |
|---|---|
| **Authorised Capital** | |
| 270,000,000 Equity Shares of Re. 1/- each | 270,000,000 |
| 28,000,000, 6% Optionally Convertible Non-Cumulative Redeemable Preference Shares of Rs. 10/- each | 280,000,000 |
| **Total** | **550,000,000** |
| **Issued, Subscribed and Paid-up** | |
| 257,500,000 Equity Shares of Re. 1/- each, fully paid | 257,500,000 |
| 28,000,000, 6% Optionally Convertible Non-Cumulative Redeemable Preference Shares of Rs. 10/- each, fully paid | 280,000,000 |
| **Total** | **537,500,000** |
| | |

## PART B:
## MERGER OF THE TRANSFEROR COMPANIES WITH THE TRANSFEREE COMPANY

**4. VESTING OF ASSETS AND LIABILITIES OF THE TRANSFEROR COMPANIES**

4.1. Upon coming into effect of this Scheme and with effect from the Appointed Date and in accordance with provisions of Section 2(1B) of the Income-tax Act, 1961 and subject to the provisions of the Scheme, the entire business and whole of the undertaking of the Transferor Companies including all their properties and assets, (whether movable or immovable, tangible or intangible), land and building, leasehold assets and other properties, real, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, all the receivables, advances, deposits etc including, without limitation, all the movables and immovable properties (including but not limited to the immovable properties mentioned in Schedule I) and assets of the Transferor Companies comprising amongst others all plant and machinery, investments, and business licenses, permits, authorizations, if any, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, advance and other taxes paid to the authorities, brand names, trademarks, copy rights, lease,

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FENNEL INVESTMENT AND FINANCE PVT. LTD.

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Borosil Limited Mumbai

tenancy rights, statutory permissions, consents and registrations, all rights or titles or interest in properties by virtue of any court decree or order, all records, files, papers, contracts (including the Gas Sale Agreements for the sale and purchase of natural gas under Administered Price Mechanism/Re-gasified Liquefied Natural Gas entered into between the Transferor Company 3 and GAIL (India) Limited), licenses, power of attorney, lease, tenancy rights, letter of intents, permissions, benefits under income tax, such as credit for advance tax, tax deducted at source, unutilized deposits or credits, minimum alternate tax, etc, credit for service tax, sales tax / value added tax / goods and service tax and / or any other statues, incentives, if any, and all other rights, title, interest, contracts, consent, approvals or powers of every kind and description, agreements shall, pursuant to the order of NCLT and pursuant to provisions of Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Act and without further act, instrument or deed, but subject to the charges affecting the same be vested and/or deemed to be vested in Transferee Company on a going concern basis so as to become the assets of the Transferee Company with all rights, title, interest or obligations of the Transferor Companies therein.

4.2. Notwithstanding anything contained in this Scheme, in respect of the immovable properties of the Transferor Companies, whether owned or leased, the Board of the Transferee Company may determine, for the purpose inter alia of payment of stamp duty, and vesting unto the Transferee Company and if the Board of the Transferee Company so decide, the concerned parties, whether executed before or after the Effective Date, shall execute and register or cause so as to be done, separate deeds of conveyance or deed of assignment of lease, as the case may be, in favour of the Transferee Company in respect of such immovable properties. Each of the immovable properties, only for the payment of stamp duty, shall be deemed to be conveyed at a consideration being the value of such properties. The execution of such conveyance shall form an integral part of the Scheme.

4.3. The liabilities shall also, without any further act, instrument or deed be vested in and assumed by and/or deemed to be vested in and assumed by the Transferee Company pursuant to the provisions of Sections 230 to 232 of the Act, so as to become the liabilities of the Transferee Company and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities have arisen, in order to give effect to the provisions of this Clause.

VYLINE GLASS WORKS LTD. MUMBAI

FENNEL INVESTMENT AND FINANCE PVT. LTD.

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BOROSIL GLASS WORKS LIMITED MUMBAI

Borosil Limited Mumbai

4.4. All the existing securities, mortgages, charges, encumbrances or liens, if any, as on the Appointed Date and those created by the Transferor Companies after the Appointed Date, over the assets of the Transferor Companies to the Transferee Company shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date. Such securities, mortgages, charges, encumbrances or liens shall not relate or attach or extend to any of the other assets of the Transferee Company.

4.5. For avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date and till such time that the name of the bank accounts of the Transferor Companies have been replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Companies in the name of the Transferor Companies in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Companies after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company. The Transferee Company shall be allowed to maintain bank accounts in the name of the Transferor Companies for such time as may be determined to be necessary by the Transferee Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Transferor Companies. It is hereby expressly clarified that any legal proceedings by or against the Transferor Companies in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of Transferor Companies shall be instituted, or as the case maybe, continued by or against the Transferee Company after the coming into effect of the Scheme.

5. **CONSIDERATION**

5.1. Upon the Scheme becoming effective and upon the amalgamation of the Transferor Companies with the Transferee Company in terms of this Scheme, the Transferee Company shall, without any further application or deed, issue and allot shares to the shareholders of the Transferor Companies whose name appears in the register of members of the Transferor Companies as on the Record Date 1 as may be stipulated by the Board of Directors of the Transferee Company or to such of

Page 14 of 58

their heirs, executors, administrators or the successors in title, as the case may be as may be recognized by the Board of Directors, in the following proportion viz:

**<u>On amalgamation of the Transferor Company 1 with the Transferee Company</u>**

*"200 (Two Hundred) fully paid up Equity Shares of Re. 1 each of Transferee Company shall be issued and allotted as fully paid up for every 81 (Eighty One) Equity Shares of Rs. 10 each fully paid up held in the Transferor Company 1."*

**<u>On amalgamation of the Transferor Company 2 with the Transferee Company</u>**

*"200 (Two Hundred) fully paid up Equity Shares of Re. 1 each of Transferee Company shall be issued and allotted as fully paid up for every 109 (One Hundred and Nine) Equity Shares of Rs. 10 each fully paid up held in the Transferor Company 2."*

**<u>On amalgamation of the Transferor Company 3 with the Transferee Company</u>**

*"1 (One) fully paid up Equity Share of Re. 1 each of Transferee Company shall be issued and allotted as fully paid up for every 2 (Two) Equity Shares of Rs.5 each fully paid up held in the Transferor Company 3."*

5.2. In case any equity shareholder's holding in the Transferor Company 1, the Transferor Company 2 and the Transferor Company 3 is such that the shareholder becomes entitled to a fraction of equity share of the Transferee Company, the Transferee Company shall not issue fractional share to such shareholder but shall consolidate such fractions and issue and allot the consolidated shares directly to a person nominated by the Board of the Transferee Company on behalf of such shareholders, who shall sell such shares in the market at such price or prices and on such time or times as the Board may in its sole discretion decide and on such sale, he shall pay to the Transferee Company, the net sale proceeds (after deduction of applicable taxes and other expenses incurred), whereupon the Transferee Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of the Transferor Companies in proportion to their respective fractional entitlements.

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5.3. In the event that the Transferor Companies/ the Transferee Company restructures its equity share capital by way of share split/consolidation/issue of bonus shares during the pendency of the Scheme, the Share Exchange Ratio shall be adjusted accordingly to take into account the effect of any such corporate actions.

5.4. The Transferee Company shall take necessary steps to increase or alter or re-classify, if necessary, its authorized share capital suitably to enable it to issue and allot the shares required to be issued and allotted by it under this Scheme.

5.5. The shares to be issued and allotted as above shall be subject to and in accordance with the Memorandum and Articles of Association of the Transferee Company.

5.6. The equity shares issued and allotted by the Transferee Company in terms of this Scheme shall rank pari-passu in all respects with the existing equity shares of the Transferee Company.

5.7. The approval of this Scheme by the shareholders of the Transferee Company shall be deemed to be due compliance of the provisions of Section 42, 62 of the Companies Act, 2013 and all the other relevant and applicable provisions of the Act for the issue and allotment of shares by the Transferee Company to the shareholders of the Transferor Companies, as provided in this Scheme.

5.8. The consideration in the form of equity shares shall be issued and allotted by the Transferee Company in dematerialized form to all the shareholders of the Transferor Companies holding such shares in dematerialized form and in physical form to all those shareholders of the Transferor Companies holding such shares in physical form. Further, the Transferee Company shall ensure that the shares so allotted pursuant to this Clause are listed on the Stock Exchanges where existing shares of the Transferee Company are listed.

5.9. Inter-company holdings, if any, as on the Appointed Date, amongst the Transferor Companies and between the Transferor Companies and the Transferee Company, shall be cancelled pursuant to this Scheme.

5.10. Investments of the Transferee Company in the preference share capital (including the dividend outstanding on such preference shares or any rights in relation to such preference shares) of GBL shall be cancelled pursuant to this Scheme.

5.11. The equity shares issued and/ or allotted pursuant to Clause 5.1, in respect of such of the equity shares of the Transferor Companies which are held in abeyance under the provisions of Section 126 of the Act shall, pending settlement of dispute by order of court or otherwise, be held in abeyance by the Transferee Company.

5.12. The Transferee Company shall, if and to the extent required to, apply for and obtain any approvals from the concerned regulatory authorities including the Reserve Bank of India, for the issue and allotment of equity shares by the Transferee Company to the non-resident/ foreign citizen equity shareholders of the Transferor Companies. The Transferee Company shall comply with the relevant and applicable rules and regulations including the provisions of Foreign Exchange Management Act, 1999, if any, to enable the Transferee Company to issue and allot equity shares to the non-resident/ foreign citizen equity shareholders of the Transferor Companies.

5.13. The Board of Directors of the Transferee Company shall, if and to the extent required, apply for and obtain any approvals from concerned Government /regulatory authorities and undertake necessary compliance for the issue and allotment of equity shares to the members of the Transferor Companies pursuant to Clause 5.1 of the Scheme.

5.14. The Transferee Company shall apply for listing of the equity shares issued pursuant to Clause 5.1 on the Stock Exchanges in terms of the SEBI Circular. The equity shares shall be listed and/or admitted to trading on the Stock Exchanges in India where the equity shares of the Transferee Company are listed and admitted to trading, as per the Applicable Law. The Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of the Stock Exchanges. The equity shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are provided by the relevant Stock Exchange.

**6. ACCOUNTING TREATMENT**

**On merger of Transferor Company 1 and Transferor Company 2 with the Transferee Company**

6.1 Upon coming into effect of this Scheme and with effect from the Appointed Date, the Transferee Company shall account for amalgamation of the Transferor Company 1 and the Transferor Company 2 in its books in accordance with principles as laid down in Indian Accounting Standard 103 (Business Combination) in the following manner:

6.1.1 All the assets and liabilities of the Transferor Company 1 and Transferor Company 2 vested in the Transferee Company pursuant to the Scheme shall be recorded in the books of the Transferee Company at their respective fair values as on the Appointed Date.

6.1.2 The Transferee Company shall record the equity shares issued and allotted by the Transferee Company at fair value as on the Appointed Date. The face value of the equity shares on such issue shall be credited to the share capital account and the balance shall be credited to the securities premium account.

6.1.3 Inter-company holdings and balances, if any, between the Transferee Company and the Transferor Company 1 and Transferor Company 2 shall stand cancelled.

6.1.4 The difference, being the excess of the fair value of shares allotted under Clause 6.1.2 over the value of net assets recorded by the Transferee Company pursuant to Clause 6.1.1 after providing for adjustments as stated above shall be recorded as goodwill. Shortfall, if any, shall be recorded as capital reserve.

**<u>On merger of the Transferor Company 3 with the Transferee Company</u>**

6.2 Upon coming into effect of this Scheme and with effect from the Appointed Date, the Transferee Company shall account for amalgamation of the Transferor Company 3 in its books in accordance with principles as laid down in Appendix C to the Indian Accounting Standard 103 (Business Combination) in the following manner:

6.2.1 All assets and liabilities of the Transferor Company 3 shall be recorded by the Transferee Company at their respective book values as appearing in the books of the Transferor Company 3 as on the Appointed Date.

6.2.2 The balance of the reserves appearing in the financial statements of the Transferor Company 3 as on the Appointed Date is aggregated with the corresponding balance appearing in the financial statements of the Transferee Company.

6.2.3 The Transferee Company shall credit to its share capital in its books of account, the aggregate face value of the equity shares issued by it to the shareholders of the Transferor Company 3.

6.2.4 Inter-company holdings and balances, if any, between the Transferee Company, the Transferor Company 2 and Transferor Company 3 shall stand cancelled.

6.2.5 The difference, if any, arising between the carrying value of assets and liabilities and reserves pertaining to the Transferor Company 3 and the face value of shares issued by the Transferee Company after providing for adjustments as stated above shall be adjusted in capital reserve.

6.3 In case of any differences in accounting policy between the Transferor Companies and the Transferee Company, the accounting policies of the Transferee Company will prevail and the difference till the Appointed Date will be quantified and adjusted in the capital reserves / goodwill to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

## 7. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

7.1. With effect from the Appointed Date and upto and including the Effective Date:

(a) The Transferor Companies shall carry on and shall be deemed to have carried on its business and activities and shall stand possessed of their entire business and undertakings, in trust for the Transferee Company and shall account for the same to the Transferee Company.

(b) All the income or profits accruing or arising to the Transferor Companies and all costs, charges, expenses or losses incurred by the Transferor Companies shall for all purposes be treated the income, profits, costs, charges, expenses and losses as the case may be of the Transferee Company.

(c) The Transferor Companies shall carry on their business and activities with reasonable diligence and business prudence and shall not alter or diversify their respective businesses nor venture into any new businesses, nor alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof except in the ordinary course of business without the prior consent of the Transferee Company or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the respective Boards of Directors of the Transferor Companies and the Transferee Company.

(d) The Transferor Companies shall not vary the terms and conditions of employment of any of the employees except in the ordinary course of business or without the prior consent of the Transferee Company or pursuant to any pre-existing obligation undertaken by the Transferor Companies as the case may be, prior to the Appointed Date.

7.2. The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Government, and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, approvals and sanctions, which the Transferee Company may require pursuant to this Scheme.

**8. <u>STAFF, WORKMEN & EMPLOYEES</u>**

8.1. All the permanent employees of the Transferor Companies, who are in service on the date immediately preceding the Effective Date shall, on and from the Effective Date become and be engaged as the employees of the Transferee Company, without any break or interruption in service as a result of the transfer and on terms and conditions not less favorable than those on which they are engaged by the Transferor Companies immediately preceding the Effective Date. Services of the employees of the Transferor Companies shall be taken into account from the date of their respective appointment with the Transferor Companies for the purposes of all retirement benefits and all other entitlements for which they may be eligible. The Transferee Company further agrees that for the purpose of payment of any retrenchment compensation, if any, such past services with the Transferor Companies shall also be taken into account.

The services of such employees shall not be treated as having been broken or interrupted for the purpose of Provident Fund or Gratuity or Superannuation or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with the Transferor Companies.

8.2. It is provided that as far as the Provident Fund, Gratuity Fund and Pension and/ or Superannuation Fund or any other special fund created or existing for the benefit of the staff, workmen and other employees of the Transferor Companies are concerned, upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Companies in respect of the employees so transferred for all purposes whatsoever relating to the administration or operation of such Funds or Trusts or in relation to the obligation to make contribution to the said Funds or Trusts in accordance with the provisions of such Funds or Trusts as provided in the respective Trust Deeds or other documents. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Companies in relation to such Funds or Trusts shall become those of the Transferee Company. The Trustees including the Board of Directors of the Transferor Companies and the Transferee Company or through any committee / person duly authorized by the Board of Directors in this regard shall be entitled to adopt such course of action in this regard as may be advised provided however that there shall be no discontinuation or breakage in the services of the employees of the Transferor Companies.

## 9. <u>LEGAL PROCEEDINGS</u>

9.1. All legal proceedings of whatsoever nature by or against the Transferor Companies pending and/or arising before the Effective Date and relating to the Transferor Companies, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against the Transferee Company, as the case may be in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Companies. Any cost pertaining to the said proceedings between the Appointed Date and the Effective Date incurred by the Transferor Companies shall be reimbursed by the Transferee Company.

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9.2. After the Effective Date, if any proceedings are taken against the Transferor Companies in respect of the matters referred to in the Clause 9.1 above, they shall defend the same at the cost of the Transferee Company and the Transferee Company shall reimburse and indemnify the Transferor Companies against all liabilities and obligations incurred by the Transferor Companies in respect thereof.

9.3. The Transferee Company undertakes to have all legal or other proceedings initiated by or against Transferor Companies referred to in Clause 9.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against the Transferee Company after the Appointed Date.

**10. CONTRACTS, DEEDS AND OTHER INSTRUMENTS**

10.1. Notwithstanding anything to the contrary contained in the contract, deed, bond, agreement or any other instrument, but subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature and subsisting or having effect on the Effective Date and relating to the Transferor Companies, shall continue in full force and effect against or in favor of the Transferee Company and may be enforced effectively by or against the Transferee Company as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a party thereto.

10.2. With effect from the Appointed Date, any transferable statutory licenses, no objection certificates, permissions or approvals or consents required to carry on operations of the Transferor Companies shall stand vested in the Transferee Company without further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favor of the Transferee Company upon the vesting and transfer of undertakings of the Transferor Companies pursuant to the Scheme. The benefit of all transferable statutory and regulatory permissions, environmental approvals and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of the Transferor Companies shall vest in and become available to the Transferee Company pursuant to the Scheme.

10.3. The Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favor of any party to any contract or arrangement to which the Transferor Companies are a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall, be deemed to be authorized to execute any such writings on behalf of the Transferor Companies and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of the Transferor Companies.

10.4. All cheques and other negotiable instruments, payment orders received in the name of the Transferor Companies after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company. Similarly, the banker of Transferee Company shall honor cheques issued by the Transferor Companies for payment after the Effective Date.

**11. <u>TAXES</u>**

11.1. Upon coming into effect of this Scheme and with effect from the Appointed Date, all tax payable by the Transferor Companies under Income-tax Act 1961, Customs Act, 1962, Goods and Services tax or other applicable laws/ regulations dealing with taxes/duties/levies (hereinafter referred to as "tax laws") shall be to the account of the Transferee Company. Similarly all credits for tax deduction at source on income of the Transferor Companies, or obligation for deduction of tax at source on any payment made by or to be made by the Transferor Companies shall be made or deemed to have been made and duly complied with by the Transferee Company if so made by the Transferor Companies. Similarly any advance tax payment required to be made for by the specified due dates in the tax laws shall also be deemed to have been made by the Transferee Company if so made by the Transferor Companies. Further Minimum Alternate Tax paid by the Transferor Companies under Income Tax Act 1961, shall be deemed to have been paid on behalf of the Transferee Company and Minimum Alternate Tax Credit (if any) of the Transferor Companies as on or accruing after the Appointed Date shall stand transferred to the Transferee Company and such credit would be available for set off against the tax liabilities of the Transferee Company. Any refunds/credit under the tax laws due to the Transferor Companies consequent to assessments made on the Transferor Companies and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.

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11.2. Further, any tax holiday/deduction/exemption/carry forward losses enjoyed by the Transferor Companies under Income-tax Act 1961 would be transferred to the Transferee Company.

11.3. On or after the Effective Date, the Transferee Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act, 1961 (including for the purpose of re-computing tax on book profits and claiming other tax benefits), goods and services tax law and other tax laws, and to claim refunds and/or credits for taxes paid, and to claim tax benefits etc. and for matters incidental thereto, if required to give effect to the provisions of the Scheme from the Appointed Date.

11.4. All taxes paid or payable by the Transferor Companies in respect of the operations and/or profits of the business before the Appointed Date shall be on account of the Transferor Companies and in so far it relates to the tax payment whether by way of deduction at source, advance tax or otherwise by the Transferor Companies in respect of profits or activities or operations of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall in all proceedings be dealt with accordingly.

**12. <u>SAVING OF CONCLUDED TRANSACTIONS</u>**

The transfer of properties and liabilities under Clause 4 above and the continuance of proceedings by or against the Transferor Companies under Clause 9 above shall not affect any transaction or proceedings already concluded by the Transferor Companies on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Companies in respect thereto as done and executed on behalf of the Transferee Company.

**13. <u>VALIDITY OF EXISTING RESOLUTIONS, ETC.</u>**

Upon the effectiveness of this Scheme, the resolutions of the Transferor Companies, as are considered necessary by the Board of the Transferee Company, and that are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company, and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then said limits as are considered necessary by the Board of the Transferee Company shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

## 14. PROFITS AND DIVIDENDS

14.1. The Transferor Companies and the Transferee Company shall be entitled to declare and pay dividends, to their respective shareholders in respect of the accounting period ending March 31, 2018 consistent with the past practice or in ordinary course of business, whether interim or final. Any other dividend shall be recommended/declared only by the mutual consent of the concerned Transferor Companies and the Transferee Company.

14.2. It is clarified that the aforesaid provisions in respect of declaration of dividends (whether interim or final) are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Transferor Companies and the Transferee Company to demand or claim or be entitled to any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the respective Boards of the Transferor Companies and the Transferee Company as the case may be, and subject to approval, if required, of the shareholders of the Transferor Companies and the Transferee Company as the case may be.

## 15. CONSOLIDATION OF AUTHORISED CAPITAL

15.1. Upon the effectiveness of this Scheme, the authorised share capital of the Transferor Companies shall be merged with that of the Transferee Company and pay additional fees and duties, if any after setting off the fees, if any, paid by the Transferor Companies. The authorised share capital of the Transferee Company will automatically stand increased to that effect by simply filing the requisite forms with the Appropriate Authority and no separate procedure or further resolution under Section 62 of the Act or instrument or deed or payment of any stamp duty and registration fees shall be required to be followed under the Act.

15.2. Consequently, Clause V of the Memorandum of Association of the Transferee Company shall without any act, instrument or deed be and stand altered, modified

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and substituted pursuant to Section 13 of the Companies Act, 2013 and Section 230-232 and other applicable provisions of the Companies Act, 2013, as set out below:

*"The Authorised Share Capital of the Company is Rs. 183,90,00,000 (Rupees One Hundred Eighty Three Crores and Ninety Lakhs) divided into 91,65,00,000 (Ninety One Crores Sixty Five Lakhs) equity shares of Re. 1 (Rupee One) each and 9,22,50,000 (Nine Crore Twenty Two Lakhs Fifty Thousand) preference shares of Rs. 10 (Rupees Ten) each. The Company has the power to increase or reduce or modify the capital and to divide all or any of the shares in the capital of the Company for the time being in force and to classify and reclassify such shares from the shares of one class into shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special right, privileges, conditions or restrictions as may be determined in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges, conditions or restrictions in such manner and by such person as may for the time being be permitted under the provisions of the Articles of Associations of the Company or legislative provisions for the time being in force in that behalf."*

15.3. It is clarified that the approval of the shareholders of the Transferee Company to the Scheme shall be deemed to be their consent / approval also to the consequential alteration of the Memorandum and Articles of Association of the Transferee Company and the Transferee Company shall not be required to seek separate consent / approval of its shareholders for such alteration of the Memorandum and Articles of Association of the Transferee Company as required under Sections 13, 14, 16, 61, 62 and 64 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.

## 16. REDUCTION OF SHARE CAPITAL HELD BY THE TRANSFEROR COMPANY 2 IN THE TRANSFEREE COMPANY

16.1. Upon the Scheme becoming effective and upon the issue of shares by the Transferee Company in accordance with Clause 5.1 above, the existing 49,62,280 (Forty Nine Lakh Sixty Two Thousand Two Hundred and Eighty) equity shares of Re. 1 each of the Transferee Company held by the Transferor Company 2, as on the Effective Date shall, without any application or deed, stand cancelled without any payment. Accordingly, the share capital of the Transferee Company shall stand reduced to the extent of the face value of shares held by the Transferor Company 2 as on the Effective Date.

16.2. In the event that the Transferee Company restructures its equity share capital by way of share split/consolidation/issue of bonus shares during the pendency of the Scheme, the cancellation of the number of shares held by the Transferor Company 2 in the Transferee Company shall also be adjusted accordingly to take into account the effect of any such corporate actions.

16.3. The cancellation of share capital shall be effected as an integral part of the Scheme and the Transferee Company shall not be required to add "And Reduced" as suffix to its name consequent to such reduction.

**17. CHANGE OF NAME OF THE TRANSFREE COMPANY**

Upon sanction of this Scheme, the name of the Transferee Company shall automatically stand changed without any further act, instrument or deed on the part of the Transferee Company, to **"Borosil Renewables Limited"** or such other name as may be approved by the concerned Registrar of Companies and the Memorandum of Association and Articles of Association of the Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 13, 14 and 16 of the Companies Act, 2013 or any other applicable provisions of the Act, would be required to be separately passed.

**18. DISSOLUTION WITHOUT WINDING UP**

Upon the effectiveness of this Scheme, the Transferor Companies shall stand dissolved without winding up and the Board of Directors and any committee thereof of the Transferor Companies shall without any further act, instrument or deed be and stand dissolved. On and from the Effective Date, the name of the Transferor Companies shall be struck off from the records of the concerned Registrar of Companies.

## 19. AMENDMENT TO MEMORANDUM OF ASSOCIATION OF THE TRANSFEREE COMPANY

On and from the Effective Date, the objects of the Transferee Company shall be deemed to have been altered by replacing existing Clause 1 with the following new clause in the objects clause (III) (A) of the Memorandum of Association of the Transferee Company, which shall read as under:

*"1. To carry on the business as manufacturers, producers, exporters, importers, traders, distributors, buyers, sellers, assembler, agents for merchants and dealers in solar glass, sheet glass, fusion glass, wired glass, figured glass, tinted glass, float glass, safety glass, toughened glass, laminated glass and any glass products/goods or products of which glass forms part, Solar Modules, Solar Cells and any other components going into Solar Modules, Solar power storage and also carry on the business of a developer and or an EPC contractor for laying down and operating solar plants, appliances or vehicles running on renewable energy."*

It shall be deemed that the members of the Transferee Company have also resolved and accorded all relevant consents under Section 13 of the Companies Act, 2013. It is clarified that there will be no need to pass a separate shareholders' resolution as required under Section 13 of the Companies Act, 2013 for the amendments of the Memorandum of Association of the Transferee Company.

## PART C
## DEMERGER OF THE DEMERGED UNDERTAKING FROM THE DEMERGED COMPANY INTO THE RESULTING COMPANY

**20. TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING FROM THE DEMERGED COMPANY INTO THE RESULTING COMPANY**

20.1. The Demerged Undertaking of the Demerged Company as defined in Clause 1.8 shall stand transferred to and vested in or deemed to be transferred to and vested in the Resulting Company, as a going concern, in accordance with Section 2(19AA) of the Income Tax Act, 1961 and in the following manner:

20.1.1. All Demerged Undertaking Assets that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery or by operation of law pursuant to the vesting order of the NCLT sanctioning the Scheme and its filing with the Registrar of Companies concerned. Such assets shall stand vested in the Resulting Company and shall be deemed to be and become the property and as an integral part of the Resulting Company by operation of law. The vesting order and sanction of the Scheme shall operate in relation to the movable property in accordance with its normal mode of vesting through the Resulting Company and as the context may provide, by physical or constructive delivery, or by endorsement and delivery, or by mere operation of the vesting order and its record or registration with the Registrar in accordance with the Act, as appropriate to the nature of the movable property vested. Upon the Scheme becoming effective the title to such property shall be deemed to have been mutated and recognized as that of the Resulting Company.

20.1.2. All Demerged Undertaking Assets that are other movable properties, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, pursuant to the vesting order and by operation of law become the property of the Resulting Company, and the

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title thereof together with all rights, interests or obligations therein shall be deemed to have been mutated and recorded as that of the Resulting Company and any document of title pertaining to the assets of the Demerged Undertaking shall also be deemed to have been mutated and recorded as titles of the Resulting Company to the same extent and manner as originally held by the Demerged Company and enabling the ownership, right, title and interest therein as if the Resulting Company was originally the Demerged Company. The Resulting Company shall subsequent to the vesting order be entitled to the delivery and possession of all documents of title of such movable property in this regard.

20.1.3. All immovable properties of the Demerged Undertaking (including but not limited to the immovable properties mentioned in Schedule II) except the land at Village Govali, Taluka - Jhagadia, Dist - Bharuch, having an area of 79,500 sq mtrs bearing survey no. 290, 291, 296, 299, 300, 304, 305 and 307A, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Demerged Undertaking, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto shall stand vested in and/or be deemed to have been vested in the Resulting Company, by operation of law pursuant to the vesting order of the NCLT sanctioning the Scheme, and its filings with the concerned Registrar of Companies. Such assets shall stand vested in the Resulting Company and shall be deemed to be and become the property as an integral part of the Resulting Company by operation of law. The Resulting Company shall simultaneous with the filing and registration of the order of the NCLT sanctioning the Scheme be always entitled to all the rights and privileges attached in relation to such immovable properties and shall be liable to pay appropriate rent, rates and taxes and fulfil all obligations in relation thereto or as applicable to such immovable properties. Upon the Scheme becoming effective, the title to such properties shall deemed to have been mutated and recognised as that of the Resulting Company and the mere filing thereof with the appropriate Registrar or Sub-Registrar of Assurances or with the relevant Government shall suffice as record of continuing titles with the Resulting Company pursuant to the Scheme becoming effective and shall constitute a deemed mutation and substitution thereof. The Resulting Company shall subsequent to the vesting order be entitled to the delivery and possession of all documents of title to such immovable properties in this regard. It is hereby clarified that all the rights, title and interest of the Demerged Undertaking in any leave & license, leasehold properties shall, pursuant to Section 232 of the Act and the provisions of this Scheme, without any further act, instrument or deed, be vested in or be deemed to have been vested in the Resulting Company.

20.1.4. Notwithstanding anything contained in this Scheme, in respect of the immovable properties pertaining to the Demerged Undertaking of the Demerged Company, whether owned or leased, the Board of the Resulting Company may determine, for the purpose inter alia of payment of stamp duty, and vesting unto the Resulting Company and if the Board of the Resulting Company so decide, the concerned parties, whether executed before or after the Effective Date, shall execute and register or cause so as to be done, separate deeds of conveyance or deed of assignment of lease, as the case may be, in favour of the Resulting Company in respect of such immovable properties. Each of the immovable properties, only for the payment of stamp duty, shall be deemed to be conveyed at a consideration being the value of such properties. The execution of such conveyance shall form an integral part of the Scheme.

20.1.5. All Demerged Undertaking Liabilities including debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of account or disclosed in the balance sheets of the Demerged Company shall stand vested in the Resulting Company and shall upon the scheme becoming effective be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company, and the Resulting Company shall, and undertake to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause.

20.1.6. All Demerged Undertaking Contracts including contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies) for the purpose of carrying on the Demerged Undertaking of the Demerged Company, and in relation thereto, and those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Demerged Undertaking of the Demerged Company, or to the benefit of which, Demerged Undertaking of the Demerged Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall by endorsement, delivery or by operation of law pursuant to the vesting order of NCLT sanctioning the Scheme, and its filing with the Registrar of Companies concerned be deemed to be contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies) of the Resulting Company. Such properties and rights described hereinabove shall stand vested in the Resulting Company and shall be deemed to be the property and become the property by operation of law as an integral part of the Resulting Company. Such contracts and properties described above shall continue to be in full force and continue as effective as hitherto fore in favour of or against the Resulting Company and shall be the legal and enforceable rights and interests of the Resulting Company, which can be enforced and acted upon as fully and effectually as if, it were the Demerged Company, as the Resulting Company is and successor in interest. Upon the Scheme becoming effective, the rights, duties, obligations, interests flowing from such contracts and properties, shall be deemed to have been entered in and novated to the Resulting Company by operation of law and the Resulting Company shall be deemed to be its substituted party or beneficiary or obligor thereto. In relation to the same any procedural requirements required to be fulfilled solely by the Demerged Company (and not by any of its successors), shall be fulfilled by the Resulting Company as if it were the duly constituted attorney of the Demerged Company. Upon this Scheme becoming effective and with effect from the Appointed Date, any contract of the Demerged Company relating to or benefiting at present the Demerged Company and the Demerged Undertaking, shall be deemed to

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constitute separate contracts, thereby relating to and/or benefiting the Resulting Company, respectively.

20.1.7. Any pending suits/appeals or other proceedings of whatsoever nature relating to the Demerged Undertaking of the Demerged Company, whether by or against such Demerged Company, shall not abate, be discontinued or in any way prejudicially affected by reason of the demerger of the Demerged Undertaking of the Demerged Company into the Resulting Company or of anything contained in this Scheme, but by virtue of the vesting and sanction order, such legal proceedings shall continue and any prosecution shall be enforced by or against the Resulting Company in the same manner and to the same extent as would or might have been continued, prosecuted and/or enforced by or against the Demerged Company, as if this Scheme had not been implemented.

20.1.8. All the Demerged Undertaking Employees shall become employees of and be engaged by the Resulting Company pursuant to the vesting order and by operation of law, with effect from the Effective Date, on such terms and conditions as are no less favourable than those on which they are currently engaged by the Demerged Company, without any interruption of service as a result of this hiving-off, without any further act, deed or instrument on the part of the Demerged Company or the Resulting Company. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees, the Resulting Company shall stand substituted for the Demerged Company for all purposes whatsoever, upon this Scheme becoming effective, including with regard to the obligation to make contributions to relevant authorities, such as the Regional Provident Fund Commissioner or to such other funds maintained by the Demerged Company, in accordance with the provisions of applicable laws or otherwise. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to such employees and the services of all such employees of the Demerged Company for such purpose shall be treated as having been continuous.

20.1.9. All Demerged Undertaking IP including registrations, goodwill, licenses, brands, service marks, copyrights, domain names, applications for copyrights, trade names and trademarks pertaining to the Demerged Undertaking of the Demerged Company, if any, shall stand vested in the Resulting Company without any further act, instrument or deed (unless filed only for statistical record with any appropriate authority or Registrar), upon filing of the order of the NCLT sanctioning the Scheme, with the Registrar of Companies concerned. The other intellectual property rights presently held by the Demerged Company, that relates to or benefit at present the Demerged Company and the Demerged Undertaking, shall be deemed to constitute separate intellectual property rights and the necessary substitution/ endorsement shall be made and duly recorded in the name of the Demerged Company and the Resulting Company, respectively, by the relevant authorities pursuant to the sanction of this Scheme by NCLT.

20.1.10. The Resulting Company and the Demerged Company to enter into an agreement wherein the brand “Borosil” held by the Demerged Company transferred pursuant to demerger to the Resulting Company shall be available for use by the Demerged Company for a period of 5 years without any charges/fees/levies/costs, and which may be extended for such further period(s) as may be mutually decided by the Board of the Resulting Company and the Demerged Company.

20.1.11. All taxes payable by or refundable to the Demerged Undertaking of the Demerged Company, including all or any refunds or claims shall be treated as the tax liability or refunds/claims, as the case may be, of the Resulting Company, and any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions, etc, as would have been available to Demerged Undertaking of the Demerged Company, shall pursuant to this Scheme becoming effective, be available to the Resulting Company.

20.1.12. All Demerged Undertaking Licenses including approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description whatsoever in relation to the Demerged Undertaking of the Demerged Company, or to the benefit of which the Demerged Undertaking of the Demerged Company may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, shall by endorsement, delivery or by operation of law pursuant to the vesting order of NCLT sanctioning the Scheme, and its filing with the Registrar of Companies concerned, shall be deemed to be approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description of whatsoever nature of the Resulting Company, and shall be in full force and effect in favour of the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligor thereto. Such of the other permits, licenses, consents, approvals, authorizations, quotas, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights, and any waiver of the foregoing, as are held at present by the Demerged Company, but relate to or benefitting the Demerged Company and the Demerged Undertaking, shall be deemed to constitute separate permits, licenses, consents, approvals, authorizations, quotas, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights, and any waiver of the foregoing, and the necessary substitution/endorsement shall be made and duly recorded in the name of the Resulting Company, respectively, by the relevant authorities pursuant to the sanction of this Scheme by NCLT. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall take on record the drawn up order of NCLT sanctioning the Scheme on its file and make and duly record the necessary substitution or endorsement in the name of the Resulting Company as successor in interest, pursuant to the sanction of this Scheme by NCLT, and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Resulting Company shall file certified copies of such sanction order, and if required file appropriate applications, forms or documents with relevant authorities concerned for statistical, information and record purposes only, and there shall be no break in the validity and enforceability of approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description of whatsoever nature.

20.1.13. Benefits of any and all corporate approvals as may have already been taken by the Demerged Company with respect to the Demerged Undertaking, whether being in the nature of compliances or otherwise, including without limitation, approvals under Sections 98,109,111,180,185,186,188 etc, of the Act read with the rules and regulations made there under, shall stand vested in the Resulting Company and the said corporate approvals and compliances shall, upon this Scheme becoming effective, be deemed to have been taken/complied with by the Resulting Company.

20.1.14. All estates, assets, rights, title, interests and authorities accrued to and/or acquired by the Demerged Company in relation to the Demerged Undertaking shall be deemed to have been accrued to and/or acquired for and on behalf of the Resulting Company and shall, upon this Scheme coming into effect, pursuant to the provisions of Section 232 and other applicable provisions of the Act, without any further act, instrument or deed be and stand vested in or be deemed to have been vested in the Resulting Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Resulting Company.

20.1.15. For avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date and till such time that the name of the bank accounts of the Demerged Company, in relation to or in connection with the Demerged Undertaking, have been replaced with that of the Resulting Company, the Resulting Company shall be entitled to operate the bank accounts of the Demerged Company, in relation to or in connection with the Demerged Undertaking, in the name of the Demerged Company in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Demerged Company, in relation to or in connection with the

Demerged Undertaking, after the Effective Date shall be accepted by the bankers of the Resulting Company and credited to the account of the Resulting Company, if presented by the Resulting Company. The Resulting Company shall be allowed to maintain bank accounts in the name of the Demerged Company for such time as may be determined to be necessary by the Resulting Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Demerged Company, in relation to or in connection with the Demerged Undertaking. It is hereby expressly clarified that any legal proceedings by or against the Demerged Company, in relation to or in connection with the Demerged Undertaking, in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Demerged Company shall be instituted, or as the case maybe, continued by or against the Resulting Company after coming into effect of the Scheme.

## 21. <u>CONSIDERATION</u>

21.1. Upon the Scheme becoming effective and upon vesting of the Demerged Undertaking of the Demerged Company in the Resulting Company, the Resulting Company shall, without any further application or deed, issue and allot to the shareholders of the Demerged Company whose name appears in the register of members of the Demerged Company as on Record Date 2 as may be stipulated by the Board of Directors of Resulting Company, their heirs, executors, administrators or the successors in title, as the case may be as may be recognized by the Board of Directors, in the following proportion viz:

*"1 (One) fully paid up Equity Share of Re. 1 each of the Resulting Company shall be issued and allotted as fully paid up for every 1 (One) Equity Shares of Re. 1 each fully paid up held in the Demerged Company."*

21.2. In the event that the Demerged Company/ the Resulting Company restructures its equity share capital by way of share split/consolidation/issue of bonus shares during the pendency of the Scheme, the Share Entitlement Ratio shall be adjusted accordingly to take into account the effect of any such corporate actions.

21.3. The Resulting Company shall take necessary steps to increase or alter or re-classify, if necessary, its authorized share capital suitably to enable it to issue and allot the shares required to be issued and allotted by it under this Scheme.

21.4. The shares to be issued and allotted as above shall be subject to the Scheme and in accordance with the Memorandum and Articles of Association of the Resulting Company.

21.5. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board of Directors of the Demerged Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date 2, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date 2, in order to remove any difficulties arising to the transferor or transferee of equity shares in the Demerged Company, after the effectiveness of this Scheme.

21.6. The equity shares issued and allotted by the Resulting Company in terms of this Scheme shall rank pari-passu in all respects with the existing equity shares of the Resulting Company.

21.7. The equity shares shall be issued in dematerialized form to those shareholders who hold shares of the Demerged Company in dematerialized form, into the account in which the Demerged Company shares are held or such other account as is intimated by the shareholders to the Demerged Company and / or its Registrar before the Record Date 2. All those shareholders who hold shares of the Demerged Company in physical form shall also have the option to receive the equity shares, as the case may be, in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to the Demerged Company and / or its Registrar before the Record Date 2. The shareholders who fail to provide such details shall be issued equity shares in physical form.

21.8. Inter-company holding, if any, as on the Appointed Date, between the Demerged Company and the Resulting Company, shall be cancelled pursuant to this Scheme.

21.9. The Board of Directors of the Resulting Company shall, if and to the extent required, apply for and obtain any approvals from concerned Government /Regulatory authorities and undertake necessary compliance for the issue and allotment of equity shares to the members of the Demerged Company pursuant to Clause 21.1 of the Scheme.

21.10. The equity shares issued and/ or allotted pursuant to Clause 21.1, in respect of such of the equity shares of Demerged Company which are held in abeyance under the provisions of Section 126 of the Act shall, pending settlement of dispute by order of court or otherwise, be held in abeyance by Resulting Company.

21.11. The equity shares to be issued by the Resulting Company to the members of the Demerged Company pursuant to Clause 21.1 of this Scheme will be listed and/or admitted to trading in terms of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 on all the Stock Exchanges on which shares of the Demerged Company are listed on the Effective Date. The Resulting Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for the Resulting Company with the formalities of the said Stock Exchanges. The equity shares of the Resulting Company allotted pursuant to the Scheme shall remain frozen in the depositories system till listing and trading permission is given by the designated Stock Exchanges. There shall be no change in the shareholding pattern or control in the Resulting Company between the Record Date 2 and the listing which may affect the status of approvals received from the Stock Exchanges. The Resulting Company shall not issue/ reissue any shares, not covered under this Scheme. Further, there shall be no change in the shareholding pattern or control in the Resulting Company between the Record Date 2 and the listing which may affect the status of approval of the Stock Exchanges.

21.12. The Resulting Company shall, if and to the extent required to, apply for and obtain any approvals from the concerned regulatory authorities including the Reserve Bank of India, for the issue and allotment of equity shares by the Resulting Company to the non-resident / foreign citizen equity shareholders of the Demerged Company. The Resulting Company shall comply with the relevant and applicable rules and regulations including the provisions of Foreign Exchange Management Act, 1999, if any, to enable the Resulting Company to issue and allot equity shares to the non-resident/ foreign citizen equity shareholders of the Demerged Company.

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21.13. The approval of this Scheme by the shareholders of the Resulting Company shall be deemed to be the due compliance of the provisions of Section 42, 62 of the Companies Act, 2013 and other relevant and applicable provisions of the Act for the issue and allotment of equity shares by the Resulting Company to the shareholders of the Demerged Company, as provided in this Scheme.

21.14. The approval of this Scheme by the shareholders of the Demerged Company and the Resulting Company shall be deemed to have the approval for the purpose of effecting the above amendments under Sections 13, Section 14 and other applicable provisions of the Act and no further resolutions would be required to be separately passed in this regard.

## 22. <u>REDUCTION OF SHARE CAPITAL HELD BY THE DEMERGED COMPANY IN THE RESULTING COMPANY</u>

22.1. Pursuant to clause 21.8 and upon the issue of shares by the Resulting Company in accordance with Clause 21.1 above, the existing 257,500,000 (Twenty Five Crores Seventy Five Lakhs Only) equity shares of Re.1 each and 2,80,00,000 (Two Crores Eighty Lakhs), 6% Optionally Convertible Non-Cumulative Redeemable Preference Shares of Rs. 10 each of the Resulting Company held by the Demerged Company as on the Effective Date shall, without any application or deed, stand cancelled without any payment. Accordingly, the share capital of the Resulting Company shall stand reduced to the extent of the face value of shares held by the Demerged Company upon the issue of shares by the Resulting Company in accordance with Clause 21.1 above.

22.2. In the event that the Resulting Company restructures its equity share capital by way of share split/consolidation/issue of bonus shares during the pendency of the Scheme, the cancellation of the number of shares held by the Demerged Company in the Resulting Company shall also be adjusted accordingly to take into account the effect of any such corporate actions.

22.3. The cancellation of share capital shall be effected as an integral part of the Scheme and the Resulting Company shall not be required to add "And Reduced" as suffix to its name consequent to such reduction.

## 23. ACCOUNTING TREATMENT

23.1. **In the Books of the Demerged Company:-**

Upon coming into effect of this Scheme and after giving effect to the accounting treatment specified in the aforementioned Clause 6 of Part B of the Scheme and with effect from the Appointed Date:

23.1.1. The Demerged Company shall reduce the book value of all assets, liabilities and reserves pertaining to the Demerged Undertaking transferred to the Resulting Company from its books of accounts.

23.1.2. The difference between the book value of assets pertaining to the Demerged Undertaking and the book value of the liabilities and reserves pertaining to the Demerged Undertaking transferred to the Resulting Company shall be adjusted in reserves of the Demerged Company.

23.2. Any negative capital reserve pursuant to the accounting as per Clause 6 and Clause 23.1 shall be adjusted against the retained earnings in the books of the Demerged Company.

23.3. **In the Books of the Resulting Company:-**

23.3.1. Upon coming into effect of this Scheme and with effect from the Appointed Date, the Resulting Company shall account for the Demerged Undertaking in its books as per the applicable accounting principles prescribed under Indian Accounting Standard 103 and/ or any other applicable Indian Accounting Standard as the case may be.

23.3.2. The Resulting Company shall record the assets and liabilities comprised in the Demerged Undertaking transferred to and vested in it pursuant to this Scheme, at the same value appearing in the books of the Demerged Company.

23.3.3. The shareholding (Equity as well as Preference) of the Demerged Company in the Resulting Company as on the Appointed Date will stand cancelled and the difference between the above and share capital of Resulting Company shall be adjusted in Capital Reserve.

23.3.4. The Resulting Company shall credit its share capital account in its books of account with the aggregate face value of the equity shares issued to the shareholders of the Demerged Company pursuant to Clause 21 of this Scheme.

23.3.5. The identity of the reserves pertaining to the Demerged Undertaking of the Demerged Company shall be preserved and shall appear in the financial statements of the Resulting Company in the same form and manner, in which they appeared in the financial statements of the Demerged Company.

23.3.6. The difference, being the excess of book value of the assets over the liabilities pertaining to the Demerged Undertaking transferred from the Demerged Company and recorded by the Resulting Company in accordance with Clause 23.3.2 above, over the amount credited as share capital as per Clause 23.3.4 above, and after giving effect to 23.3.5 above, shall be adjusted in capital reserve.

23.3.7. Loans and advances and other dues outstanding as on the Appointed Date between the Demerged Company pertaining to the Demerged Undertaking and the Resulting Company will stand cancelled and there shall be no further obligation/ outstanding in that behalf.

23.3.8. In case of any differences in accounting policy between the Demerged Company and the Resulting Company, the accounting policies followed by the Resulting Company will prevail and the difference till the Appointed Date shall be adjusted in capital reserves of the Resulting Company, to ensure that the financial statements of the Resulting Company reflect the financial position on the basis of consistent accounting policy.

23.4. Any negative capital reserve pursuant to the accounting as per Clause 23.3 shall be adjusted against the retained earnings in the books of the Resulting Company.

## 24. CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

24.1. With effect from the Appointed Date and up to and including the Effective Date:

(a) The Demerged Company shall carry on and be deemed to have carried on the business and activities in relation to Demerged Undertaking and shall stand possessed of their properties and assets relating to Demerged Undertaking for

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and in trust for the Resulting Company and all the profits / losses accruing on account of the Demerged Undertaking shall for all purposes be treated as profits / losses of the Resulting Company.

(b) The Demerged Company shall not utilize the profits or income, if any, relating to the Demerged Undertaking for the purpose of declaring or paying any dividend or for any other purpose in respect of the period falling on and after the Appointed Date, without the prior written consent of the Board of Directors of the Resulting Company.

(c) The Demerged Company shall not without the prior written consent of the Board of Directors of the Resulting Company or pursuant to any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage or encumber or otherwise deal with or dispose of the undertaking relating to Demerged Undertaking or any part thereof except in the ordinary course of its business.

(d) The Demerged Company shall not vary the existing terms and conditions of service of its permanent employees relating to Demerged Undertaking except in the ordinary course of its business or without prior consent of the Resulting Company or pursuant to any pre-existing obligation undertaken by the Demerged Company as the case may be, prior to Effective Date.

24.2. The Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Government, and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, approvals and sanctions, which the Resulting Company may require pursuant to this Scheme.

**25. <u>STAFF, WORKMEN & EMPLOYEES</u>**

25.1. All the permanent employees of the Demerged Company engaged in or in relation to the Demerged Undertaking of the Demerged Company, who are in service on the date immediately preceding the Effective Date shall, on and from the Effective Date become and be engaged as the employees of the Resulting Company, without any break or interruption in service as a result of the transfer and on terms and conditions not less favourable than those on which they are engaged by the Demerged Company immediately preceding the Effective Date.

25.2. Services of the employees of the Demerged Company pertaining to the Demerged Undertaking shall be taken into account from the date of their respective appointment with the Demerged Company for the purposes of all retirement benefits and all other entitlements for which they may be eligible. The Resulting Company further agrees that for the purpose of payment of any retrenchment compensation, if any, such past services with the Demerged Company shall also be taken into account. The services of such employees shall not be treated as having been broken or interrupted for the purpose of Provident Fund or Gratuity or Superannuation or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with the Demerged Company.

25.3. It is provided that as far as the Provident Fund, Gratuity Fund and Pension and/ or Superannuation Fund or any other special fund created or existing for the benefit of the staff, workmen and other employees of the Demerged Company pertaining to the Demerged Undertaking are concerned, upon the Scheme becoming effective, the Resulting Company shall stand substituted for the Demerged Company in respect of the employees transferred with the Demerged Undertaking for all purposes whatsoever relating to the administration or operation of such Funds or Trusts or in relation to the obligation to make contribution to the said Funds or Trusts in accordance with the provisions of such Funds or Trusts as provided in the respective Trust Deeds or other documents. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations of the Demerged Undertaking of the Demerged Company in relation to such Funds or Trusts shall become those of the Resulting Company. The Trustees including the Board of Directors of the Demerged Company and the Resulting Company or through any committee / person duly authorized by the Board of Directors in this regard shall be entitled to adopt such course of action in this regard as may be advised provided however that there shall be no discontinuation or breakage in the services of the employees of the Demerged Company.

25.4. With effect from the date of filing of this Scheme with NCLT and up to and including the Effective Date, the Demerged Company shall not vary or modify the terms and conditions of employment of any of its employees engaged in or in relation to the Demerged Undertaking of the Demerged Company, except with written consent of the Resulting Company.

## 26. LEGAL PROCEEDINGS

26.1. All legal proceedings of whatsoever nature by or against the Demerged Company pending and/or arising before the Effective Date and relating to the Demerged Undertaking, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against the Resulting Company, as the case may be in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company. Any cost pertaining to the said proceedings between the Appointed Date and the Effective date incurred by the Demerged Company shall be reimbursed by the Resulting Company.

26.2. After the Effective Date, if any proceedings are taken against the Demerged Company in respect of the matters referred to in the Clause 26.1 above, they shall defend the same at the cost of the Resulting Company, and the Resulting Company shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof.

26.3. The Resulting Company undertakes to have all legal or other proceedings initiated by or against the Demerged Company referred to in Clauses 26.1 or 26.2 above transferred into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company as the case may be, to the exclusion of the Demerged Company.

## 27. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

27.1. Notwithstanding anything to the contrary contained in the contract, deed, bond, agreement or any other instrument, but subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature and subsisting or having effect on the Effective Date and relating to the Demerged Undertaking of the Demerged Company, shall continue in full force and effect against or in favor of the Resulting Company and may be enforced effectively by or against the Resulting Company as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party thereto.

27.2. The Resulting Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favor of any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Resulting Company shall, be deemed to be authorised to execute any such writings on behalf of the Demerged Company and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of the Demerged Company.

## 28. SAVING OF CONCLUDED TRANSACTIONS

The transfer of properties and liabilities under Clause 20.1 above and the continuance of proceedings by or against the Resulting Company under Clause 26 above shall not affect any transaction or proceedings already concluded by the Demerged Company on or after the Appointed Date till the Effective Date, to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by the Demerged Company in relation to the Demerged Undertaking in respect thereto as done and executed on behalf of itself.

## 29. PROFITS AND DIVIDENDS

29.1. The Demerged Company and the Resulting Company shall be entitled to declare and pay dividends, to their respective shareholders in respect of the accounting period ending March 31, 2018 consistent with the past practice or in ordinary course of business, whether interim or final. Any other dividend shall be recommended/declared only by the mutual consent of the Demerged Company and the Resulting Company.

29.2. It is clarified that the aforesaid provisions in respect of declaration of dividends (whether interim or final) are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Demerged Company and the Resulting Company to demand or claim or be entitled to any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the respective Boards of the Demerged Company and the Resulting Company as the case may be, and subject to approval, if required, of the shareholders of the Demerged Company and the Resulting Company as the case may be.

## 30. EMPLOYEE STOCK OPTIONS

30.1. Upon the coming into effect of the Scheme, the Resulting Company shall take necessary steps to formulate new employee stock option scheme(s) by adopting the Borosil ESOS of the Demerged Company modified, if any, in accordance with the variations mentioned in this Clause 30.

30.2. With respect to the stock options granted by the Demerged Company to the employees of the Demerged Company (irrespective of whether they continue to be employees of the Demerged Company or become employees of the Resulting Company pursuant to the Scheme) under the Borosil ESOS; and upon the Scheme becoming effective, the said employees shall be issued one stock option by the Resulting Company under the new scheme(s) for every stock option held in the Demerged Company, whether the same are vested or not on terms and conditions similar to the relevant Borosil ESOS.

30.3. The stock options granted by the Demerged Company under the relevant Borosil ESOS would continue to be held by the employees concerned (irrespective of whether they continue to be employees of the Demerged Company or become employees of the Resulting Company). Upon coming into effect of the Scheme, the Demerged Company shall take necessary steps to modify Borosil ESOS in a manner considered appropriate and in accordance with the applicable laws, in order to enable the continuance of the same in the hands of the employees who become employees of the Resulting Company, subject to the approval of the Stock Exchanges and the relevant regulatory authorities, if any under applicable law.

30.4. The existing exercise price of the stock options of the Demerged Company shall stand suitably adjusted in an appropriate manner as determined by the Nomination and Remuneration Committee of the Demerged Company and the balance of the exercise price shall become the exercise price of the stock options issued by the Resulting Company.

30.5. While granting stock options, the Resulting Company shall take into account the period during which the employees held stock options granted by the Demerged

Company prior to the issuance of the stock options by the Resulting Company, for determining the minimum vesting period required for stock options granted by the Resulting Company, subject to applicable laws.

30.6. The Demerged Company as well as the Resulting Company shall reimburse each other for cost debited to the Profit & Loss account or any suspense/ subsidy account subsequent to the Appointed Date, in relation to stock options issued to employees of the other company.

30.7. Approval granted to the Scheme by the shareholders of the Demerged Company and the Resulting Company shall also be deemed to be approval granted to any modifications made to the Borosil ESOS of the Demerged Company with respect to the period within which the employees transferred to the Resulting Company would be entitled to exercise their vested options and modification, if any, of exercise price thereof, and approval granted to the new employee stock option scheme to be adopted by the Resulting Company, respectively.

30.8. The Boards of the Demerged Company and the Resulting Company or any of the committee(s) thereof, if any, shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this Clause 30 of the Scheme.

**31. <u>CHANGE OF NAME OF THE RESULTING COMPANY</u>**

Upon sanction of this Scheme, the name of the Resulting Company shall automatically stand changed without any further act, instrument or deed on the part of the Resulting Company, to **"Borosil Limited"** or such other name as may be approved by the concerned Registrar of Companies, unless already effected prior to sanction of the Scheme and the Memorandum of Association and Articles of Association of the Resulting Company shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 13, 14 and 16 of the Companies Act, 2013 or any other applicable provisions of the Act, would be required to be separately passed.

32. **AMENDMENT TO MEMORANDUM OF ASSOCIATION OF THE RESULTING COMPANY**

On and from the Effective Date, the objects of the Resulting Company shall be deemed to have been altered by replacing Clause 1 and substituting with the following new clauses in the objects clause III. A. of the Memorandum of Association of the Resulting Company, which shall read as under:

*"1. To do business as manufactures and importers of, and wholesale dealers in, and retailers or dealers of, scientific and laboratory glasswares, pharmaceutical glassware, industrial glassware, pressed glassware, Oven glasswares, HPLC vials, Liquid Handling Systems, Bench Top Equipment of all varieties and description, and any material or product which can or may be used as a substitute for glass and of all varieties and descriptions of products, materials, instruments, apparatuses made from borosilicate glasses and / or other varieties of glass or any material and product which can or may be used as a substitute for glass, and all products of which glass forms a part.*

*2. To carry on in India or elsewhere the business to manufacture, buy, sell, repair, alter, improve, exchange, let out on hire, import, export and deal in all microwavable and flameproof kitchenware, glass tumblers, storage, tableware and kitchen appliances, earthenware, terracotta, bottles, flasks, utensils, other appliances, non-stick cookware with teflon coating , hard anodized and die cast, pressure cookers both aluminium and stainless steel, and stainless steel pots and pans, articles and things capable of being used in household, opal glass tableware, stainless steel server, ceramic tableware, brass & wooden accessories, ceramic refractory, sanitary wares, garden wares, kitchen wares, crockeries, potteries, insulators, terracotta, porcelainware, bathroom, accessories, pipes, wall tiles, floor tiles, roofing tiles, porcelain tiles."*

It shall be deemed that the members of the Resulting Company have also resolved and accorded all relevant consents under Section 13 of the Companies Act, 2013. It is clarified that there will be no need to pass a separate shareholders' resolution as required under Section 13 of the Companies Act, 2013 for the amendments of the Memorandum of Association of the Resulting Company.

VYLINE GLASS WORKS LTD. MUMBAI

FENNEL INVESTMENT AND FINANCE PVT. LTD.

GUJARAT BOROSIL LTD. MUMBAI

HOPEFUL? GLASS WORKS LIMITED MUMBAI

Borosil Limited Mumbai

## PART D

## GENERAL TERMS AND CONDITIONS

### 33. APPLICATION TO NCLT

The Transferee/Demerged Company, the Transferor Companies and the Resulting Company shall make Applications / Petitions under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Act to NCLT for sanction of this Scheme under the provisions of law.

### 34. MODIFICATION OR AMENDMENTS TO THE SCHEME

The Transferee/ Demerged Company, the Transferor Companies and the Resulting Company, with approval of their respective Board of Directors may consent, from time to time, on behalf of all persons concerned, to any modifications / amendments or additions / deletions to the Scheme which may otherwise be considered necessary, desirable or appropriate by the said Board of Directors to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds, matters, and things necessary for bringing this Scheme into effect or agree to any terms and / or conditions or limitations that NCLT or any other authorities under law may deem fit to approve of, to direct and / or impose. The aforesaid powers of the Transferee/ Demerged Company, the Transferor Companies and the Resulting Company to give effect to the modification / amendments to the Scheme may be exercised by their respective Board of Directors or any person authorised in that behalf by the concerned Board of Directors subject to approval of NCLT or any other authorities under the applicable law.

### 35. CONDITIONS PRECEDENT

35.1. This Scheme is and shall be conditional upon and subject to:

35.1.1. The sanction or approval of the Appropriate Authorities including SEBI, Stock Exchanges in respect of the Scheme being obtained in respect of any of the matters in respect of which such sanction or approval is required or on the expiry of any statutory time period pursuant to which such approval is deemed to have been granted;

VYLINE GLASS WORKS LTD. MUMBAI

FENNEL INVESTMENT AND FINANCE PVT LTD.

GUJARAT BOROSIL LTD. MUMBAI

Page 51 of 58

BOROSIL GLASS WORKS LIMITED MUMBAI

Borosil Limited Mumbai

35.1.2. Approval of the Scheme by the requisite majority in number and value of such class of persons including the respective members and/or creditors of the Transferor Companies, the Transferee Company/the Demerged Company and the Resulting Company as required under the Act and as may be directed by NCLT;

35.1.3. Approval of the shareholders of BGWL and GBL through e-voting and/or any other mode as may be required under any Applicable Law. The Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders of BGWL and GBL, against it as required under the SEBI Circular. The term 'public' shall carry the same meaning as defined under Rule 2 of Securities Contracts (Regulation) Rules, 1957; and

35.1.4. Certified or authenticated copy of the Order of NCLT sanctioning the Scheme being filed with the respective Registrar of Companies by the Transferor Companies, the Transferee Company/Demerged Company and the Resulting Company as may be applicable.

35.2. It is hereby clarified that submission of the Scheme to NCLT and to Appropriate Authorities for their respective approvals is without prejudice to all rights, interests, titles or defences that the Transferor Companies, the Transferee Company/Demerged Company and the Resulting Company may have under or pursuant to all appropriate and Applicable Law.

35.3. On the approval of this Scheme by the shareholders of the Transferor Companies, the Transferee Company/Demerged Company and the Resulting Company, such shareholders shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the Scheme, related matters and this Scheme itself.

**36. <u>EFFECT OF NON-RECEIPT OF APPROVALS AND MATTERS RELATING TO REVOCATION / WITHDRAWAL OF THE SCHEME</u>**

36.1. In the event of any of the said sanctions and approvals referred to in the preceding Clause not being obtained and/ or the Scheme not being sanctioned by NCLT or such other competent authority and / or the Order not being passed as aforesaid before December 31, 2019 or within such further period or periods as may be agreed upon between the Transferee/ Demerged Company, the Transferor Companies and the Resulting Company by their Boards of Directors (and which the Boards of Directors of the Companies are hereby empowered and authorized to agree to and extend the Scheme from time to time without any limitation) this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

36.2. The Transferor Companies, the Transferee/Demerged Company and the Resulting Company through their respective Board shall each be at liberty to withdraw from this Scheme (i) in case any condition or alteration imposed by any Appropriate Authority / person is unacceptable to any of them or (ii) they are of the view that coming into effect of the respective parts to this Scheme could have adverse implications on the respective companies.

36.3. In the event of revocation/withdrawal under Clauses 36.1 and 36.2 above, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Transferor Companies, the Transferee/Demerged Company and the Resulting Company or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with the Applicable Law and in such case, the Transferor Companies, the Transferee/ Demerged Company and the Resulting Company shall bear its own costs, unless otherwise mutually agreed.

## 37. <u>COSTS, CHARGES & EXPENSES</u>

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of the Transferor Companies, the Transferee Company/Demerged Company and the Resulting Company arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto shall be borne by the Transferee Company/the Resulting Company.

## SCHEDULE I

### LIST OF IMMOVABLE PROPERTIES OF THE TRANSFEROR COMPANIES

| Sr no. | Description of immovable properties | Location |
|---|---|---|
| **Gujarat Borosil Limited** | | |
| 1 | Survey No. 297,298,302,303,309,310,311A,311B,312,313,314,315,316, 259, 260, 261, 287, 295/2<br>Area - 1,64,504 sq.mtrs as per Search Report | Land at Govali Village, Taluka Jhagadia, Dist – Bharuch, Gujarat |
| 2 | Survey No. 37/2, 38,39,40,41,42,44,45,46,47,48<br>Area - 84,900 sq. mtrs | Land at Dumala-Boridra Village, Gujarat |
| 3 | Village Govali, Taluka Jhagadia, Dist – Bharuch<br>Area - 23,256.53 sq.mtrs | Factory cum Office Building in Bharuch, Gujarat |
| **Vyline Glass Works Limited** | | |
| 1 | Factory premises<br>Built-up area : Over 3000 sq.mtrs. consisting of office building (ground & first floor in brick & concrete), factory sheds and utility buildings.<br><br>Area : 2.85 acres (approx.) | Plot no.A-1F in Marai Malai Nagar Industrial Estate bearing survey no.152/1 of the Gudalur Village, Tal. & Dist. – Chengalpattu situated at 43 km from Chennai city along the GST Road. |
| 2 | Staff quarters on four adjacent plots – 3 plots of 3200 sq.ft. each and one plot of 2921 sq.ft. each plot has four storey house having four rooms each with WC bath also on each floor (Total 64 rooms).<br><br>a. Total area of land : 12,521 sq.ft.<br>b. Total built-up area : 22,176 sq.ft. | Block no.28 (unit 2 & 3), 29 & 31 in place known as Neighbourhood-I, Marai Malai Nagar, RS no.45 (part), Village – Paramanur, Dist. Kanchipuram. |

| | | |
|---|---|---|
| 3 | Residential House<br><br>a. Total area of land : 2,990 sq.ft.<br>b. Total built-up area : 885 sq.ft. | Block no.33, Door No.7, NH1, RS no.45 part, Paramanur Village, Dist. – Chengai Anna. |
| 4 | Leasehold Improvements - admeasuring area 4345 sq.mtrs | Plot no 22 & 24, Ankleshwar, Rajpipla Road, Village Dumala, Boridra, Post Kharchi, Taluka Jhagadia, District Bharuch 393 110, Gujarat |

## SCHEDULE II

### LIST OF IMMOVABLE PROPERTIES OF THE DEMERGED UNDERTAKING TO BE TRANSFERRED FROM THE DEMERGED COMPANY INTO THE RESULTING COMPANY

| Sr no. | Description of immovable properties | Location |
|---|---|---|
| 1 | Factory premises<br>Built-up area : Over 3000 sq.mtrs. consisting of office building (ground & first floor in brick & concrete), factory sheds and utility buildings.<br><br>Area : 2.85 acres (approx.) | Plot no.A-1F in Marai Malai Nagar Industrial Estate bearing survey no.152/1 of the Gudalur Village, Tal. & Dist. – Chengalpattu situated at 43 km from Chennai city along the GST Road. |
| 2 | Staff quarters on four adjacent plots – 3 plots of 3200 sq.ft. each and one plot of 2921 sq.ft. each plot has four storey house having four rooms each with WC bath also on each floor (Total 64 rooms).<br><br>c. Total area of land : 12,521 sq.ft.<br>d. Total built-up area : 22,176 sq.ft. | Block no.28 (unit 2 & 3), 29 & 31 in place known as Neighbourhood-I, Marai Malai Nagar, RS no.45 (part), Village – Paramanur, Dist. Kanchipuram. |
| 3 | Residential House<br><br>c. Total area of land : 2,990 sq.ft.<br>d. Total built-up area : 885 sq.ft. | Block no.33, Door No.7, NH1, RS no.45 part, Paramanur Village, Dist. – Chengai Anna. |
| 4 | Leasehold Improvements - admeasuring area 4345 sq.mtrs | Plot no 22 & 24, Ankleshwar, Rajpipla Road, Village Dumala, Boridra,<br>Post Kharchi, Taluka Jhagadia, District Bharuch 393 110, Gujarat |
| 5 | Khasra No. 227, Village Nalhedi Dehveeran on Puhana-Iqbalpur Road, Pargana, Bhagwanpur, Tehsil-Roorkee Dist Haridwar | Land at Uttaranchal |

Page 56 of 58

| | | |
|---|---|---|
| | Area - 0.5588 Hectares | |
| 6 | Survey No. 405, Khatta No. 464, Village Samor, Taluka Ankleshwar, Dist - Bharuch.<br>Area - 0.55 hectares | Land at Bharuch, Gujarat |
| 7 | Old - 93, New - 25, Boridra-Dumala, Tal.- Jhagadia, Dist.- Bharuch<br>Area - 26,200 sq. mtrs. | Land at Bharuch, Gujarat |
| 8 | Boridra-Dumala, Tal.- Jhagadia, Dist.- Bharuch<br>Area - 7,465.59 sq. mtrs | Building at Bharuch, Gujarat |
| 9 | Khasra No. 787,788/1131,807 And 808 At Balekhan, Anantpura(Chimanpura), Chomu, Jaipur<br>Area - 2.73 hectares | Land at Jaipur, Rajasthan |
| 10 | Kolkata Sales Office<br>Area - 814 sq.ft. | Kolakta, West Bengal |
| 11 | Office Building - Gala No 410 In Kalianda Udyog Bhavan<br>Area - 590 sq.ft. built-up | Mumbai, Maharashtra |
| 12 | Office Building - 1101, Crescenzo, G Block, opp MCA Club, BKC, Mumbai<br>Area - 14,412 sq. ft. super built up<br>9,608 sq.ft. carpet | Mumbai, Maharashtra |
| 13 | Building Kanakia- 306/307-Building No B, E-Wing - Kanakia Zillion, Kurla, Mumbai.<br>Area - 369.10 sq.mtrs. | Mumbai, Maharashtra |
| 14 | Flat at Prabhadevi - Flat No. 123A &B, 12th Floor, Beach Tower, Tata Press Road, Near Siddhivinayak Temple, Prabhadevi, Dadar (w), Mumbai.<br>Area - 1451 sq. ft. built-up<br>1015 sq.ft. carpet | Mumbai, Maharashtra |

| | | |
|---|---|---|
| 15 | Land at Andheri - Lelewadi, Andheri (E ), Mumbai<br>Area - 4464.7 sq. mtrs. | Mumbai, Maharashtra |
| 16 | Flats at RNA Address - Flat no.A-102<br>Survey No.300, CTS Nos.4853, 4853/1 to 85, 87 and 88 situated at Village Kolekalyan, Santacruz (East), Mumbai – 400098<br>Area - 1279.41 sq.ft. carpet | Maharashtra - Under construction |
| 17 | Flats at RNA Address - Flat no.A-202<br>Survey No.300, CTS Nos.4853, 4853/1 to 85, 87 and 88 situated at Village Kolekalyan, Santacruz (East), Mumbai – 400098<br>Area - 1279.41 sq.ft. carpet | Maharashtra - Under construction |
| 18 | B-7/2, MIDC Tarapur, Boisar, Maharashtra<br>Area - Land - 11,924 sq.mtrs. | Tarapur –Maharashtra - 99 years Leased land |
| 19 | B-7/2, MIDC Tarapur, Boisar, Maharashtra.<br>Area - Building - 9,049.58 sq. mtrs. | Tarapur –Maharashtra - 99 years Leased land |
| 20 | Land at Aamby Valley - Gut No. 92 & 219, Village Pethshapur, Taluka Mulshi, Dist Pune 410401<br>Area - 2,007.30 sq.mtrs. | Maharashtra - 999 years Leased |
| 21 | Villa at Aamby Valley - Gut No. 92 & 219, Village Pethshapur, Taluka Mulshi, Dist Pune 410401<br>Area – 511 sq.mtrs. | Maharashtra - 999 years Leased |
| 22 | Office at 4th Floor, Khanna Construction House, Worli, Mumbai – 400 018<br>Area – 4466 sq. ft. | Maharashtra – Rented |
| 23 | Office at 19/ 90, Connaught Circus, Madras Hotel Block, New Delhi – 110 001<br>Area – 1498 sq. ft. | New Delhi – Leased |
| 24 | Office at 1st Floor, New No 20, Old No. 9, Brahadammal Road, Nungambakkam, Chennai – 600 034<br>Area – 1800 sq. ft. | Chennai – Rented |

**SSPA & CO.**
*Chartered Accountants*
**1st Floor, " Arjun", Plot No. 6 A,**
**V. P. Road, Andheri (W),**
**Mumbai - 400 058. INDIA.**
**Tel. : 91 (22) 2670 4376**
**91 (22) 2670 3682**
**Fax : 91 (22) 2670 3916**
**Website : www.sspa.in**

**STRICTLY PRIVATE & CONFIDENTIAL**

June 18, 2018

**The Board of Directors,**
**Borosil Glass Works Limited**
Khanna Construction House,
Dr. R.G. Thadani Marg, Worli,
Mumbai 400 018.

**The Board of Directors,**
**Gujarat Borosil Limited**
Village - Govali, Taluka - Jhagadia,
District - Bharuch,
Gujarat - 393 001.

**The Board of Directors,**
**Vyline Glass Works Limited**
107, Famous Cine Studio Building,
20, Dr. E. Moses Road,
Mahalaxmi, Mumbai - 400 011.

**The Board of Directors,**
**Fennel Investment and Finance Private Limited**
1101, Crescenzo, G-Block,
Opp. MCA Club, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051.

**The Board of Directors,**
**Hopewell Tableware Private Limited**
1101, Crescenzo, G-Block,
Opp. MCA Club, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051.

**Re: Recommendation of:**

**(a) Fair Share exchange ratio for proposed amalgamation of Vyline Glass Works Limited, Fennel Investment and Finance Private Limited and Gujarat Borosil Limited into Borosil Glass Works Limited; and**

**(b) Fair Share entitlement ratio for proposed demerger of "Scientific and Industrial products and Consumer products business" of Borosil Glass Works Limited along with business of Vyline Glass Works Limited vested into Borosil Glass Works Limited (pursuant to amalgamation of Vyline Glass Works Limited, Fennel Investment and Finance Private Limited and Gujarat Borosil Limited) into Hopewell Tableware Private Limited**

Dear Sirs,

As requested by the management of Borosil Glass Works Limited and Gujarat Borosil Limited, we have undertaken the valuation exercise of equity shares of Vyline Glass Works Limited (hereinafter referred to as 'VGWL'), Fennel Investment and Finance Private Limited (hereinafter referred to as 'FIFPL'), Gujarat Borosil Limited (hereinafter referred to as 'GBL') and Borosil Glass Works Limited (hereinafter referred to as 'BGWL') for recommending the

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fair share exchange ratio for the proposed amalgamation of VGWL, FIFPL and GBL into BGWL. Further, we have been informed that post amalgamation of VGWL, FIFPL and GBL into BGWL, the management of BGWL proposes to demerge Scientific and Industrial products and Consumer products business of BGWL along with business of VGWL vested into BGWL pursuant to amalgamation of VGWL with BGWL (hereinafter referred to as "Demerged Undertaking") into Hopewell Tableware Private Limited (hereinafter referred to as 'HTPL') and for this purpose, we have been asked to recommend a fair share entitlement ratio for the proposed demerger.

BGWL, VGWL, FIFPL, GBL and HTPL are hereinafter collectively referred to as the "Companies".

**1. PURPOSE OF VALUATION**

1.1 We have been informed that the Board of Directors of the Companies are considering a proposal for amalgamation of VGWL, FIFPL and GBL into BGWL. Subsequent to the amalgamation, the management of BGWL proposes to demerge the Demerged Undertaking of BGWL into HTPL. The aforesaid arrangement is proposed to be carried out pursuant to the Composite Scheme of Amalgamation and Arrangement between the Companies and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the 'Scheme'). In consideration for amalgamation of VGWL, FIFPL and GBL into BGWL, equity shares of BGWL would be issued to the equity shareholders of VGWL, FIFPL and GBL.

1.2 For this purpose, SSPA & Co., Chartered Accountants ('SSPA') have carried out relative valuation of the equity shares of VGWL, FIFPL, GBL and BGWL with a view to recommend fair share exchange ratio of equity shares of BGWL to be issued to the equity shareholders of VGWL, FIFPL and GBL. Further, SSPA have also been requested to recommend the fair share entitlement ratio for proposed demerger of Demerged Undertaking of BGWL into HTPL. The recommendation of fair share exchange ratio and fair share entitlement ratio is for the consideration of the Board of Directors of the Companies.

1.3 Subject to necessary approvals, VGWL, FIFPL and GBL would be amalgamated into BGWL and Demerged Undertaking of BGWL would be demerged into HTPL from the Appointed Date, as defined in the Scheme.

SSPA & CO. MUMBAI CHARTERED ACCOUNTANTS

1.4 This report sets out our recommendation of the share exchange ratio and share entitlement ratio and discusses the methodologies and approach considered in the computation of respective ratios.

**2. BRIEF BACKGROUND OF COMPANIES**

**2.1. BOROSIL GLASS WORKS LIMITED**

2.1.1. BGWL was established in the year 1962 in collaboration with Corning Glass Works USA. In 1988, Corning Glass Works divested its stake in BGWL. The company undertakes business mainly through 2 divisions:

- **Scientific and industrial products division:** This division mainly sells laboratory glassware viz. beakers, bottles, burettes, condensers, cones, cylinders, desiccators, dishes, distilling apparatus, instruments used by laboratories/research institutions, etc. The division's products has found use in over 2000 different products and applications, in areas as diverse as Microbiology, Biotechnology, Lighting and Pharma.
- **Consumer products division:** This division offers gourmets, casseroles, mixing bowls, dishes, smart-lid dishes, bowls and plates, and combination sets; vision glasses, carafes, jugs, cups and saucer sets, appliances, storage products, etc.

2.1.2. The Company is a market leader for laboratory glassware and microwavable kitchenware in India. The shares of BGWL are listed on the BSE Limited ('BSE'). Further, the shares of BGWL are also listed on the National Stock Exchange of India from May 24, 2018.

2.1.3. As on date, BGWL holds 100% equity stake in HTPL, ~ 25.25% equity stake in GBL and ~ 45.85% equity stake in FIFPL.

**2.2. VYLINE GLASS WORKS LIMITED**

2.2.1. VGWL was incorporated on June 01, 1987. It is engaged in manufacturing of specialty glassware items comprising of scientific products such as Burettes, Pipettes, Cylinders & Vol flasks and industrial as well as Consumer ware finished products like drinking glasses. The factory is located at Village - Dumala Boridra, Jhagadia, Bharuch, Gujarat.

2.3. VGWL mainly supplies its products to BGWL. Additionally, it holds ~ 8.29% equity stake in FIFPL.

**2.4. FENNEL INVESTMENT AND FINANCE PRIVATE LIMITED**

2.4.1. FIFPL was incorporated on February 22, 2002. It is a Non-Banking Financial Company

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(NBFC) registered with Reserve Bank of India and is mainly engaged in investment activities. We have been informed by the Management that it does not undertake any substantial business activity.

2.4.2. Apart from various other investments, currently FIFPL holds ~ 5.37% equity stake in BGWL and ~ 33.13% in GBL.

2.5. **GUJARAT BOROSIL LIMITED**

2.5.1. GBL was incorporated on December 22, 1988. It is engaged in manufacturing of low iron textured solar glass for application in Photovoltaic panels, Flat plate collectors and Green houses. It also manufactures patterned glass for architectural applications.

2.5.2. The factory is located at Village - Govali, Jhagadia, Bharuch, Gujarat with a an operating capacity at 180 Tonnes per day. Further, the company plans to install a new capacity of 210 Tonnes per day.

2.5.3. The equity shares of GBL are listed on the BSE.

2.6. **HOPEWELL TABLEWARE PRIVATE LIMITED**

2.6.1. HTPL was incorporated on November 25, 2010. The Company is engaged in production of opalware kitchenware items.

2.6.2. BGWL has acquired 100% equity stake from erstwhile promoters of HTPL in January 2016.

2.6.3. Currently, BGWL also holds 2,80,00,000 Optionally Convertible Non-Cumulative Redeemable Preference Shares ('OCRPS') of INR 10 each which are convertible into 1 equity share for every 1 OCRPS.

3. **SOURCES OF INFORMATION**

3.1. For the purpose of the valuation exercise, we have relied upon the following sources of information provided by the management of Companies.

(a) Audited financial statements of the Companies for financial year (FY) 2016-17.

(b) Management certified provisional/Audited financial statements of the Companies for financial year 2017-18.

(c) Financial projections of the Companies comprising of Balance Sheet and Profit & Loss Account for FY 2018-19 to FY 2022-23.

(d) Draft Composite Scheme of Amalgamation and Arrangement.

(e) Other relevant details regarding the Companies such as their history, past and present activities, existing shareholding pattern, surplus assets, income-tax

SSPA & CO. MUMBAI CHARTERED ACCOUNTANTS

position and other relevant information and data, including information in the public domain.

(f) Such other information and explanations as we required and which have been provided by the management of the Companies including Management Representations.

**4. EXCLUSIONS AND LIMITATIONS**

4.1. Our report is subject to the scope limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.

4.2. Valuation is not a precise science and the conclusions arrived at will be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value. While we have provided an assessment of value by applying certain formulae which are based on the information available, others may place a different value.

4.3. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us. We have, therefore, not performed any audit, review or examination of any of the historical or prospective information used and therefore, does not express any opinion with regards to the same.

4.4. No investigation on the Companies' claim to title of assets has been made for the purpose of this valuation and their claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

4.5. Our work does not constitute an audit or certification of the historical financial statements / prospective results of the Companies and information sourced from public domain, referred to in this report. We have, therefore, not performed any due diligence procedure on the historical data / prospective results and information sourced from public domain. Further, we do not accept responsibility for the accuracy and completeness of the information provided to us by the Companies / auditors / consultants or information sourced from public domain and accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report and consequential impact on the present

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exercise.

4.6. Valuation analysis and results are specific to the purpose of valuation and the valuation date mentioned in the report and is as per agreed terms of our engagement.

4.7. In the course of the valuation, we were provided with both written and verbal information. Our conclusions are based on the assumptions, forecasts and other information given by/on behalf of the Companies. We assume no responsibility for any errors in the above information furnished by the Companies and consequential impact on the present exercise.

4.8. Our recommendation is based on the estimates of future financial performance as projected by the management of the Companies, which represents their view of reasonable expectation at the point of time when they were prepared, after giving due considerations to commercial and financial aspects of the Companies and the industry in which the Companies operate. But such information and estimates are not offered as assurances that the particular level of income or profit will be achieved or events will occur as predicted. Actual results achieved during the period covered by the prospective financial statements may vary from those contained in the statement and the variation may be material. The fact that we have considered the projections in this exercise of valuation should not be construed or taken as our being associated with or a party to such projections.

4.9. A valuation of this nature involves consideration of various factors including those impacted by prevailing market trends in general and industry trends in particular. This report is issued on the understanding that the respective management of the Companies has drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies and any other matter, which may have an impact on our opinion, on the fair value of the shares of the Companies including any significant changes that have taken place or are likely to take place in the financial position of the Companies. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

4.10. The fee for the engagement and this report is not contingent upon the results reported.

4.11. This report is prepared only in connection with the proposed transaction as explained in Para 2. It is exclusively for the use of the Companies and for submission to any

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regulatory/statutory authority as may be required under any law.

4.12. Our report is not, nor should it be construed as our opining or certifying the compliance of the proposed transaction with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising from such proposed amalgamation.

4.13. Any person/party intending to provide finance/invest in the shares/convertible instruments/ business of the Companies shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.

4.14. The decision to carry out the transaction (including consideration thereof) lies entirely with the Management/ the Board of Directors of the Companies and our work and our finding shall not constitute a recommendation as to whether or not the Management / the Board of Directors of the Companies should carry out the transaction.

4.15. Our Report is meant for the purpose mentioned in Para 1 only and should not be used for any purpose other than the purpose mentioned therein. The Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared. In no event, regardless of whether consent has been provided, shall SSPA assume any responsibility to any third party to whom the report is disclosed or otherwise made available.

4.16. SSPA nor its partners, managers, employees make any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the valuation is carried out. All such parties expressly disclaim any and all liability for, or based on or relating to any such information contained in the valuation.

## 5. PROPOSED AMALGAMATION OF VGWL, FIFPL AND GBL INTO BGWL

### 5.1. VALUATION APPROACH

5.1.1. For the purpose of amalgamation, generally following valuation approaches can be considered, viz,

(a) the 'Underlying Asset' approach;

(b) the 'Income' approach and

(c) the 'Market' approach

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5.1.2. As mentioned in para 2.4, FIFPL is an investment holding company. Therefore, for the purpose of the present valuation we have thought fit to use 'Underlying Asset' approach for valuation of FIFPL. Since the 'underlying asset' approach does not reflect the intrinsic value of the business in case of VGWL, GBL and BGWL, the same has not been adopted.

5.1.3. Given the nature of the business in which VGWL, GBL and BGWL is engaged, 'Income' approach is considered appropriate for present valuation exercise.

5.1.4. As mentioned earlier, GBL and BGWL are listed entities and frequently traded on stock exchange. For this reason, we have considered 'Market' approach for the valuation exercise of GBL and BGWL. For the purpose of valuation of VGWL, 'Market' approach has not been adopted since it is not listed on any stock exchange.

**5.2. UNDERLYING ASSET APPROACH**

5.2.1. Under 'Underlying Asset' approach, the value of FIFPL is determined by dividing the net assets of a company by the number of shares.

5.2.2. In arriving at the Adjusted Net Assets Value, we have made appropriate adjustments for appreciation in value of investments and contingent liabilities after making adjustment of tax wherever applicable.

5.2.3. The value as arrived above is divided by the outstanding number of equity shares to arrive at the value per share.

**5.3. INCOME APPROACH**

5.3.1. Under the 'Income' approach, shares of VGWL, GBL and BGWL have been valued using "Discounted Cash Flow" (DCF) method.

5.3.2. Under the DCF method the projected free cash flows from business operations after considering fund requirements for projected capital expenditure and incremental working capital are discounted at the Weighted Average Cost of Capital (WACC). The sum of the discounted value of such free cash flows and discounted value of perpetuity is the value of the business.

5.3.3. The free cash flows represent the cash available for distribution to both the owners and the creditors of the business. The free cash flows are determined by adding back to profit before tax, (i) interest on loans, if any, (ii) depreciation and amortizations (non-cash charge) and (iii) any non-operating item. The cash flow is adjusted for

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outflows on account of (i) capital expenditure, (ii) incremental working capital requirements and (iii) tax.

5.3.4. WACC is considered as the most appropriate discount rate in the DCF Method, since it reflects both the business and the financial risk of the Company. In other words, WACC is the weighted average of the company's cost of equity and debt. Considering an appropriate mix between debt and equity for the Companies, we have arrived at the WACC to be used for discounting the Free Cash Flows of the Companies.

5.3.5. To the value so arrived, appropriate adjustments have been made for loan funds, cash and cash equivalents, amount receivable on exercise of ESOP's, value of investments, value of surplus assets and contingent liabilities after considering the tax impact wherever applicable to arrive at the equity value.

5.3.6. The value as arrived above is divided by the outstanding number of equity shares to arrive at the value per share.

**5.4. MARKET APPROACH**

5.4.1. Under the "Market" approach, the equity shares have been valued using market price method.

5.4.2. The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares.

5.4.3. In the present case, the equity shares of BGWL and GBL are listed on stock exchange. Value under this method is determined considering the share prices on the BSE over an appropriate period as prescribed under Issue of Capital and Disclosure Requirements Regulations, 2009 prior to the Relevant Date of June 18, 2018 i.e. the date of board meeting to consider the proposed amalgamation.

**5.5. RECOMMENDATION OF FAIR SHARE EXCHANGE RATIO**

5.5.1. The fair basis of amalgamation of VGWL, FIFPL and GBL into BGWL would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Though different values have been arrived at under each of the above approaches, for the purposes of recommending a ratio of exchange it is necessary to arrive at a single value for the shares of the Companies. It is however

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important to note that in doing so, we are not attempting to arrive at the absolute values of the shares of each company. Our exercise is to work out relative value of shares of the Companies to facilitate the determination of a ratio of exchange. For this purpose, it is necessary to give appropriate weightage to the values arrived at under each approach.

5.5.2. As mentioned above, we have considered the 'Underlying Asset' Approach for arriving at the value per share of FIFPL, 'Income' Approach for arriving at the value per share of VGWL and an average of 'Income' Approach and 'Market Price' Approach for arriving at the value per share of GBL and BGWL.

| Valuation Approach | BGWL | | VGWL | | FIFPL | | GBL | |
|---|---|---|---|---|---|---|---|---|
| | Value per Share (INR) | Weights | Value per Share (INR) | Weights | Value per Share (INR) | Weights | Value per Share (INR) | Weights |
| Asset Approach | NA | | NA | | 429.39 | 1 | NA | |
| Income Approach | 954.44 | 1 | 578.92 | 1 | NA | | 121.69 | 1 |
| Market Approach | 920.21 | 1 | NA | | NA | | 113.12 | 1 |
| **Relative Value Per Share** | **937.32** | | **578.92** | | **429.39** | | **117.41** | |
| **Exchange Ratio (rounded off)** | | | **1.62** | | **2.18** | | **8.00** | |

NA = Not Applied/Applicable

1. The Asset Approach is not considered for BGWL, VGWL and GBL since it does not reflect the intrinsic value of the business
2. FIFPL, being an investment holding company and does not undertake business operations. Hence, Income Approach is not applicable.
3. VGWL and FIFPL, being an unlisted entity Market Price Method is not applicable.

5.5.3. The share exchange ratio has been arrived on the basis of a relative valuation of the shares of the Companies based on the approaches explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potential of the businesses of the companies, having regard to information base, management representations and perceptions, key underlying assumptions and limitations.

5.5.4. In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgement taking into account all the relevant factors. There will always be several factors, e.g. present and prospective competition, yield on comparable securities and market sentiments, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions. For example, Viscount Simon Bd in Gold Coast Selection Trust Ltd. vs. Humphrey reported in 30 TC 209 (House of Lords) and quoted with approval by the Supreme Court of India in the case reported in 176 ITR 417 as under:

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'If the asset takes the form of fully paid shares, the valuation will take into account not only the terms of the agreement but a number of other factors, such as prospective yield, marketability, the general outlook for the type of business of the company which has allotted the shares, the result of a contemporary prospectus offering similar shares for subscription, the capital position of the company, so forth. There may also be an element of value in the fact that the holding of the shares gives control of the company. If the asset is difficult to value, but is nonetheless of a money value, the best valuation possible must be made. Valuation is an art, not an exact science. Mathematical certainty is not demanded, nor indeed is it possible.'

5.5.5. Considering the aforesaid, in our opinion, the fair share exchange ratio for the proposed amalgamation of VGWL, FIFPL and GBL into BGWL would be:

**100 (One Hundred) equity shares of BGWL of INR 1 each fully paid up for every 162 (One Hundred and Sixty Two) equity shares of VGWL of INR 10 each fully paid up**

**100 (One Hundered) equity shares of BGWL of INR 1 each fully paid up for every 218 (Two Hundred and Eighteen) equity shares of FIFPL of INR 10 each fully paid up**

**1 (One) equity share of BGWL of INR 1 each fully paid up for every 8 (Eight) equity shares of GBL of INR 5 each fully paid up**

**6. PROPOSED DEMERGER OF DEMERGED UNDERTAKING OF BGWL INTO HTPL**

**6.1. RECOMMENDED EQUITY SHARE ENTITLEMENT RATIO**

6.1.1. As per the Scheme, the Demerged Undertaking of BGWL (post amalgamation of VGWL, FIFPL and GBL) will be transferred to HTPL and in consideration, equity shares of HTPL would be issued to the equity shareholders of BGWL and all the existing shares of HTPL held by BGWL shall be cancelled as an integral part of the Scheme.

6.1.2. The Management of BGWL and HTPL proposes to issue equity shares in the ratio of 1 (One) equity shares of INR 10 each fully paid up of HTPL for every 10 (Ten) equity share of BGWL of INR 1 each fully paid up.

**6.2. CONCLUSION**

6.2.1. Based on the above, a ratio of 1 (One) equity shares of INR 10 each fully paid up of HTPL for every 10 (Ten) equity share of INR 1 each fully paid up of BGWL in consideration for the demerger of Demerged Undertaking of BGWL would be fair and

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reasonable, considering that all the shareholders of BGWL (post amalgamation of VGWL, FIFPL and GBL) are and will, upon demerger, be the ultimate beneficial owners of HTPL in the same ratio (inter se) as they hold shares in BGWL (post amalgamation of VGWL, FIFPL and GBL).

Thank you,
Yours faithfully,

SSPA & Co.

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**SSPA & CO.**
**Chartered Accountants**
Firm registration number: 128851W

Signed by **Parag Ved, Partner**
Membership No. 102432

Place: Mumbai

**SSPA & CO.**
*Chartered Accountants*
1st Floor, " Arjun", Plot No. 6 A,
V. P. Road, Andheri (W),
Mumbai - 400 058. INDIA.
Tel. : 91 (22) 2670 4376
91 (22) 2670 3682
Fax : 91 (22) 2670 3916
Website : www.sspa.in

**STRICTLY PRIVATE & CONFIDENTIAL**

August 24, 2018

**The Board of Directors,**
**Borosil Glass Works Limited**
1101, Crescenzo, G-Block,
Opp. MCA Club, Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051.

**The Board of Directors,**
**Gujarat Borosil Limited**
Village - Govali, Taluka - Jhagadia,
District - Bharuch,
Gujarat - 393 001.

**The Board of Directors,**
**Vyline Glass Works Limited**
107, Famous Cine Studio Building,
20, Dr. E. Moses Road,
Mahalaxmi, Mumbai - 400 011.

**The Board of Directors,**
**Fennel Investment and Finance Private Limited**
1101, Crescenzo, G-Block,
Opp. MCA Club, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051.

**The Board of Directors,**
**Hopewell Tableware Limited**
1101, Crescenzo, G-Block,
Opp. MCA Club, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051.

Dear Sir,

**Re: Addendum to valuation report dated June 18, 2018 in connection with recommendation of:**

**(a) Fair share exchange ratio for proposed amalgamation of Vyline Glass Works Limited, Fennel Investment and Finance Private Limited and Gujarat Borosil Limited into Borosil Glass Works Limited; and**

**(b) Fair share entitlement ratio for proposed demerger of "Scientific and Industrial products and Consumer products business" of Borosil Glass Works Limited along with business of Vyline Glass Works Limited vested into Borosil Glass Works Limited (pursuant to amalgamation of Vyline Glass Works Limited, Fennel Investment and Finance Private Limited and Gujarat Borosil Limited) into Hopewell Tableware Limited**

Dear Sir(s),

This Addendum Letter ('Addendum') is given in addition to our report dated June 18, 2018 ('Previous Report') with regards to recommendation of fair share exchange and entitlement ratio for the proposed amalgamation of Vyline Glass Works Limited (hereinafter referred to as 'VGWL'), Fennel Investment and Finance Private Limited (hereinafter referred to as 'FIFPL') and Gujarat Borosil

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Limited (hereinafter referred to as 'GBL') into Borosil Glass Works Limited (hereinafter referred to as 'BGWL') (hereinafter collectively referred to as the 'Companies') and proposed demerger of "Scientific and Industrial products and Consumer products business" of BGWL along with business of VGWL vested into BGWL (pursuant to amalgamation of VGWL, FIFPL and GBL) into Hopewell Tableware Limited, erstwhile Hopewell Tableware Private Limited (hereinafter referred to as 'HTL').

This Addendum has to be read in continuation to our Previous Report and does not have any relevance if read independently. Please refer to our aforesaid report for any other factors and valuation approach, methods, assumptions, exclusions and limitations.

We have been informed by the Management of BGWL, that the shareholders of BGWL have approved issue of bonus shares in the ratio of 3:1 (i.e. three equity shares for every one share held in BGWL) in the AGM held on July 24, 2018. Further, BGWL has made allotment of bonus shares on August 06, 2018. Accordingly, the issued, subscribed and paid up capital of BGWL has increased to 9,24,00,000 equity shares of INR 1 each from 2,31,00,000 equity shares of INR 1 each.

In the light of the above and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, in our opinion, revised fair share exchange ratio in the event of amalgamation of VGWL, FIFPL and GBL into BGWL would be:

- **200 (Two Hundred) equity shares of BGWL of INR 1 each fully paid up for every 81 (Eighty One) equity shares of VGWL of INR 10 each fully paid up.**
- **200 (Two Hundred) equity shares of BGWL of INR 1 each fully paid up for every 109 (One Hundred and Nine) equity shares of FIFPL of INR 10 each fully paid up.**
- **1 (One) equity shares of BGWL of INR 1 each fully paid up for every 2 (Two) equity shares of GBL of INR 5 each fully paid up.**

As per Para 1(A)(4)(b) of the SEBI Circular dated March 10, 2017, valuation report is not required in cases where there is no change in the shareholding pattern of the resultant company such as in cases where the shareholding of the resulting company remains same as the demerged company on demerger of division from a listed into unlisted entity.

Pursuant to demerger of "Scientific and Industrial products and Consumer products business" of BGWL along with business of VGWL vested into BGWL (pursuant to amalgamation of VGWL, FIFPL

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HTL would be issued in consideration to the equity shareholders of BGWL and all the existing shares of HTL held by BGWL shall stand cancelled. As a result, the shareholding pattern of BGWL and HTL would be the same post demerger.

Accordingly, the valuation approaches as indicated in the format circulated by Stock Exchange have not been undertaken as they are not contextual and relevant in the instant case and thus may be considered as deemed compliance. The same has been replicated in the format as circulated by Stock Exchange in the table below:

| Valuation Approach | HTL | | Demerged Undertaking of BGWL | |
|---|---|---|---|---|
| | Value per Share (INR) | Weight | Value per Share (INR) | Weight |
| Asset Approach | NA | NA | NA | NA |
| Income Approach | NA | NA | NA | NA |
| Market Approach | NA | NA | NA | NA |
| **Relative Value per Share (INR)** | **NA** | | **NA** | |
| **Entitlement Ratio (Rounded off)** | | | **NA** | |

NA = Not Applicable

Further, the face value of equity shares of the HTL was sub divided from INR 10 to INR 1 from June 29, 2018. Accordingly, the issued, subscribed and paid up capital of HTL comprises of 25,75,00,000 equity shares of INR 1 each.

In the light of the above and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, in our opinion, revised fair share entitlement ratio in the event of demerger of Scientific and Industrial products and Consumer products business of BGWL along with business of VGWL vested into BGWL (pursuant to amalgamation of VGWL, FIFPL and GBL) into HTL would be:

- **1 (One) equity shares of HTL of INR 1 each fully paid up for every 1 (One) equity shares of BGWL of INR 1 each fully paid up.**

Thanking you,
Yours faithfully,

SSPA & Co

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**SSPA & CO.**
**Chartered Accountants**
Firm Registration Number: 128851W

Signed by **Parag Ved, Partner**
Membership No: 102432
Place: Mumbai

# KEYNOTE

June 18, 2018

**The Board of Directors**
**Borosil Glass Works Limited**
Khanna Construction House,
44, R.G. Thadani Marg,
Worli, Mumbai- 400018
Maharashtra, India

**The Board of Directors**
**Gujarat Borosil Limited**
Village - Govali, Taluka - Jhagadia,
District - Bharuch,
Gujarat - 393 001

**The Board of Directors**
**Vyline Glass Works Limited**
107, Famous Cine Studio Building,
20, Dr. E. Moses Road,
Mahalaxmi, Mumbai - 400 011
Maharashtra, India

**The Board of Directors**
**Fennel Investment and Finance Private Limited**
1101, Crescenzo, G-Block,
Opp. MCA Club, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051
Maharashtra, India

**The Board of Directors**
**Hopewell Tableware Private Limited**
1101, Crescenzo, G-Block,
Opp. MCA Club, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051
Maharashtra, India

Dear Sir/Madam,

**Reg: Fairness Opinion towards the valuation for the proposed Composite Scheme of Amalgamation and Arrangement between Vyline Glass Works Ltd ("VGWL"), Gujarat Borosil Limited (GBL) and Fennel Investment and Finance Private Limited ("FIFPL") with Borosil Glass Works Limited ("BGWL")**
**And**
**Demerger of the Scientific and Industrial products and Consumer products business of BGWL along with the existing business of VGWL vested in BGWL pursuant to amalgamation of VGWL with BGWL into Hopewell Tableware Private Limited ("HTPL")**

According to the SEBI Circulars dated March 10, 2017 and March 23, 2017, we have been requested to issue a fairness report on the valuation of the proposed Composite Scheme of Amalgamation and Arrangement between Borosil Glass Works Limited, Gujarat Borosil Limited, Vyline Glass Works Ltd,

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**Keynote Corporate Services Limited**
The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028
Tel.: 91 22 3026 6000 • Fax: 91 22 3026 6088 Email: info@keynoteindia.net • Website: www.keynoteindia.net
CIN-L67120MH1993PLC072407

Fennel Investment and Finance Private Limited and Hopewell Tableware Private Limited. We have perused the documents/ information provided by you in respect of the said Composite Scheme of Amalgamation and Arrangement and the Valuation Report as issued by **SSPA & Co.** *(hereafter referred to as "SSPA")* dated June 18, 2018 and state as follows:

**Company Profile:**

**Borosil Glass Works Limited (BGWL)** was established in the year 1962 in collaboration with Corning Glass Works, USA. Borosil is the market leader for laboratory glassware and microwavable kitchenware in India. The company undertakes business mainly through 2 divisions, Scientific and industrial products division and the Consumer products division. The scientific and industrial products division mainly sells laboratory glassware viz. beakers, bottles, burettes, condensers, cones, cylinders, desiccators, dishes, distilling apparatus etc. The consumer products division offers gourmets, casseroles, mixing bowls, dishes, smart-lid dishes, bowls and plates, and combination sets; vision glasses, carafes, jugs, cups and saucer sets etc. The shares of BGWL are listed on BSE Limited and National Stock Exchange of India Limited.

**Gujarat Borosil Limited (GBL)** was incorporated in the year 1988 and is engaged in the business of manufacturing and selling of flat glass in India. Also offers patterned glass for architectural applications and make available a superior product with exclusive designs for shower cubicles, partitions and tabletops etc. and low iron solar glass for various applications in photovoltaic panels, flat plate collectors, and greenhouses. It also exports its products to various countries and currently significant portion of its production is being exported. The shares of Gujarat Borosil are listed on BSE Limited.

**Vyline Glass Works Limited (VGWL)** was incorporated in 1987 and is engaged in the business of manufacturing glassware items and sells its products mainly to BGWL. Products include specialty glassware items comprising of scientific products such as Burettes, Pipettes, Cylinders & flasks and industrial as well as Consumer ware finished products.

**Hopewell Tableware Private Limited (HTPL)** was established in 2010 and is engaged in the manufacturing of opal and melamine glassware items from its factory at Jaipur-Rajasthan and have its registered office at Mumbai-Maharashtra. They serve the retail, hospitality and the corporate sector. HTPL is a 100% subsidiary of BGWL.

**Fennel Investment and Finance Private Limited (FIFPL)** was established in 2002. It is a Non-Banking Financial Company having its registered office in Mumbai-Maharashtra. Its main business is that of making investments.

**Transaction background:**

In order to simplify the business organization structure, Borosil Glass Works Limited proposes to merge three companies viz. Gujarat Borosil Limited, Vyline Glass Works Limited and Fennel Investment and Finance Private Limited into itself by issuing shares to the shareholders of Gujarat Borosil Limited, Vyline Glass Works Limited and Fennel Investment and Finance Private Limited.
Post this, all assets and liabilities pertaining to business of scientific and industrial products and consumer products of Borosil Glass Works Limited along with the business of Vyline Glass Works Limited vested in Borosil Glass Works Limited pursuant to amalgamation of Vyline Glass Works Limited with Borosil Glass Works Limited relating thereto will be demerged into Hopewell Tableware Private Limited by issuing shares to the shareholders of Borosil Glass Works Limited



**Keynote Corporate Services Limited**
The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028
Tel.: 91 22 3026 6000 • Fax: 91 22 3026 6088 Email: info@keynoteindia.net • Website: www.keynoteindia.net
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**Rationale of the Report:**

We have been informed that, pursuant to a Composite Scheme of Amalgamation and Arrangement under sections 230 – 232 read with other relevant provisions of the Companies Act, 2013 (hereinafter referred to as "the Scheme") and subject to necessary approvals, VGWL, GBL and FIFPL would be merged into BGWL and Demerger of the Scientific & Industrial products and Consumer products business of BGWL along with the existing business of VGWL vested in BGWL pursuant to amalgamation of VGWL with BGWL into HTPL

According to the SEBI Circulars - Paragraph 8 of March 10, 2017 and paragraph 2 of March 23, 2017 SEBI Circulars, we have been requested to suggest Fairness on the Share Exchange ratio for the issue of equity shares of BGWL to the shareholders of GBL, VGWL and FIFPL and on the Share Entitlement Ratio for the issue of equity shares of HTPL to the shareholders of BGWL for the purpose of the proposed transaction

**Sources of Information:**

For arriving at the fairness opinion set forth below, we have relied upon the following sources of information:

a) Valuation Report by SSPA & Co. dated June 18, 2018;
b) Historical Financial statements of the VGWL, HTPL, FIFPL, GBL and BGWL for the year ended March 31, 2016, March 31, 2017 and March 31, 2018.
c) Projected Financials of VGWL, GBL, BGWL and HTPL for FY 2018-19 to FY 2022-23;
d) Draft Composite Scheme of Amalgamation and Arrangement;
e) Other relevant information/documents regarding VGWL, HTPL, FIFPL, GBL and BGWL including information available through public domain

In addition to the above, we have also obtained such other information and explanations, which were considered relevant for the purpose of our Analysis.

**Our Recommendation:**

As stated in the Valuation Report, SSPA & Co. has recommended the following:

Merger of GBL, VGWL and FIFPL into BGWL:

a. **1 (One) equity share of BGWL of INR 1 each fully paid up for every 8 (Eight) equity shares of GBL of INR 5 each fully paid up**
b. **100 (One Hundred) equity shares of BGWL of INR 1 each fully paid up for every 162 (One Hundred and Sixty Two) equity shares of VGWL of INR 10 each fully paid up**
c. **100 (One Hundred) equity shares of BGWL of INR 1 each fully paid up for every 218 (Two Hundred and Eighteen) equity shares of FIFPL of INR 10 each fully paid up**

Demerger of business of BGWL into HTPL:

a. **1(One) equity shares of HTPL of INR 10 each fully paid up for every 10(Ten) equity shares of BGWL of INR 1 each fully paid up**

The aforesaid Composite Scheme Amalgamation and Arrangement shall be pursuant to the Proposed Composite Scheme of Amalgamation and Arrangement and shall be subject to receipt of approval from the NCLT and other statutory approvals as may be required. The detailed terms and conditions are more fully set forth in the Proposed Composite Scheme of Amalgamation and Arrangement. Keynote has issued

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Keynote Corporate Services Limited
The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028
Tel.: 91 22 3026 6000 • Fax: 91 22 3026 6088 Email: info@keynoteindia.net • Website: www.keynoteindia.net
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the fairness opinion with the understanding that Proposed Composite Scheme of Amalgamation and Arrangement shall not be materially altered and the parties hereto agree that the Fairness Opinion would not stand good in case the Final Composite Scheme of Amalgamation and Arrangement alters the transaction.

**Based on the information, data made available to us, including the Valuation Report, to the best of our knowledge and belief, the valuation as suggested by SSPA & Co. proposed under the Composite Scheme of Amalgamation and Arrangement is fair in our opinion.**

**Exclusions and Limitations:**

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by BGWL, HTPL, GBL, FIFPL and VGWL for the purpose of this opinion. With respect to the estimated financials provided to us by the management, we have assumed that such financials were prepared in good faith and reflect the best currently available estimates and judgments by the managements of BGWL, HTPL, GBL, FIFPL and VGWL. We express no opinion and accordingly accept no responsibility with respect to or for such estimated financials or the assumptions on which they were based. Our work does not constitute an audit or certification or due diligence of the working results, financial statements, financial estimates or estimates of value to be realized for the assets of VGWL, HTPL, FIFPL, GBL and BGWL. We have solely relied upon the information provided to us by the management. We have not reviewed any books or records of VGWL, HTPL, FIFPL, GBL and BGWL (other than those provided or made available to us). We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of VGWL, HTPL, FIFPL, GBL and BGWL and neither express any opinion with respect thereto nor accept any responsibility therefore. We have not made any independent valuation or appraisal of the assets or liabilities of VGWL, HTPL, FIFPL, GBL and BGWL. We have not reviewed any internal management information statements or any non-public reports, and, instead, with your consent we have relied upon information which was publicly available or provided or otherwise made available to us by BGWL, HTPL, GBL, FIFPL and VGWL for the purpose of this opinion. We are not experts in the evaluation of litigation or other actual or threaten claims and hence have not commented on the effect of such litigation or claims on the valuation. We are not legal, tax, regulatory or actuarial advisors. We are financial advisors only and have relied upon, without independent verification, the assessment of VGWL, HTPL, FIFPL, GBL and BGWL with respect to these matters. In addition, we have assumed that the Proposed Composite Scheme of Amalgamation and Arrangement will be approved by the regulatory authorities and that the proposed transaction will be consummated substantially in accordance with the terms set forth in the Proposed Composite Scheme of Amalgamation and Arrangement.

We understand that the managements of BGWL, VGWL, GBL, FIFPL and HTPL during our discussion with them would have drawn our attention to all such information and matters which may have an impact on our analysis and opinion. We have assumed that in the course of obtaining necessary regulatory or other consents or approvals for the Proposed Composite Scheme of Amalgamation and Arrangement, no restrictions will be imposed that will have a material adverse effect on the benefits of the transaction that BGWL, HTPL, GBL, FIFPL and VGWL may have contemplated. Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and on the information made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have any obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we are not authorized to solicit, and did not solicit, interests for any party with respect to the acquisition,

KEYNOTE CORPORATE SERVICES LTD.



**Keynote Corporate Services Limited**
The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028
Tel.: 91 22 3026 6000 • Fax: 91 22 3026 6088 Email: info@keynoteindia.net • Website: www.keynoteindia.net
CIN-L67120MH1993PLC072407

business combination or other extra-ordinary transaction involving VGWL, HTPL, FIFPL, GBL and BGWL or any of its assets, nor did we negotiate with any other party in this regard.

We have acted as a financial advisor to BGWL, HTPL, GBL, FIFPL and VGWL for providing a fairness opinion on the proposed transaction and will receive professional fees for our services.

In the ordinary course of business, Keynote is engaged in securities trading, securities brokerage and investment activities, as well as providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of Keynote may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the transaction.

It is understood that this letter is solely for the benefit of and confidential use by the Board of Directors of Borosil for the purpose of this transaction and may not be relied upon by any other person and may not be used or disclosed for any other purpose without our prior written consent. The opinion is not meant for meeting any other regulatory or disclosure requirements, save and except as specified above, under any Indian or foreign law, Statute, Act, guideline or similar instruction. Management should not make this report available to any party, including any regulatory or compliance authority/agency except as mentioned above. The letter is only intended for the aforementioned specific purpose and if it is used for any other purpose; we will not be liable for any consequences thereof.

We express no opinion whatever and make no recommendation at all as to VGWL, HTPL, FIFPL, GBL and BGWL underlying decision to effect to the proposed transaction or as to how the holders of equity shares or preference shares or secured or unsecured creditors of VGWL, HTPL, FIFPL, GBL and BGWL should vote at their respective meetings held in connection with the transaction. We do not express and should not be deemed to have expressed any views on any other terms of transaction. We also express no opinion and accordingly accept no responsibility for or as to the prices at which the equity shares of BGWL and GBL will trade following the announcement of the transaction or as to the financial performance of VGWL, HTPL, FIFPL, GBL and BGWL following the consummation of the transaction.

In no circumstances however, will Keynote Corporate Services Limited or its associates, directors or employees accept any responsibility or liability to any third party and in the unforeseen event of any such responsibility or liability being imposed on Keynote Corporate Services Limited or its associates, directors or employees by any third party, VGWL, HTPL, FIFPL, GBL and BGWL and their affiliates shall indemnify them.

For **KEYNOTE CORPORATE SERVICES LTD**

Uday Patil
Director – Investment Banking
**SEBI Registration No. INM000003606**
**(Merchant Banker)**

KEYNOTE CORPORATE SERVICES



**Keynote Corporate Services Limited**
The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028
Tel.: 91 22 3026 6000 • Fax: 91 22 3026 6088 Email: info@keynoteindia.net • Website: www.keynoteindia.net
CIN-L67120MH1993PLC072407

DCS/AMAL/SD/R37/1324/2018-19 November 5, 2018

The Company Secretary,
**BOROSIL GLASS WORKS LTD.**
1101, Crescenzo, G-Block,
Opp. MCA Club, Bandra-Kurla Complex,
Bandra (East), Mumbai,
Maharashtra- 400051

Sir,

**Sub: Observation letter regarding the Draft Scheme of Arrangement amongst Vyline Glass Works Ltd, Fennel Investment and Finance Private Ltd, Gujarat Borosil Ltd, Borosil Glass Works Ltd and Hopewell Tableware Private Ltd and their respective shareholders.**

We are in receipt of Draft Scheme of Arrangement amongst Vyline Glass Works Ltd, Fennel Investment and Finance Private Ltd, Gujarat Borosil Ltd, Borosil Glass Works Ltd and Hopewell Tableware Private Ltd and their respective shareholders filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated November 5, 2018 has inter alia given the following comment(s) on the draft scheme of arrangement:

- **"Company shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the Stock Exchange, and from the date of receipt of this letter is displayed on the websites of the listed company."**
- **"Company shall duly comply with various provisions of the Circulars."**
- **"Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."**
- **"It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."**

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT. Further, where applicable in the explanatory statement of the notice to be sent by the company to the

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(2)

shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,

Npoojari

**Nitinkumar Pujari**
**Senior Manager**

S&P BSE SENSEX

Ref: NSE/LIST/65687 November 06, 2018

The Company Secretary
Borosil Glass Works Limited
1101 Crescenzo, G-Block,
Opp. MCA Club,
Bandra Kurla Complex,
Bandra (East). Mumbai 400051

**Kind Attn.: Ms. Gita Yadav**

Dear Madam,

**Sub**: **Observation Letter for the composite Scheme of Amalgamation and Arrangement amongst Vyline Glass Works Limited and Fennel Investment and Finance Pvt Ltd and Gujarat Borosil Limited and Borosil Glass Works Limited and Hopewell Tableware Private Limited and their respective shareholders**

We are in receipt of the composite Scheme of Amalgamation and Arrangement amongst Vyline Glass Works Limited and Fennel Investment and Finance Pvt Ltd and Gujarat Borosil Limited and Borosil Glass Works Limited and Hopewell Tableware Private Limited and their respective shareholders vide application dated August 01, 2018.

Based on our letter reference no Ref: NSE/LIST/61698 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ('Circular'), SEBI vide letter dated November 05, 2018, has given following comments:

a. *The Company shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the stock exchange, and from the receipt of this letter is displayed on the website of the listed company.*

b. *The Company shall duly comply with various provisions of the Circulars.*

c. *The Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*

d. *It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI and National Stock Exchange of India Limited again for its comments/observations/ representations.*

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the Scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulation, 2015, we hereby convey our "No-objection" in terms of Regulation 94 of SEBI (LODR) Regulation, 2015, so as to enable the Company to file the draft scheme with NCLT.

This Document is Digitally Signed

Signer: Hitesh Rajeev Malhotra
Date: Tue, Nov 6, 2018 16:34:25 IST
Location: NSE

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines / Regulations issued by statutory authorities.

The listing of Hopewell Tableware Private Limited pursuant to the composite Scheme of Amalgamation and Arrangement shall be subject to SEBI approval & Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Hopewell Tableware Private Limited and its group companies in line with the disclosure requirements.

2. Exchange eligibility criteria at the time of listing on the Exchange pursuant to composite Scheme of Amalgamation and Arrangement.

3. To publish an advertisement in the newspapers containing all the information about Hopewell Tableware Private Limited in line with the details required as per SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as NSE.

4. To disclose all the material information about Hopewell Tableware Private Limited to NSE on the continuous basis so as to make the same public, in addition to the requirements, if any, specified in SEBI (LODR) Regulations, 2015 for disclosures about the subsidiaries.

5. The following provision shall be incorporated in the composite Scheme of Amalgamation and Arrangement:

    i. "The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange."

    ii. "There shall be no change in the shareholding pattern or control in Hopewell Tableware Private Limited between the record date and the listing which may affect the status of this approval".

    iii. "Hopewell Tableware Private Limited will not issue/ reissue any shares, not covered under the composite Scheme of Amalgamation and Arrangement."

The validity of this "Observation Letter" shall be six months from November 06, 2018, within which the scheme shall be submitted to NCLT.

Yours faithfully,
For **National Stock Exchange of India Limited**

Hitesh Malhotra
Senior Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm

This Document is Digitally Signed

Signer: Hitesh Rajeev Malhotra
Date: Tue, Nov 6, 2018 16:34:25 IST
Location: NSE

NSE

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**DCS/AMAL/SD/R37/1325/2018-19** **November 5, 2018**

The Company Secretary,
**GUJARAT BOROSIL LTD.**
1101, Crescenzo, G-Block,
Opp. MCA Club, Bandra-Kurla Complex,
Bandra (East), Mumbai,
Maharashtra- 400051

Sir,

**Sub: Observation letter regarding the Draft Scheme of Arrangement amongst Vyline Glass Works Ltd, Fennel Investment and Finance Private Ltd, Gujarat Borosil Ltd, Borosil Glass Works Ltd and Hopewell Tableware Private Ltd and their respective shareholders.**

We are in receipt of Draft Scheme of Arrangement amongst Vyline Glass Works Ltd, Fennel Investment and Finance Private Ltd, Gujarat Borosil Ltd, Borosil Glass Works Ltd and Hopewell Tableware Private Ltd and their respective shareholders filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated November 5, 2018 has inter alia given the following comment(s) on the draft scheme of arrangement:

- **"Company shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the Stock Exchange, and from the date of receipt of this letter is displayed on the websites of the listed company."**
- **"Company shall duly comply with various provisions of the Circulars."**
- **"Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."**
- **"It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."**

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT. Further, where applicable in the explanatory statement of the notice to be sent by the company to the

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shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,

SD-

**Nitinkumar Pujari**
**Senior Manager**

S&P BSE SENSEX

BOROSIL®
**Borosil Glass Works Limited**
CIN : L99999MH1962PLC012538
**Registered & Corporate Office :**
1101, Crescenzo, G-Block, Opp. MCA Club, Bandra Kurla Complex,
Bandra (E), Mumbai - 400 051, India.
T +91 22 6740 6300
W www.borosil.com

## Complaint report as per Annexure III of SEBI Circular

### Part A

| Sr. No. | Particulars | Number |
|---|---|---|
| 1 | Number of complaints received directly | NIL |
| 2 | Number of complaints forwarded by Stock Exchanges | NIL |
| 3 | Total Number of complaints/comments received (1+2) | NIL |
| 4 | Number of complaints resolved | NIL |
| 5 | Number of complaints pending | NIL |

### Part B

| Sr. No. | Name of complainant | Date of Complaint | Status (Resolved/pending) |
|---|---|---|---|
| 1 | | | |
| 2 | | | |
| 3 | | | |

**For Borosil Glass Works Limited**

Gitayadav

**Gita Yadav**
**Company Secretary**
**ACS 23280**

**Place: Mumbai**
**Date: August 24, 2018**

BOROSIL®

**Borosil Glass Works Limited**
CIN : L99999MH1962PLC012538
**Registered & Corporate Office :**
1101, Crescenzo, G-Block, Opp. MCA Club, Bandra Kurla Complex,
Bandra (E), Mumbai - 400 051, India.
T +91 22 6740 6300
W www.borosil.com

## Complaint report as per Annexure III of SEBI Circular

### Part A

| Sr. No. | Particulars | Number |
|---|---|---|
| 1 | Number of complaints received directly | NIL |
| 2 | Number of complaints forwarded by Stock Exchanges | NIL |
| 3 | Total Number of complaints/comments received (1+2) | NIL |
| 4 | Number of complaints resolved | NIL |
| 5 | Number of complaints pending | NIL |

### Part B

| Sr. No. | Name of complainant | Date of Complaint | Status (Resolved/pending) |
|---|---|---|---|
| 1 | | | |
| 2 | | | |
| 3 | | | |

**For Borosil Glass Works Limited**

Gitayadav

**Gita Yadav**
**Company Secretary**
**ACS 23280**

**Place: Mumbai**
**Date: September 18, 2018**

BOROSIL®
Gujarat Borosil Limited
CIN : L26100GJ1988PLC011663
1101, Crescenzo, G-Block, Opp. MCA Club, Bandra Kurla Complex,
Bandra (E), Mumbai - 400 051, India.
T- +9122 6740 6300
W www.borosil.com

**Complaint report as per Annexure III of SEBI Circular**

**Part A**

| Sr. No. | Particulars | Number |
|---|---|---|
| 1 | Number of complaints received directly | NIL |
| 2 | Number of complaints forwarded by Stock Exchanges | NIL |
| 3 | Total Number of complaints/comments received (1+2) | NIL |
| 4 | Number of complaints resolved | NIL |
| 5 | Number of complaints pending | NIL |

**Part B**

| Sr. No. | Name of complainant | Date of Complaint | Status (Resolved/pending) |
|---|---|---|---|
| 1 | | | |
| 2 | | | |
| 3 | | | |

**For Gujarat Borosil Limited**

**Kishor Talreja**
**Company Secretary**
**F7064**

**Place: Mumbai**
**Date: August 24, 2018**

**Registered Office & Works :**
Ankleshwar-Rajpipla Road,
Village Govali, Tal. Jhagadia,
Dist. Bharuch- 393001,
(Gujarat), India
T +91 2645-258100
F +91 2645-258235
E gborosil@borosil.com

**BOROSIL®** **Borosil Glass Works Limited**
CIN : L99999MH1962PLC012538
**Registered & Corporate Office :**
1101, Crescenzo, G-Block, Opp. MCA Club, Bandra Kurla Complex,
Bandra (E), Mumbai - 400 051, India.
T +91 22 6740 6300
W www.borosil.com

**REPORT ADOPTED BY THE BOARD OF DIRECTORS OF BOROSIL GLASS WORKS LIMITED AT ITS MEETING HELD ON OCTBER 30, 2018 AT THE REGISTERED OFFICE OF THE COMPANY EXPLAINING EFFECT OF THE SCHEME ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS, NON-PROMOTER SHAREHOLDERS**

The Composite Scheme of Amalgamation and Arrangement between Vyline Glass Works Limited ('the Transferor Company 1' or 'VGWL'), Fennel Investment and Finance Private Limited ('the Transferor Company 2' or 'FIFPL') and Gujarat Borosil Limited ('the Transferor Company 3' or 'GBL') and Borosil Glass Works Limited ('the Transferee Company' or 'the Demerged Company' or 'BGWL' or 'Company') and Hopewell Tableware Limited ('the Resulting Company' or 'HTL') and their respective shareholders ('the Scheme') under Section 230-232 and other applicable provisions of the Companies Act, 2013 was approved by the Board of Directors vide its board resolutions dated 18th June, 2018.

As per Section 232(2)(c) of the Companies Act, 2013, a report adopted by the directors explaining effect of compromise on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange/ entitlement ratio, is required to be circulated to the shareholders along with the notice convening the meeting.

Having regard to the aforesaid provision, following was discussed by the Board of Directors:

1. Based on the Valuation Report dated June 18, 2018 read with addendum to Valuation Report dated August 24, 2018 obtained from M/s SSPA & Co, Chartered Accountants, the Scheme provides the following exchange/ entitlement ratio:

   ***On amalgamation of the Transferor Company 1 or VGWL with the Transferee Company or BGWL***

   *"200 (Two Hundred) fully paid up Equity Shares of Re. 1 each of Transferee Company or BGWL shall be issued and allotted as fully paid up for every 81 (Eighty One) Equity Shares of Rs. 10 each fully paid up held in the Transferor Company 1 or VGWL."*

   ***On amalgamation of the Transferor Company 2 or FIFPL with the Transferee Company or BGWL***

   *"200 (Two Hundred) fully paid up Equity Shares of Re. 1 each of Transferee Company or BGWL shall be issued and allotted as fully paid up for every 109 (One Hundred and Nine) Equity Shares of Rs. 10 each fully paid up held in the Transferor Company 2 or FIFPL."*

   ***On amalgamation of the Transferor Company 3 or GBL with the Transferee Company or BGWL***

   *"1 (One) fully paid up Equity Share of Re. 1 each of Transferee Company or BGWL shall be issued and allotted as fully paid up for every 2 (Two) Equity Shares of Rs.5 each fully paid up held in the Transferor Company 3 or GBL."*

   ***On demerger of the demerged undertaking from the Demerged Company or BGWL into the Resulting Company or HTL***

   *"1 (One) fully paid up Equity Share of Re. 1 each of the Resulting Company or HTL shall be issued and allotted as fully paid up for every 1 (One) Equity Share of Re. 1 each fully paid up held in the Demerged Company or BGWL."*

BOROSIL GLASS WORKS LIMITED MUMBAI

2. No special valuation difficulties were reported by M/s SSPA & Co, Chartered Accountants, in their aforesaid Report.

3. Fairness opinion was obtained from Keynote Corporate Services Limited, a Category I Merchant Banker, wherein they opined that the proposed Scheme is fair and reasonable.

4. The promoter shareholding of the Company will be diluted from 72.85% to 70.50% post Scheme, while its public shareholding will increase from 27.15% to 29.50%. All inter-company holdings shall stand cancelled, without any further act or deed, upon this Scheme becoming effective.

5. As stated in the Scheme, all staff, workmen and employees of the transferor companies who are in service as on the Effective Date shall become staff, workmen and employees of Borosil Glass Works Limited without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment shall not be less favorable than those applicable to them with reference to their employment with the respective transferor companies as on the Effective Date.

6. Further, all staff, workmen and employees of the Demerged Company (Borosil Glass Works Limited) in relation to the demerged undertaking who are in service as on the Effective Date shall become staff, workmen and employees of Hopewell Tableware Limited without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment shall not be less favorable than those applicable to them with reference to their employment with Borosil Glass Works Limited on the Effective Date.

7. The new equity shares of the Company to be issued to shareholders of Vyline Glass Works Limited, Fennel Investment and Finance Private Limited and Gujarat Borosil Limited ('the Transferor Companies') will be listed for trading on the stock exchanges where the shares of the Company are listed.

8. Under the Scheme, there is no arrangement with the creditors of the Company. No compromise is offered under the Scheme to any of the creditors of the Company. The liability to the creditors of the Company, under the Scheme, is neither reduced nor being extinguished.

9. The Scheme would not have any effect on Key Managerial Personnel of the Company.

10. There will be no adverse effect of the said Scheme on the equity shareholders, key managerial personnel, promoter and non-promoter shareholders, creditors, employees and other stakeholders of the Company.

**Certified True Copy**
**For Borosil Glass Works Limited**

BOROSIL GLASS WORKS LIMITED MUMBAI

**Gita Yadav**
**Company Secretary**

**Place: Mumbai**
**Date: November 06, 2018**

PHONE : 022-2492 4382

# VYLINE GLASS WORKS LIMITED

Regd Office: 107, Famous Cine Studio Building, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011.
CIN : U26109MH1987PLC215465

**REPORT ADOPTED BY THE BOARD OF DIRECTORS OF VYLINE GLASS WORKS LIMITED AT ITS MEETING HELD ON SEPTEMBER 11, 2018 AT THE REGISTERED OFFICE OF THE COMPANY EXPLAINING EFFECT OF THE SCHEME ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS, NON-PROMOTER SHAREHOLDERS**

The Composite Scheme of Amalgamation and Arrangement between Vyline Glass Works Limited ('the Transferor Company 1' or 'VGWL' or 'Company'), Fennel Investment and Finance Private Limited ('the Transferor Company 2' or 'FIFPL') and Gujarat Borosil Limited ('the Transferor Company 3' or 'GBL') and Borosil Glass Works Limited ('the Transferee Company' or 'the Demerged Company' or 'BGWL') and Hopewell Tableware Limited ('the Resulting Company' or 'HTL') and their respective shareholders ('the Scheme') under Section 230-232 and other applicable provisions of the Companies Act, 2013 was approved by the Board of Directors vide its board resolutions dated 18th June, 2018.

As per Section 232(2)(c) of the Companies Act, 2013, a report adopted by the directors explaining effect of compromise on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange/ entitlement ratio, is required to be circulated to the shareholders along with the notice convening the meeting.

Having regard to the aforesaid provision, following was discussed by the Board of Directors:

1. Based on the Valuation Report dated 18th June, 2018 read with addendum to Valuation Report dated 24th August, 2018 obtained from M/s. SSPA & Co, Chartered Accountants, the Scheme provides the following exchange/ entitlement ratio:

   ***On amalgamation of the Transferor Company 1 with the Transferee Company***
   *"200 (Two Hundred) fully paid up Equity Shares of Re. 1 each of Transferee Company shall be issued and allotted as fully paid up for every 81 (Eighty One) Equity Shares of Rs. 10 each fully paid up held in the Transferor Company 1."*

   ***On amalgamation of the Transferor Company 2 with the Transferee Company***
   *"200 (Two Hundred) fully paid up Equity Shares of Re. 1 each of Transferee Company shall be issued and allotted as fully paid up for every 109 (One Hundred and Nine) Equity Shares of Rs. 10 each fully paid up held in the Transferor Company 2."*

   ***On amalgamation of the Transferor Company 3 with the Transferee Company***
   *"1 (One) fully paid up Equity Share of Re. 1 each of Transferee Company shall be issued and allotted as fully paid up for every 2 (Two) Equity Shares of Rs.5 each fully paid up held in the Transferor Company 3."*

   ***On demerger of the demerged undertaking from the Demerged Company into the Resulting Company***
   *"1 (One) fully paid up Equity Share of Re. 1 each of the Resulting Company shall be issued and allotted as fully paid up for every 1 (One) Equity Shares of Re. 1 each fully paid up held in the Demerged Company."*

2. No special valuation difficulties were reported by M/s. SSPA & Co, Chartered Accountants, in their aforesaid Report.

VYLINE GLASS WORKS LTD. MUMBAI

Works: Plot No. 22 & 24, Ankleshwar Rajpipla Road, Village Dumala, Boridra, Post. Kharchi, Taluka Jhagadia, Bharuch-393110

PHONE : 022-2492 4382

# VYLINE GLASS WORKS LIMITED

**Regd Office: 107, Famous Cine Studio Building, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011.**
**CIN : U26109MH1987PLC215465**

3. Fairness opinion dated 18th June, 2018 was obtained from Keynote Corporate Services Limited, a Category I Merchant Banker, wherein they opined that the proposed Scheme is fair and reasonable.

4. Further, pursuant to the Scheme becoming effective, the Company shall cease to exist and thus the question of any change in the KMP of the Company does not arise.

5. Under the Scheme, there is no arrangement with the creditors of the Company. No compromise is offered under the Scheme to any of the creditors of the Company. The liability to the creditors of the Company, under the Scheme, is neither reduced nor being extinguished.

6. There will be no adverse effect of the said Scheme on the equity shareholders, key managerial personnel, promoter and non-promoter shareholders, creditors, employees and other stakeholders of the Company.

**For VYLINE GLASS WORKS LIMITED**

VYLINE GLASS WORKS LTD. MUMBAI

**Som Chand Mehta**
**Director (DIN: 07238211)**

**Works: Plot No. 22 & 24, Ankleshwar Rajpipla Road, Village Dumala, Boridra, Post. Kharchi,**
**Taluka Jhagadia, Bharuch-393110**

# FENNEL INVESTMENT AND FINANCE PRIVATE LIMITED

Regd. Off.: 1101,11th Floor, Crescenzo, G-Block, Plot No C-38, Opp. MCA Club, Bandra Kurla Complex, Bandra (East), Mumbai - 400051
Tel. No. (022) 67406300, Email ID: fennelinvestment@yahoo.com
CIN No. U65993MH2002PTC294528

**REPORT ADOPTED BY THE BOARD OF DIRECTORS OF FENNEL INVESTMENT AND FINANCE PRIVATE LIMITED AT ITS MEETING HELD ON 28TH SEPTEMBER, 2018 AT FLAT NO. 410, SAMUDRA MAHAL, DR. ANNIE BESANT ROAD, WORLI, MUMBAI-400018 EXPLAINING EFFECT OF THE SCHEME ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS, NON-PROMOTER SHAREHOLDERS**

The Composite Scheme of Amalgamation and Arrangement between Vyline Glass Works Limited ('the Transferor Company 1' or 'VGWL'), Fennel Investment and Finance Private Limited ('the Transferor Company 2' or 'FIFPL' or 'Company') and Gujarat Borosil Limited ('the Transferor Company 3' or 'GBL') and Borosil Glass Works Limited ('the Transferee Company' or 'the Demerged Company' or 'BGWL') and Hopewell Tableware Limited ('the Resulting Company' or 'HTL') and their respective shareholders ('the Scheme') under Section 230-232 and other applicable provisions of the Companies Act, 2013 was approved by the Board of Directors vide its board resolutions dated 18th June, 2018.

As per Section 232(2)(c) of the Companies Act, 2013, a report adopted by the directors explaining effect of compromise on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange/ entitlement ratio, is required to be circulated to the shareholders along with the notice convening the meeting.

Having regard to the aforesaid provision, following was discussed by the Board of Directors:

1. Based on the Valuation Report dated 18th June, 2018 read with addendum to Valuation Report dated 24th August, 2018 obtained from M/s SSPA & Co, Chartered Accountants, the Scheme provides the following exchange/ entitlement ratio:

   ***On amalgamation of the Transferor Company 1 with the Transferee Company***
   *"200 (Two Hundred) fully paid up Equity Shares of Re. 1 each of Transferee Company shall be issued and allotted as fully paid up for every 81 (Eighty One) Equity Shares of Rs. 10 each fully paid up held in the Transferor Company 1."*

   ***On amalgamation of the Transferor Company 2 with the Transferee Company***
   *"200 (Two Hundred) fully paid up Equity Shares of Re. 1 each of Transferee Company shall be issued and allotted as fully paid up for every 109 (One Hundred and Nine) Equity Shares of Rs. 10 each fully paid up held in the Transferor Company 2."*

   ***On amalgamation of the Transferor Company 3 with the Transferee Company***
   *"1 (One) fully paid up Equity Share of Re. 1 each of Transferee Company shall be issued and allotted as fully paid up for every 2 (Two) Equity Shares of Rs.5 each fully paid up held in the Transferor Company 3."*

   ***On demerger of the demerged undertaking from the Demerged Company into the Resulting Company***
   *"1 (One) fully paid up Equity Share of Re. 1 each of the Resulting Company shall be issued and allotted as fully paid up for every 1 (One) Equity Shares of Re. 1 each fully paid up held in the Demerged Company."*

FENNEL INVESTMENT AND FINANCE PVT. LTD. *

2. No special valuation difficulties were reported by M/s SSPA & Co, Chartered Accountants, in their aforesaid Report.

3. Fairness opinion dated 18th June, 2018 was obtained from Keynote Corporate Services Limited, a Category I Merchant Banker, wherein they opined that the proposed Scheme is fair and reasonable.

4. Under the Scheme, there is no arrangement with the creditors of the Company. No compromise is offered under the Scheme to any of the creditors of the Company. The liability to the creditors of the Company, under the Scheme, is neither reduced nor being extinguished.

5. There is no KMP in the Company and thus the question of adverse effect on KMP does not arise.

6. There will be no adverse effect of the said Scheme on the equity shareholders, promoter and non-promoter shareholders, creditors, employees and other stakeholders of the Company.

**For FENNEL INVESTMENT AND FINANCE PRIVATE LIMITED**

FENNEL INVESTMENT AND FINANCE PVT. LTD.

**Bajrang Lal Kheruka**
**Director**
**DIN-00016861**

Larah
OPALGLASS
by BOROSIL

Hopewell Tableware Limited
(Formerly Known as Hopewell Tableware Pvt. Ltd.)
A 100% subsidiary of Borosil Glass Works Limited
Factory:
Village-Balekhan, PS-Anatpura,
Near Govindgarh, NH-52, Sikar Road,
Chomu, Jaipur- 303807, Rajasthan, India
CIN: U26913MH2010PLC292722

**REPORT ADOPTED BY THE BOARD OF DIRECTORS OF HOPEWELL TABLEWARE LIMITED AT ITS MEETING HELD ON OCTOBER 30, 2018 AT THE REGISTERED OFFICE OF THE COMPANY EXPLAINING EFFECT OF THE SCHEME ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS, NON-PROMOTER SHAREHOLDERS**

The Composite Scheme of Amalgamation and Arrangement between Vyline Glass Works Limited ('the Transferor Company 1' or 'VGWL'), Fennel Investment and Finance Private Limited ('the Transferor Company 2' or 'FIFPL') and Gujarat Borosil Limited ('the Transferor Company 3' or 'GBL') and Borosil Glass Works Limited ('the Transferee Company' or 'the Demerged Company' or 'BGWL') and Hopewell Tableware Limited ('the Resulting Company' or 'HTL' or 'Company') and their respective shareholders ('the Scheme') under Section 230-232 and other applicable provisions of the Companies Act, 2013 was approved by the Board of Directors vide its board resolutions dated 18th June, 2018.

As per Section 232(2)(c) of the Companies Act, 2013, a report adopted by the directors explaining effect of compromise on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange/ entitlement ratio, is required to be circulated to the shareholders along with the notice convening the meeting.

Having regard to the aforesaid provision, following was discussed by the Board of Directors:

1. Based on the Valuation Report dated 18th June, 2018 read with addendum to Valuation Report dated 24th August, 2018 obtained from M/s SSPA & Co, Chartered Accountants, the Scheme provides the following exchange/ entitlement ratio:

   ***On amalgamation of VGWL with BGWL***
   *"200 (Two Hundred) fully paid up Equity Shares of Re. 1 each of BGWL shall be issued and allotted as fully paid up for every 81 (Eighty One) Equity Shares of Rs. 10 each fully paid up held in VGWL."*

   ***On amalgamation of FIFPL with BGWL***
   *"200 (Two Hundred) fully paid up Equity Shares of Re. 1 each of BGWL shall be issued and allotted as fully paid up for every 109 (One Hundred and Nine) Equity Shares of Rs. 10 each fully paid up held in FIFPL."*

   ***On amalgamation of GBL with BGWL***
   *"1 (One) fully paid up Equity Share of Re. 1 each of BGWL shall be issued and allotted as fully paid up for every 2 (Two) Equity Shares of Rs.5 each fully paid up held in GBL."*

   ***On demerger of 'Demerged Undertaking' into HTL***
   *1 (One) fully paid up Equity Share of Re. 1 each of HTL shall be issued and allotted as fully paid up for every 1 (One) Equity Shares of Re. 1 each fully paid up held in BGWL."*

2. No special valuation difficulties were reported by M/s SSPA & Co, Chartered Accountants, in their aforesaid Report.

Regd. Office: 1101, 11th Floor, Crescenzo, G-Block, Plot No. C-38, Opp. MCA Club, Bandra Kurla Complex, Bandra (East) Mumbai-400051
Correspondence Address: House no. 184, Guru Jambeshwar Nagar, Lane no. 6, Gandhi Path, Vaishali Nagar, Jaipur-302021, Rajasthan, India.
Phone.: 01423230919, 230920 / E-mail: info.htpl@borosil.com

Hopewell Tableware Ltd.

Larah
OPALGLASS
by BOROSIL

Hopewell Tableware Limited
(Formerly Known as Hopewell Tableware Pvt. Ltd.)
A 100% subsidiary of Borosil Glass Works Limited
Factory:
Village-Balekhan, PS-Anatpura,
Near Govindgarh, NH-52, Sikar Road,
Chomu, Jaipur- 303807, Rajasthan, India
CIN: U26913MH2010PLC292722

3. Fairness opinion dated 18th June, 2018 was obtained from Keynote Corporate Services Limited, a Category I Merchant Banker, wherein they opined that the proposed Scheme is fair and reasonable.

4. The new equity shares of the Company to be issued to shareholders of Borosil Glass Works Limited will be listed for trading on the stock exchanges viz. BSE Limited and the National Stock Exchange of India Limited.

5. Under the Scheme, there is no arrangement with the creditors of the Company. No compromise is offered under the Scheme to any of the creditors of the Company. The liability to the creditors of the Company, under the Scheme, is neither reduced nor being extinguished.

6. There will be no adverse effect of the said Scheme on the shareholders, key managerial personnel, promoter and non-promoter shareholders, creditors, employees and other stakeholders of the Company.

**For HOPEWELL TABLEWARE LIMITED**

**Ashok Jain**
**Director**

Hopewell Tableware Limited

Regd. Office: 1101, 11th Floor, Crescenzo, G-Block, Plot No. C-38, Opp. MCA Club, Bandra Kurla Complex, Bandra (East) Mumbai-400051
Correspondence Address: House no. 184, Guru Jambeshwar Nagar, Lane no. 6, Gandhi Path, Vaishali Nagar, Jaipur-302021, Rajasthan, India.
Phone.: 01423230919, 230920 / E-mail: info.htpl@borosil.com

**BOROSIL**® | **Gujarat Borosil Limited**
CIN : L26100GJ1988PLCO11663
1101, Crescenzo, G-Block, Opp. MCA Club, Bandra Kurla Complex,
Bandra (E), Mumbai - 400 051, India.
T- +9122 6740 6300
W www.borosil.com

**REPORT ADOPTED BY THE BOARD OF DIRECTORS OF GUJARAT BOROSIL LIMITED AT ITS MEETING HELD ON OCTOBER 30, 2018 EXPLAINING EFFECT OF THE COMPOSITE SCHEME OF AMALGAMATION AND ARRANGEMENT AS PER SECTION 232(2) (C), ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTERS SHAREHOLDERS**

The Composite Scheme of Amalgamation and Arrangement between Vyline Glass Works Limited ('the Transferor Company 1' or 'VGWL'), Fennel Investment and Finance Private Limited ('the Transferor Company 2' or 'FIFPL') and Gujarat Borosil Limited ('the Transferor Company 3' or 'GBL' or 'Company') and Borosil Glass Works Limited ('the Transferee Company' or 'the Demerged Company' or 'BGWL') and Hopewell Tableware Limited ('the Resulting Company' or 'HTL') and their respective shareholders ('the Scheme') under Section 230-232 and other applicable provisions of the Companies Act, 2013 was approved by the Board of Directors vide its board resolutions dated 18th June, 2018.

As per Section 232(2)(c) of the Companies Act, 2013, a report adopted by the directors explaining effect of compromise on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange/ entitlement ratio, is required to be circulated to the shareholders along with the notice convening the meeting.

Having regard to the aforesaid provision, following was discussed by the Board of Directors:

1. Based on the Valuation Report dated 18th June, 2018 read with addendum to Valuation Report dated 24th August, 2018 obtained from M/s. SSPA & Co, Chartered Accountants, the Scheme provides the following exchange/ entitlement ratio:

   ***On amalgamation of the Transferor Company 1 with the Transferee Company***
   *"200 (Two Hundred) fully paid up Equity Shares of Re. 1 each of Transferee Company shall be issued and allotted as fully paid up for every 81 (Eighty One) Equity Shares of Rs. 10 each fully paid up held in the Transferor Company 1."*

   ***On amalgamation of the Transferor Company 2 with the Transferee Company***
   *"200 (Two Hundred) fully paid up Equity Shares of Re. 1 each of Transferee Company shall be issued and allotted as fully paid up for every 109 (One Hundred and Nine) Equity Shares of Rs. 10 each fully paid up held in the Transferor Company 2."*

   ***On amalgamation of the Transferor Company 3 with the Transferee Company***
   *"1 (One) fully paid up Equity Share of Re. 1 each of Transferee Company shall be issued and allotted as fully paid up for every 2 (Two) Equity Shares of Rs.5 each fully paid up held in the Transferor Company 3."*

   ***On demerger of the demerged undertaking from the Demerged Company into the Resulting Company***
   *"1 (One) fully paid up Equity Share of Re. 1 each of the Resulting Company shall be issued and allotted as fully paid up for every 1 (One) Equity Shares of Re. 1 each fully paid up held in the Demerged Company."*

**Registered Office & Works :**
Ankleshwar-Rajpipla Road,
Village Govali, Tal. Jhagadia,
Dist. Bharuch- 393001,
(Gujarat), India
T +91 2645-258100
F +91 2645-258235
E gborosil@borosil.com



GUJARAT BOROSIL LTD.

2. No special valuation difficulties were reported by M/s. SSPA & Co, Chartered Accountants, in their aforesaid Report.

3. Fairness opinion dated 18th June, 2018 was obtained from Keynote Corporate Services Limited, a Category I Merchant Banker, wherein they opined that the proposed Scheme is fair and reasonable.

4. Further, pursuant to the Scheme becoming effective, the Company shall cease to exist and thus the question of any change in the KMP of the Company does not arise.

5. Under the Scheme, there is no arrangement with the creditors of the Company. No compromise is offered under the Scheme to any of the creditors of the Company. The liability to the creditors of the Company, under the Scheme, is neither reduced nor being extinguished.

6. There will be no adverse effect of the said Scheme on the shareholders, key managerial personnel, promoter and non-promoter shareholders, creditors, employees and other stakeholders of the Company."

**// CERTIFIED TRUE COPY//**
**For GUJARAT BOROSIL LIMITED**

GUJARAT BOROSIL LTD.

**Kishor Talreja**
**Company Secretary**
**F7064**

## Independent Auditor's Report

**To the Members of**
**Borosil Glass Works Limited**

### Report on the Standalone Financial Statements

We have audited the accompanying Standalone financial statements of **BOROSIL GLASS WORKS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Standalone financial statements").

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone financial statements that give a true and fair view of financial position, financial performance including other comprehensive income, cash flows and statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made there under.

We conducted our audit of the Standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements 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, of the state of affairs of the Company as at 31st March, 2018, and its profit including other comprehensive income, its cash flows and the statement of changes in equity for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid Standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules there under.

e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**;

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(a) The Company has disclosed the impact of pending litigations on its financial position in its Standalone financial statements as referred to in Note no. 36 to the standalone financial statements;

(b) The Company does not have long term contracts including derivative contracts for which there were any material foreseeable losses;

(c) There has been no delay during the year in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India, in terms of sub-section (11) of Section 143 of the Act, we give in **"Annexure B"** hereto, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

**For Pathak H.D. & Associates**
Chartered Accountants
Firm Registration No: 107783W

**Gyandeo Chaturvedi**
Partner
Membership No. 046806

Place: Mumbai
Date : 30th May, 2018

## "ANNEXURE A" TO INDEPENDENT AUDITOR'S REPORT

**(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Borosil Glass Works Limited on the Standalone financial statements for the year ended 31st March, 2018)**

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Borosil Glass Works Limited ("the Company")** as of 31st March, 2018 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

**For Pathak H.D. & Associates**
Chartered Accountants
Firm Registration No: 107783W

**Gyandeo Chaturvedi**
Partner
Membership No. 046806

Place: Mumbai
Date: 30th May, 2018

## "ANNEXURE B" TO INDEPENDENT AUDITOR'S REPORT

**(Referred to in paragraph 2 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of Borosil Glass Works Limited on the Standalone financial statements for the year ended 31st March, 2018)**

i. In respect of its fixed assets:

a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.

b. As explained to us, all the fixed assets have been physically verified by the Management. No material discrepancies were noticed on such physical verification as compared with the available records.

c. According to the information and explanation provided to us and the records examined by us and based on the examination of the registered sale deed/ conveyance deed, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land that have been taken on lease, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

ii. In respect of its inventories:

As explained to us, inventories except goods in transit have been physically verified during the year by the management. In our opinion the frequency of verification is reasonable. Discrepancies noticed on physical verification of the inventories between the physical inventories and book records were not material, having regard to the size of the operations of the Company, and the same have been properly dealt with.

iii. In respect of loans, secured or unsecured, granted by the Company to Companies, firms, Limited liability partnerships or other parties covered in the register maintained under section 189 of the Act.

a. In our opinion and according to the information given to us, the terms and conditions of the loans given by the Company are prima facie, not prejudicial to the interest of the Company.

b. The schedule of repayment of principal and payment of interest has been stipulated and repayments of principal amounts and/ or receipts of interest have been regular as per stipulations.

c. There are no overdue amounts as at the year- end in respect of both principal and interest.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 & 186 of the Act as applicable, in respect of grant of loans, making investments and providing guarantees & securities.

v. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the Company.

vi. According to the information and explanations given to us, Central Government has not prescribed maintenance of cost records under sub-Section (1) of Section 148 of the Act in respect of activities carried on by the Company. Therefore, the provisions of clause (vi) of paragraph 3 of the Order are not applicable to the Company.

vii. According to the information and explanations given to us, in respect of statutory dues:

a. The Company has been generally regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, goods and service tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities as applicable during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding as at 31st March, 2018 for a period of more than six months from the date they became payable.

b. Details of dues of Income tax, sales tax / Value added tax and Goods and Service tax aggregating to ₹ 110.59 Lacs that have not been deposited on account of disputed matters pending before appropriate authorities are as under:

| Name of the Statute | Nature of the Dues | Amount (₹ in Lacs) | Period to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|
| Central Sales Tax Act, 1956 and Sales Tax Acts of Various States | Sales Tax/ VAT* | 6.52 | 1997-98 | Maharashtra Sales Tax Tribunal |
| | | 36.05 | 2010-11 | The Appellate Deputy Commissioner of Commercial Tax - Central |
| | | 12.79 | 2013-14 | Additional Commissioner Grade 2 Appeal |
| Income Tax Act, 1961 | Income Tax | 55.23 | 2014-15 | Commissioner of Income Tax (Appeals) |
| **Total** | | **110.59** | | |

(*) Net of amount deposited under protest.

viii. Based on our audit procedures and according to the information and explanations given by the management, we are of the opinion that as on 31st March, 2018 the Company has not defaulted in repayment of dues to banks. The Company does not have any borrowings from financial institutions, government and debenture holders.

ix. According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and no term loan was raised during the year. Therefore, the provisions of clause (ix) of paragraph 3 of the Order are not applicable to the Company.

x. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and on the basis of information and explanations given by the management, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi. In our opinion and according to the information and explanations given to us, the Company has paid or provided managerial remuneration in accordance with the requisite approvals mandated by the provision of section 197 read with Schedule V to the Act.

xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us, Company's transactions with the related parties are in compliance with section 177 and 188 of the Act as applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of clause (xiv) of paragraph 3 of the Order are not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Therefore, the provisions of clause (xv) of paragraph 3 of the Order are not applicable to the Company.

xvi. In our opinion and according to information and explanations provided to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Pathak H.D. & Associates**
Chartered Accountants
Firm Registration No: 107783W

**Gyandeo Chaturvedi**
Partner
Membership No. 046806

Place: Mumbai
Date: 30th May, 2018

**BOROSIL GLASS WORKS LIMITED**
**BALANCE SHEET AS AT 31ST MARCH, 2018**

(₹ in lacs)

| | Particulars | Note No. | As at 31st March, 2018 | | As at 31st March, 2017 | |
|---|---|---|---|---|---|---|
| **I.** | **ASSETS** | | | | | |
| **1** | **Non-current Assets** | | | | | |
| | (a) Property, Plant and Equipment | 5 | 10,450.77 | | 10,603.22 | |
| | (b) Capital Work-in-progress | 5 | 412.91 | | 440.86 | |
| | (c) Investment Property | 6 | 198.57 | | 198.57 | |
| | (d) Other Intangible Assets | 7 | 128.56 | | 80.34 | |
| | (e) Intangible assets under Development | 7 | - | | 20.28 | |
| | (f) Financial Assets | | | | | |
| | (i) Investments | 8 | 24,673.97 | | 30,842.08 | |
| | (ii) Loans | 9 | 7,219.45 | | 5,823.82 | |
| | (iii) Others | 10 | 24.73 | | 16.45 | |
| | (g) Art Works | | 240.80 | | 240.80 | |
| | (h) Non-current Tax Assets (net) | | 7.62 | | - | |
| | (i) Other non-current assets | 11 | 533.26 | **43,890.64** | 1,859.09 | **50,125.51** |
| **2** | **Current Assets** | | | | | |
| | (a) Inventories | 12 | 3,879.92 | | 4,045.84 | |
| | (b) Financial Assets | | | | | |
| | (i) Investments | 13 | 26,204.29 | | 14,601.07 | |
| | (ii) Trade Receivables | 14 | 6,978.08 | | 4,416.84 | |
| | (iii) Cash and Cash Equivalents | 15 | 901.29 | | 333.70 | |
| | (iv) Bank Balances other than (iii) above | 16 | 105.20 | | 115.16 | |
| | (v) Loans | 17 | 5,330.10 | | 829.90 | |
| | (vi) Others | 18 | 539.93 | | 277.11 | |
| | (c) Other Current Assets | 19 | 495.67 | | 300.83 | |
| | | | **44,434.48** | | **24,920.45** | |
| | (d) Assets held for Sale | 46 | 388.60 | **44,823.08** | 6,215.01 | **31,135.46** |
| | **TOTAL ASSETS** | | | **88,713.72** | | **81,260.97** |
| **II.** | **EQUITY AND LIABILITIES** | | | | | |
| | **EQUITY** | | | | | |
| | (a) Equity Share Capital | 20 | 231.00 | | 231.00 | |
| | (b) Other Equity | 21 | 81,938.25 | **82,169.25** | 76,943.81 | **77,174.81** |
| | **LIABILITIES** | | | | | |
| **1** | **Non-current Liabilities** | | | | | |
| | Deferred Tax Liabilities (net) | 22 | 119.48 | **119.48** | 59.73 | **59.73** |
| **2** | **Current Liabilities** | | | | | |
| | (a) Financial Liabilities | | | | | |
| | (i) Trade Payables | 23 | 3,179.55 | | 1,449.61 | |
| | (ii) Other Financial Liabilities | 24 | 2,591.89 | | 1,925.93 | |
| | (b) Other Current Liabilities | 25 | 289.10 | | 294.56 | |
| | (c) Provisions | 26 | 328.96 | | 252.53 | |
| | (d) Current Tax Liabilities (net) | | 35.49 | **6,424.99** | 103.80 | **4,026.43** |
| | **TOTAL EQUITY AND LIABILITIES** | | | **88,713.72** | | **81,260.97** |
| | Significant accounting policies and notes to Standalone Financial Statements | 1 to 50 | | | | |

As per our report of even date
**For PATHAK H.D. & ASSOCIATES**
Chartered Accountants
(Firm Registration No. 107783W)

For and on behalf of the Board of Directors
**B. L. Kheruka**
Executive Chairman
(DIN 00016861)

**Gyandeo Chaturvedi**
Partner
Membership No. 46806

**Swadhin Padia**
Chief Financial Officer

**Shreevar Kheruka**
Managing Director & CEO
(DIN 01802416)

**Gita Yadav**
Company Secretary
(Membership No. A23280)

**Rajesh Kumar Chaudhary**
Whole-time Director
(DIN 07425111)

Place : Mumbai
Date : 30.05.2018

**BOROSIL GLASS WORKS LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018**

(₹ in lacs)

| | Particulars | Note No. | For the Year Ended 31st March, 2018 | For the Year Ended 31st March, 2017 |
|---|---|---|---|---|
| I. | Revenue from Operations | 27 | 29,583.30 | 26,699.83 |
| | Other Income | 28 | 3,636.07 | 3,497.95 |
| | **Total Income (I)** | | **33,219.37** | **30,197.78** |
| II. | **Expenses:** | | | |
| | Purchases of Stock-in-trade | | 14,833.67 | 14,458.96 |
| | Changes in Inventories of Stock-in-trade | 29 | 59.55 | (64.04) |
| | Employee Benefits Expense | 30 | 3,417.65 | 2,720.23 |
| | Finance Costs | 31 | 28.17 | 117.40 |
| | Depreciation and Amortisation Expense | 32 | 522.37 | 581.30 |
| | Other Expenses | 33 | 7,331.42 | 7,679.66 |
| | **Total Expenses (II)** | | **26,192.83** | **25,493.51** |
| III. | **Profit Before Exceptional Items and Tax (I - II)** | | **7,026.54** | **4,704.27** |
| IV. | Exceptional Items | 34 | - | (9,087.64) |
| V. | **Profit Before Tax (III - IV)** | | **7,026.54** | **13,791.91** |
| VI. | **Tax Expense:** | 22 | | |
| | (1) Current Tax | | 2,491.09 | 1,505.45 |
| | (2) Deferred Tax | | (101.79) | (382.78) |
| VII. | **Profit For The Year (V-VI)** | | **4,637.24** | **12,669.24** |
| VIII. | **Other Comprehensive Income (OCI)** | | | |
| | **i) Items that will not be reclassified to profit or loss:** | | | |
| | Re-measurement gains / (losses) on Defined Benefit Plans | | (24.87) | (48.28) |
| | Income Tax effect on above | | 8.60 | 16.71 |
| | **ii) Items that will be reclassified to profit or loss:** | | | |
| | Gain on Debt Instrument designated at fair value through OCI | | 1,170.59 | 1,040.52 |
| | Income Tax effect on above | | (170.14) | (123.68) |
| | **Total Other Comprehensive Income** | | **984.18** | **885.27** |
| IX. | **Total Comprehensive Income for the year (VII + VIII)** | | **5,621.42** | **13,554.51** |
| X. | **Earnings per Equity Share of ₹1 each (in ₹)** | **35** | | |
| | **- Basic** | | **20.07** | **54.85** |
| | **- Diluted** | | **20.07** | **54.85** |
| | Significant accounting policies and notes to Standalone Financial Statements | 1 to 50 | | |

As per our report of even date
**For PATHAK H.D. & ASSOCIATES**
Chartered Accountants
(Firm Registration No. 107783W)

For and on behalf of the Board of Directors
**B. L. Kheruka**
Executive Chairman
(DIN 00016861)

**Gyandeo Chaturvedi**
Partner
Membership No. 46806

**Swadhin Padia**
Chief Financial Officer

**Shreevar Kheruka**
Managing Director & CEO
(DIN 01802416)

**Gita Yadav**
Company Secretary
(Membership No. A23280)

**Rajesh Kumar Chaudhary**
Whole-time Director
(DIN 07425111)

Place : Mumbai
Date : 30.05.2018

**BOROSIL GLASS WORKS LIMITED**
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018**

**A. Equity Share Capital** (₹ in lacs)

| Particulars | As at 1st April, 2016 | Changes during 2016-17 | As at 31st March, 2017 | Changes during 2017-18 | As at 31st March, 2018 |
|---|---|---|---|---|---|
| Equity Share Capital | 231.00 | - | 231.00 | - | 231.00 |

**B. Other Equity** (₹ in lacs)

| Particulars | Reserves and Surplus | | | | | Items of Other Comprehensive Income | | Total Other Equity |
|---|---|---|---|---|---|---|---|---|
| | Capital Reserve | Capital Redemption Reserve | General Reserve | Share Based Payment Reserve | Retained Earnings | Debts Instrument designated at fair value through OCI | Remeasurements of Defined Benefit Plans | |
| **Balance as at 1st April, 2016** | 15.00 | 165.39 | 500.00 | - | 58,645.33 | 4,092.90 | (29.32) | 63,389.30 |
| Total Comprehensive Income for the year | - | - | - | - | 12,669.24 | 916.84 | (31.57) | 13,554.51 |
| **Balance as at 31st March, 2017** | 15.00 | 165.39 | 500.00 | - | 71,314.57 | 5,009.74 | (60.89) | 76,943.81 |
| **Balance as at 1st April, 2017** | 15.00 | 165.39 | 500.00 | - | 71,314.57 | 5,009.74 | (60.89) | 76,943.81 |
| Total Comprehensive Income for the year | - | - | - | - | 4,637.24 | 1,000.45 | (16.27) | 5,621.42 |
| Final dividend payment (Dividend of ₹ 25 per share) | - | - | - | - | (577.50) | - | - | (577.50) |
| Tax on Final Dividend | - | - | - | - | (117.57) | - | - | (117.57) |
| Share based payment for the year | - | - | - | 68.09 | - | - | - | 68.09 |
| **Balance as at 31st March, 2018** | 15.00 | 165.39 | 500.00 | 68.09 | 75,256.74 | 6,010.19 | (77.16) | 81,938.25 |

As per our report of even date

For and on behalf of the Board of Directors

**For PATHAK H.D. & ASSOCIATES**
Chartered Accountants
(Firm Registration No. 107783W)

**B. L. Kheruka**
Executive Chairman
(DIN 00016861)

**Gyandeo Chaturvedi**
Partner
Membership No. 46806

**Swadhin Padia**
Chief Financial Officer

**Shreevar Kheruka**
Managing Director & CEO
(DIN 01802416)

**Gita Yadav**
Company Secretary
(Membership No. A23280)

**Rajesh Kumar Chaudhary**
Whole-time Director
(DIN 07425111)

Place : Mumbai
Date : 30.05.2018

**BOROSIL GLASS WORKS LIMITED**

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2018**

(₹ in lacs)

| Particulars | | For the Year Ended 31st March, 2018 | | For the Year Ended 31st March, 2017 |
|---|---|---|---|---|
| **A. Cash Flow from Operating Activities** | | | | |
| **Profit Before Tax as per Statement of Profit and Loss** | | **7,026.54** | | **13,791.91** |
| **Adjusted for :** | | | | |
| Depreciation and Amortisation Expense | 522.37 | | 581.30 | |
| Unrealised Gain on Foreign Currency Transactions (net) | (6.54) | | (5.89) | |
| Gain on Financial Instruments measured at fair value through profit or loss (net) | (746.56) | | (1,446.08) | |
| Dividend Income | (59.06) | | (280.17) | |
| Interest Income | (1,799.66) | | (986.10) | |
| Profit on sale of investments (net) | (271.62) | | (492.79) | |
| Profit on Sale of Property, Plant and Equipment and Assets held for Sale (net) | (309.49) | | (9,087.64) | |
| Impairment on Assets held for Sale | - | | 1,193.20 | |
| Investment Advisory Charges | 23.10 | | 95.88 | |
| Share Based Payment Expense | 49.22 | | - | |
| Finance Costs | 28.17 | | 117.40 | |
| Sundry Balances Written Back (net) | (10.54) | | (0.96) | |
| Provision for Doubtful Debts | - | (2,580.61) | 22.85 | (10,289.00) |
| **Operating Profit before Working Capital Changes** | | **4,445.93** | | **3,502.91** |
| **Adjusted for :** | | | | |
| Trade & Other Receivables | (2,654.42) | | (268.86) | |
| Inventories | 165.92 | | (71.70) | |
| Trade & Other Payables | 2,473.32 | (15.18) | 626.40 | 285.84 |
| **Cash generated from operations** | | **4,430.75** | | **3,788.75** |
| Direct taxes paid | | (1,439.52) | | (1,255.25) |
| **Net Cash from Operating Activities** | | **2,991.23** | | **2,533.50** |
| **B Cash Flow from Investing Activities** | | | | |
| Purchase of Property, Plant and Equipment | | (701.26) | | (2,164.36) |
| Sale of Property, Plant and Equipment and Assets held for Sale | | 6,588.48 | | 9,088.02 |
| Investments in Subsidiary | | - | | (285.41) |
| Purchase of Investments | | (30,128.10) | | (25,384.99) |
| Sale of Investments | | 26,884.39 | | 20,867.60 |
| Movement in Loans & advances | | (5,883.00) | | (2,716.22) |
| Investment Advisory Charges Paid | | (23.10) | | (98.01) |
| Interest on Investment/Loans | | 1,496.14 | | 1,060.37 |
| Dividend Received | | 59.06 | | 280.17 |
| **Net Cash from / (used in) Investing Activities** | | **(1,707.39)** | | **647.17** |

**BOROSIL GLASS WORKS LIMITED**
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2018**

(₹ in lacs)

| Particulars | For the Year Ended 31st March, 2018 | For the Year Ended 31st March, 2017 |
|---|---|---|
| **C. Cash Flow from Financing Activities** | | |
| Movement in Current Borrowings (net) | - | (3,253.66) |
| Margin Money (net) | 6.25 | 45.74 |
| Dividend Paid including Tax thereon | (695.07) | - |
| Interest Paid | (27.43) | (147.07) |
| **Net Cash (used in) Financing Activities** | **(716.25)** | **(3,354.99)** |
| **Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)** | **567.59** | **(174.32)** |
| **Opening Balance of Cash and Cash Equivalents** | **333.70** | **508.02** |
| **Closing Balance of Cash and Cash Equivalents (Refer note 15.1)** | **901.29** | **333.70** |

**Notes :**

**1 Changes in liabilities arising from financing activities on account of Current Borrowings:**

(₹ in lacs)

| Particulars | For the Year ended 31st March, 2018 | For the Year ended 31st March, 2017 |
|---|---|---|
| Opening balance of liabilities arising from financing activities | - | 3,253.66 |
| (a) Changes from financing cash flows | - | (3,253.66) |
| Closing balance of liabilities arising from financing activities | - | - |

**2** Bracket indicates cash outflow.
**3** Previous Year figures have been regrouped and reclassified wherever necessary.
**4** The above statement of cash flow has been prepared under the “Indirect Method” as set out in Ind AS 7 “Statement of Cash Flow”.

As per our report of even date

For and on behalf of the Board of Directors

**For PATHAK H.D. & ASSOCIATES**
Chartered Accountants
(Firm Registration No. 107783W)

**B. L. Kheruka**
Executive Chairman
(DIN 00016861)

**Gyandeo Chaturvedi**
Partner
Membership No. 46806

**Swadhin Padia**
Chief Financial Officer

**Shreevar Kheruka**
Managing Director & CEO
(DIN 01802416)

Place : Mumbai
Date : 30.05.2018

**Gita Yadav**
Company Secretary
(Membership No. A23280)

**Rajesh Kumar Chaudhary**
Whole-time Director
(DIN 07425111)

**Notes to the Standalone Financial Statements for the year ended 31st March, 2018**

**Note 1 CORPORATE INFORMATION:**

Borosil Glass Works Limited ("the Company") is a limited Company domiciled and incorporated in India and its shares are publicly traded on the Bombay Stock Exchange (BSE), in India. The registered office of the Company is situated at Khanna Construction House, 44, Dr. R.G. Thadani Marg, Worli, Mumbai 400 018.

The Equity Shares of the Company have been listed and admitted to dealings on the National Stock Exchange of India Ltd. (NSE) w.e.f. 25th May, 2018.

Company is engaged in the business of Scientific and Industrial Products (SIP) and Consumer Products (CP). SIP consist of laboratory glassware, instruments, disposable plastics, liquid handling systems and explosion proof lighting glassware. CP consist of microwavable and flameproof kitchenware, glass tumblers, Appliances and Storage products.

The financial statements of the Company for the year ended 31st March, 2018 were approved and adopted by Board of Directors in their meeting held on 30th May 2018.

**Note 2 BASIS OF PREPARATION:**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS), as notified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities, which are measured at fair value / amortised cost.

The financial statements are presented in Indian Rupees (₹), which is the Company's functional and presentation currency and all values are rounded to the nearest lacs, except when otherwise indicated.

**Note 3 SIGNIFICANT ACCOUNTING POLICIES:**

**3.1 Property, Plant and Equipment:**

Property, plant and equipment are carried at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation, amortisation and impairment losses, if any. Cost includes purchase price, borrowing cost and any cost directly attributable to the bringing the assets to its working condition for its intended use. In case of Property, Plant and Equipment, the Company has availed the carrying value as deemed cost on the date of transition i.e. 1st April, 2015.

Depreciation on the property, plant and equipment is provided using straight line method over the useful life of assets as specified in schedule II to the Companies Act, 2013. Depreciation on property, plant and equipment which are added / disposed off during the year, is provided on pro-rata basis with reference to the date of addition / deletion. Freehold land is not depreciated.

The assets' residual values, useful lives and method of depreciation are reviewed at each financial year end and are adjusted prospectively, if appropriate.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Profits / losses arising in the case of retirement / disposal of property, plant and equipment are recognised in the statement of profit and loss in the year of occurrence.

Leasehold land is amortised over the period of lease. Buildings constructed on leasehold land are depreciated based on the useful life specified in schedule II to the Companies Act, 2013, where the lease period of land is beyond the life of the building. In other cases, buildings constructed on leasehold land is amortised over the primary lease period of the land.

**3.2 Investment Properties:**

Investment properties are measured initially at cost, including transaction costs and net of recoverable taxes, trade discounts and rebates. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any. In case of Investment properties, the company has availed the carrying value as deemed cost on the date of transition i.e. 1st April, 2015.

Depreciation on investment properties is provided using straight line method over the estimated useful lives as specified in Schedule II to the Companies Act, 2013. Residual values, useful lives and method of depreciation of investment properties are reviewed at each financial year end and are adjusted prospectively, if appropriate. The effects of any revision are included in the statement of profit and loss when the changes arises.

Though the Company measures investment properties using cost based measurement, the fair value of investment property is disclosed in the notes.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement of profit and loss in the period of derecognition.

**3.3 Intangible Assets :**

Intangible assets are carried at cost, net of recoverable taxes, trade discount and rebates less accumulated amortisation and impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the intangible assets. In case of Intangible Assets, the Company has availed the carrying value as deemed cost on the date of transition i.e. 1st April, 2015.

Identifiable intangible assets are recognised when it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured.

Computer softwares are capitalised at the amounts paid to acquire the respective license for use and are amortised over the period of useful lives or period of three years, whichever is less. The assets' useful lives are reviewed at each financial year end.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

**3.4 Art Works:**

Art Works are carried at cost, net of recoverable taxes, trade discounts and rebates, less impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items. Profit / loss arising from retirement / disposal of Art Works are recognised in the statement of profit and loss in the year of occurrence.

**3.5 Leases:**

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. The corresponding liability is included in the balance sheet as a finance lease liability. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor 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 except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

**3.6 Inventories:**

Inventories are valued at the lower of cost and net realizable value except scrap (cullet), which is valued at net realizable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their respective present location and condition. Cost of packing materials and stores, spares and consumables are computed on the weighted average basis. Cost of work in progress, finished goods and Stock-in-trade is determined on absorption costing method.

**3.7 Cash and cash equivalents:**

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**3.8 Impairment of non-financial assets - property, plant and equipment and intangible assets:**

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**3.9 Discontinued operation and non-current assets (or disposal groups) held for sale:**

**Discontinued operation:**
A discontinued operation is a component of the Company that has been disposed off or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose off such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

**Non-current assets (or disposal groups) held for sale**
Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when a sale is highly probable from the date of classification, management are committed to the sale and the asset is available for immediate sale in its present condition. Non-current assets are classified as held for sale from the date these conditions are met and are measured at the lower of carrying amount and fair value less cost to sell. Any resulting impairment loss is recognised in the Statements of Profit and Loss as a separate line item. On classification as held for sale, the assets are no longer depreciated. Assets and liabilities classified as held for sale are presented separately as current items in the Balance Sheet.

**3.10 Financial instruments – initial recognition, subsequent measurement and impairment:**
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**I) Financial assets -Initial recognition and measurement:**
All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

**Financial assets - Subsequent measurement:**
For the purpose of subsequent measurement, financial assets are classified in two broad categories:-
a) Financial assets at fair value
b) Financial assets at amortised cost
Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured **at amortised cost** (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.
a) **Business model test:** The objective of the Company's business model is to hold the financial asset to collect the contractual cash flow.
b) **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at **fair value through other comprehensive income** unless the asset is designated at fair value through profit or loss under the fair value option.
a) **Business model test:** The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets.
b) **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

All other financial asset is measured at fair value through profit or loss.

**Financial assets - Equity Investment in subsidiaries, associates and joint venture:**
The Company has accounted for its equity investment in subsidiaries, associates and joint venture at cost.

**Financial assets - Derecognition**

A financial assets (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed form the Company's statement of financial position) when:

a) The rights to receive cash flows from the asset have expired, or

b) The Company has transferred its rights to receive cash flow from the asset.

**Impairment of financial assets**

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

a) The 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

b) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables, Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

**II) Financial liabilities - Initial recognition and measurement:**

The financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

**Financial liabilities - Subsequent measurement:**

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts are approximate at their fair value due to the short maturity of these instruments.

**Financial Liabilities - Financial guarantee contracts:**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined and the amount recognised less cumulative amortisation.

**Financial Liabilities - Derecognition:**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another, from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

**3.11 Provisions, Contingent Liabilities, Contingent Assets and Commitments:**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the statement of profit and loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

**3.12 Dividend Distribution:**

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in other equity.

**Notes to the Standalone Financial Statements for the year ended 31st March, 2018**

**3.13 Revenue recognition and other income:**

**Sale of goods:**
Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer as per the terms of the contracts, usually on delivery of the goods, and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. It also includes excise duty, if applicable, and excludes value added tax / sales tax / Goods and Service Tax. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

**Sale of Services:**
Revenue from sale of services is recognised as per the terms of the contract with customer based on stage of completion when the outcome of the transactions involving rendering of services can be estimated reliably. Percentage of completion method requires the Company to estimate the services performed to date as a proportion of the total services to be performed.

**Other Operating Income:**
Incentives on exports and other Government incentives related to operations are recognised in the statement of profit or loss after due consideration of certainty of utilization/receipt of such incentives.

**Interest Income:**
Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**Dividend Income:**
Dividend Income is recognised when the right to receive the payment is established.

**Rental income:**
Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included as other income in the statement of profit and loss.

**3.14 Foreign currency reinstatement and translation:**
Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transaction. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other finance gains / losses are presented in the statement of profit and loss on a net basis.

**3.15 Employee Benefits:**
Short term employee benefits are recognized as an expense in the statement of profit and loss of the year in which the related services are rendered.

Leave encashment being a defined benefit plan is accounted for using the projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the year in which they arise. Other costs are accounted in statement of profit and loss.

Contribution to Provident Fund, a defined contribution plan, is made in accordance with the statute, and is recognised as an expense in the year in which employees have rendered services.

Contribution to Superannuation fund, a defined contribution plan, is made in accordance with the Company policy, and is recognised as an expense in the year in which employees have rendered services.

The cost of providing gratuity, a defined benefit plans, is determined using the Projected Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. Other costs are accounted in statement of profit and loss.

Remeasurements of defined benefit plan in respect of post employment and other long term benefits are charged to the other comprehensive income in the year in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods.

**3.16 Share-based payments:**

Certain employees of the company receive part of their remuneration in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (‘equity-settled transactions’).

The resultant increase in equity is recorded in share based payment reserve.

The cost of equity-settled transactions with employees is measured at fair value at the date at which they are granted. The fair value of share awards are determined with the assistance of an external valuer and the fair value at the grant date is expensed on a proportionate basis over the vesting period based on the Company’s estimate of shares that will eventually vest. The estimate of the number of awards likely to vest is reviewed at each balance sheet date up to the vesting date at which point the estimate is adjusted to reflect the current expectations. Amounts charged to subsidiaries in respect of awards granted to employees of subsidiaries are recognised as receivable under current financial assets - others until paid by subsidiaries.

**3.17 Taxes on Income:**

Income tax expense represents the sum of current tax (including MAT and income tax for earlier years) and deferred tax. Tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in such cases the tax is also recognised directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognised in equity or other comprehensive income is also recognised in equity or other comprehensive income.

Current tax provision is computed for income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws. Current tax assets and current tax liabilities are off set, and presented as net.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

Minimum Alternative Tax (MAT) is applicable to the Company. Credit of MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

**3.18 Borrowing Costs:**

Borrowing costs specifically relating to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized (net of income on temporarily deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period. All other borrowing costs are expensed in the period in which they occur.

**3.19 Earnings per share:**

Basic earnings per share is computed using the net profit for the year attributable to the shareholders’ and weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholders’ and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

**3.20 Current and non-current classification:**

The Company presents assets and liabilities in statement of financial position based on current/non-current classification. The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA."

**An asset is classified as current when it is:**

a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
b) Held primarily for the purpose of trading,
c) Expected to be realised within twelve months after the reporting period, or
d) Cash or cash equivalent unless restricted from being exchanged or used settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

**A liability is classified as current when it is:**

a) Expected to be settled in normal operating cycle
b) Held primarily for the purpose of trading,
c) Due to be settled within twelve months after the reporting period, or
d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Deferred tax assets / liabilities are classified as non-current assets / liabilities. The Company has identified twelve months as its normal operating cycle.

**3.21 Fair value measurement:**

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or
b) In the absence of a principal market, in the most advantageous market for the asset or liability."

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy.

**3.22 Off-setting financial Instrument:**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable rights to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable rights must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or counterparty.

**Note 4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS:**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based on its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**Notes to the Standalone Financial Statements for the year ended 31st March, 2018**

**4.1 Property, Plant and Equipment, Investment Properties and Other Intangible Assets:**

Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values as per schedule II of the Companies Act, 2013 or are based on the Company's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.

**4.2 Income Tax:**

The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to an adjustment to the amounts reported in the standalone financial statements.

**4.3 Contingencies:**

Management has estimated the possible outflow of resources at the end of each annual reporting financial year, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

**4.4 Impairment of financial assets:**

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**4.5 Impairment of non-financial assets:**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent to those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

**4.6 Defined benefits plans:**

The Cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**4.7 Recoverability of trade receivable:**

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

**4.8 Provisions:**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

**4.9 Fair value measurement of financial instruments :**

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**Notes to the Standalone Financial Statements for the year ended 31st March, 2018**

**Note 5 - Property, Plant and Equipment**

(₹ in lacs)

| Particulars | Land Leasehold | Land Freehold | Buildings | Plant and Equipment | Furniture and Fixtures | Vehicles | Office Equipment | Total | Capital Work in Progress |
|---|---|---|---|---|---|---|---|---|---|
| **COST** | | | | | | | | | |
| **As at 1st April, 2016** | **363.91** | **433.53** | **13,839.13** | **73.19** | **901.19** | **241.11** | **363.35** | **16,215.41** | **484.12** |
| Additions | - | 1,505.40 | 170.41 | 4.19 | 241.68 | 123.31 | 240.98 | 2,285.97 | 27.95 |
| Transfer to Assets held for Sale | - | - | 7,073.31 | - | - | - | - | 7,073.31 | - |
| Disposals / transfers | - | 0.38 | - | - | - | - | - | 0.38 | 71.21 |
| **As at 31st March, 2017** | **363.91** | **1,938.55** | **6,936.23** | **77.38** | **1,142.87** | **364.42** | **604.33** | **11,427.69** | **440.86** |
| Additions | - | 49.86 | - | 279.10 | 1.38 | 383.90 | 56.33 | 770.57 | - |
| Disposals / transfers | - | - | 3.12 | - | 380.38 | 76.17 | 113.66 | 573.33 | 27.95 |
| **As at 31st March, 2018** | **363.91** | **1,988.41** | **6,933.11** | **356.48** | **763.87** | **672.15** | **547.00** | **11,624.93** | **412.91** |
| **DEPRECIATION AND AMORTISATION** | | | | | | | | | |
| **As at 1st April, 2016** | **6.01** | **-** | **278.67** | **9.85** | **79.74** | **29.30** | **77.77** | **481.34** | |
| Depreciation / Amortisation for the year | 6.01 | - | 272.82 | 10.74 | 100.90 | 37.21 | 110.92 | 538.60 | |
| Transfer to Assets held for Sale | - | - | 195.47 | - | - | - | - | 195.47 | |
| Disposals | - | - | - | - | - | - | - | - | |
| **As at 31st March, 2017** | **12.02** | **-** | **356.02** | **20.59** | **180.64** | **66.51** | **188.69** | **824.47** | |
| Depreciation / Amortisation for the year | 6.01 | - | 144.09 | 15.84 | 118.91 | 68.37 | 117.22 | 470.44 | |
| Disposals | - | - | 0.21 | - | 63.10 | 26.63 | 30.81 | 120.75 | |
| **As at 31st March, 2018** | **18.03** | **-** | **499.90** | **36.43** | **236.45** | **108.25** | **275.10** | **1,174.16** | |
| **NET BOOK VALUE:** | | | | | | | | | |
| **As at 31st March, 2017** | **351.89** | **1,938.55** | **6,580.21** | **56.79** | **962.23** | **297.91** | **415.64** | **10,603.22** | **440.86** |
| **As at 31st March, 2018** | **345.88** | **1,988.41** | **6,433.21** | **320.05** | **527.42** | **563.90** | **271.90** | **10,450.77** | **412.91** |

**5.1** Buildings include cost of shares in Co-operative Societies ₹ 0.01 lacs (Previous Year ₹ 0.01 lacs).

**5.2** In accordance with the Indian Accounting Standard (Ind AS 36 ) on " Impairment of Assets", the management during the year carried out an exercise of identifying the assets that may have been impaired in accordance with the said Ind AS . On the basis of review carried out by the management, there was no impairment loss on property, plant and equipment during the year ended 31st March, 2018.

**5.3** Refer note 36 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

**5.4** Refer note 46 for transfer of assets held for sale.

**Notes to the Standalone Financial Statements for the year ended 31st March, 2018**

**Note 6 - Investment Property**

(₹ in lacs)

| Particulars | Investment Properties |
|---|---|
| **COST:** | |
| **As at 1st April, 2016** | **708.52** |
| Additions | 30.50 |
| Transfer to Assets held for Sale | 540.45 |
| Disposals | - |
| **As at 31st March, 2017** | **198.57** |
| Additions | - |
| Disposals | - |
| **As at 31st March, 2018** | **198.57** |
| **DEPRECIATION AND AMORTISATION:** | |
| **As at 1st April, 2016** | **4.82** |
| Depreciation and Amortisation during the year | 5.26 |
| Transfer to Assets held for Sale | 10.08 |
| Disposals | - |
| **As at 31st March, 2017** | **-** |
| Depreciation and Amortisation during the year | - |
| Disposals | - |
| **As at 31st March, 2018** | **-** |
| **NET BOOK VALUE:** | |
| **As at 31st March, 2017** | **198.57** |
| **As at 31st March, 2018** | **198.57** |

**6.1 Information regarding income and expenditure of Investment Properties.**

(₹ in lacs)

| Particulars | For the Year ended 31st March, 2018 | For the Year ended 31st March, 2017 |
|---|---|---|
| Rental income derived from investment properties | - | 2.87 |
| Less: Direct operating expenses (including repairs and maintenance) that are generating rental income | - | 0.29 |
| Less: Direct operating expenses (including repairs and maintenance) that did not generate rental income | - | 1.29 |
| **Profit arising from investment properties before depreciation** | **-** | **1.29** |
| **Less: Depreciation and amortisation for the year** | **-** | **5.26** |
| **Loss arising from investment properties** | **-** | **(3.97)** |

**6.2** The Company's investment properties as at 31st March, 2018 consists of land held for undetermined future use.

**6.3** The fair values of the properties are ₹ 1270.00 lacs (Previous Year ₹ 926.00 lacs). These valuations are based on valuations performed by an accredited independent valuer, who is a specialist in valuing these types of properties. The fair value of the assets is determined using Comparison Method under the Market Approach. The fair value measurement is categorised in Level 3 fair value hierarchy. For the purpose of the valuation under comparison method, a comparison is made with similar properties that have recently been sold in the market. The significant unobservable inputs are (i) monthly market rent, taking into account the difference in location and individual factors, such as frontage and size between the comparable and the properties. (ii) Capitalisation rate, taking into account the capitalisation of rental income potential, nature of property and the prevailing market condition.

**Notes to the Standalone Financial Statements for the year ended 31st March, 2018**

**6.4** The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

**Note 7 - Other Intangible Assets**

(₹ in lacs)

| Particulars | Other Intangible assets | Intangible assets under development |
|---|---|---|
| **COST:** | | |
| **As at 1st April, 2016** | **122.16** | **26.47** |
| Additions | 37.91 | 4.04 |
| Disposals / transfers | - | 10.23 |
| **As at 31st March, 2017** | **160.07** | **20.28** |
| Additions | 100.15 | - |
| Disposals / transfers | - | 20.28 |
| **As at 31st March, 2018** | **260.22** | **-** |
| **AMORTISATION:** | | |
| **As at 1st April, 2016** | **42.29** | |
| Amortisation during the year | 37.44 | |
| Disposals | - | |
| **As at 31st March, 2017** | **79.73** | |
| Amortisation during the year | 51.93 | |
| Disposals | - | |
| **As at 31st March, 2018** | **131.66** | |
| **NET BOOK VALUE:** | | |
| **As at 31st March, 2017** | **80.34** | **20.28** |
| **As at 31st March, 2018** | **128.56** | **-** |

**7.1** Other intangible assets represents Computer Softwares other than self generated.

**Note 8 - Non-Current Investments**

| Particulars | As at 31st March, 2018 | | | As at 31st March, 2017 | | |
|---|---|---|---|---|---|---|
| | No. of Shares / Units | Face Value (in ₹) Unless otherwise stated | ₹ in lacs | No. of Shares / Units | Face Value (in ₹) unless otherwise stated | ₹ in lacs |
| **(a) In Equity Instruments:** | | | | | | |
| **Quoted Fully Paid-Up** | | | | | | |
| **Subsidiary Company (Refer note 42.6)** | | | | | | |
| **Carried at cost** | | | | | | |
| Gujarat Borosil Ltd. | 1,72,22,376 | 5 | 1,527.95 | 1,72,22,376 | 5 | 1,527.95 |
| Deemed Equity Investment (Refer note 8.3) | | | 3,829.81 | | | 3,829.81 |
| **Unquoted Fully Paid-Up** | | | | | | |
| **Subsidiary Company** | | | | | | |
| **Carried at cost** | | | | | | |
| Borosil Afrasia FZE. | 3 | AED 10,00,000 | 524.77 | 3 | AED 10,00,000 | 524.77 |
| Klasspack Pvt. Ltd. | 4,34,060 | 100 | 2,703.81 | 4,34,060 | 100 | 2,703.81 |
| Hopewell Tableware Pvt. Ltd. $ (Including 1 share held by nominee) | 2,57,50,000 | 10 | 2,713.29 | 2,57,50,000 | 10 | 2,713.29 |

**Notes to the Standalone Financial Statements for the year ended 31st March, 2018**

| Particulars | As at 31st March, 2018 | | | As at 31st March, 2017 | | |
|---|---|---|---|---|---|---|
| | No. of Shares / Units | Face Value (in ₹) Unless otherwise stated | ₹ in lacs | No. of Shares / Units | Face Value (in ₹) unless otherwise stated | ₹ in lacs |
| **Associate Company** | | | | | | |
| **Carried at cost** | | | | | | |
| Fennel Investment and Finance Pvt. Ltd. | 41,48,967 | 10 | 414.90 | 41,48,967 | 10 | 414.90 |
| **Others** | | | | | | |
| **Carried at fair value through profit and loss** | | | | | | |
| Zoroastrian Co-operative Bank Ltd. | 4,000 | 25 | 2.17 | 4,000 | 25 | 1.77 |
| $ 66,75,010 shares pledged as security with a bank for credit facility availed by that subsidiary Company. | | | | | | |
| **Total Equity Instruments (a)** | | | **11,716.70** | | | **11,716.30** |
| **(b) In Preference Shares:** | | | | | | |
| **Unquoted Fully Paid-Up** | | | | | | |
| **Subsidiary Company** | | | | | | |
| **Carried at cost** | | | | | | |
| 6% Optionally Convertible Non Cumulative Redeemable Preference Shares of Hopewell Tableware Pvt. Ltd. | 2,80,00,000 | 10 | 2,800.00 | 2,80,00,000 | 10 | 2,800.00 |
| **Subsidiary Company (Refer note 42.6)** | | | | | | |
| **Carried at fair value through other comprehensive income** | | | | | | |
| 9% Non-Cumulative Non Convertible Redeemable Preference Shares of Gujarat Borosil Ltd. | - | - | - | 90,00,000 | 100 | 9,364.71 |
| **Unquoted Fully Paid-Up** | | | | | | |
| **Others** | | | | | | |
| **Carried at fair value through profit and loss** | | | | | | |
| 8.2% Cumulative Non Participating Compulsorily Convertible Preference Shares of Tata Motors Finance Ltd. (Formerly Sheba Properties Ltd.) | 4,96,100 | 100 | 1,062.89 | - | - | - |
| **Total Preference Shares (b)** | | | **3,862.89** | | | **12,164.71** |
| **(c) In Debentures:** | | | | | | |
| **Quoted Fully Paid-Up** | | | | | | |
| **Carried at fair value through profit and loss** | | | | | | |
| Unsecured Non Convertible Redeemable Debentures of Miraya Realty Pvt. Ltd.-Series II | - | - | - | 81 | 1,00,000 | 133.09 |
| Unsecured Non Convertible Redeemable Debentures of Shiv Prasad Realty Pvt. Ltd.-Series II | - | - | - | 94 | 1,00,000 | 153.47 |
| Secured Non Convertible Redeemable Debentures of Sterling Habitats Pvt.Ltd.-SeriesII | - | - | - | 45 | 1,00,000 | 61.61 |
| Secured Non Convertible Redeemable Debentures of Genie Commercial Ventures Pvt. Ltd.Tranche I | 116 | 92,976 | 143.14 | 110 | 1,00,000 | 117.87 |
| Secured Non Convertible Redeemable Debentures of Cornerview Constructions & Developers Pvt. Ltd.-Series B | 114 | 25,057 | 57.51 | 114 | 50,000 | 76.27 |
| 7.76% Secured Redeemable Non Convertible Debentures of HDB Financial Services Ltd. Series 2017 A/1/103 | 100 | 10,00,000 | 990.60 | - | - | - |
| Secured Redeemable Non Convertible Debentures of Edelweiss Finvest Pvt. Ltd. Series H9E701A | 1,250 | 1,00,000 | 1,250.00 | - | - | - |
| Secured Redeemable Non Convertible Debentures of IIFL Wealth Finance Ltd.-Series EWFEC850 | 1,250 | 1,00,000 | 1,250.00 | - | - | - |

**Notes to the Standalone Financial Statements for the year ended 31st March, 2018**

| Particulars | As at 31st March, 2018 | | | As at 31st March, 2017 | | |
|---|---|---|---|---|---|---|
| | No. of Shares / Units | Face Value (in ₹) Unless otherwise stated | ₹ in lacs | No. of Shares / Units | Face Value (in ₹) unless otherwise stated | ₹ in lacs |
| **Unquoted Fully Paid-Up** | | | | | | |
| **Carried at fair value through profit and loss** | | | | | | |
| 3 % Optionally Convertible Debentures of Prabal Traders and Advisors Pvt. Ltd.* | - | - | - | 64,244 | 100 | 129.62 |
| 8.25 % Optionally Convertible Debentures of Sherin Advisors and Traders Pvt. Ltd.* | - | - | - | 79,271 | 100 | 168.81 |
| Unsecured Non Convertible Redeemable Debentures of Runwal Real Estates Pvt. Ltd. Class B | 138 | 1,00,000 | 180.49 | 51 | 1,00,000 | 68.80 |
| Unsecured Non Convertible Redeemable Debentures of Shriprop Dwellers Pvt. Ltd Series II | 76 | 80,365 | 96.65 | 76 | 1,00,000 | 95.87 |
| Unsecured Non Convertible Redeemable Debentures of Miraya Realty Pvt. Ltd.-First Debentures | - | - | - | 134 | 1,00,000 | 147.52 |
| Secured Non Convertible Redeemable Debentures of Sterling Habitats Pvt. Ltd.-Series I B | - | - | - | 7 | 1,00,000 | 7.36 |
| Secured Non Convertible Redeemable Debentures of Cornerview Constructions & Developers Pvt. Ltd.-SeriesA2 | 104 | 50,000 | 60.45 | - | - | - |
| * Held by Portfolio Manager on behalf of the Company. | | | | | | |
| **Total Debentures (c)** | | | **4,028.84** | | | **1,160.29** |
| **(d) In Others:** | | | | | | |
| **1. Venture Capital Fund** | | | | | | |
| **Unquoted Fully Paid-Up** | | | | | | |
| **Carried at fair value through profit and loss** | | | | | | |
| NV India Real Estate Fund | 4,71,561 | 100 | 1,101.02 | 7,50,000 | 100 | 1,220.55 |
| India Infoline Real Estate Fund (Domestic) - Series 1 - Class C | - | - | - | 20,00,000 | 15.96 | 320.45 |
| India Infoline Real Estate Fund (Domestic) - Series 1 - Class B | - | - | - | 58 | 10 | 0.01 |
| **2. Alternative Investment Fund** | | | | | | |
| **Quoted Fully Paid-Up** | | | | | | |
| **Carried at fair value through profit and loss** | | | | | | |
| IIFL Real Estate Fund (Domestic) -Series 2 - Class A | 1,40,11,328 | 7.59 | 1,173.86 | 1,40,11,328 | 10 | 1,518.14 |
| **Unquoted Fully Paid-Up** | | | | | | |
| **Carried at fair value through profit and loss** | | | | | | |
| ASK Real Estate Special Opportunities Fund - II - Class B | 750 | 1,00,000 | 792.24 | 488 | 1,00,000 | 487.50 |
| Edelweiss Stressed and Troubled Assets Revival Fund-1 | 10,000 | 8,254.73 | 779.70 | 10,000 | 8,569.79 | 812.76 |
| IIFL Income Opportunities Fund (A Category II) | - | - | - | 98,52,360 | 0.61 | 64.70 |
| IIFL Income Opportunities Fund Series-Special Situations (A Category II) | 1,43,30,927 | 4.66 | 968.72 | 1,43,30,927 | 7.46 | 1,376.67 |
| Fireside Ventures Investment Fund-1 - Class A | 250 | 1,00,000 | 250.00 | - | - | - |
| **Total Others (d)** | | | **5,065.54** | | | **5,800.78** |
| **Total Non Current Investments (a) + (b) + (c) + (d)** | | | **24,673.97** | | | **30,842.08** |

**Notes to the Standalone Financial Statements for the year ended 31st March, 2018**

**8.1** Aggregate amount of Investments and Market value thereof

(₹ in lacs)

| Particulars | As at 31st March, 2018 | | As at 31st March, 2017 | |
|---|---|---|---|---|
| | Book Value | Market Value | Book Value | Market Value |
| Quoted Investments:- | | | | |
| - Measured at cost (Including Deemed equity investment) | 5,357.76 | 15,517.36 | 5,357.76 | 13,975.96 |
| - Measured at fair value through Profit and Loss | 4,865.11 | 4,865.11 | 2,060.45 | 2,060.45 |
| Unquoted Investments | 14,451.10 | | 23,423.87 | |
| | **24,673.97** | | **30,842.08** | |

**8.2** Refer Note 37 in respect of Investment through Portfolio Management Services.

**8.3** Deemed equity investment is on account of fair valuation of 9% Non-Cumulative Non-Convertible Redeemable Preference Shares of Gujarat Borosil Ltd.

**8.4** Category-wise Non-current Investment

(₹ in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| Financial assets measured at cost | 14,514.53 | 14,514.53 |
| Financial assets measured at fair value through other comprehensive income | - | 9,364.71 |
| Financial assets measured at fair value through Profit and Loss | 10,159.44 | 6,962.84 |
| **Total** | **24,673.97** | **30,842.08** |

**Note 9 - Non-current financial assets - Loans**

(₹ in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| **Secured, Considered Good, unless otherwise stated :** | | |
| Inter Corporate Deposit to Related Party (Refer Note 42) | - | 3,316.25 |
| **Unsecured, Considered Good, unless otherwise stated :** | | |
| Inter Corporate Deposit to Related Party (Refer Note 42) | 7,193.00 | 2,290.00 |
| Inter Corporate Deposit to others | - | 200.00 |
| Loan to Employees | 26.45 | 17.57 |
| **Total** | **7,219.45** | **5,823.82** |

**9.1** Inter Corporate Deposit to related parties have been granted to meet various capital expenditures for their expansion plans and for its business purpose.

**9.2** Inter Corporate Deposit to others was granted for the purpose of utilising this amount in their business.

**9.3** Unsecured Inter Corporate Deposit to Related Party represents loan due by private company in which directors of the Company are Director.

**Note10 - Non-current financial assets - Others**

(₹ in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| **Unsecured, Considered Good, unless otherwise stated :** | | |
| Security Deposits | 24.73 | 16.45 |
| **Total** | **24.73** | **16.45** |

**Notes to the Standalone Financial Statements for the year ended 31st March, 2018**

**Note11 - Other Non-current assets**

(₹ in lacs)

| Particulars | As at 31st March, 2018 | | As at 31st March, 2017 | |
|---|---|---|---|---|
| **Unsecured, Considered Good, unless otherwise stated :** | | | | |
| Capital Advances | | 0.53 | | 132.21 |
| **MAT Credit Entitlement :** | | | | |
| - Opening balance | 1,617.59 | | 1,776.60 | |
| - Less: MAT credit utilisation during the year | 1,127.50 | 490.09 | 159.01 | 1,617.59 |
| Unamortised portion of Employee Benefits | | 0.25 | | 0.11 |
| Prepaid Expenses | | 42.39 | | 109.18 |
| **Total** | | **533.26** | | **1,859.09** |

**11.1** Company was liable to pay MAT under Section 115JB of the Income Tax Act, 1961 ("the Act") in earlier years. MAT paid under Section 115JB of the Act over tax payable as per the provisions of the Act, other than Section 115JB of the Act, has been carried forward for being set off against the future tax liabilities computed in accordance with the provisions of the Act, other than Section 115JB of the Act, in next fifteen years. Based on the future projection of the performance, the Company will be liable to pay the income tax computed as per provisions of the Act, other than under Section 115JB of the Act.

**Note 12 - Inventories**

(₹ in lacs)

| Particulars | As at 31st March, 2018 | | As at 31st March, 2017 | |
|---|---|---|---|---|
| **Stock-in-Trade:** | | | | |
| Goods-in-Transit | 154.18 | | 183.96 | |
| Others | 3,546.83 | 3,701.01 | 3,722.20 | 3,906.16 |
| Stores, Spares and Consumables | | 9.34 | | 4.35 |
| Packing Material | | 157.71 | | 123.47 |
| Scrap(Cullet) | | 11.86 | | 11.86 |
| **Total** | | **3,879.92** | | **4,045.84** |

**12.1** The amount of write-down of inventories recognised as an expense for the year is ₹ 23.45 lacs (Previous Year ₹ 32.69 lacs). These are included in Changes in Inventories of Stock-in-Trade and in Packing Materials Consumed in the statement of profit and loss.

**Notes to the Standalone Financial Statements for the year ended 31st March, 2018**

**Note 13 - Current Investments**

| Particulars | As at 31st March, 2018 | | | As at 31st March, 2017 | | |
|---|---|---|---|---|---|---|
| | No. of Shares / Units | Face Value (in ₹) | ₹ in lacs | No. of Shares / Units | Face Value (in ₹) | ₹ in lacs |
| **(a) In Equity Instruments:** | | | | | | |
| **Quoted Fully Paid Up** | | | | | | |
| **Carried at fair value through profit and loss** | | | | | | |
| Asian Paints Ltd. | - | - | - | 6,733 | 1 | 72.28 |
| Bharat Forge Ltd. | - | - | - | 4,247 | 2 | 44.26 |
| Bharat Petroleum Corporation Ltd. | - | - | - | 13,800 | 10 | 89.68 |
| Bosch Ltd. | - | - | - | 372 | 10 | 84.73 |
| Eicher Motors Ltd. | - | - | - | 315 | 10 | 80.60 |
| HDFC Bank Ltd. | - | - | - | 6,391 | 2 | 92.19 |
| Hero Motocorp Ltd. | - | - | - | 1,531 | 2 | 49.36 |
| Housing Development Finance Corporation Ltd. | - | - | - | 3,599 | 2 | 54.07 |
| InterGlobe Aviation Ltd. | - | - | - | 4,999 | 10 | 52.56 |
| Kotak Mahindra Bank Ltd. | - | - | - | 9,505 | 5 | 82.90 |
| Larsen & Toubro Ltd. | - | - | - | 3,177 | 2 | 50.12 |
| State Bank of India | - | - | - | 22,728 | 1 | 66.68 |
| Sun Pharmaceutical Industries Ltd. | - | - | - | 11,430 | 1 | 78.66 |
| Tata Consultancy Services Ltd. | - | - | - | 2,327 | 1 | 56.59 |
| United Spirits Ltd. | - | - | - | 2,242 | 10 | 48.76 |
| **Unquoted Fully Paid Up** | | | | | | |
| **Carried at fair value through profit and loss** | | | | | | |
| Prabal Traders and Advisors Pvt. Ltd. * | 74,876 | 1 | 7.48 | 74,876 | 1 | 1.51 |
| Sherin Advisors and Traders Pvt. Ltd. * | - | - | - | 74,594 | 1 | 1.59 |
| Vahin Advisors and Traders Pvt. Ltd. * | 74,852 | 1 | - | 74,852 | 1 | 0.75 |
| * Held by Portfolio Manager on behalf of the Company. | | | | | | |
| **Total Equity Instruments (a)** | | | **7.48** | | | **1,007.29** |
| **(b) In Preference Shares:** | | | | | | |
| **Unquoted Fully Paid-Up** | | | | | | |
| **Subsidiary Company (Refer note 42.6)** | | | | | | |
| **Carried at fair value through other comprehensive income** | | | | | | |
| 9% Non-Cumulative Non-Convertible Redeemable Preference Shares of Gujarat Borosil Ltd. | 90,00,000 | 100 | 10,535.30 | - | - | - |
| **Quoted Fully Paid-Up** | | | | | | |
| **Others** | | | | | | |
| **Carried at fair value through profit and loss** | | | | | | |
| 7.5% Non-Cumulative Non-Convertible Redeemable Preference Shares of Vedanta Ltd. | 75,00,000 | 10 | 749.83 | - | - | - |
| **Total Preference Shares (b)** | | | **11,285.13** | | | **-** |

**Notes to the Standalone Financial Statements for the year ended 31st March, 2018**

| Particulars | As at 31st March, 2018 | | | As at 31st March, 2017 | | |
|---|---|---|---|---|---|---|
| | No. of Shares / Units | Face Value (in ₹) | ₹ in lacs | No. of Shares / Units | Face Value (in ₹) | ₹ in lacs |
| **(c) In Debentures:** | | | | | | |
| **Quoted Fully Paid-Up** | | | | | | |
| **Carried at fair value through profit and loss** | | | | | | |
| Unsecured Non Convertible Redeemable Debentures of Miraya Realty Pvt. Ltd.-Series II | 81 | 1,00,000 | 141.55 | - | - | - |
| Secured Non Convertible Redeemable Debentures of Sterling Habitats Pvt. Ltd.-Series II | 45 | 1,00,000 | 72.33 | - | - | - |
| 10.75% Secured Redeemable Non Convertible Debentures of Shriram Transport Finance Company Ltd.-Series II | 1,00,000 | 1,000 | 1,016.45 | - | - | - |
| 11.25% Unsecured Redeemable Non Convertible Debentures of Fullerton India Credit Company Ltd. | 50 | 10,00,000 | 500.00 | - | - | - |
| **Unquoted Fully Paid Up** | | | | | | |
| **Carried at fair value through profit and loss** | | | | | | |
| 19% Secured Redeemable Non Convertible Debentures of Arch Agro Industries Pvt. Ltd. | 2,784 | 10,000 | - | 2,784 | 10,000 | - |
| 3 % Optionally Convertible Debentures of Prabal Traders and Advisors Pvt. Ltd.* | 7,486 | 100 | 74.78 | - | - | - |
| Unsecured Non Convertible Redeemable Debentures of Miraya Realty Pvt. Ltd.-First Debentures | 134 | 1,00,000 | 174.30 | - | - | - |
| Secured Non Convertible Redeemable Debentures of Sterling Habitats Pvt. Ltd.-Series I B | 47 | 82,959 | 47.09 | - | - | - |
| Unsecured Non Convertible Redeemable Debentures of Runwal Real Estates Pvt. Ltd.-Class B | 57 | 1,00,000 | 66.42 | - | - | - |
| * Held by Portfolio Manager on behalf of the Company. | | | | | | |
| **Total Debentures (c)** | | | **2,092.92** | | | **-** |
| **(d) Mutual Funds:** | | | | | | |
| **Quoted Fully Paid Up** | | | | | | |
| **Carried at fair value through profit and loss** | | | | | | |
| Reliance Equity Opportunities Fund Retail Plan Growth Plan | - | - | - | 4,44,720 | 10 | 355.08 |
| HDFC FMP 1177D March 2018 (1) - Direct Option - Growth | 1,00,00,000 | 10 | 1,000.77 | - | - | - |
| **Unquoted Fully Paid-Up** | | | | | | |
| **Carried at fair value through profit and loss** | | | | | | |
| Aditya Birla Sun Life Cash Plus Daily Dividend * | - | - | - | 712 | 100 | 0.71 |
| Aditya Birla Sun Life Savings Fund Institutional Growth | 2,46,261 | 100 | 841.49 | 2,42,505 | 100 | 772.75 |
| HDFC Midcap Opportunities Fund Dividend Reinvestment | - | - | - | 77,83,981 | 10 | 2,376.53 |
| ICICI Prudential Discovery Fund Regular Plan Dividend Reinvestment | - | - | - | 35,22,132 $ | 10 | 1,093.97 |
| ICICI Prudential Flexible Income Regular Plan Growth | - | - | - | 16 | 100 | 0.05 |
| HDFC Liquid Fund Direct Plan Growth Option | 59,855 @ | 1,000 | 2,049.35 | 1,24,422 # | 1,000 | 3,992.59 |

**Notes to the Standalone Financial Statements for the year ended 31st March, 2018**

| Particulars | As at 31st March, 2018 | | | As at 31st March, 2017 | | |
|---|---|---|---|---|---|---|
| | No. of Shares / Units | Face Value (in ₹) | ₹ in lacs | No. of Shares / Units | Face Value (in ₹) | ₹ in lacs |
| SBI Blue Chip Fund - Direct Plan - Dividend Reinvestment | - | - | - | 9,988 | 10 | 2.26 |
| Aditya Birla Sun Life Cash Plus - Growth -Direct Plan | 9,06,183 | 100 | 2,531.10 | 8,02,995 | 100 | 2,098.30 |
| ICICI Prudential Liquid - Direct Plan - Growth | 10,15,715 | 100 | 2,611.78 | 11,42,418 | 100 | 2,750.00 |
| SBI Ultra Short Term Debt Fund Regular Plan Growth | 1,284 | 1,000 | 28.78 | 1,284 | 1,000 | 26.97 |
| TATA Ultra Short Term Fund Regular Plan Growth | 19,311 | 1,000 | 508.35 | 5,053 | 1,000 | 124.57 |
| Kotak Equity Arbitrage Fund - Direct Plan Growth | 11,96,960 | 10 | 305.35 | - | - | - |
| Edelweiss Arbitrage Fund -Direct Plan- Growth | 54,01,193 | 10 | 712.71 | - | - | - |
| Aditya Birla Sun Life Savings Fund Growth Direct Plan | 3,52,826 | 100 | 1,212.73 | - | - | - |
| * Held by Portfolio Manager on behalf of the Company. | | | | | | |
| $ 1,00,000 units pledged as a security with an NBFC for loan availed by the Company. | | | | | | |
| # 6,334 units pledged as a security with a bank for the credit facility availed by related party and 19,000 units pledged as security with a bank for credit facility availed by the Company. | | | | | | |
| @ 1,500 units pledged as a security with a bank for the credit facility availed by related party and 7,500 units pledged as security with a bank for credit facility availed by the Company. | | | | | | |
| **Total Mutual Funds (d)** | | | **11,802.41** | | | **13,593.78** |
| **(e) In Others:** | | | | | | |
| **1. Alternative Investment Fund** | | | | | | |
| **Quoted Fully Paid-Up** | | | | | | |
| **Carried at fair value through profit and loss** | | | | | | |
| Edelweiss Alpha Fund | 1,00,000 | 10 | 1,016.35 | - | - | - |
| **Total Others (e)** | | | **1,016.35** | | | **-** |
| **Total Current Investments = (a) + (b) + (c ) + (d) + (e)** | | | **26,204.29** | | | **14,601.07** |

**13.1 Aggregate amount of Current Investments and Market value thereof**

(₹ in lacs)

| Particulars | As at 31st March, 2018 | | As at 31st March, 2017 | |
|---|---|---|---|---|
| | Book Value | Market Value | Book Value | Market Value |
| Quoted Investments | 4,497.28 | 4,497.28 | 1,358.52 | 1,358.52 |
| Unquoted Investments | 21,707.01 | | 13,242.55 | |
| | 26,204.29 | | 14,601.07 | |

**13.2** Refer Note 37 in respect of Investment through Portfolio Management Services.

**13.3** Category-wise Current Investment

(₹ in lacs)

| Particulars | As at 31st March ,2018 | As at 31st March, 2017 |
|---|---|---|
| Financial assets measured at fair value through other comprehensive income | 10,535.30 | - |
| Financial assets measured at fair value through Profit and Loss | 15,668.99 | 14,601.07 |
| **Total** | **26,204.29** | **14,601.07** |

**Notes to the Standalone Financial Statements for the year ended 31st March, 2018**

**Note 14 - Current financial assets - Trade Receivables**

(₹ in lacs)

| Particulars | As at 31st March, 2018 | | As at 31st March, 2017 | |
|---|---|---|---|---|
| **Unsecured :** | | | | |
| Considered Good | 6,978.08 | | 4,416.84 | |
| Considered Doubtful | 29.28 | | 29.28 | |
| | 7,007.36 | | 4,446.12 | |
| Less : Provision for Doubtful Debts | 29.28 | 6,978.08 | 29.28 | 4,416.84 |
| **Total** | | **6,978.08** | | **4,416.84** |

**14.1** Trade Receivables includes ₹ 15.18 lacs due by private company in which directors of the Company are Director.

**Note 15 - Cash and Cash Equivalents**

(₹ in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March,2017 |
|---|---|---|
| Balances with Banks in current accounts | 576.30 | 106.15 |
| Fixed deposits with Banks - Having maturity less than 3 months | 316.00 | 225.25 |
| Cash on Hand | 8.99 | 2.30 |
| **Total** | **901.29** | **333.70** |

**15.1** For the purpose of the statement of cash flow, cash and cash equivalents comprise the followings:

(₹ in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| Balances with Banks in current accounts | 576.30 | 106.15 |
| Fixed deposit with Banks - Having maturity less than 3 months | 316.00 | 225.25 |
| Cash on Hand | 8.99 | 2.30 |
| **Total** | **901.29** | **333.70** |

**Note 16 - Bank balances Other than Cash and Cash Equivalents**

(₹ in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| **Earmarked Balances with bank :** | | |
| Unpaid Dividend Accounts | 104.27 | 107.98 |
| Fixed deposit pledged with a Bank | 0.93 | 7.18 |
| **Total** | **105.20** | **115.16** |

**Note 17 - Current financial assets - Loans**

(₹ in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| **Secured, Considered Good, unless otherwise stated** | | |
| Inter Corporate Deposit to Related Party (Refer Note 42) | 3,316.25 | - |
| **Unsecured, Considered Good, unless otherwise stated:** | | |
| Inter Corporate Deposit to Related Party (Refer Note 42) | 1,990.00 | 810.00 |
| Loan to Employees | 23.85 | 19.90 |
| **Total** | **5,330.10** | **829.90** |

**17.1** Inter Corporate Deposit to related parties have been granted to meet various capital expenditures for their expansion plans and for its business purpose.

**Notes to the Standalone Financial Statements for the year ended 31st March, 2018**

**17.2** Unsecured Inter Corporate Deposit to Related Party represents loan due by private company in which directors of the Company are Director.

**Note 18 - Current financial assets - Others**

(₹ in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| **Unsecured, Considered Good, unless otherwise stated:** | | |
| Interest Receivables | 482.74 | 180.68 |
| Security Deposits | 30.56 | 36.19 |
| Others | 26.63 | 60.24 |
| | **539.93** | **277.11** |

**18.1** Others includes amounts receivable against share based payment from subsidiaries, from portfolio managers and other receivables etc.

**18.2** Interest Receivables and Others includes ₹ 83.10 lacs and ₹ 18.87 lacs respectively due by due by private company in which directors of the Company are Director.

**Note 19 - Other Current Assets**

(₹ in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| **Unsecured, Considered Good, unless otherwise stated:** | | |
| Advances against supplies | 286.32 | 124.21 |
| Export Incentives Receivable | 23.62 | 13.15 |
| Unamortised portion of Employee Benefits | 0.50 | 0.46 |
| Amount paid under protest (Refer note 36) | 0.55 | - |
| Others | 184.68 | 163.01 |
| **Total** | **495.67** | **300.83** |

**19.1** Others includes prepaid expenses, claim receivables etc.

**Note 20 - Equity Share Capital**

(₹ in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| **Authorised** | | |
| 12,00,00,000 (Previous Year 1,20,00,000 of ₹ 10/- each) Equity Shares of ₹ 1/- each* | 1,200.00 | 1,200.00 |
| **Total** | **1,200.00** | **1,200.00** |
| **Issued, Subscribed & Fully Paid up** | | |
| 2,31,00,000 (Previous Year 23,10,000 of ₹ 10/- each) Equity Shares of ₹ 1/- each fully paid up * | 231.00 | 231.00 |
| **Total** | **231.00** | **231.00** |

*On 15th September, 2017, the Company has sub-divided its equity shares of ₹ 10/- each into 10 equity share of ₹ 1/- each.

**20.1 Reconciliation of number of Equity Shares outstanding at the beginning and at the end of the year :**

| Particulars | As at 31st March, 2018 | | As at 31st March, 2017 | |
|---|---|---|---|---|
| | **(in Nos.)** | **(₹ in lacs)** | **(in Nos.)** | **(₹ in lacs)** |
| Shares outstanding at the beginning of the year | 23,10,000 | 231.00 | 23,10,000 | 231.00 |
| Add : Pursuant to sub-division of equity shares of ₹ 10/- each into 10 equity share of ₹ 1/- each. | 2,07,90,000 | - | - | - |
| Shares outstanding at the end of the year | 2,31,00,000 | 231.00 | 23,10,000 | 231.00 |

**Notes to the Standalone Financial Statements for the year ended 31st March, 2018**

**20.2 Terms/Rights attached to Equity Shares :**

The Company has only one class of shares referred to as equity shares having a par value of ₹1/- per share. Holders of equity shares are entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuring annual general meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**20.3** Details of Shareholder holding more than 5% of Equity Share Capital :

| Name of Shareholder | As at 31st March, 2018 | | As at 31st March, 2017 | |
|---|---|---|---|---|
| | No. of Shares held of ₹ 1 each | % of Holding | No. of Shares held of ₹ 1 each | % of Holding |
| Kiran Kheruka | 35,61,470 | 15.42 | 3,57,697 | 15.48 |
| Rekha Kheruka | 35,10,970 | 15.20 | 3,52,647 | 15.27 |
| Bajrang Lal Kheruka | 28,40,920 | 12.30 | 2,84,092 | 12.30 |
| Pradeep Kumar Kheruka | 26,40,920 | 11.43 | 2,64,092 | 11.43 |
| Fennel Investment and Finance Pvt. Ltd. | 12,40,570 | 5.37 | 1,24,057 | 5.37 |
| Croton Trading Pvt. Ltd. | 25,07,980 | 10.86 | 2,50,798 | 10.86 |

**20.4** Under Borosil Employee Stock Option Scheme 2017, 11,55,000 options reserved by the shareholders (Refer note 39).

**20.5** Aggregate number of shares bought back during the period of five years immediately preceding the reporting date:-

| Particulars | As at 31st March,2018 | As at 31st March,2017 |
|---|---|---|
| | No. of Shares | No. of Shares |
| Shares bought back (Face value of ₹ 10/- each) | 6,96,000 | 16,53,928 |

**20.6 Dividend paid and proposed:-**

**(₹ in lacs)**

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| **Dividend declared and paid** | | |
| Final dividend declared and paid during the year at ₹ 25 per share of ₹ 10/- each (Previous year ₹ Nil per share). | 577.50 | - |
| Dividend Distribution Tax on final dividend | 117.57 | - |
| **Proposed Dividends** | | |
| Final dividend proposed for the year ended on 31st March, 2018 at ₹ 2.5 per share (Face value of ₹ 1/- each) (Previous Year ₹ 25 per share (Face value of ₹ 10/- each)). | 577.50 | 577.50 |
| Dividend Distribution Tax on proposed dividend | 118.71 | 117.57 |

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including Dividend Distribution Tax thereon) as at 31 March.

**Notes to the Standalone Financial Statements for the year ended 31st March, 2018**

**Note 21 - Other Equity**

(₹ in lacs)

| Particulars | As at 31st March, 2018 | | As at 31st March, 2017 | |
|---|---|---|---|---|
| **Capital Reserve** | | | | |
| As per Last Balance Sheet | | 15.00 | | 15.00 |
| **Capital Redemption Reserve** | | | | |
| As per Last Balance Sheet | | 165.39 | | 165.39 |
| **General Reserve** | | | | |
| As per Last Balance Sheet | | 500.00 | | 500.00 |
| **Share Based Payment Reserve** | | | | |
| As per Last Balance Sheet | - | | - | |
| Add: Share based payment for the year | 68.09 | 68.09 | - | - |
| **Retained Earnings** | | | | |
| As per Last Balance Sheet | 71,314.57 | | 58,645.33 | |
| Add: Profit for the year | 4,637.24 | | 12,669.24 | |
| **Amount available for appropriation** | **75,951.81** | | **71,314.57** | |
| **Less: Appropriations** | | | | |
| Final Dividend Payment | 577.50 | | - | |
| Tax on Final Dividend | 117.57 | 75,256.74 | - | 71,314.57 |
| **Other Comprehensive Income (OCI)** | | | | |
| As per Last Balance Sheet | 4,948.85 | | 4,063.58 | |
| Add: Movements in OCI (net) during the year | 984.18 | 5,933.03 | 885.27 | 4,948.85 |
| **Total** | | **81,938.25** | | **76,943.81** |

**21.1 Nature and Purpose of Reserve**

1. **Capital Redemption Reserve:**
Capital redemption reserve was created against buy back of shares. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

2. **Capital Reserve**
Capital reserve was created by way of subsidy received from State Industries Promotion Corporation of Tamilnadu. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

3. **Share Based Payment Reserve**
Share based payment reserve is created against "Borosil Employees Stock Option Scheme 2017" and will be utilised against exercise of the option by the employees of the Company including subsidiary companies on issuance of the equity shares of the Company.

4. **Other Comprehensive Income (OCI) :**
OCI includes Debts Instrument carried at fair value through OCI (FVTOCI) and remeasurement of defined benefit plans.

5. **Debts instrument carried at fair value through OCI (FVTOCI)**
The Company has elected to recognise changes in fair value of certain investment in debt instruments through other comprehensive income. Changes are accumulated in debt instruments carried at FVTOCI and transfers to statement of profit and loss when the relevant debt instruments are derecognised.

**Notes to the Standalone Financial Statements for the year ended 31st March, 2018**

**Note 22 - Income Tax**

### 22.1 Current Tax

(₹ in lacs)

| Particulars | For the Year ended 31st March, 2018 | For the Year ended 31st March, 2017 |
|---|---|---|
| Current Income Tax | 2499.57 | 1503.74 |
| Income Tax of earlier years | (8.48) | 1.71 |
| **Total** | **2,491.09** | **1,505.45** |

### 22.2 The major components of Income Tax Expenses for the year ended 31st March, 2018 and 31st March, 2017 are as follows:

(₹ in lacs)

| Particulars | For the Year ended 31st March, 2018 | For the Year ended 31st March, 2017 |
|---|---|---|
| **Recognised in Statement of Profit and Loss :** | | |
| Current Income Tax (Refer note 22.1) | 2,491.09 | 1,505.45 |
| Deferred Tax - Relating to origination and reversal of temporary differences | (101.79) | (382.78) |
| **Total Tax Expenses** | **2,389.30** | **1,122.67** |

### 22.3 Reconciliation between tax expenses and accounting profit multiplied by tax rate for the year ended 31st March, 2018 and 31st March, 2017:

(₹ in lacs)

| Particulars | For the Year ended 31st March, 2018 | For the Year ended 31st March, 2017 |
|---|---|---|
| Accounting profit before tax | 7,026.54 | 13,791.91 |
| Applicable tax rate | 34.608% | 34.608% |
| **Computed Tax Expenses** | **2,431.74** | **4,773.10** |
| **Tax effect on account of:** | | |
| Lower tax rate, indexation and fair value changes etc. | 121.08 | (472.81) |
| Tax exemption on profit arising on Compulsory acquisition of land | - | (3,145.05) |
| Exempted income | (20.74) | (106.36) |
| Increase in rate of cess | 7.33 | - |
| Expenses not allowed | 20.27 | 90.90 |
| Non consideration of surcharge for MAT Credit | (174.02) | - |
| Other deductions / allowances | 12.12 | (18.82) |
| Income tax for earlier years | (8.48) | 1.71 |
| **Income tax expenses recognised in statement of profit and loss** | **2,389.30** | **1,122.67** |

**Notes to the Standalone Financial Statements for the year ended 31st March, 2018**

**22.4 Deferred tax liabilities relates to the followings:**

(₹ in lacs)

| Particulars | Balance Sheet | | Statement of profit and loss | |
|---|---|---|---|---|
| | As at 31st March, 2018 | As at 31st March, 2017 | For the Year Ended 31st March, 2018 | For the Year Ended 31st March, 2017 |
| Property, Plant and Equipment including assets held for sale | 739.11 | 1,048.25 | (309.14) | (313.65) |
| Investment Property including assets held for sale | (51.80) | (161.10) | 109.30 | (67.14) |
| Art work | (18.92) | (17.09) | (1.83) | (2.82) |
| Deductions not available under the Income Tax Act, 1961 | (130.18) | (90.92) | (39.26) | (36.85) |
| Financial Instruments | (296.08) | (606.06) | 309.98 | 163.86 |
| Provision for doubtful debts | (10.23) | (10.13) | (0.10) | (7.90) |
| Inventory | (112.42) | (103.22) | (9.20) | (11.31) |
| **Total** | **119.48** | **59.73** | **59.75** | **(275.81)** |

**22.5 Reconciliation of deferred tax liabilities (net):**

(₹ in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| Opening balance | 59.73 | 335.54 |
| Deferred Tax income recognised in statement of profit and loss | (101.79) | (382.78) |
| Deferred Tax expenses recognised in OCI | 161.54 | 106.97 |
| **Closing balance** | **119.48** | **59.73** |

**22.6** Unused tax losses for which no deferred tax assets has been recognised is ₹ Nil (Previous Year ₹ Nil).

**Note 23 - Current financial liabilities - Trade Payables**

(₹ in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| Micro, Small and Medium Enterprises | 161.61 | 113.92 |
| Others | 3,017.94 | 1,335.69 |
| **Total** | **3,179.55** | **1,449.61** |

**23.1** Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED 2006) have been determined based on the information available with the Company and the details of amount outstanding due to them are as given below:

(₹ in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| a) Principal amount outstanding | 161.61 | 113.92 |
| b) Interest due thereon | - | - |
| c) Interest paid by the Company in terms of Section 16 of MSMED 2006, alongwith amount of the payment made to the suppliers beyond the appointed day during the year . | - | - |
| d) Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED 2006. | - | - |
| e) Interest accrued and remaining unpaid | - | - |
| f) Further interest remaining due and payable in the succeeding years. | - | - |

**Notes to the Standalone Financial Statements for the year ended 31st March, 2018**

**Note 24 - Current financial liabilities - Others**

(₹ in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| Interest accrued but not due on Dealer Deposits | 25.00 | 24.26 |
| Dealer Deposits | 226.21 | 217.47 |
| Unclaimed Dividends* | 104.27 | 107.98 |
| Creditors for Capital Expenditure | 17.12 | 27.57 |
| Deposits | 3.75 | 2.40 |
| Other Payables | 2,215.54 | 1,546.25 |
| | **2,591.89** | **1,925.93** |

* This figure does not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund.

**24.1** Other Payables includes outstanding liabilities for expenses, Commission to Directors, discount, rebates etc.

**Note 25 - Other Current Liabilities**

(₹ in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| Advance from Customers | 62.07 | 51.12 |
| Statutory liabilities | 227.03 | 243.44 |
| **Total** | **289.10** | **294.56** |

**Note 26 - Current Provisions**

(₹ in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| **Provisions for Employee Benefits** | | |
| Superannuation (Funded) | 2.24 | 7.43 |
| Gratuity (Funded) (Refer note 38) | 78.45 | 50.09 |
| Leave Encashment | 248.27 | 195.01 |
| **Total** | **328.96** | **252.53** |

**Note 27 - Revenues from Operations**

(₹ in lacs)

| Particulars | For the Year ended 31st March, 2018 | For the Year ended 31st March, 2017 |
|---|---|---|
| Sale of Products | 29,535.74 | 26,665.12 |
| Other Operating Revenue | 47.56 | 34.71 |
| **Revenue from Operations** | **29,583.30** | **26,699.83** |

**Note 28 - Other Income**

(₹ in lacs)

| Particulars | For the Year ended 31st March, 2018 | For the Year ended 31st March, 2017 |
|---|---|---|
| Interest Income from Financial Assets measured at fair value through profit or loss | | |
| - Non-current Investments | 310.35 | 413.73 |
| - Current Investments | 404.75 | 2.91 |

**Notes to the Standalone Financial Statements for the year ended 31st March, 2018**

(₹ in lacs)

| Particulars | For the Year ended 31st March, 2018 | For the Year ended 31st March, 2017 |
|---|---|---|
| Interest Income from Financial Assets measured at amortised cost | | |
| - Inter Corporate Deposits | 1,075.87 | 560.23 |
| - Fixed Deposits with Banks | 8.69 | 9.23 |
| - Customers | 103.43 | 72.02 |
| - Others | 3.60 | 3.66 |
| Dividend Income from Financial Assets measured at fair value through profit or loss | | |
| - Non-current Investments | 0.89 | 2.40 |
| - Current Investments | 58.17 | 277.77 |
| Gain on Sale of Investments (net) | | |
| - Non-current Investments | - | 259.71 |
| - Current Investments | 453.87 | 233.08 |
| Gain / (Loss) on Financial Instruments measured at fair value through profit or loss (net) | 746.56 | 1,446.08 |
| Gain on sale of Property, Plant and Equipment and Assets held for Sale (net) (Refer Note 28.1) | 309.49 | - |
| Rent Income | 120.66 | 118.85 |
| Gain on Foreign Currency Transactions (net) | - | 77.86 |
| Sundry Credit Balance Written Back (net) | 10.54 | 0.96 |
| Insurance Claim Received | 17.14 | - |
| Miscellaneous Income | 12.06 | 19.46 |
| **Total** | **3,636.07** | **3,497.95** |

**28.1** Includes profit on sale of Assets held for sale of ₹132.19 lacs (Previous Year ₹ Nil)

**Note 29 - Changes in Inventories of Stock-in-Trade**

(₹ in lacs)

| Particulars | For the Year ended 31st March, 2018 | For the Year ended 31st March, 2017 |
|---|---|---|
| **At the end of the Year** | | |
| Stock-in-Trade | 3,701.01 | 3,906.16 |
| Scrap (Cullet) | 11.86 | 11.86 |
| | **3,712.87** | **3,918.02** |
| **At the beginning of the Year** | | |
| Stock-in-Trade | 3,906.16 | 3,839.71 |
| Scrap (Cullet) | 11.86 | 14.27 |
| | **3,918.02** | **3,853.98** |
| Less: GST Credit taken on opening stock | 145.60 | - |
| | **3,772.42** | **3,853.98** |
| **Total** | **59.55** | **(64.04)** |

**Note 30 - Employee Benefits Expense**

(₹ in lacs)

| Particulars | For the Year ended 31st March, 2018 | For the Year Ended 31st March, 2017 |
|---|---|---|
| Salaries, Wages & allowances | 3,038.91 | 2,475.27 |
| Contribution to Provident and Other Funds (Refer note 38) | 198.33 | 114.79 |
| Share Based Payments (Refer note 39) | 49.22 | - |
| Staff Welfare Expenses | 131.19 | 130.17 |
| **Total** | **3,417.65** | **2,720.23** |

**Notes to the Standalone Financial Statements for the year ended 31st March, 2018**

**Note 31 - Finance Cost**

(₹ in lacs)

| Particulars | For the Year Ended 31st March, 2018 | For the Year Ended 31st March, 2017 |
|---|---|---|
| Interest Expenses on financial liabilities measured at amortised cost | 28.17 | 116.58 |
| Exchange Differences regarded as an adjustment to Borrowing Costs | - | 0.82 |
| **Total** | **28.17** | **117.40** |

**Note 32 - Depreciation and amortisation Expenses**

(₹ in lacs)

| Particulars | For the Year ended 31st March, 2018 | For the Year ended 31st March, 2017 |
|---|---|---|
| Depreciation of Property, Plant and Equipment (Refer note 5) | 470.44 | 538.60 |
| Depreciation and amortisation of investment properties (Refer note 6) | - | 5.26 |
| Amortisation of intangible assets (Refer note 7) | 51.93 | 37.44 |
| **Total** | **522.37** | **581.30** |

**Note 33 - Other Expenses**

(₹ in lacs)

| Particulars | For the Year ended 31st March, 2018 | For the Year ended 31st March, 2017 |
|---|---|---|
| **Trading and Other Expenses** | | |
| Packing Materials Consumed | 704.53 | 668.79 |
| **Selling and Distribution Expenses** | | |
| Sales Promotion and Advertisement Expenses | 1,874.99 | 1,339.27 |
| Discount and Commission | 388.63 | 428.87 |
| Freight Outward / Octroi | 1,108.85 | 995.73 |
| Warehousing Expenses | 341.57 | 422.94 |
| Additional Tax and Turnover tax | 3.29 | 7.30 |
| **Administrative and General Expenses** | | |
| Rent | 102.62 | 96.33 |
| Rates and Taxes | 35.48 | 40.28 |
| Other Repairs | 240.63 | 148.92 |
| Insurance | 42.74 | 31.14 |
| Legal and Professional Fees | 684.24 | 839.16 |
| Travelling | 937.90 | 771.97 |
| Loss on Foreign Currency Transactions (net) | 14.47 | - |
| Provision for Doubtful Debts | - | 22.85 |
| Impairment on Assets held for Sale (Refer note 46) | - | 1,193.20 |
| Investment Advisory Charges | 23.10 | 95.88 |
| Commission to Directors | 35.00 | 34.63 |
| Directors Sitting Fees | 10.42 | 9.54 |
| Payment to Auditors (Refer Note 33.1) | 46.25 | 46.86 |
| Corporate Social Responsibility Expenditure (Refer Note 33.2) | 84.61 | 66.00 |
| Donation | 17.17 | 15.62 |
| Loss on Sale of Non-current Investments (net) | 182.25 | - |
| Miscellaneous Expenses | 452.68 | 404.38 |
| **Total** | **7,331.42** | **7,679.66** |

**Notes to the Standalone Financial Statements for the year ended 31st March, 2018**

**33.1 Details of Payment to Auditors**

(₹ in lacs)

| Particulars | For the Year ended 31st March, 2018 | For the Year ended 31st March, 2017 |
|---|---|---|
| **Payment to Auditors as :** | | |
| Auditor | 26.00 | 26.56 |
| For Tax Audit | 8.00 | 6.90 |
| For Taxation Matters | - | - |
| For Company Law Matters | - | - |
| For Certification charges | 7.25 | 7.65 |
| For Other Service | 5.00 | 5.75 |
| For Reimbursement of Expenses | - | - |
| **Total** | **46.25** | **46.86** |

**33.2 Notes related to Corporate Social Responsibility expenditure (CSR):**

(a) CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the company during the year is ₹ 83.87 lacs (Previous Year ₹ 73.12 lacs).

(b) Expenditure related to Corporate Social Responsibility is ₹ 84.61 lacs (Previous Year ₹ 66.00 lacs) and ₹ Nil (Previous year 7.12 lacs) remained unspent.

**Details of expenditure towards CSR given below:** (₹ in lacs)

| Particulars | For the Year ended 31st March, 2018 | For the Year ended 31st March, 2017 |
|---|---|---|
| (i) Promoting health care including preventive health care | 1.00 | 1.00 |
| (ii) Promoting education | 17.61 | 13.00 |
| (iii) Promoting sports including Olympic sports | 50.00 | 50.00 |
| (iv) Protection of national heritage | 15.00 | - |
| (v) Others | 1.00 | 2.00 |
| **Total** | **84.61** | **66.00** |

**Note 34 - Exceptional Items**

(₹ in lacs)

| Particulars | For the Year ended 31st March, 2018 | For the Year ended 31st March, 2017 |
|---|---|---|
| Loss / (Profit) on Sale of Property, Plant and Equipment | - | (9,087.64) |
| **Total** | **-** | **(9,087.64)** |

**34.1** During the previous year, the Deputy Collector, Mumbai Suburban District, acquired the Company's Land situated at J.B.Nagar, Andheri (East), Mumbai, admeasuring an area of 4237 sq. mtr. against a compensation of ₹ 9,444.24 lacs, computed under Right to Fair Compensation and Transparency in Land Acquisition Rehabilitation and Resettlement Act, 2013 ("Act") vide her award dated 7th December, 2016. Out of this, the Company paid ₹ 356.22 lacs to the Municipal Corporation of Greater Mumbai ("MCGM") towards training of nalla located on the above land. The net amount of ₹9,087.64 lacs has been shown as an exceptional item in the financial statement. The Company has been legally advised that the Company is eligible for tax exemption under section 96 of the Act read with CBDT circular 36/2016 dated 25th October, 2016 in respect of above acquisition and accordingly Company is not liable to pay any tax (including MAT) under Income tax Act, 1961 and hence no provision for income tax has been made on the above acquisition.

**Notes to the Standalone Financial Statements for the year ended 31st March, 2018**

**Note 35 - Earnings Per Equity share (EPS)**

| Particulars | For the Year ended 31st March, 2018 | For the Year ended 31st March, 2017 |
|---|---|---|
| Net profit for the year attributable to Equity Shareholders for Basic EPS (₹ in lacs) | 4,637.24 | 12,669.24 |
| Add: Share based payment (net of tax) (₹ in lacs) | 32.18 | - |
| Net profit for the year attributable to Equity Shareholders for Diluted EPS (₹ in lacs) | 4,669.42 | 12,669.24 |
| Weighted average number of equity shares outstanding during the year for Basic EPS (in Nos.) | 2,31,00,000 | 2,31,00,000 |
| Weighted average number of equity shares outstanding during the year for Diluted EPS (in Nos.) | 2,31,03,997 | 2,31,00,000 |
| **Earnings per share of ₹ 1 each (in ₹)** | | |
| - Basic | 20.07 | 54.85 |
| - Diluted * | 20.07 | 54.85 |
| Face value per equity share (in ₹) | 1.00 | 1.00 |

* As the Diluted Earning Per Share is anti-dilutive, Basic Earning per share has been considered as Diluted earning per share.

**35.1** On 15th September, 2017, the Company has sub-divided its equity shares of ₹ 10/- each into 10 equity share of ₹ 1/- each. The Earning Per Share for the previous year has been recomputed to give effect of the sub-division of the equity shares, as required by IND AS-33 "Earnings per Share".

**Note 36 - Contingent Liabilities and Commitments**

**36.1 Contingent Liabilities (To the extent not provided for)**
**Claims against the Company not acknowledged as debts**

**(₹ in lacs)**

| Particulars | As at 31st March 2018 | As at 31st March 2017 |
|---|---|---|
| **Disputed Liabilities in Appeal (No Cash outflow is expected in the near future)** | | |
| - Sales Tax (Amount paid under protest of ₹ 0.55 lacs (Pervious Year ₹ Nil)) | 55.91 | 38.29 |
| - Income Tax | 55.23 | - |
| - Others | - | 5.68 |
| **Guarantees** | | |
| - Bank Guarantees | 4.69 | 4.49 |
| **Others** | | |
| 1. Investments Pledged with a Bank against Credit facility availed by related parties | 754.71 | 796.31 |
| 2. Corporate Guarantee given to a Bank against Credit facility availed by related party | - | 1,916.25 |
| 3. Letter of Credits- Foreign | 148.97 | 115.94 |
| 4. Bonus (Refer note 36.4) | 6.93 | 6.93 |

**36.2 Commitments**

**(₹ in lacs)**

| Particulars | As at 31st March 2018 | As at 31st March 2017 |
|---|---|---|
| Estimated amount of Contracts remaining to be executed on Capital Account not provided for (cash outflow is expected on execution of such capital contracts): | | |
| -- Related to Property, plant and equipment | 178.31 | 335.13 |
| -- Related to Intangible Assets | - | - |
| Commitments towards Investments (cash outflow is expected on execution of such commitments) | 1,000.00 | 1,262.50 |

**36.3** Management is of the view that above litigations will not impact the financial position of the company.

**36.4** The Payment of Bonus (Amendment) Act, 2015 envisages enhancement of eligibility limit and Calculation Ceiling under section 12 from ₹ 3500 to ₹ 7000 or the minimum wage for the scheduled employment, as fixed by the appropriate Government, whichever is higher. The Payment of Bonus (Amendment) Act, 2015 have come into force on the 1st April 2014. However, the same is challenged in the Hon'ble High Courts of few States by some parties and those High Courts have provided stay on the retrospectively impact of the same and accordingly same amount shown as contingent liability.

**Note 37 - Portfolio Management Services**

As at 31st March, 2018, the company has invested ₹1,123.62 lacs (Previous Year ₹ 2,174.64 lacs) through Portfolio Managers who provide Portfolio Management Services which are in the nature of investment administrative management services and include the responsibility to manage, invest and operate the fund as per the agreement(s) entered with them. As on the said date, the outstanding balance of securities amounting to ₹1,122.19 lacs (Previous Year ₹ 2,168.31 lacs) has been accounted as investment in Note 8 and 13 and the amount of Rs 1.43 lacs (Previous Year ₹ 6.33 lacs) shown under the head "Current financial assets - Others" in Note 18.

**Note 38 - Employee Benefits**

**38.1 As per Ind AS 19 'Employee Benefits', the disclosure of Employee benefits as defined in the Ind AS are given below:**

**(a) Defined Contribution Plan:**
Contribution to Defined Contribution Plan, recognized as expense for the years are as under:

**(₹ in lacs)**

| Particulars | 2017-18 | 2016-17 |
|---|---|---|
| Employer's Contribution to Provident Fund | 68.54 | 53.79 |
| Employer's Contribution to Pension Scheme | 30.05 | 27.44 |
| Employer's Contribution to Superannuation Fund | 2.24 | 7.43 |
| Employer's Contribution to ESIC | 0.32 | 0.20 |

The contribution to provident fund and pension scheme is made to Employees' Provident Fund managed by Provident Fund Commissioner. Employees' Superannuation Fund is managed by Life Insurance Corporation of India. The contribution towards ESIC made to Employees' State Insurance Corporation. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

**(b) Defined Benefit Plan:**

The employees' Gratuity Fund is managed by the Life Insurance Corporation of India. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes 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.

| Particulars | Gratuity (Funded) | |
|---|---|---|
| | As at 31st March, 2018 | As at 31st March, 2017 |
| **Actuarial assumptions** | | |
| Mortality Table | Indian Assured Lives Mortality (2006-08) Ult | Indian Assured Lives Mortality (2006-08) Ult |
| Salary growth | 8.50% | 8.50% |
| Discount rate | 7.50% | 7.20% |
| Expected returns on plan assets | 7.50% | 7.20% |
| Withdrawal Rates | 10% at younger ages reducing to 2% at older ages | 10% at younger ages reducing to 0% at older ages |

**Notes to the Standalone Financial Statements for the year ended 31st March, 2018**

(₹ in lacs)

| Particulars | Gratuity (Funded) | |
|---|---|---|
| | 2017-18 | 2016-17 |
| **Movement in present value of defined benefit obligation** | | |
| Obligation at the beginning of the year | 215.36 | 167.03 |
| Current service cost | 32.44 | 23.96 |
| Interest cost | 14.20 | 12.72 |
| Benefits paid | (24.12) | (13.50) |
| Past service cost | 62.30 | - |
| Actuarial (gain) / loss on obligation | (17.10) | 25.15 |
| **Obligation at the end of the year** | **283.08** | **215.36** |
| **Movement in fair value of plan assets** | | |
| Fair value at the beginning of the year | 165.27 | 130.32 |
| Interest Income | 11.76 | 10.75 |
| Expected Return on Plan Assets | 1.63 | 0.99 |
| Contribution | 50.09 | 36.71 |
| Benefits paid | (24.12) | (13.50) |
| **Fair value at the end of the year** | 204.63 | 165.27 |
| **Amount recognised in the statement of profit and loss** | | |
| Current service cost | 32.44 | 23.96 |
| Past service cost | 62.30 | - |
| Interest cost | 2.44 | 1.97 |
| **Total** | **97.18** | **25.93** |
| **Amount recognised in the other comprehensive income** | | |
| **Components of actuarial (gains) / losses on obligations:** | | |
| Due to Change in financial assumptions | (7.95) | 13.06 |
| Due to change in demographic assumption | - | - |
| Due to experience adjustments | (9.15) | 12.09 |
| Return on plan assets excluding amounts included in interest income | (1.63) | (0.99) |
| **Total** | **(18.73)** | **24.16** |

**(c) Fair Value of plan assets**

(₹ in lacs)

| Class of assets | Fair Value of Plan Asset | |
|---|---|---|
| | 2017-18 | 2016-17 |
| Life Insurance Corporation of India | 204.26 | 164.98 |
| Bank Balance | 0.37 | 0.29 |
| **Total** | **204.63** | **165.27** |

**(d) Net Liability Recognised in the Balance Sheet**

(₹ in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| Present value of obligations at the end of the year | 283.08 | 215.36 |
| Less: Fair value of plan assets at the end of the year | 204.63 | 165.27 |
| **Net liability recognized in the balance sheet** | **78.45** | **50.09** |

(e) The estimate of rate of escalation in Salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other retirement factors including supply & demand in the employment market. The above information is certified by the actuary.

**38.2 Sensitivity analysis:** **(₹ in lacs)**

| Particulars | Changes in assumptions | Effect on Gratuity obligation |
|---|---|---|
| **For the year ended 31st March, 2017** | | |
| Salary growth rate | +0.50% | 7.07 |
| | -0.50% | (7.15) |
| Discount rate | +0.50% | (8.88) |
| | -0.50% | 9.60 |
| Withdrawal rate (W.R.) | W.R. x 110% | (0.31) |
| | W.R. x 90% | (1.42) |
| **For the year ended 31st March, 2018** | | |
| Salary growth rate | +0.50% | 9.66 |
| | -0.50% | (7.61) |
| Discount rate | +0.50% | (12.44) |
| | -0.50% | 13.48 |
| Withdrawal rate (W.R.) | W.R. x 110% | 1.15 |
| | W.R. x 90% | (1.13) |

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is the same as that applied in calculating the defined obligation liability recognized in the balance sheet.

**38.3 Risk exposures**

**A. Actuarial Risk:**
It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

**Adverse Salary Growth Experience:** Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

**Variability in mortality rates:** If actual mortality rates are higher than assumed mortality rate then the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

**Variability in withdrawal rates:** If actual withdrawal rates are higher than assumed withdrawal rate then the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

**B. Investment Risk:**
For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

**C. Liquidity Risk:**
Employees with high salaries and long durations or those higher in hierarchy accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cash flows.

**D. Market Risk:**
Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

E. **Legislative Risk:**

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

**38.4 Details of Asset-Liability Matching Strategy**

Gratuity benefits liabilities of the company are Funded. There are no minimum funding requirements for a Gratuity benefits plan in India and there is no compulsion on the part of the Company to fully or partially pre-fund the liabilities under the Plan. The trustees of the plan have outsourced the investment management of the fund to an insurance company which are regulated by IRDA. Due to the restrictions in the type of investments that can be held by the fund, it may not be possible to explicitly follow an asset-liability matching strategy to manage risk actively in a conventional fund.

**38.5** The expected payments towards contributions to the defined benefit plan is within one year.

**38.6 The following payments are expected towards Gratuity in future years:**

**(₹ in lacs)**

| Year ended | Cash flow |
|---|---|
| 31st March, 2019 | 45.86 |
| 31st March, 2020 | 22.87 |
| 31st March, 2021 | 11.49 |
| 31st March, 2022 | 12.47 |
| 31st March, 2023 | 21.59 |
| 31st March, 2024 to 31st March, 2028 | 102.69 |

**38.7** The average duration of the defined benefit plan obligation at the end of the reporting period is 5.94 years (Previous Year 5.54 years).

**Note 39 - Share Based Payments**

The Company offers equity based award plan to its employees through the Company's stock option plan introduced during the year.

**Borosil Employee Stock Option Scheme (ESOS) 2017**

During the year, the Company introduced an Borosil Employee Stock Option Scheme 2017 (ESOS), which was approved by the shareholders of the Company to provide equity settled incentive to specific employees of the Company including subsidiary companies. The ESOS scheme includes tenure based stock option awards. The specific Employees to whom the Options are granted and their Eligibility Criteria are determined by the Nomination and Remuneration Committee. During the year, the Company has granted 90,927 options to the employees.

Initial awards under the ESOS were granted on 2nd November, 2017. The exercise price of the awards is ₹ 800 per share.

**The details of share options for the year ended 31st March 2018 is presented below:**

| Particulars | ESOS 2017 |
|---|---|
| **Options as at 1st April, 2017** | - |
| Options granted during the year | 90,927 |
| Options forfeited during the year | - |
| Options exercised during the year | - |
| **Options outstanding as at 31st March, 2018** | 90,927 |

The fair value of awards has been determined at the date of grant of the award. This fair value, adjusted by the Company's estimate of the number of awards that will eventually vest, is expensed on over the vesting period.

The fair values were calculated using the Black-Scholes Model for tenure based awards. The inputs to the model include the share price at date of grant, exercise price, expected life, expected volatility, expected dividends and the risk free rate of interest. Expected volatility has been calculated using historical return on share price. All options are assumed to be exercised within six months from the date of respective vesting.

The assumptions used in the calculations of the charge in respect of the ESOS awards granted during the year ended 31st March, 2018 are set out below:

| Particulars | ESOS 2017 |
|---|---|
| Number of Options | 90927 |
| Exercise Price | ₹800.00 |
| Share Price at the date of grant | ₹914.55 |
| Vesting Period | 1) 33% of the option on completion of 1 year from grant date |
| | 2) 33% of the option on completion of 2 year from grant date |
| | 3) 34% of the option on completion of 3 year from grant date |
| Expected Volatility | 38.60% |
| Expected option life | 6 months |
| Expected dividends | 0.28% |
| Risk free interest rate | 6.70% |
| Fair value per option granted | 1) ₹263.62 for vesting of shares on completion of 1 year from grant date |
| | 2) ₹325.67 for vesting of shares on completion of 2 year from grant date |
| | 3) ₹376.86 for vesting of shares on completion of 3 year from grant date |

The Company recognized total expenses of ₹49.22 lacs related to above equity settled share-based payment transactions for the year ended 31st March, 2018. Further, ₹ 18.87 lacs in respect of stock option to the employees of subsidiaries are recognised as receivable and will be recovered on exercise of the said options. Equity settled employee stock options reserve outstanding with respect to the above scheme as at year end is ₹68.09 lacs.

**Note 40 - Provisions**

**Disclosures as required by Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets:-**

**40.1 Movement in provisions:-**

**(₹ in lacs)**

| Nature of provision | Provision for Doubtful Debts | Total |
|---|---|---|
| **As at 1st April, 2016** | 6.43 | 6.43 |
| Provision during the year | 22.85 | 22.85 |
| Payment during the year | - | - |
| **As at 31st March, 2017** | **29.28** | **29.28** |
| Provision during the year | - | - |
| Payment during the year | - | - |
| **As at 31st March, 2018** | **29.28** | **29.28** |

**Note 41 - Segment reporting**

In accordance with Ind AS 108 'Operating Segment ', segment information has been given in the consolidated financial statements, and therefore, no separate disclosure on segment information is given in these financial statements.

**Note 42 - Related party disclosure**

In accordance with the requirements of Ind AS 24 "Related Party Disclosures", name of the related party, related party relationship, transactions and outstanding balances including commitments where control exits and with whom transactions have taken place during reported periods, are as detail below:

**Notes to the Standalone Financial Statements for the year ended 31st March, 2018**

**42.1 List of Related Parties :**

| | Name of the related party | Country of incorporation | % of equity interest | |
|---|---|---|---|---|
| | | | As at 31st March 2018 | As at 31st March 2017 |
| **(a)** | **Subsidiary Companies** | | | |
| | Borosil Afrasia FZE | United Arab Emirates | 100.00% | 100.00% |
| | Hopewell Tableware Private Limited | India | 100.00% | 100.00% |
| | Klasspack Private Limited (w.e.f. 29.07.2016) | India | 60.28% | 60.28% |
| | Gujarat Borosil Limited (Refer note 42.6) | India | 25.25% | 25.25% |
| **(b)** | **Step-down Subsidiary Company** | | | |
| | Borosil Afrasia Middle East Trading LLC (Refer note 42.7) | United Arab Emirates | 49.00% | 49.00% |
| **(c)** | **Associate Company** | | | |
| | Fennel Investment and Finance Private Limited | India | 45.85% | 45.85% |

**(d) Key Management Personnel**

Mr. B.L.Kheruka – Executive Chairman.
Mr. Shreevar Kheruka – Managing Director & CEO.
Mr. V.Ramaswami - Whole-time Director (upto 31.03.2018).
Mr. Swadhin Padia - Chief Financial Officer
Ms. Gita Yadav - Company Secretary

**(e) Relative of Key Management Personnel**

Mr. P.K.Kheruka - Relative of Mr. B. L. Kheruka and Mr. Shreevar Kheruka.
Mrs. Rekha Kheruka - Relative of Mr. B. L. Kheruka and Mr. Shreevar Kheruka.
Mrs. Kiran Kheruka - Relative of Mr. B. L. Kheruka and Mr. Shreevar Kheruka.
Mrs. Priyanka Kheruka - Relative of Mr. B. L. Kheruka and Mr. Shreevar Kheruka.
Miss. Tarini Kheruka - Relative of Mr. B. L. Kheruka and Mr. Shreevar Kheruka.
Miss. Sharanya Kheruka - Relative of Mr. B. L. Kheruka and Mr. Shreevar Kheruka.
Mrs. Rajshree Padia - Relative of Mr. Swadhin Padia.

**(f) Enterprises over which persons described in (d) & (e) above are able to exercise significant influence (Other Related Parties) with whom transactions have taken place:-**

Vyline Glass Works Limited
Sonargaon Properties LLP
Croton Trading Private Limited
Gujarat Fusion Glass LLP
Topgrain Corporate Service Private Limited
Glachem Agents And Traders Private Limited
Borosil Foundation
Chotila Silica Private Limited
Kanchan Labware Private Limited
Serene Trading and Agencies Private Limited

**(g) Trust under Common control**

| Name of the entity | Country of incorporation | Principal Activities |
|---|---|---|
| Borosil Glass Works Limited Gratuity Fund | India | Company's employee gratuity trust |
| Borosil Glass Works Limited Management Employees Pension Fund | India | Company's employee superannuation trust |

**Notes to the Standalone Financial Statements for the year ended 31st March, 2018**

**42.2 Transacions with Related Parties :**

(₹ in lacs)

| Name of Transactions | Name of the Related Party | 2017-18 | 2016-17 |
|---|---|---|---|
| **Transactions with subsidiaries / associates** | | | |
| Sale of Goods | Borosil Afrasia FZE | - | 3.77 |
| | Gujarat Borosil Limited | 5.29 | 0.96 |
| | Klasspack Private Limited | 4.99 | 0.17 |
| | Hopewell Tableware Private Limited | 0.30 | 1.64 |
| Rent Received | Gujarat Borosil Limited | 15.60 | 15.60 |
| | Hopewell Tableware Private Limited | 5.88 | 1.25 |
| Interest Income | Hopewell Tableware Private Limited | 672.72 | 121.19 |
| Guarantee Commission Income | Hopewell Tableware Private Limited | 6.64 | 0.54 |
| Other Income | Borosil Afrasia FZE | 0.11 | 0.57 |
| Purchase of Goods | Hopewell Tableware Private Limited | - | 106.88 |
| | Klasspack Private Limited | 303.51 | 161.47 |
| Dividend paid | Fennel Investment and Finance Private Limited | 31.01 | - |
| Sale of Capital Assets | Mr. B. L. Kheruka | 2,137.13 | - |
| | Mrs. Rekha Kheruka | 2,137.13 | - |
| | Mrs. Priyanka Kheruka | 2,137.13 | - |
| Reimbursement of expenses to | Gujarat Borosil Limited | 25.86 | 10.68 |
| | Hopewell Tableware Private Limited | 2.53 | 1.77 |
| Reimbursement of expenses from | Gujarat Borosil Limited | 17.13 | 19.56 |
| | Hopewell Tableware Private Limited | 10.46 | 7.22 |
| | Klasspack Private Limited | 17.74 | - |
| Investments made: | | | |
| Equity Shares | Borosil Afrasia FZE | - | 181.59 |
| Equity Shares | Klasspack Private Limited | - | 2,249.99 |
| Preference Shares | Hopewell Tableware Private Limited | - | 600.00 |
| Loan Given - Current | Hopewell Tableware Private Limited | 190.00 | 1,010.00 |
| Loan Given - Non Current | Hopewell Tableware Private Limited | 5,893.00 | 2,290.00 |
| Loan refunded/ adjusted by | Hopewell Tableware Private Limited | - | 600.00 |
| **Transactions with other related parties:** | | | |
| Sale of Goods | Vyline Glass Works Limited | 27.93 | 22.45 |
| Sale of Investment | Mr. Shreevar Kheruka | - | 39.84 |
| | Mrs. Rekha Kheruka | - | 540.01 |
| | Mrs. Priyanka Kheruka | - | 28.00 |
| | Miss. Tarini Kheruka | - | 30.00 |
| | Miss. Sharanya Kheruka | - | 27.00 |
| | Topgrain Corporate Service Private Limited | - | 20.00 |
| | Glachem Agents and Traders Private Limited | - | 20.00 |
| Rent Received | Vyline Glass Works Limited | 99.18 | 99.18 |
| Interest Income | Vyline Glass Works Limited | 397.95 | 407.89 |
| | Mr. Swadhin Padia | 0.07 | 0.33 |
| Guarantee Commission Income | Vyline Glass Works Limited | 0.41 | 1.45 |
| Purchase of Goods | Vyline Glass Works Limited | 7,881.25 | 7,948.72 |
| Rent Paid | Mrs. Rekha Kheruka | - | 2.40 |
| | Sonargaon Properties LLP | 2.04 | 2.04 |
| | Vyline Glass Works Limited | 26.80 | 27.21 |

**Notes to the Standalone Financial Statements for the year ended 31st March, 2018**

(₹ in lacs)

| Name of Transactions | Name of the Related Party | 2017-18 | 2016-17 |
|---|---|---|---|
| Donation Given | Borosil Foundation | 77.00 | 0.10 |
| Directors Sitting Fees | Mr. P. K. Kheruka | 1.52 | 2.07 |
| Commission to Directors | Mr. P. K. Kheruka | 7.00 | 6.90 |
| Managerial Remuneration | Mr. V. Ramaswami | 110.20 | 75.03 |
| | Mr. B. L. Kheruka | 294.40 | 223.00 |
| | Mr. Shreevar Kheruka | 242.95 | 147.77 |
| | Mr. Swadhin Padia | 27.22 | 24.13 |
| | Ms. Gita Yadav | 12.75 | 11.29 |
| Dividend paid | Mr. B. L. Kheruka | 71.02 | - |
| | Mr. P. K. Kheruka | 66.02 | - |
| | Mr. Shreevar Kheruka | 3.76 | - |
| | Mrs. Kiran Kheruka | 89.42 | - |
| | Mrs. Rekha Kheruka | 88.16 | - |
| | Croton Trading Private Limited | 62.70 | - |
| | Sonargaon Properties LLP | 1.25 | - |
| | Gujarat Fusion Glass LLP (₹ 50/-) | 0.00 | - |
| | Mrs. Rajshree Padia (₹ 250/-) | 0.00 | - |
| | Chotila Silica Private Limited | 11.63 | - |
| | Kanchan Labware Private Limited | 0.76 | - |
| | Glachem Agents and Traders Private Limited | 0.75 | - |
| | Serene Trading and Agencies Private Limited (₹ 450/-) | 0.00 | - |
| Reimbursement of expenses from | Vyline Glass Works Limited | 7.67 | 8.40 |
| Loan Given | Vyline Glass Works Limited | - | 87.42 |
| Loan Repaid | Vyline Glass Works Limited | - | 171.20 |
| Contribution towards gratuity fund | Borosil Glass Works Limited Gratuity Fund | 50.09 | 36.71 |
| Contribution towards superannuation fund | Borosil Glass Works Limited Management Employees Pension Fund | 7.43 | 2.05 |

(₹ in lacs)

| Name of Transactions | Name of the Related Party | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|---|
| **Transactions with subsidiaries / associates** | | | |
| Investments as on balance sheet date: | | | |
| Preference Shares | Gujarat Borosil Limited | 10,535.30 | 9,364.71 |
| Equity Shares | Gujarat Borosil Limited | 1,527.95 | 1,527.95 |
| Equity Shares | Fennel Investment and Finance Private Limited | 414.90 | 414.90 |

**Notes to the Standalone Financial Statements for the year ended 31st March, 2018**

(₹ in lacs)

| Name of Transactions | Name of the Related Party | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|---|
| Equity Shares | Borosil Afrasia FZE | 524.77 | 524.77 |
| Preference Shares | Hopewell Tableware Private Limited | 2,800.00 | 2,800.00 |
| Equity Shares | Hopewell Tableware Private Limited | 2,713.29 | 2,713.29 |
| Equity Shares | Klasspack Private Limited | 2,703.81 | 2,703.81 |
| Current Financial Assets - Interest receivable | Hopewell Tableware Private Limited | 83.10 | 29.32 |
| Current Financial Assets - Loans - Unsecured | Hopewell Tableware Private Limited | 1,990.00 | 810.00 |
| Non-Current Financial Assets - Loans - Unsecured | Hopewell Tableware Private Limited | 7,193.00 | 2,290.00 |
| Trade Receivables | Borosil Afrasia FZE | - | 0.01 |
| | Hopewell Tableware Private Limited | 15.18 | - |
| | Gujarat Borosil Limited | 15.65 | - |
| Trade Payable | Klasspack Private Limited | 14.05 | 14.58 |
| Current financial assets - Others (Refer note 39) | Hopewell Tableware Private Limited | 11.75 | - |
| | Klasspack Private Limited | 7.12 | - |
| Current financial assets - Others | Gujarat Borosil Limited | - | 12.11 |
| | Hopewell Tableware Private Limited | - | 9.41 |
| **Transactions with other related parties:** | | | |
| Current Financial Assets - Interest receivable | Vyline Glass Works Limited | 113.24 | 113.24 |
| Non-Current Financial Assets - Loans - Secured | Vyline Glass Works Limited | - | 3,316.25 |
| Current Financial Assets - Loans - Secured | Vyline Glass Works Limited | 3,316.25 | - |
| Current Financial Assets - Loans - Unsecured | Mr. Swadhin Padia | - | 1.71 |
| Non-Current Financial Assets - Loans - Unsecured | Mr. Swadhin Padia | - | 0.83 |
| Current financial assets - Others | Gujarat Fusion Glass LLP | - | 18.40 |
| Trade Payable | Vyline Glass Works Limited | 1,568.74 | 289.13 |

**42.3 Compensation to key management personnel of the Company**

(₹ in lacs)

| Nature of transaction | 2017-18 | 2016-17 |
|---|---|---|
| Short-term employee benefits | 700.55 | 485.50 |
| Post-employment benefits | 18.05 | 11.21 |
| **Total compensation paid to key management personnel** | **718.60** | **496.71** |

**42.4** The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at year-end are unsecured, unless specified and settlement occurs in cash. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**Notes to the Standalone Financial Statements for the year ended 31st March, 2018**

**42.5 Details of guarantee given:**

(₹ in lacs)

| Name of Transactions | Name of the Related Party | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|---|
| Investments pledged with a Bank to grant Credit facility for | Vyline Glass Works Limited | 51.36 | 203.25 |
| | Hopewell Tableware Private Limited | 703.35 | 703.35 |
| Corporate Guarantee given for | Hopewell Tableware Private Limited | - | 1,916.25 |

**42.6** The Company in an earlier year invested in 9% Cumulative Non-Convertible Redeemable Preference Shares (Now, 9% Non-Cumulative Non-Convertible Redeemable Preference Shares) of Gujarat Borosil Limited (GBL). As GBL has not paid any dividend for more than two years, voting right pursuant to second proviso to sub-section 2 of section 47 of Companies Act 2013 have been vested with the Company. Accordingly the Company enjoys control aggregating to 79.46% of the total voting rights in GBL. In view of the above, GBL becomes subsidiary of the Company.

**42.7** Borosil Afrasia FZE holds 49% of the total voting rights in Borosil Afrasia Middle East Trading LLC. However, 100% of the beneficial ownership vests with the Borosil Afrasia FZE. In view of the above, Borosil Afrasia Middle East Trading LLC is step down subsidiary of the Company. On 09.05.2017, Borosil Afrasia FZE and Borosil Afrasia Middle East Trading LLC have passed resolution for voluntary liquidation of Borosil Afrasia Middle East Trading LLC and the same is under progress.

**42.8 In accordance with the Clause 34(3) of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, advance in the nature of loans are as under:**

(a) The Company has given advances in the nature of Loan as defined in clause 34(3) of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 as under;

(₹ in lacs)

| Name of Company | Outstanding as at 31st March, 2018 | Outstanding as at 31st March, 2017 | Maximum amount outstanding during the year |
|---|---|---|---|
| Vyline Glass Works Limited | 3,316.25 | 3,316.25 | 3,316.25 |
| Hopewell Tableware Private Limited | 9,183.00 | 3,100.00 | 9,183.00 |

(b) None of the Loanees have invested in the shares of the Company.

(c) Loans to employees as per Company's Policy are not considered for this purpose.

**Note 43 - Fair Values**

**43.1 Financial Instruments by category:**

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial assets and liabilities that are recognised in the financial statements.

**a) Financial Assets measured at fair value:** (₹ in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| **Financial Assets :** | | |
| **Financial Assets designated at fair value through profit or loss:-** | | |
| - Investments | 25,828.43 | 21,563.91 |
| **Financial Assets designated at fair value through other comprehensive income:-** | | |
| - Investments | 10,535.30 | 9,364.71 |

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

**b) Financial Assets / Liabilities measured at amortised cost:**

(₹ in lacs)

| Particulars | As at 31st March, 2018 | | As at 31st March, 2017 | |
|---|---|---|---|---|
| | Carrying Value | Fair Value | Carrying Value | Fair Value |
| **Financial Assets designated at amortised cost:-** | | | | |
| - Trade Receivable | 6,978.08 | 6,978.08 | 4,416.84 | 4,416.84 |
| - Cash and cash equivalents | 901.29 | 901.29 | 333.70 | 333.70 |
| - Bank Balance other than cash and cash equivalents | 105.20 | 105.20 | 115.16 | 115.16 |
| - Loans | 12,549.55 | 12,549.55 | 6,653.72 | 6,653.72 |
| - Others | 564.66 | 564.66 | 293.56 | 293.56 |
| **Total** | **21,098.78** | **21,098.78** | **11,812.98** | **11,812.98** |
| **Financial Liabilities designated at amortised cost:-** | | | | |
| - Trade Payable | 3,179.55 | 3,179.55 | 1,449.61 | 1,449.61 |
| - Other Financial Liabilities | 2,591.89 | 2,591.89 | 1,925.93 | 1,925.93 |
| **Total** | **5,771.44** | **5,771.44** | **3,375.54** | **3,375.54** |

### 43.2 Fair Valuation techniques used to determine fair value

The Company maintains procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**The following methods and assumptions were used to estimate the fair values:**

i) Fair value of trade receivable, cash and cash equivalents, other bank balances, trade payables, loans, borrowings, deposits and other financial assets and liabilities are approximate at their carrying amounts largely due to the short-term maturities of these instruments.

ii) The fair values of non-current loans are approximate at their carrying amount due to interest bearing features of these instruments.

iii) The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

iv) Fair values of quoted financial instruments are derived from quoted market prices in active markets.

v) The fair value of investments in unlisted equity shares is determined using a combination of direct sales comparison and income approach.

vi) The fair value of the remaining financial instruments is determined using discounted cash flow analysis and/or direct sales comparison approach.

vii) Equity Investments in subsidiaries and associates are stated at cost.

### 43.3 Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:-

i) **Level 1 :-** Quoted prices / published NAV (unadjusted) in active markets for identical assets or liabilities. It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date and financial instruments like mutual funds for which net assets value (NAV) is published by mutual fund operators at the balance sheet date.

ii) **Level 2 :-** Inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). It includes fair value of the financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the Company specific estimates. If all significant inputs required to fair value an instrument are observable then instrument is included in level 2.

**Notes to the Standalone Financial Statements for the year ended 31st March, 2018**

iii) **Level 3 :-** Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The following table provides hierarchy of the fair value measurement of Company's asset and liabilities, grouped into Level 1 (Quoted prices in active markets), Level 2 (Significant observable inputs) and Level 3 (Significant unobservable inputs) as described below:

(₹ in lacs)

| Particulars | 31st March, 2018 | | |
|---|---|---|---|
| | Level 1 | Level 2 | Level 3 |
| **Financial Assets designated at fair value through profit or loss:** | | | |
| -- Listed preference shares | 749.83 | - | - |
| -- Listed bonds and debentures | 5,007.05 | 414.53 | - |
| -- Mutual funds | 11,802.41 | - | - |
| -- Alternative Investment Funds* | 1,016.35 | 3,964.52 | - |
| -- Venture Capital Funds* | - | 1,101.02 | - |
| -- Unlisted equity investments | - | 7.48 | 2.17 |
| -- Unlisted preference shares | - | 1,062.89 | - |
| -- Unlisted bonds and debentures | - | 700.18 | - |
| **Financial Assets designated at fair value through other comprehensive income:-** | | | |
| -- Investments in Unlisted preference shares of Subsidiary | - | - | 10,535.30 |
| **Total** | **18,575.64** | **7,250.62** | **10,537.47** |

(₹ in lacs)

| Particulars | 31st March, 2017 | | |
|---|---|---|---|
| | Level 1 | Level 2 | Level 3 |
| **Financial Assets designated at fair value through profit or loss:** | | | |
| -- Listed equity investments | 1,003.44 | - | - |
| -- Listed bonds and debentures | - | 542.32 | - |
| -- Mutual funds | 13,593.77 | - | - |
| -- Alternative Investment Funds* | - | 4,259.77 | - |
| -- Venture Capital Funds* | - | 1,541.00 | - |
| -- Unlisted equity investments | - | 3.85 | 1.77 |
| -- Unlisted bonds and debentures | - | 617.99 | - |
| **Financial Assets designated at fair value through other comprehensive income:-** | | | |
| -- Investments in Unlisted preference shares of subsidiary | - | - | 9,364.71 |
| **Total** | **14,597.21** | **6,964.93** | **9,366.48** |

* Company has invested in various venture capital funds and alternative investment funds and these funds have further invested into various companies. Company has considered the fair value on the basis of valuation provided by respective funds.

There were no transfers between Level 1 and Level 2 during the year.

**43.4 Description of the inputs used in the fair value measurement:**

Following table describes the valuation techniques used and key inputs to valuation for level 3 of the fair value hierarchy as at 31st March, 2018, 31st March, 2017 respectively:

(₹ in lacs)

| Particulars | As at 31st March, 2018 | Valuation Technique | Inputs used | Sensitivity |
|---|---|---|---|---|
| **Financial Assets designated at fair value through profit or loss:** | | | | |
| -- Unlisted equity investments | 2.17 | Book Value | Financial statements | No material impact on fair valuation |
| **Financial Assets designated at fair value through other comprehensive income:-** | | | | |
| -- Investments in Unlisted preference shares of subsidiary | 10,535.30 | Discounted cash flow | Risk adjusted discount rate | Change in risk adjusted discount rate (+50 bps) would decrease the FV by INR 322.02 lacs and (-50 bps) would increase FV by INR 333.67 lacs |

(₹ in lacs)

| Particulars | As at 31st March, 2017 | Valuation Technique | Inputs used | Sensitivity |
|---|---|---|---|---|
| **Financial Assets designated at fair value through profit or loss:** | | | | |
| -- Unlisted equity investments | 1.77 | Book Value | Financial statements | No material impact on fair valuation |
| **Financial Assets designated at fair value through other comprehensive income:-** | | | | |
| -- Investments in Unlisted preference shares of subsidiary | 9,364.71 | Discounted cash flow | Risk adjusted discount rate | Change in risk adjusted discount rate (+50 bps) would decrease the FV by INR 286.24 lacs and (-50 bps) would increase FV by INR 296.60 lacs |

**43.5 Reconciliation of fair value measurement categorised within level 3 of the fair value hierarchy:-**

**a) Financial Assets designated at fair value through profit or loss - Investments.**

| Particulars | ₹ in lacs |
|---|---|
| **Fair value as at 1st April, 2016** | **1.77** |
| Gain on financial instruments measured at fair value through profit or loss (net) | - |
| Purchase / Sale of financial instruments | - |
| Amount transferred to / from Level 3 | - |
| **Fair value as at 31st March, 2017** | **1.77** |
| Gain on financial instruments measured at fair value through profit or loss (net) | 0.40 |
| Purchase / Sale of financial instruments | - |
| Amount transferred to / from Level 3 | - |
| **Fair value as at 31st March, 2018** | **2.17** |

**Notes to the Standalone Financial Statements for the year ended 31st March, 2018**

**b) Financial Assets designated at fair value through other comprehensive income - Investments.:**

| Particulars | ₹ in lacs |
|---|---|
| **Fair value as at 1st April, 2016** | **8,324.19** |
| Gain on Debt instrument designated at fair value through other comprehensive income | 1,040.52 |
| Purchase / Sale of financial instruments | - |
| Amount transferred to / from Level 3 | - |
| **Fair value as at 31st March, 2017** | **9,364.71** |
| Gain on Debt instrument designated at fair value through other comprehensive income | 1,170.59 |
| Purchase / Sale of financial instruments | - |
| Amount transferred to / from Level 3 | - |
| **Fair value as at 31st March, 2018** | **10,535.30** |

**43.6 Description of the valuation processes used by the Company for fair value measurement categorised within level 3:-**

At each reporting date, the Company analyses the movements in the values of financial assets and liabilities which are required to be remeasured or reassessed as per the accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company also compares the change in the fair value of each financial asset and liability with relevant external sources to determine whether the change is reasonable. The Company also discusses of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Company has determined classes of financial assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**Note 44 :- Financial Risk Management - Objectives and Policies:**

The Company is exposed to market risk, credit risk and liquidity risk. Risk management is carried out by the company under policies approved by the board of directors. This Risk management plan defines how risks associated with the Company will be identified, analysed, and managed. It outlines how risk management activities will be performed, recorded, and monitored by the Company. The basic objective of risk management plan is to implement an integrated risk management approach to ensure all significant areas of risks are identified, understood and effectively managed, to promote a shared vision of risk management and encourage discussion on risks at all levels of the organization to provide a clear understanding of risk/benefit trade-offs, to deploy appropriate risk management methodologies and tools for use in identifying, assessing, managing and reporting on risks, and to determine the appropriate balance between cost and control of risk and deploy appropriate resources to manage/optimize key risks. Activities are developed to provide feedback to management and other interested parties (e.g. Audit committee, Board etc.). The results of these activities ensure that risk management plan is effective in the long term.

**44.1 Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise of three types of risk: foreign currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments.

The sensitivity analysis is given relate to the position as at 31st March 2018 and 31st March 2017.

The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations, provisions and on the non-financial assets and liabilities. The sensitivity of the relevant statement of profit and loss item is the effect of the assumed changes in the respective market risks. The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. This is based on the financial assets and financial liabilities held as at 31st March, 2018 and 31st March, 2017.

**(a) Foreign exchange risk and sensitivity**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. The Company transacts business primarily in USD and EURO. The Company has foreign currency trade payables, receivables and investment in foreign subsidiary and is therefore, exposed to foreign exchange risk. The Company regularly reviews and evaluates exchange rate exposure arising from foreign currency transactions.

**Notes to the Standalone Financial Statements for the year ended 31st March, 2018**

The following table demonstrates the sensitivity in the USD and EURO to the Indian Rupee with all other variables held constant. The impact on the Company's profit before tax due to changes in the fair values of monetary assets and liabilities is given below:

| Unhedged Foreign currency exposure as at 31st March, 2017 | Currency | Amount in FC | ₹ in lacs |
|---|---|---|---|
| Trade Receivables | USD | 90,201 | 58.13 |
| Trade Payables | USD | 1,49,305 | 96.72 |
| Trade Payables | EURO | 2,88,193 | 201.53 |
| Investment in foreign subsidiary | AED | 30,00,000 | 524.77 |

| Unhedged Foreign currency exposure as at 31st March, 2018 | Currency | Amount in FC | ₹ in lacs |
|---|---|---|---|
| Trade Receivables | USD | 1,50,935 | 97.38 |
| Trade Payables | USD | 5,07,445 | 331.00 |
| Trade Payables | EURO | 1,82,997 | 149.15 |
| Investment in foreign subsidiary | AED | 30,00,000 | 524.77 |

**Foreign currency sensitivity**

1% increase or decrease in foreign exchange rates will have the following impact on profit before tax (PBT) :-

**(₹ in lacs)**

| Particulars | 2017-18 | | 2016-17 | |
|---|---|---|---|---|
| | Increase / (Decrease) in PBT | | | |
| | 1% Increase | 1% Decrease | 1% Increase | 1% Decrease |
| USD | (2.34) | 2.34 | (0.39) | 0.39 |
| EURO | (1.49) | 1.49 | (2.02) | 2.02 |
| AED | 5.25 | (5.25) | 5.25 | (5.25) |
| **Increase / (Decrease) in profit before tax** | **1.42** | **(1.42)** | **2.85** | **(2.85)** |

**b) Interest rate risk and sensitivity :-**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. During the previous year, the company was having short term borrowings in the form of buyers credit. There was a fixed rate of interest and was payable at the time of repayment of buyers credit and hence, there was no interest rate risk associated with buyers credit borrowings.

**c) Commodity price risk:-**

The Company is exposed to the movement in price of key traded materials in domestic and international markets. The Company entered into contracts for procurement of material, most of the transactions are short term fixed price contract and hence Company is not exposed to significant risk.

**d) Equity price risk:-**

The Company exposure to equity securities price risk arises from investments held by the company and classified in the balance sheet as fair value through profit or loss. To manage its price risk arising from investments in equity securities, the company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the management. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

The table below summarises the impact of increases/decreases of the index on the company equity and profit for the year. The analysis is based on the assumption that the index has been increased by 5% or decreased by 5% with all other variable held constant, and that all the company's equity instruments moved in line with the index. Impact on profit before tax is given below:

**(₹ in lacs)**

| Particulars | 2017-18 | 2016-17 |
|---|---|---|
| NSE NIFTY 50 Index increased by 5% | 5.08 | 241.56 |
| NSE NIFTY 50 Index decreased by 5% | (5.08) | (241.56) |

**44.2 Credit risk**

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

**a) Trade Receivables:-**

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings with the Company for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. The Company has also taken security deposits in certain cases from its customers, which mitigate the credit risk to some extent. No single customer accounted for 10% or more of revenue in any of the years presented. The history of trade receivables shows a negligible provision for bad and doubtful debts. Therefore, the Company does not expect any material risk on account of non-performance by Company's counterparties.

**b) Financial instruments and cash deposits:-**

The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances are maintained. Credit risk from balances with bank is managed by the Company's finance department. Investment of surplus funds are also managed by finance department. The Company does not maintain significant cash in hand. Excess balance of cash other than those required for its day to day operations is deposited into the bank.

For other financial instruments, the finance department assesses and manage credit risk based on internal assessment. Internal assessment is performed for each class of financial instrument with different characteristics.

**44.3 Liquidity risk.**

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times, maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company relies operating cash flows and short term borrowings in the form of buyers credit to meet its needs for funds. Company does not breach any covenants (where applicable) on any of its borrowing facilities. The Company has access to a sufficient variety of sources of funding as per requirement.

The table below provides undiscounted cash flows towards financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

**(₹ in lacs)**

| Particulars | Maturity | | | | Total |
|---|---|---|---|---|---|
| | 0 - 3 Months | 3 - 6 Months | 6 - 12 months | More than 1 year | |
| **As at 31st March, 2017** | | | | | |
| Trade Payable | 1,449.61 | - | - | - | 1,449.61 |
| Other financial liabilities | 1639.51 | 286.42 | - | - | 1,925.93 |
| **Total** | **3,089.12** | **286.42** | **-** | **-** | **3,375.54** |
| **As at 31st March, 2018** | | | | | |
| Trade Payable | 3179.55 | - | - | - | 3,179.55 |
| Other financial liabilities | 2118.89 | 473.00 | - | - | 2,591.89 |
| **Total** | **5,298.44** | **473.00** | **-** | **-** | **5,771.44** |

**44.4 Competition and price risk**

The Company faces competition from local and foreign competitors. Nevertheless, it believes that it has competitive advantage in terms of high quality products and by continuously upgrading its expertise and range of products to meet the needs of its customers.

**Note 45 - Capital Management**

For the purpose of Company's capital management, capital includes issued capital, all other equity reserves and debts. The primary objective of the Company's capital management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using gearing ratio, which is net debt divided by total capital (equity plus net debt). Net debt are non-current and current debts as reduced by cash and cash equivalents and current investments. Equity comprises all components including other comprehensive income.

**(₹ in lacs)**

| **Particulars** | **As at 31st March, 2018** | **As at 31st March, 2017** |
|---|---|---|
| Total Debt | - | - |
| Less:- Cash and cash equivalent | 901.29 | 333.70 |
| Less:- Current Investments | 26,204.29 | 14,601.07 |
| **Net Debt** | **-** | **-** |
| **Total Equity (Equity Share Capital plus Other Equity)** | **82,169.25** | **77,174.81** |
| **Total Capital (Total Equity plus net debt)** | **82,169.25** | **77,174.81** |
| **Gearing ratio** | **0.00%** | **0.00%** |

**Note 46 - Assets held for sale**

**(₹ in lacs)**

| **Description of the assets held for sale** | **As at 31st March, 2018** | **As at 31st March, 2017** |
|---|---|---|
| Building | - | 5,850.90 |
| Investment Property | 388.60 | 364.11 |
| **Total** | **388.60** | **6,215.01** |

**46.1** On 23rd March, 2017, the Investment Committee of the Company has decided to sell above mentioned assets and accordingly , these assets are classified as assets held for sale. The Company is making the efforts to dispose of the remaining assets held for sale and the Company expects to dispose it within a period of next one year hence, the same is continued to disclose as assets held for sale.

**46.2** In the previous year, the assets held for sale are measured at the lower of its carrying amount and fair value less cost to sell, resulting into recognition of a write down of ₹ 1,193.20 lacs as an impairment loss on assets held for sale in the statement of profit and loss.

**46.3** Fair valuations are based on valuations performed by an accredited independent valuer, who is a specialist in valuing these types of assets. The fair value of the assets is determined using Comparison Method under the Market Approach. This is level 3 measurement as per the fair value hierarchy. For the purpose of the valuation under comparison method, a comparison is made with similar properties that have recently been sold in the market. The comparable properties are selected for their similarity to the subject property, considering attributes such as age, size, shape, quality of construction, building features, condition, design, gentry, etc. Their sale prices are then adjusted for their difference from the subject property.

**Note 47**

The Board of Directors of the Company at its meeting held on 25th November, 2016 approved a Scheme of Amalgamation for merger of Hopewell Tableware Private Limited (Wholly owned subsidiary company), Fennel Investment and Finance Private Limited (associate company) and Vyline Glass Works Limited with the Company. The Board of Directors subsequently fixed 25th November, 2016 as appointed date for the said scheme. The Scheme is pending for approval with National Company Law Tribunal (NCLT) and will be given effect to upon receipt of such approval.

**Note 48 - Standards issued but not effective :**

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - Revenue from Contract with Customers and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from 1st April, 2018.

**Notes to the Standalone Financial Statements for the year ended 31st March, 2018**

**48.1 Issue of Ind AS 115 - Revenue from Contracts with customers**

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations. The core principles of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

**48.2 Amendment to Existing issued Ind AS**

The MCA has also notified certain amendments to the following Accounting Standards:

i. Ind AS 21 - The Effects of Changes in Foreign Exchange Rates.

ii. Ind AS 12 - Income Taxes

**48.3** Applications of the above standards are not expected to have any significant impact on the Company's financial statements.

**Note 49**

The Management and authorities have the power to amend the Financial Statements in accordance with section 130 and 131 of The Companies Act, 2013.

**Note 50**

Previous Year figures have been regrouped and reclassified wherever necessary.

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As per our report of even date

For and on behalf of the Board of Directors

**For PATHAK H.D. & ASSOCIATES**
Chartered Accountants
(Firm Registration No. 107783W)

**B. L. Kheruka**
Executive Chairman
(DIN 00016861)

**Gyandeo Chaturvedi**
Partner
Membership No. 46806

**Swadhin Padia**
Chief Financial Officer

**Shreevar Kheruka**
Managing Director & CEO
(DIN 01802416)

**Gita Yadav**
Company Secretary
(Membership No. A23280)

**Rajesh Kumar Chaudhary**
Whole-time Director
(DIN 07425111)

Place : Mumbai
Date : 30.05.2018

## Borosil Glass Works Limited

**Form No. AOC-1**

**A. Salient Features of Financial Statements of Subsidiary / Associates as per Companies Act, 2013.**

**A-1. Subsidiary Company**

| Sl. No. | Particulars | Subsidiary Company | | | |
|---|---|---|---|---|---|
| | | Gujarat Borosil Limited | Hopewell Tableware Private Limited | Klasspack Private Limited | Borosil Afrasia FZE |
| 1 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | NA | NA | NA | NA |
| 2 | Reporting Currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. | NA | NA | NA | AED. Ex. Rate as on Last date is ₹17.74 |
| 3 | Share Capital (₹ in lacs) | 3,410.38 | 2,575.00 | 720.04 | 532.09 |
| 4 | Other Equity (₹ in lacs) | 3,480.76 | (43.25) | 2,402.11 | (323.67) |
| 5 | Total Assets (₹ in lacs) | 22,733.23 | 17,479.21 | 5,268.46 | 215.40 |
| 6 | Total Liabilities (₹ in lacs) | 15,842.09 | 14,947.46 | 2,146.31 | 6.98 |
| 7 | Investments (₹ in lacs) | 3,053.89 | - | 1.51 | - |
| 8 | Revenue From Operations (₹ in lacs) | 19,981.23 | 10,211.08 | 4,045.88 | 82.59 |
| 9 | Profit / (Loss) before Tax (₹ in lacs) | 668.12 | (903.18) | (53.33) | (67.00) |
| 10 | Provision for Taxation (₹ in lacs) | (23.81) | (158.20) | (7.62) | - |
| 11 | Profit / (Loss) After Taxation (₹ in lacs) | 691.93 | (744.98) | (45.71) | (67.00) |
| 12 | Proposed Dividend | - | - | - | - |
| 13 | % of shareholding | 25.25% | 100.00% | 60.28% | 100.00% |
| 14 | Country | India | India | India | U.A.E |

**A-2. Associate Company**

| Sl. No. | Particulars | Fennel Investment and Finance Private Limited |
|---|---|---|
| 1 | Latest audited Balance Sheet Date | 31.03.2018 |
| **2** | **Shares of Associate held by the company on the year end** | |
| | a. No. | 41,48,967 |
| | b. Amount of Investment in Associates (₹ In lacs) | 414.90 |
| | c. Extend of Holding % | 45.85% |
| 3 | Description of how there is significant influence | Due to percentage of Share Capital is more than 20% |
| 4 | Reason why the associate is not consolidated | - |
| 5 | Networth attributable to Shareholding as per latest audited Balance Sheet (₹ In lacs) | 13,285.78 |
| **6** | **Profit for the year** | |
| | a. Considered in Consolidation (₹ in lacs) | 139.31 |
| | b. Not Considered in Consolidation (₹ in lacs) | - |
| **7** | **Other comprehensive income for the year** | |

| Sl. No. | Particulars | Fennel Investment and Finance Private Limited |
|---|---|---|
| a. | Considered in Consolidation (₹ in lacs) | 1,161.42 |
| b. | Not Considered in Consolidation (₹ in lacs) | - |

**B. There are no Subsidiaries / Associates which are yet to commence operations.**

**C. There are no Subsidiaries / Associates which have been liquidated or sold during the year.**

For and on behalf of the Board of Directors

**B. L. Kheruka**
Executive Chairman
(DIN 00016861)

**Swadhin Padia**
Chief Financial Officer

**Shreevar Kheruka**
Managing Director & CEO
(DIN 01802416)

**Gita Yadav**
Company Secretary
(Membership No. A23280)

**Rajesh Kumar Chaudhary**
Whole-time Director
(DIN 07425111)

Place : Mumbai
Date : 30.05.2018

**BOROSIL GLASS WORKS LIMITED**
CIN: L99999MH1962PLC012538
Regd. Office : 1101, Crescenzo, G-Block, Opp. MCA Club, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051
Tel.No.(022) 67406300 Fax No.(022) 67406514 Website : www.borosil.com Email : borosil@borosil.com

## UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER & NINE MONTHS ENDED 31ST DECEMBER, 2018

**(Rs. in lakhs except as stated)**

| S. No. | Particulars | Standalone | | | | | |
|---|---|---|---|---|---|---|---|
| | | Quarter ended | | | Nine Months ended | | Year ended |
| | | (31/12/2018) | (30/09/2018) | (31/12/2017) | (31/12/2018) | (31/12/2017) | (31/03/2018) |
| I. | **Income:** | | | | | | |
| | Revenue From Operations | 11,358.91 | 8,697.23 | 7,884.60 | 27,268.47 | 20,833.32 | 29,583.30 |
| | Other Income | 1,426.74 | 981.44 | 872.99 | 3,428.83 | 2,489.95 | 3,636.07 |
| | **Total Income (I)** | **12,785.65** | **9,678.67** | **8,757.59** | **30,697.30** | **23,323.27** | **33,219.37** |
| II. | **Expenses:** | | | | | | |
| | Purchases of Stock-in-trade | 6,745.28 | 7,376.29 | 3,365.09 | 18,641.07 | 10,198.77 | 14,833.67 |
| | Changes in Inventories of Stock-in-trade | (638.11) | (3,054.49) | 547.19 | (4,520.93) | 310.51 | 59.55 |
| | Employee Benefits Expense | 1,184.00 | 1,050.16 | 858.35 | 3,165.87 | 2,342.88 | 3,417.65 |
| | Finance Costs | 113.69 | 45.04 | 6.15 | 165.79 | 18.66 | 28.17 |
| | Depreciation and Amortization Expense | 124.21 | 125.34 | 131.52 | 373.66 | 390.25 | 522.37 |
| | Other Expenses | 2,918.50 | 2,523.73 | 1,837.67 | 7,344.58 | 5,124.67 | 7,331.42 |
| | **Total Expenses (II)** | **10,447.57** | **8,066.07** | **6,745.97** | **25,170.04** | **18,385.74** | **26,192.83** |
| III. | **Profit Before exceptional items and Tax (I - II)** | **2,338.08** | **1,612.60** | **2,011.62** | **5,527.26** | **4,937.53** | **7,026.54** |
| IV. | Exceptional Items | - | - | - | - | - | - |
| V. | **Profit Before Tax (III - IV)** | **2,338.08** | **1,612.60** | **2,011.62** | **5,527.26** | **4,937.53** | **7,026.54** |
| VI. | **Tax Expense:** | | | | | | |
| | (1) Current Tax | 697.38 | 674.74 | 606.17 | 1,742.41 | 1,470.44 | 2,491.09 |
| | (2) Deferred Tax | 168.45 | (181.93) | 130.13 | 87.63 | 307.74 | (101.79) |
| VII. | **Profit for the Period / Year (V - VI)** | **1,472.25** | **1,119.79** | **1,275.32** | **3,697.22** | **3,159.35** | **4,637.24** |
| VIII. | **Other Comprehensive Income (OCI)** | | | | | | |
| | **i) Items that will not be reclassified to profit or loss:** | | | | | | |
| | a) Re-measurement gains / (losses) on defined benefit plans | (6.22) | (6.22) | (12.07) | (18.66) | (36.21) | (24.87) |
| | b) Income tax effect on above | 2.17 | 2.17 | 4.18 | 6.51 | 12.54 | 8.60 |
| | **ii) Items that will be reclassified to profit or loss:** | | | | | | |
| | a) Gain on Debt instrument designated at fair value through OCI | 330.03 | 329.10 | 292.65 | 986.52 | 877.94 | 1,170.59 |
| | b) Income tax effect on above | (54.09) | (53.88) | (44.95) | (161.45) | (131.40) | (170.14) |
| | **Total Other Comprehensive Income** | **271.89** | **271.17** | **239.81** | **812.92** | **722.87** | **984.18** |
| IX. | **Total Comprehensive Income for the Period / Year (VII + VIII)** | **1,744.14** | **1,390.96** | **1,515.13** | **4,510.14** | **3,882.22** | **5,621.42** |
| X. | **Paid up Equity Share Capital (Face value of Re. 1/- each fully paid up) (Refer note 2)** | 924.00 | 924.00 | 231.00 | 924.00 | 231.00 | 231.00 |
| XI. | **Other Equity excluding Revaluation Reserve** | - | - | - | - | - | 81,938.25 |
| XII. | **Earning per equity share (in Rs.) (Face value of Re. 1/- each) (Refer note 2)** | | | | | | |
| | Basic (* Not Annualised) | 1.59* | 1.21* | 1.38* | 4.00* | 3.42* | 5.02 |
| | Diluted (* Not Annualised) | 1.59* | 1.21* | 1.38* | 4.00* | 3.42* | 5.02 |

## UNAUDITED STANDALONE SEGMENT INFORMATION FOR THE QUARTER & NINE MONTHS ENDED 31ST DECEMBER, 2018

**(Rs. in lakhs)**

| S. No. | Particulars | Standalone | | | | | |
|---|---|---|---|---|---|---|---|
| | | Quarter ended | | | Nine Months ended | | Year ended |
| | | (31/12/2018) | (30/09/2018) | (31/12/2017) | (31/12/2018) | (31/12/2017) | (31/03/2018) |
| 1 | **Segment Revenue :** | | | | | | |
| | a. Scientificware | 3,968.61 | 3,391.24 | 3,751.73 | 10,834.50 | 9,304.67 | 14,891.30 |
| | b. Consumerware | 7,390.30 | 5,305.99 | 4,114.25 | 16,433.97 | 11,473.56 | 14,607.88 |
| | c. Others | - | - | 18.62 | - | 55.09 | 84.12 |
| | **Total** | **11,358.91** | **8,697.23** | **7,884.60** | **27,268.47** | **20,833.32** | **29,583.30** |
| | Less : Inter Segment Revenue | - | - | - | - | - | - |
| | **Revenue from operations** | **11,358.91** | **8,697.23** | **7,884.60** | **27,268.47** | **20,833.32** | **29,583.30** |
| 2 | **Segment Results (Profit before tax):** | | | | | | |
| | a. Scientificware | 776.47 | 564.24 | 812.16 | 1,942.94 | 1,760.13 | 3,193.05 |
| | b. Consumerware | 1,115.51 | 460.34 | 636.96 | 1,866.06 | 1,521.84 | 1,503.23 |
| | c. Investments | 732.05 | 806.64 | 562.62 | 2,358.10 | 1,987.24 | 2,697.56 |
| | d. Others | - | - | 4.27 | - | 13.64 | 21.92 |
| | **Total** | **2,624.03** | **1,831.22** | **2,016.01** | **6,167.10** | **5,282.85** | **7,415.76** |
| | Less:- Finance Cost | 113.69 | 45.04 | 6.15 | 165.79 | 18.66 | 28.17 |
| | Less:- Exceptional Items | - | - | - | - | - | - |
| | Less:- Other unallocable expenditure (net of income) | 172.26 | 173.58 | (1.76) | 474.05 | 326.66 | 361.05 |
| | **Profit before Tax** | **2,338.08** | **1,612.60** | **2,011.62** | **5,527.26** | **4,937.53** | **7,026.54** |
| 3 | **Segment Assets** | | | | | | |
| | a. Scientificware | 6,291.39 | 4,387.14 | 4,469.41 | 6,291.39 | 4,469.41 | 5,994.91 |
| | b. Consumerware | 10,691.91 | 11,481.56 | 5,916.91 | 10,691.91 | 5,916.91 | 5,824.40 |
| | c. Investments | 67,072.54 | 67,705.87 | 55,275.16 | 67,072.54 | 55,275.16 | 64,114.20 |
| | d. Others | - | - | 20.30 | - | 20.30 | 20.15 |
| | e. Un-allocated | 11,731.61 | 12,328.43 | 20,283.25 | 11,731.61 | 20,283.25 | 12,760.06 |
| | **Total** | **95,787.45** | **95,903.00** | **85,965.03** | **95,787.45** | **85,965.03** | **88,713.72** |
| 4 | **Segment Liabilities** | | | | | | |
| | a. Scientificware | 2,389.72 | 1,318.82 | 2,191.31 | 2,389.72 | 2,191.31 | 3,080.31 |
| | b. Consumerware | 3,675.25 | 3,695.14 | 2,671.35 | 3,675.25 | 2,671.35 | 3,188.20 |
| | c. Investments | 9.80 | 15.30 | 0.32 | 9.80 | 0.32 | 6.74 |
| | d. Others | - | - | 1.75 | - | 1.75 | 1.75 |
| | e. Un-allocated | 4,030.77 | 6,982.57 | 727.92 | 4,030.77 | 727.92 | 267.47 |
| | **Total** | **10,105.54** | **12,011.83** | **5,592.65** | **10,105.54** | **5,592.65** | **6,544.47** |

**Note :**

As per Indian Accounting Standard 108 on 'Operating Segment' (Ind-AS 108), Segments have been identified and reported after taking into account the different risks and returns, the organization structure and the internal reporting systems. These are organized into the following:

**Scientificware:-** Comprising of trading items used in Laboratories and Scientific ware.
**Consumerware:-** Comprising of trading items for Domestic use.
**Investments:-** Comprising of Investment activities. As the investments are not held as stock in trade, the income from investment activities has not been considered as segment revenue and accordingly not disclosed.
**Others:-** Comprising of items for industrial use and Miscellaneous Trading Items.
**Unallocated:-** Consists of income, expenses, assets and liabilities which can not be directly identified to any of the above segments.

1. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 7th February, 2019. The Statutory Auditors of the Company have carried out a Limited Review of the above results.

2. The Company issued and allotted 6,93,00,000 bonus equity shares of Re. 1/- each on 6th August, 2018 to its shareholders by capitalizing its reserves. Accordingly, the Earning Per Share for the year ended 31st March, 2018 and for the quarter and nine months ended 31st December, 2017, have been restated to give effect to the allotment of the bonus shares, in line with IND AS-33 “Earnings per Share”.

3. The Board of Directors of the Company at its meeting held on 18th June, 2018 approved a Composite Scheme of Amalgamation and Arrangement which provides for: (a) Amalgamation of Vyline Glass Works Limited, Fennel Investment and Finance Private Limited and Gujarat Borosil Limited with Borosil Glass Works Limited (’BGWL’) and (b) Demerger of the Scientific and Industrial products and Consumer products businesses into Borosil Limited (Formerly known as Hopewell Tableware Limited) - a wholly owned subsidiary of BGWL. The appointed date is 1st October, 2018. After having received Observation letter from Stock Exchanges, the said Scheme has been filed with National Company Law Tribunal, Mumbai Bench which is pending for its approval.

4. The Ministry of Corporate Affairs (MCA), on 28th March, 2018, notified Ind AS 115 "Revenue from Contracts with Customers" as part of the Companies (Indian Accounting Standards) Amendment Rules, 2018 and the same is effective for accounting periods beginning on or after 1st April, 2018. The Company has applied modified retrospective approach in adopting the new standard and accordingly, the revenue from operations for the quarter ended and Nine months ended 31st December, 2018 is not comparable with previous periods reported. The adoption of this standard did not have any material impact to the financial statements of the Company.

5. Borosil Afrasia Middle East Trading LLC, step-down subsidiary of the Company, has been liquidated w.e.f. 18th December, 2018. During the quarter, the Board of Directors of the Company has approved for winding up of Borosil Afrasia FZE, a wholly owned subsidiary of the Company.

6. The figures for the corresponding previous periods/year have been regrouped / rearranged wherever necessary, to make them comparable.

**For Borosil Glass Works Limited**

PATHAK H.D. & ASSOCIATES
MUMBAI
CHARTERED ACCOUNTANTS

**Shreevar Kheruka**
**Managing Director & CEO**
(DIN 01802416)

Place : Mumbai
Date : 07.02.2019

Pathak H.D. Associates
Chartered Accountants

## INDEPENDENT AUDITOR'S REVIEW REPORT

**To**
**The Board of Directors,**
**Borosil Glass Works Limited**

1. We have reviewed the accompanying Unaudited Financial Results ("the statement") of **Borosil Glass Works Limited** ("the Company") for the quarter and nine months ended 31st December, 2018, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Circular No. CIR/CFD/FAC/62/2016 Dated 5th July, 2016.

2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 - Interim Financial Reporting (Ind AS 34) prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 and SEBI Circular No. CIR/CFD/FAC/62/2016 Dated 5th July, 2016, is the responsibility of the Company's Management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the statement based on our review.

3. We conducted our review of the Statement 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 statement is free of material misstatements. 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.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For Pathak H.D. & Associates**
Chartered Accountants
Firm Registration No. - 107783W

**Gyandeo Chaturvedi**
**Partner**
Membership No. - 46806
Place: Mumbai
Date: 7th February, 2019

**Head Office:** 814-815, Tulsiani Chambers, 212, Nariman Point, Mumbai - 400 021, India. Tel.: + 91 22 3022 8508 Fax: + 91 22 3022 8509.
URL: www.phd.ind.in

# BOROSIL GLASS WORKS LIMITED

**CIN: L99999MH1962PLC012538**

**Regd. Office : 1101, Crescenzo, G-Block, Opp. MCA Club, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051**
**Tel.No.(022) 67406300 Fax No.(022) 67406514 Website : www.borosil.com Email : borosil@borosil.com**

## EXTRACT OF STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER & NINE MONTHS ENDED 31ST DECEMBER, 2018

**(Rs. in Lakhs except as stated)**

| | Standalone | | |
|---|---|---|---|
| **Particulars** | **Quarter ended** | **Nine Months ended** | **Quarter ended** |
| | **(31/12/2018)** | **(31/12/2018)** | **(31/12/2017)** |
| Total income from operations | 11,358.91 | 27,268.47 | 7,884.60 |
| Net Profit for the period before Tax and Exceptional items | 2,338.08 | 5,527.26 | 2,011.62 |
| Net Profit for the period before Tax (After Exceptional items) | 2,338.08 | 5,527.26 | 2,011.62 |
| Net Profit for the period after Tax (After Exceptional items) | 1,472.25 | 3,697.22 | 1,275.32 |
| Total Comprehensive Income for the period (Comprising profit for the period (after tax) and other comprehensive income (after tax)) | 1,744.14 | 4,510.14 | 1,515.13 |
| Equity Share Capital (Refer note 2) | 924.00 | 924.00 | 231.00 |
| Other Equity (Excluding Revaluation Reserve) | - | - | - |
| **Earning per equity share (in Rs.) (Face value of Re. 1/- each) (Refer note 2)** | | | |
| Basic (* Not Annualised) | 1.59* | 4.00* | 1.38* |
| Diluted (* Not Annualised) | 1.59* | 4.00* | 1.38* |

1. The above is an extract of the detailed format of Standalone Financial Results for the quarter and nine months ended 31st December, 2018, filed with the Stock Exchanges on 07th February, 2019 under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the said Financial Results are available on the Stock Exchanges website (www.bseindia.com and www.nseindia.com) and on the Company's website (www.borosil.com).

2. The Company issued and allotted 6,93,00,000 bonus equity shares of Re. 1/- each on 6th August, 2018 to its shareholders by capitalizing its reserves. Accordingly, the Earning Per Share for the quarter ended 31st December, 2017 has been restated to give effect to the allotment of the bonus shares, in line with IND AS-33 "Earnings per Share".

3. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 07th February, 2019. The Statutory Auditors of the Company have carried out a Limited Review of the above results.

**For Borosil Glass Works Limited**

**Shreevar Kheruka**
Managing Director & CEO
(DIN 01802416)

Place : Mumbai
Date: 07.02.2019

**BOROSIL GLASS WORKS LIMITED**

**PROVISIONAL**

**BALANCE SHEET AS AT 31ST DECEMBER, 2018**

(Rs. in lakhs)

| Particulars | Note No. | As at 31st Dec., 2018 | | As at 31st March, 2018 | |
|---|---|---|---|---|---|
| **I. ASSETS** | | | | | |
| **1 Non-current Assets** | | | | | |
| (a) Property, Plant and Equipment | 1 | 10,175.13 | | 10,450.77 | |
| (b) Capital Work-in-progress | 1 | 413.89 | | 412.91 | |
| (c) Investment Property | 2 | 198.57 | | 198.57 | |
| (d) Other Intangible Assets | 3 | 98.24 | | 128.56 | |
| (e) Intangible assets under Development | 3 | - | | - | |
| (f) Financial Assets | | | | | |
| (i) Investments | 4 | 34,440.09 | | 24,673.97 | |
| (ii) Loans | 5 | 21,698.95 | | 7,219.45 | |
| (iii) Others | 6 | 40.67 | | 24.73 | |
| (g) Art Works | | 240.80 | | 240.80 | |
| (h) Non-current Tax Assets (net) | | 202.03 | | 7.62 | |
| (i) Other non-current assets | 7 | 129.86 | **67,638.23** | 533.26 | **43,890.64** |
| **2 Current Assets** | | | | | |
| (a) Inventories | 8 | 9,371.44 | | 3,879.92 | |
| (b) Financial Assets | | | | | |
| (i) Investments | 9 | 5,431.01 | | 26,204.29 | |
| (ii) Trade Receivables | 10 | 5,935.78 | | 6,978.08 | |
| (iii) Cash and Cash Equivalents | 11 | 469.62 | | 901.29 | |
| (iv) Bank Balances other than (iii) above | 12 | 106.16 | | 105.20 | |
| (v) Loans | 13 | 4,645.43 | | 5,330.10 | |
| (vi) Others | 14 | 1,115.97 | | 539.93 | |
| (c) Other Current Assets | 15 | 1,064.70 | | 495.67 | |
| | | **28,140.11** | | **44,434.48** | |
| (d) Assets held for Sale | | 9.11 | **28,149.22** | 388.60 | **44,823.08** |
| **TOTAL ASSETS** | | | **95,787.45** | | **88,713.72** |
| **II. EQUITY AND LIABILITIES** | | | | | |
| **EQUITY** | | | | | |
| (a) Equity Share Capital | 16 | 924.00 | | 231.00 | |
| (b) Other Equity | 17 | 84,757.91 | **85,681.91** | 81,938.25 | **82,169.25** |
| **LIABILITIES** | | | | | |
| **1 Non-current Liabilities** | | | | | |
| Deferred Tax Liabilities (net) | | 133.93 | **133.93** | 119.48 | **119.48** |
| **2 Current Liabilities** | | | | | |
| (a) Financial Liabilities | | | | | |
| (i) Borrowings | 18 | 3,731.69 | | - | |
| (ii) Trade Payables | 19 | | | | |
| Total outstanding dues of Micro and Small Enterprises | | 120.56 | | 161.61 | |
| Total outstanding dues of Creditors other than Micro and Small Enterprises | | 2,418.05 | | 3,017.94 | |
| | | **2,538.61** | | **3,179.55** | |
| (iii) Other Financial Liabilities | 20 | 3,135.81 | | 2,591.89 | |
| (b) Other Current Liabilities | 21 | 194.03 | | 289.10 | |
| (c) Provisions | 22 | 371.47 | | 328.96 | |
| (d) Current Tax Liabilities (net) | | - | **9,971.61** | 35.49 | **6,424.99** |
| **TOTAL EQUITY AND LIABILITIES** | | | **95,787.45** | | **88,713.72** |
| Notes to Standalone Financial Statements | 1 to 30 | | | | |

For and on behalf of the Board of Directors

**Swadhin Padia**
Chief Financial Officer

**Shreevar Kheruka**
Managing Director & CEO
(DIN 01802416)

**Gita Yadav**
Company Secretary
(Membership No. A23280)

**Rajesh Chaudhary**
Whole-time Director
(DIN 07425111)

Place : Mumbai
Date : 07.02.2019

BOROSIL GLASS WORKS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST DECEMBER, 2018

(Rs. in lakhs)

| Particulars | Note No. | For the Period Ended 31st Dec., 2018 | For the Year Ended 31st March, 2018 |
|---|---|---|---|
| I. Revenue from Operations | 23 | 27,268.47 | 29,583.30 |
| Other Income | 24 | 3,428.83 | 3,636.07 |
| **Total Income (I)** | | **30,697.30** | **33,219.37** |
| **II. Expenses:** | | | |
| Purchases of Stock-in-trade | | 18,641.07 | 14,833.67 |
| Changes in Inventories of Stock-in-trade | 25 | (4,520.93) | 59.55 |
| Employee Benefits Expense | 26 | 3,165.87 | 3,417.65 |
| Finance Costs | 27 | 165.79 | 28.17 |
| Depreciation and Amortisation Expense | 28 | 373.66 | 522.37 |
| Other Expenses | 29 | 7,344.58 | 7,331.42 |
| **Total Expenses (II)** | | **25,170.04** | **26,192.83** |
| **III. Profit Before Exceptional Items and Tax (I - II)** | | **5,527.26** | **7,026.54** |
| IV. Exceptional Items | | - | - |
| **V. Profit Before Tax (III - IV)** | | **5,527.26** | **7,026.54** |
| **VI. Tax Expense:** | | | |
| (1) Current Tax | | 1742.41 | 2491.09 |
| (2) Deferred Tax | | 87.63 | (101.79) |
| **VII. Profit For The Period/ Year (V-VI)** | | **3,697.22** | **4,637.24** |
| **VIII. Other Comprehensive Income (OCI)** | | | |
| **i) Items that will not be reclassified to profit or loss:** | | | |
| Re-measurement gains / (losses) on Defined Benefit Plans | | (18.66) | (24.87) |
| Income Tax effect on above | | 6.51 | 8.60 |
| **ii) Items that will be reclassified to profit or loss:** | | | |
| Gain on Debt Instrument designated at fair value through OCI | | 986.52 | 1170.59 |
| Income Tax effect on above | | (161.45) | (170.14) |
| **Total Other Comprehensive Income** | | **812.92** | **984.18** |
| **IX. Total Comprehensive Income for the Period / Year (VII + VIII)** | | **4,510.14** | **5,621.42** |
| **X. Earnings per Equity Share of Re.1 each (in Rs.)** | 30 | | |
| **- Basic** | | **4.00** | **5.02** |
| **- Diluted** | | **4.00** | **5.02** |
| Notes to Standalone Financial Statements | 1 to 30 | | |

For and on behalf of the Board of Directors

**Swadhin Padia**
Chief Financial Officer

**Shreevar Kheruka**
Managing Director & CEO
(DIN 01802416)

**Gita Yadav**
Company Secretary
(Membership No. A23280)

**Rajesh Chaudhary**
Whole-time Director
(DIN 07425111)

BOROSIL GLASS WORKS LIMITED MUMBAI

Place : Mumbai
Date : 07.02.2019

BOROSIL GLASS WORKS LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST DECEMBER, 2018

### A. Equity Share Capital

(Rs. in lakhs)

| Particulars | As at 1st April, 2017 | Changes during 2017-18 | As at 31st March, 2018 | Changes during 2018-19 | As at 31st Dec., 2018 |
|---|---|---|---|---|---|
| Equity Share Capital | 231.00 | - | 231.00 | 693.00 | 924.00 |

### B. Other Equity

(Rs. in lakhs)

| Particulars | Reserves and Surplus | | | | | Items of Other Comprehensive Income | | Total Other Equity |
|---|---|---|---|---|---|---|---|---|
| | Capital Reserve | Capital Redemption Reserve | General Reserve | Share Based Payment Reserve | Retained Earnings | Debts Instrument designated at fair value through OCI | Remeasurements of Defined Benefit Plans | |
| **Balance as at 1st April, 2017** | **15.00** | **165.39** | **500.00** | **-** | **71,314.57** | **5,009.74** | **(60.89)** | **76,943.81** |
| Total Comprehensive Income for the year | - | - | - | - | 4,637.24 | 1,000.45 | (16.27) | **5,621.42** |
| Final dividend payment (Dividend of Rs.25 per share) | - | - | - | - | (577.50) | - | - | **(577.50)** |
| Tax on Final Dividend | - | - | - | - | (117.57) | - | - | **(117.57)** |
| Share based payment for the year | | | | 68.09 | | | | **68.09** |
| **Balance as at 31st March, 2018** | **15.00** | **165.39** | **500.00** | **68.09** | **75,256.74** | **6,010.19** | **(77.16)** | **81,938.25** |
| **Balance as at 1st April, 2018** | **15.00** | **165.39** | **500.00** | **68.09** | **75,256.74** | **6,010.19** | **(77.16)** | **81,938.25** |
| Total Comprehensive Income for the year | - | - | - | - | 3,697.22 | 825.07 | (12.15) | **4,510.14** |
| Final dividend payment (Dividend of Rs.2.50 per share) | - | - | - | - | (577.50) | - | - | **(577.50)** |
| Tax on Final Dividend | - | - | - | - | (118.71) | - | - | **(118.71)** |
| Share based payment for the period | - | - | - | 123.42 | - | - | - | **123.42** |
| Transitional impact of Ind AS 115 | | | | | (424.69) | | | **(424.69)** |
| Issue of Bonus shares | | (165.39) | | | (527.61) | | | **(693.00)** |
| **Balance as at 31st December, 2018** | **15.00** | **-** | **500.00** | **191.51** | **77,305.45** | **6,835.26** | **(89.31)** | **84,757.91** |

For and on behalf of the Board of Directors

BOROSIL GLASS WORKS LIMITED MUMBAI

**Swadhin Padia**
Chief Financial Officer

**Gita Yadav**
Company Secretary
(Membership No. A23280)

**Shreevar Kheruka**
Managing Director & CEO
(DIN 01802416)

**Rajesh Chaudhary**
Whole-time Director
(DIN 07425111)

Place : Mumbai
Date : 07.02.2019

**BOROSIL GLASS WORKS LIMITED**

**Notes to the Standalone Financial Statements for the period ended 31st December, 2018**

Note 1. Property, Plant and Equipment

(Rs. in lakhs)

| Particulars | Land-Leasehold | Land - Freehold | Buildings | Plant and Equipment | Furniture and Fixtures | Vehicles | Office Equipment | Total | Capital Work in Progress |
|---|---|---|---|---|---|---|---|---|---|
| **COST** | | | | | | | | | |
| **As at 1st April, 2017** | **363.91** | **1,938.55** | **6,936.23** | **77.38** | **1,142.87** | **364.42** | **604.33** | **11,427.69** | **440.86** |
| Additions | - | 49.86 | - | 279.10 | 1.38 | 383.90 | 56.33 | 770.57 | - |
| Disposals / transfers | - | - | 3.12 | - | 380.38 | 76.17 | 113.66 | 573.33 | 27.95 |
| **As at 31st March, 2018** | **363.91** | **1,988.41** | **6,933.11** | **356.48** | **763.87** | **672.15** | **547.00** | **11,624.93** | **412.91** |
| Additions | - | - | - | 0.45 | 10.73 | 11.25 | 62.72 | 85.15 | 0.98 |
| Disposals / transfers | - | - | - | - | 34.69 | 13.46 | 0.18 | 48.33 | - |
| **As at 31st December, 2018** | **363.91** | **1,988.41** | **6,933.11** | **356.93** | **739.91** | **669.94** | **609.54** | **11,661.75** | **413.89** |
| **DEPRECIATION AND AMORTISATION** | | | | | | | | | |
| **As at 1st April, 2017** | 12.02 | - | 356.02 | 20.59 | 180.64 | 66.51 | 188.69 | 824.47 | |
| Depreciation / Amortisation for the year | 6.01 | - | 144.09 | 15.84 | 118.91 | 68.37 | 117.22 | 470.44 | |
| Disposals | - | - | 0.21 | - | 63.10 | 26.63 | 30.81 | 120.75 | |
| **As at 31st March, 2018** | **18.03** | **-** | **499.90** | **36.43** | **236.45** | **108.25** | **275.10** | **1,174.16** | |
| Depreciation / Amortisation for the period | 4.53 | - | 108.53 | 21.60 | 62.91 | 61.95 | 62.57 | 322.09 | |
| Disposals | - | - | - | - | 7.83 | 1.64 | 0.16 | 9.63 | |
| **As at 31st December, 2018** | **22.56** | **-** | **608.43** | **58.03** | **291.53** | **168.56** | **337.51** | **1,486.62** | |
| **NET BOOK VALUE:** | | | | | | | | | |
| **As at 31st March, 2018** | **345.88** | **1,988.41** | **6,433.21** | **320.05** | **527.42** | **563.90** | **271.90** | **10,450.77** | **412.91** |
| **As at 31st December, 2018** | **341.35** | **1,988.41** | **6,324.68** | **298.90** | **448.38** | **501.38** | **272.03** | **10,175.13** | **413.89** |

**Note 2. Investment Property**

(Rs. in lakhs)

| Particulars | Investment Properties |
|---|---|
| **COST:** | |
| **As at 1st April, 2017** | **198.57** |
| Additions | - |
| Disposals | - |
| **As at 31st March, 2018** | **198.57** |
| Additions | - |
| Disposals | - |
| **As at 31st December, 2018** | **198.57** |
| **DEPRECIATION AND AMORTISATION:** | |
| **As at 1st April, 2017** | **-** |
| Depreciation and Amortisation during the year | - |
| Disposals | - |
| **As at 31st March, 2018** | **-** |
| Depreciation and Amortisation during the year | - |
| Disposals | - |
| **As at 31st December, 2018** | **-** |
| **NET BOOK VALUE:** | |
| **As at 31st March, 2018** | **198.57** |
| **As at 31st December, 2018** | **198.57** |

**Note 3. Other Intangible Assets**

(Rs. in lakhs)

| Particulars | Other Intangible assets | Intangible assets under development |
|---|---|---|
| **COST:** | | |
| **As at 1st April, 2017** | **160.07** | **20.28** |
| Additions | 100.15 | - |
| Disposals / transfers | - | 20.28 |
| **As at 31st March, 2018** | **260.22** | **-** |
| Additions | 21.25 | - |
| Disposals / transfers | - | - |
| **As at 31st December, 2018** | **281.47** | **-** |
| **AMORTISATION:** | | |
| **As at 1st April, 2017** | **79.73** | |
| Amortisation during the year | 51.93 | |
| Disposals | - | |
| **As at 31st March, 2018** | **131.66** | |
| Amortisation during the year | 51.57 | |
| Disposals | - | |
| **As at 31st December, 2018** | **183.23** | |
| **NET BOOK VALUE:** | | |
| **As at 31st March, 2018** | **128.56** | **-** |
| **As at 31st December, 2018** | **98.24** | **-** |

**3.1** Other intangible assets represents Computer Softwares other than self generated.

Borosil Glass Works Limited
Notes to the Standalone Financial Statement for the period ended 31st December, 2018

**Note 4 - Non-Current Investments**

| Particulars | As at 31st December, 2018 | | | As at 31st March, 2018 | | |
|---|---|---|---|---|---|---|
| | No. of Shares/Units | Face Value (in Rs.) Unless otherwise stated | Rs. in lakhs | No. of Shares/Units | Face Value (in Rs.) Unless otherwise stated | Rs in lakhs |
| **(a) In Equity Instruments:** | | | | | | |
| **Quoted Fully Paid-Up** | | | | | | |
| **Subsidiary Company** | | | | | | |
| **Carried at cost** | | | | | | |
| Gujarat Borosil Ltd. | 172,22,376 | 5 | 1,527.95 | 172,22,376 | 5 | 1,527.95 |
| Deemed Equity Investment | | | 3,829.81 | | | 3,829.81 |
| **Unquoted Fully Paid-Up** | | | | | | |
| **Subsidiary Company** | | | | | | |
| **Carried at cost** | | | | | | |
| Borosil Afrasia FZE. | 3 | AED 10,00,000 | 524.77 | 3 | AED 10,00,000 | 524.77 |
| Provision for Impairment on non current investment | - | - | -302.00 | - | - | - |
| Borosil Technologies Ltd. | 49,50,000 | 10 | 491.40 | - | - | - |
| Acalypha Realty Ltd. | 50,000 | 10 | 0.45 | - | - | - |
| Klass Pack Ltd. (previously known as Klass Pack Pvt. Ltd.) | 6,74,074 | 100 | 4,196.77 | 4,34,060 | 100 | 2,703.81 |
| Borosil Ltd. (previously known as Hopewell Tableware Pvt. Ltd.) $ | 2575,00,000 | 1 | 2,713.29 | 257,50,000 | 10 | 2,713.29 |
| **Associate Company** | | | | | | |
| **Carried at cost** | | | | | | |
| Fennel Investment and Finance Pvt. Ltd. | 41,48,967 | 10 | 414.90 | 41,48,967 | 10 | 414.90 |
| **Others** | | | | | | |
| **Carried at fair value through profit and loss** | | | | | | |
| Zoroastrian Co-operative Bank Ltd. | 4,000 | 25 | 2.17 | 4,000 | 25 | 2.17 |
| $ 6,67,50,100 shares pledged as security with a bank for credit facility availed by that subsidiary Company. | | | | | | |
| **Total Equity Instruments (a)** | | | 13,399.51 | | | 11,716.70 |
| **(b) In Capital account of Limited Liability Partnership:** | | | | | | |
| **Unquoted** | | | | | | |
| **Others** | | | | | | |
| **Carried at fair value through profit and loss** | | | | | | |
| Hopewell Packaging LLP - Share in Profit/(Loss) -18% | 1 | - | 18.00 | - | - | - |
| **Total Capital Accounts (b)** | | | 18.00 | | | - |
| **(c) In Preference Shares:** | | | | | | |
| **Unquoted Fully Paid-Up** | | | | | | |
| **Subsidiary Company** | | | | | | |
| **Carried at cost** | | | | | | |
| 6% Optionally Convertible Non Cumulative Redeemable Preference Shares of Borosil Ltd. (previously known as Hopewell Tableware Pvt. Ltd.) | 280,00,000 | 10 | 2,800.00 | 280,00,000 | 10 | 2,800.00 |
| **Carried at fair value through other comprehensive income** | | | | | | |
| 9% Non-Cumulative Non-Convertible Redeemable Preference Shares of Gujarat Borosil Ltd. | 90,00,000 | 100 | 11,521.82 | - | - | - |
| **Unquoted Fully Paid-Up** | | | | | | |
| **Others** | | | | | | |
| **Carried at fair value through profit and loss** | | | | | | |
| 8.2% Cumulative Non-Participating Compulsorily Convertible Preference Shares of Tata Motors Finance Ltd. (Formerly Sheba Properties Ltd.). | 4,96,100 | 100 | 1,079.34 | 4,96,100 | 100 | 1,062.89 |
| **Total Preference Shares (c)** | | | 15,401.16 | | | 3,862.89 |
| **(d) In Debentures:** | | | | | | |
| **Quoted Fully Paid-Up** | | | | | | |
| **Carried at fair value through profit and loss** | | | | | | |
| Secured Non Convertible Redeemable Debentures of Genie Commercial Ventures Pvt. Ltd.-Tranche I | - | - | - | 116 | 92,976 | 143.14 |
| Secured Non Convertible Redeemable Debentures of Cornerview Constructions and Developers Pvt. Ltd.-Series B | - | - | - | 114 | 25,057 | 57.51 |
| 7.76% Secured Redeemable Non Convertible Debentures of HDB Financial Services Ltd.-Series 2017 A/1/103 ** | 50 | 10,00,000 | 492.50 | 100 | 10,00,000 | 990.60 |
| Secured Redeemable Non Convertible Debentures of Edelweiss Finvest Pvt. Ltd.-Series H9E701A ** | - | - | - | 1,250 | 1,00,000 | 1,250.00 |
| Secured Redeemable Non Convertible Debentures of IIFL Wealth Finance Ltd.-Series EWFEC850 | - | - | - | 1,250 | 1,00,000 | 1,250.00 |

** Pledged as a security with NBFC for credit facility availed

Borosil Glass Works Limited
Notes to the Standalone Financial Statement for the period ended 31st December, 2018

Note 4 - Non-Current Investments

| Particulars | As at 31st December, 2018 | | | As at 31st March, 2018 | | |
|---|---|---|---|---|---|---|
| | No. of Shares/Units | Face Value (in Rs.) Unless otherwise stated | Rs in lakhs | No. of Shares/Units | Face Value (in Rs.) Unless otherwise stated | Rs in lakhs |
| **Unquoted Fully Paid-Up** | | | | | | |
| **Carried at fair value through profit and loss** | | | | | | |
| Unsecured Non Convertible Redeemable Debentures of Runwal Real Estates Pvt. Ltd.-Class B | - | - | - | 138 | 1,00,000 | 180.49 |
| Unsecured Non Convertible Redeemable Debentures of Shriprop Dwellers Pvt. Ltd.Series II | - | - | - | 76 | 80,365 | 96.65 |
| Secured Non Convertible Redeemable Debentures of Cornerview Constructions and Developers Pvt. Ltd.-Series A2 | - | - | - | 104 | 50,000 | 60.45 |
| **Total Debentures (d)** | | | **492.50** | | | **4,028.84** |
| **(e) In Others:** | | | | | | |
| **1. Venture Capital Fund** | | | | | | |
| **Unquoted Fully Paid-Up** | | | | | | |
| **Carried at fair value through profit and loss** | | | | | | |
| NV India Real Estate Fund | 3,16,748 | 100 | 1,161.64 | 4,71,561 | 100 | 1,101.02 |
| **2. Alternative Investment Fund** | | | | | | |
| **Quoted Fully Paid-Up** | | | | | | |
| **Carried at fair value through profit and loss** | | | | | | |
| IIFL Real Estate Fund (Domestic) - Series 2 - Class A ** | 140,11,328 | 7.05 | 1,125.18 | 140,11,328 | 7.59 | 1,173.86 |
| **Unquoted Fully Paid-Up** | | | | | | |
| **Carried at fair value through profit and loss** | | | | | | |
| ASK Real Estate Special Opportunities Fund - II - Class B | 900 | 1,00,000 | 1,004.90 | 750 | 1,00,000 | 792.24 |
| Edelweiss Stressed and Troubled Assets Revival Fund-1 | 10,000 | 5,799.99 | 525.71 | 10,000 | 8,254.73 | 779.70 |
| IIFL Income Opportunities Fund Series-Special Situations (A Category II) ** | 143,30,927 | 4.00 | 943.26 | 143,30,927 | 4.66 | 968.72 |
| Fireside Ventures Investment Fund-1 - Class A | 368 | 1,00,000 | 368.23 | 250 | 1,00,000 | 250.00 |
| ** Pledged as a security with NBFC for credit facility availed | | | | | | |
| **Total Others (e)** | | | **5,128.92** | | | **5,065.54** |
| **Total Non Current Investments (a) + (b) + (c) + (d) + (e)** | | | **34,440.09** | | | **24,673.97** |

**Note 5 - Non-current financial assets - Loans**

(Rs. in lakhs)

| Particulars | As at 31st Dec., 2018 | As at 31st March, 2018 |
|---|---|---|
| **Unsecured, Considered Good, unless otherwise stated :** | | |
| Inter Corporate Deposit to Related Parties | 21,670.50 | 7,193.00 |
| Loan to Employees | 28.45 | 26.45 |
| **Total** | **21,698.95** | **7,219.45** |

**Note 6 - Non-current financial assets - Others**

(Rs. in lakhs)

| Particulars | As at 31st Dec., 2018 | As at 31st March, 2018 |
|---|---|---|
| **Unsecured, Considered Good, unless otherwise stated :** | | |
| Security Deposits | 40.67 | 24.73 |
| **Total** | **40.67** | **24.73** |

**Note 7 - Other Non-current assets**

(Rs. in lakhs)

| Particulars | | As at 31st Dec., 2018 | | As at 31st March, 2018 |
|---|---|---|---|---|
| **Unsecured, Considered Good, unless otherwise stated :** | | | | |
| Capital Advances | | 66.96 | | 0.53 |
| **MAT Credit Entitlement :** | | | | |
| - Opening balance | 490.09 | | 1,617.59 | |
| - Less: MAT credit utilisation during the year | 463.65 | 26.44 | 1,127.50 | 490.09 |
| Unamortised portion of Employee Benefits | | 0.10 | | 0.25 |
| Prepaid Expenses | | 36.36 | | 42.39 |
| **Total** | | **129.86** | | **533.26** |

**Note 8 - Inventories**

(Rs. in lakhs)

| Particulars | | As at 31st Dec., 2018 | | As at 31st March, 2018 |
|---|---|---|---|---|
| **Stock-in-Trade:** | | | | |
| Goods-in-Transit | 585.10 | | 154.18 | |
| Others | 8,531.83 | 9,116.93 | 3,546.83 | 3,701.01 |
| Stores, Spares and Consumables | | 8.33 | | 9.34 |
| Packing Material | | 234.32 | | 157.71 |
| Scrap(Cullet) | | 11.86 | | 11.86 |
| **Total** | | **9,371.44** | | **3,879.92** |

Note 9 - Current Investments

| Particulars | As at 31st December, 2018 | | | As at 31st March, 2018 | | |
|---|---|---|---|---|---|---|
| | No. of Shares/Units | Face Value (in Rs.) | Rs in lakhs | No. of Shares/Units | Face Value (in Rs.) | Rs in lakhs |
| **(a) In Equity Instruments:** | | | | | | |
| **Unquoted Fully Paid Up** | | | | | | |
| **Carried at fair value through profit and loss** | | | | | | |
| Prabal Traders and Advisors Pvt. Ltd. * | - | - | - | 74,876 | 1 | 7.48 |
| Vahin Advisors and Traders Pvt. Ltd. * | 74,852 | 1 | - | 74,852 | 1 | - |
| * Held by Portfolio Manager on behalf of the Company. | | | | | | |
| **Total Equity Instruments (a)** | | | - | | | 7.48 |
| **(b) In Preference Shares:** | | | | | | |
| **Unquoted Fully Paid-Up** | | | | | | |
| **Subsidiary Company** | | | | | | |
| **Carried at fair value through other comprehensive income** | | | | | | |
| 9% Non-Cumulative Non-Convertible Redeemable Preference Shares of Gujarat Borosil Ltd. | - | - | - | 90,00,000 | 100 | 10,535.30 |
| **Quoted Fully Paid-Up** | | | | | | |
| **Others** | | | | | | |
| **Carried at fair value through profit and loss** | | | | | | |
| 7.5% Non-Cumulative Non-Convertible Redeemable Preference Shares of Vedanta Ltd. | - | - | - | 75,00,000 | 10 | 749.83 |
| **Total Preference Shares (b)** | | | - | | | 11,285.13 |
| **(c) In Debentures:** | | | | | | |
| **Quoted Fully Paid-Up** | | | | | | |
| **Carried at fair value through profit and loss** | | | | | | |
| Unsecured Non Convertible Redeemable Debentures of Miraya Realty Pvt. Ltd.-Series II | 81 | 1,00,000 | 148.03 | 81 | 1,00,000 | 141.55 |
| Secured Non Convertible Redeemable Debentures of Sterling Habitats Pvt. Ltd.-Series II | 45 | 1,00,000 | 78.80 | 45 | 1,00,000 | 72.33 |
| Secured Non Convertible Redeemable Debentures of Genie Commercial Ventures Pvt. Ltd.-Tranche I | 116 | 74,742 | 132.86 | - | | - |
| Secured Non Convertible Redeemable Debentures of Cornerview Constructions and Developers Pvt. Ltd.-Series B | 114 | 9,549 | 43.69 | - | | - |
| 10.75% Secured Redeemable Non Convertible Debentures of Shriram Transport Finance Company Ltd.-Series II | - | - | - | 1,00,000 | 1,000 | 1,016.45 |
| 11.25% Unsecured Redeemable Non Convertible Debentures of Fullerton India Credit Company Ltd. | - | - | - | 50 | 10,00,000 | 500.00 |
| Secured Redeemable Non Convertible Debentures of Edelweiss Finvest Pvt. Ltd.-Series H9E701A ** | 1,250 | 1,00,000 | 1,250.00 | - | - | - |
| Secured Redeemable Non Convertible Debentures of IIFL Wealth Finance Ltd.-Series EWFEC850 | 1,250 | 1,00,000 | 1,250.00 | - | - | - |
| ** Pledged as a security with NBFC for credit facility availed | | | | | | |
| **Unquoted Fully Paid Up** | | | | | | |
| **Carried at fair value through profit and loss** | | | | | | |
| 19% Secured Redeemable Non Convertible Debentures of Arch Agro Industries Pvt. Ltd. | - | - | - | 2,784 | 10,000 | - |
| 3 % Optionally Convertible Debentures of Prabal Traders and Advisors Pvt. Ltd.* | - | - | - | 7,486 | 100 | 74.78 |
| Unsecured Non Convertible Redeemable Debentures of Shriprop Dwellers Pvt. Ltd.Series II | 76 | 523 | 42.18 | - | - | - |
| Secured Non Convertible Redeemable Debentures of Cornerview Constructions and Developers Pvt. Ltd.-Series A2 | 104 | 23,275 | 37.92 | - | - | - |
| Unsecured Non Convertible Redeemable Debentures of Miraya Realty Pvt. Ltd.-First Debentures | 134 | 1,00,000 | 186.37 | 134 | 1,00,000 | 174.30 |
| Secured Non Convertible Redeemable Debentures of Sterling Habitats Pvt. Ltd.-Series I B | 47 | 65,125 | 42.39 | 47 | 82,959 | 47.09 |
| Unsecured Non Convertible Redeemable Debentures of Runwal Real Estates Pvt. Ltd.-Class B | - | - | - | 57 | 1,00,000 | 66.42 |
| * Held by Portfolio Manager on behalf of the Company. | | | | | | |
| **Total Debentures (c)** | | | 3,212.24 | | | 2,092.92 |

**Borosil Glass Works Limited**

**Notes to the Standalone Financial Statement for the period ended 31st December, 2018**

**Note 9 - Current Investments**

| Particulars | As at 31st December, 2018 | | | As at 31st March, 2018 | | |
|---|---|---|---|---|---|---|
| | No. of Shares/Units | Face Value (in Rs.) | Rs in lakhs | No. of Shares/Units | Face Value (in Rs.) | Rs in lakhs |
| **(d) Mutual Funds:** | | | | | | |
| **Quoted Fully Paid Up** | | | | | | |
| **Carried at fair value through profit and loss** | | | | | | |
| HDFC FMP 1177D March 2018 (1) - Direct Option - Growth $ | 100,00,000 | 10 | 1,045.08 | 100,00,000 | 10 | 1,000.77 |
| **Unquoted Fully Paid-Up** | | | | | | |
| **Carried at fair value through profit and loss** | | | | | | |
| Aditya Birla Sun Life Savings Fund Institutional Growth | - | - | - | 2,46,261 | 100 | 841.49 |
| HDFC Liquid Fund Direct Plan Growth Option | 32,484 @ | 1,000 | 1,173.69 | 59,855 @ | 1,000 | 2,049.35 |
| Aditya Birla Sun Life Cash Plus - Growth - Direct Plan | - | - | - | 9,06,183 | 100 | 2,531.10 |
| ICICI Prudential Liquid - Direct Plan - Growth | - | - | - | 10,15,715 | 100 | 2,611.78 |
| SBI Ultra Short Term Debt Fund Regular Plan Growth | - | - | - | 1,284 | 1,000 | 28.78 |
| TATA Ultra Short Term Fund Regular Plan Growth | - | - | - | 19,311 | 1,000 | 508.35 |
| Kotak Equity Arbitrage Fund - Direct Plan-Growth | - | - | - | 11,96,960 | 10 | 305.35 |
| Edelweiss Arbitrage Fund -Direct Plan- Growth | - | - | - | 54,01,193 | 10 | 712.71 |
| Aditya Birla Sun Life Savings Fund Growth Direct Plan | - | - | - | 3,52,826 | 100 | 1,212.73 |

@ 1,500 units pledged as a security with a bank for the credit facility availed by related party and 28,500 units pledged as security with a bank for credit facility availed by the Company.

$ pledged as a security with a bank for the credit facility availed by related party

| Particulars | No. of Shares/Units | Face Value (in Rs.) | Rs in lakhs | No. of Shares/Units | Face Value (in Rs.) | Rs in lakhs |
|---|---|---|---|---|---|---|
| **Total Mutual Funds (d)** | | | **2,218.77** | | | **11,802.41** |
| **(e) In Others:** | | | | | | |
| **1. Alternative Investment Fund** | | | | | | |
| **Quoted Fully Paid-Up** | | | | | | |
| **Carried at fair value through profit and loss** | | | | | | |
| Edelweiss Alpha Fund | - | - | - | 1,00,000 | 10 | 1,016.35 |
| **Total Others (e)** | | | **-** | | | **1,016.35** |
| **Total Current Investments = (a) + (b) + (c ) + (d) + (e)** | | | **5,431.01** | | | **26,204.29** |

**Note 10 - Current financial assets - Trade Receivables**

(Rs. in lakhs)

| Particulars | | As at 31st Dec., 2018 | | As at 31st March, 2018 |
|---|---|---|---|---|
| **Unsecured :** | | | | |
| Considered Good | 5,935.78 | | 6,978.08 | |
| Considered Doubtful | 29.28 | | 29.28 | |
| | 5,965.06 | | 7,007.36 | |
| Less : Provision for Doubtful Debts | 29.28 | 5,935.78 | 29.28 | 6,978.08 |
| **Total** | | **5,935.78** | | **6,978.08** |

**Note 11 - Cash and Cash Equivalents**

(Rs. in lakhs)

| Particulars | As at 31st Dec., 2018 | As at 31st March, 2018 |
|---|---|---|
| Balances with Banks in current accounts | 154.86 | 576.30 |
| Fixed deposits with Banks - Having maturity less than 3 months | 287.75 | 316.00 |
| Cash on Hand | 27.01 | 8.99 |
| **Total** | **469.62** | **901.29** |

**Note 12 - Bank balances Other than Cash and Cash Equivalents**

(Rs. in lakhs)

| Particulars | As at 31st Dec., 2018 | As at 31st March, 2018 |
|---|---|---|
| **Earmarked Balances with bank :** | | |
| Unpaid Dividend Accounts | 105.23 | 104.27 |
| Fixed deposit pledged with a Bank | 0.93 | 0.93 |
| **Total** | **106.16** | **105.20** |

**Note 13 - Current financial assets - Loans**

(Rs. in lakhs)

| Particulars | As at 31st Dec., 2018 | As at 31st March, 2018 |
|---|---|---|
| **Secured, Considered Good, unless otherwise stated** | | |
| Inter Corporate Deposit to Related Party | 1,821.64 | 3,316.25 |
| **Unsecured, Considered Good, unless otherwise stated:** | | |
| Inter Corporate Deposit to Related Party | 2,795.00 | 1,990.00 |
| Loan to Employees | 28.79 | 23.85 |
| **Total** | **4,645.43** | **5,330.10** |

**Note 14 - Current financial assets - Others**

(Rs. in lakhs)

| Particulars | As at 31st Dec., 2018 | As at 31st March, 2018 |
|---|---|---|
| **Unsecured, Considered Good, unless otherwise stated:** | | |
| Interest Receivables | 1,018.50 | 482.74 |
| Security Deposits | 28.92 | 30.56 |
| Others | 68.55 | 26.63 |
| | **1,115.97** | **539.93** |

14.1 Others includes amounts receivable against share based payment from subsidiaries, from portfolio managers and other receivables etc.

**Note 15 - Other Current Assets**

(Rs. in lakhs)

| Particulars | As at 31st Dec., 2018 | As at 31st March, 2018 |
|---|---|---|
| **Unsecured, Considered Good, unless otherwise stated:** | | |
| Advances against supplies | 543.26 | 286.32 |
| Export Incentives Receivable | 32.04 | 23.62 |
| Unamortised portion of Employee Benefits | 0.24 | 0.50 |
| Amount paid under protest | 0.55 | 0.55 |
| Balance with GST Authorities | 371.20 | - |
| Others | 117.41 | 184.68 |
| **Total** | **1,064.70** | **495.67** |

15.1 Others includes prepaid expenses, claim receivables etc.

BOROSIL GLASS WORKS LIMITED
Notes to the Standalone Financial Statements for the period ended 31st December, 2018

**Note 16 - Equity Share Capital**

(Rs. In Lakhs)

| Particulars | As at 31st Dec., 2018 | As at 31st March, 2018 |
|---|---|---|
| **Authorised** | | |
| 12,00,00,000 (Previous Year 12,00,00,000 of Rs. 1/- each) Equity Shares of Re. 1/- each | 1,200.00 | 1,200.00 |
| **Total** | **1,200.00** | **1,200.00** |
| **Issued, Subscribed & Fully Paid up** | | |
| 9,24,00,000 (Previous Year 2,31,00,000 of Rs. 1/- each) Equity Shares of Re. 1/- each fully paid up * | 924.00 | 231.00 |
| **Total** | **924.00** | **231.00** |

* During the period Company has issued Bonus shares in ratio of 3:1 share(i.e. three bonus shares for every one share).

**Note 17 - Other Equity**

(Rs. in lakhs)

| Particulars | | As at 31st Dec., 2018 | | As at 31st March, 2018 |
|---|---|---|---|---|
| **Capital Reserve** | | | | |
| As per Last Balance Sheet | | 15.00 | | 15.00 |
| **Capital Redemption Reserve** | | | | |
| As per Last Balance Sheet | 165.39 | | | 165.39 |
| Less: Issue of Bonus shares | 165.39 | - | | |
| **General Reserve** | | | | |
| As per Last Balance Sheet | | 500.00 | | 500.00 |
| **Share Based Payment Reserve** | | | | |
| As per Last Balance Sheet | 68.09 | | - | |
| Add: Share based payment for the year | 123.42 | 191.51 | 68.09 | 68.09 |
| **Retained Earnings** | | | | |
| As per Last Balance Sheet | 75,256.74 | | 71,314.57 | |
| Add: Transitional impact of Ind AS 115 | (424.69) | | | |
| Less: Issue of Bonus shares | (527.61) | | | |
| Add: Profit for the year | 3,697.22 | | 4,637.24 | |
| **Amount available for appropriation** | **78,001.66** | | **75,951.81** | |
| **Less: Appropriations** | | | | |
| Final Dividend Payment | 577.50 | | 577.50 | |
| Tax on Final Dividend | 118.71 | 77,305.45 | 117.57 | 75,256.74 |
| **Other Comprehensive Income (OCI)** | | | | |
| As per Last Balance Sheet | 5,933.03 | | 4,948.85 | |
| Add: Movements in OCI (net) during the year | 812.92 | 6,745.95 | 984.18 | 5,933.03 |
| **Total** | | **84,757.91** | | **81,938.25** |

**Note 18 - Current financial liabilities - Borrowings**

(Rs. in lakhs)

| Particulars | As at 31st Dec., 2018 | As at 31st March, 2018 |
|---|---|---|
| **Secured Loan** | | |
| Working Capital Loan from Bank | 3,506.69 | - |
| Loan repayable on Demand | 225.00 | - |
| **Total** | **3,731.69** | **-** |

**Note 19 - Current financial liabilities - Trade Payables**

(Rs. in lakhs)

| Particulars | As at 31st Dec., 2018 | As at 31st March, 2018 |
|---|---|---|
| Micro, Small and Medium Enterprises | 120.56 | 161.61 |
| Others | 2,418.05 | 3,017.94 |
| **Total** | **2,538.61** | **3,179.55** |

**19.1** Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED 2006) have been determined based on the information available with the Company and the details of amount outstanding due to them are as given below:

(Rs. in lakhs)

| | Particulars | As at 31st Dec., 2018 | As at 31st March, 2018 |
|---|---|---|---|
| a) | Principal amount outstanding | 120.56 | 161.61 |
| b) | Interest due thereon | - | - |
| c) | Interest paid by the Company in terms of Section 16 of MSMED 2006, alongwith amount of the payment made to the suppliers beyond the appointed day during the year . | - | - |
| d) | Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED 2006. | - | - |
| e) | Interest accrued and remaining unpaid | - | - |
| f) | Further interest remaining due and payable in the succeeding years. | - | - |

**Note 20 - Current financial liabilities - Others**

(Rs. in lakhs)

| Particulars | As at 31st Dec., 2018 | As at 31st March, 2018 |
|---|---|---|
| Interest accrued but not due on borrowing | 12.24 | - |
| Interest accrued but not due on Dealer Deposits | 23.12 | 25.00 |
| Dealer Deposits | 246.36 | 226.21 |
| Unclaimed Dividends* | 105.23 | 104.27 |
| Creditors for Capital Expenditure | 29.56 | 17.12 |
| Deposits | 3.25 | 3.75 |
| Other Payables | 2,716.05 | 2,215.54 |
| | **3,135.81** | **2,591.89** |

* This figure does not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund.

**20.1** Other Payables includes outstanding liabilities for expenses, Commission to Directors, discount, rebates etc.

**Note 21 - Other Current Liabilities**

(Rs. in lakhs)

| Particulars | As at 31st Dec., 2018 | As at 31st March, 2018 |
|---|---|---|
| Advance from Customers | 41.70 | 62.07 |
| Statutory liabilities | 152.33 | 227.03 |
| **Total** | **194.03** | **289.10** |

**Note 22 - Current Provisions**

(Rs. in lakhs)

| Particulars | As at 31st Dec., 2018 | As at 31st March, 2018 |
|---|---|---|
| **Provisions for Employee Benefits** | | |
| Superannuation (Funded) | 8.73 | 2.24 |
| Gratuity (Funded) | 95.46 | 78.45 |
| Leave Encashment | 267.28 | 248.27 |
| **Total** | **371.47** | **328.96** |

**Note 23 - Revenues from Operations**

(Rs. in lakhs)

| Particulars | For the Period Ended 31st Dec., 2018 | For the Year Ended 31st March, 2018 |
|---|---|---|
| Sale of Products | 27,268.47 | 29,535.74 |
| Other Operating Revenue | - | 47.56 |
| **Revenue from Operations** | **27,268.47** | **29,583.30** |

**Note 24 - Other Income**

(Rs. in lakhs)

| Particulars | For the Period Ended 31st Dec., 2018 | For the Year Ended 31st March, 2018 |
|---|---|---|
| Interest Income from Financial Assets measured at fair value through profit or loss | | |
| - Non-current Investments | 559.59 | 310.35 |
| - Current Investments | 11.40 | 404.75 |
| Interest Income from Financial Assets measured at amortised cost | | |
| - Inter Corporate Deposits | 1,436.54 | 1,075.87 |
| - Fixed Deposits with Banks | 4.95 | 8.69 |
| - Customers | 126.47 | 103.43 |
| - Others | 3.84 | 3.60 |
| Dividend Income from Financial Assets measured at fair value through profit or loss | | |
| - Non-current Investments | 40.87 | 0.89 |
| - Current Investments | 0.11 | 58.17 |
| Gain on Sale of Investments (net) | | |
| - Non-current Investments | - | - |
| - Current Investments | 333.90 | 453.87 |
| Gain / (Loss) on Financial Instruments measured at fair value through profit or loss (net) | 734.66 | 746.56 |
| Gain on sale of Property, Plant and Equipment and Assets held for Sale (net) | 12.92 | 309.49 |
| Rent Income | 103.73 | 120.66 |
| Export Incentives | 33.86 | - |
| Sundry Credit Balance Written Back (net) | 0.17 | 10.54 |
| Insurance Claim Received | - | 17.14 |
| Miscellaneous Income | 25.82 | 12.06 |
| **Total** | **3,428.83** | **3,636.07** |

**Note 25 - Changes in Inventories of Stock-in-Trade**

(Rs. in lakhs)

| Particulars | For the Period Ended 31st Dec., 2018 | For the Year Ended 31st March, 2018 |
|---|---|---|
| **At the end of the Year** | | |
| Stock-in-Trade | 9,116.93 | 3,701.01 |
| Scrap (Cullet) | 11.86 | 11.86 |
| | **9,128.79** | **3,712.87** |
| **At the beginning of the Year** | | |
| Stock-in-Trade | 3,701.01 | 3,906.16 |
| Scrap (Cullet) | 11.86 | 11.86 |
| | **3,712.87** | **3,918.02** |
| Add: Transitional impact of Ind AS 115 | 894.99 | |
| Less: GST Credit taken on opening stock | - | 145.60 |
| | **4,607.86** | **3,772.42** |
| **Total** | **(4,520.93)** | **59.55** |

**Note 26 - Employee Benefits Expense**

(Rs. in lakhs)

| Particulars | For the Period Ended 31st Dec., 2018 | For the Year Ended 31st March, 2018 |
|---|---|---|
| Salaries, Wages & allowances | 2,795.53 | 3,038.91 |
| Contribution to Provident and Other Funds | 149.64 | 198.33 |
| Share Based Payments | 95.35 | 49.22 |
| Staff Welfare Expenses | 125.35 | 131.19 |
| **Total** | **3,165.87** | **3,417.65** |

**Note 27 - Finance Cost**

(Rs. in lakhs)

| Particulars | For the Period Ended 31st Dec., 2018 | For the Year Ended 31st March, 2018 |
|---|---|---|
| Interest Expenses on financial liabilities measured at amortised cost | 165.79 | 28.17 |
| **Total** | **165.79** | **28.17** |

**Note 28 - Depreciation and amortisation Expenses**

(Rs. in lakhs)

| Particulars | For the Period Ended 31st Dec., 2018 | For the Year Ended 31st March, 2018 |
|---|---|---|
| Depreciation of Property, Plant and Equipment | 322.09 | 470.44 |
| Amortisation of intangible assets | 51.57 | 51.93 |
| **Total** | **373.66** | **522.37** |

**Note 29 - Other Expenses**

(Rs. in lakhs)

| Particulars | For the Period Ended 31st Dec., 2018 | For the Year Ended 31st March, 2018 |
|---|---|---|
| **Trading and Other Expenses** | | |
| Packing Materials Consumed | 727.56 | 704.53 |
| **Selling and Distribution Expenses** | | |
| Sales Promotion and Advertisement Expenses | 1,875.60 | 1,874.99 |
| Discount and Commission | 370.41 | 388.63 |
| Freight Outward / Octroi | 1,050.45 | 1,108.85 |
| Warehousing Expenses | 300.12 | 341.57 |
| Additional Tax and Turnover tax | - | 3.29 |
| **Administrative and General Expenses** | | |
| Rent | 120.30 | 102.62 |
| Rates and Taxes | 25.69 | 35.48 |
| Other Repairs | 200.93 | 240.63 |
| Insurance | 46.68 | 42.74 |
| Legal and Professional Fees | 725.20 | 684.24 |
| Travelling | 759.69 | 937.90 |
| Loss on Foreign Currency Transactions (net) | 43.97 | 14.47 |
| Provision for Impairment on non current investment | 302.00 | - |
| Investment Advisory Charges | 8.67 | 23.10 |
| Commission to Directors | 37.00 | 35.00 |
| Directors Sitting Fees | 14.70 | 10.42 |
| Payment to Auditors | 38.67 | 46.25 |
| Corporate Social Responsibility Expenditure | 111.00 | 84.61 |
| Donation | 8.01 | 17.17 |
| Loss on Sale of Non-current Investments (net) | 225.97 | 182.25 |
| Miscellaneous Expenses | 351.96 | 452.68 |
| **Total** | **7,344.58** | **7,331.42** |

**Note 30 - Earnings Per Equity share (EPS)**

| Particulars | For the Period Ended 31st Dec., 2018 | For the Year Ended 31st March, 2018 |
|---|---|---|
| Net profit for the year attributable to Equity Shareholders for Basic EPS (Rs. in lakhs) | 3,697.22 | 4,637.24 |
| Add: Share based payment (net of tax) (Rs. in lakhs) | 62.35 | 32.18 |
| Net profit for the year attributable to Equity Shareholders for Diluted EPS (Rs. in lakhs) | 3,759.57 | 4,669.42 |
| Weighted average number of equity shares outstanding during the year for Basic EPS (in Nos.) | 9,24,00,000 | 2,31,00,000 |
| Weighted average number of equity shares outstanding during the year for Diluted EPS (in Nos.) | 9,24,74,841 | 2,31,03,997 |
| Earnings per share of Re. 1 each (in Rs.) | | |
| - Basic | 4.00 | 5.02 |
| - Diluted * | 4.00 | 5.02 |
| Face value per equity share (in Rs.) | 1.00 | 1.00 |

* As the Diluted Earning Per Share is anti-dilutive, Basic Earning per share has been considered as Diluted earning per share.
The Company issued and allotted 6,93,00,000 bonus equity shares of Re. 1/- each on 6th August, 2018 to its shareholders by capitalizing its reserves. Accordingly, the Earning Per Share for the year ended 31st March, 2018 has been restated to give effect to the allotment of the bonus shares, in line with IND AS-33 "Earnings per Share".

## INDEPENDENT AUDITOR'S REPORT

**To The Members of**
**Vyline Glass Works Limited**

**Report on the Financial Statements**
We have audited the accompanying financial statements of **Vyline Glass Works Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss and the 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**
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 Principles Generally Accepted in India (Indian GAAPs), including Accounting Standards prescribed under Section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

**Auditor's Responsibility**
Our responsibility is to express an opinion on these Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 misstatements.

PATHAK H.D. & ASSOCIATES
MUMBAI

**Head Office:** 814-815, Tulsiani Chambers, 212, Nariman Point, Mumbai - 400 021, India. Tel.: + 91 22 3022 8508 Fax: + 91 22 3022 8509.
URL: www.phd.ind.in

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's 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 financial control relevant to the Company's preparation of the Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, 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 audit opinion on the Financial Statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements 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, of the state of affairs of the Company as at 31$^{st}$ March, 2018 and its profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143 (3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   d. In our opinion, the aforesaid Financial Statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
   e. On the basis of the written representations received from the directors as on 31$^{st}$ March, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31$^{st}$ March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

MUMBAI

Continuation sheet...

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**".

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements as referred to in Note No. 27 to the Financial Statements.

   ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There were no amounts, which required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order 2016 ("the Order"), issued by the Central Government of India, in terms of sub-section (11) of Section 143 of the Act, we give in the " **Annexure B**" hereto, a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.

For **Pathak H.D. & Associates**
Chartered Accountants
Firm Reg. No. 107783W

MUMBAI

Mukesh Mehta
**Partner**
Membership No.43495

Place: Mumbai
Dated: 18.06.2018

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date on the Financial Statements of Vyline Glass Works Limited for the year ended 31st March 2018)**

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Vyline Glass Works Limited** ("the Company") as of 31st March, 2018 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

PATHAK H.D. & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

Continuation sheet...

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

MUMBAI

Continuation sheet...

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **Pathak H.D. & Associates**
Chartered Accountants
Firm Reg. No. 107783W

Mukesh Mehta
**Partner**
Membership No.:-43495

Place: Mumbai
Dated: 18.06.2018

**ANNEXURE - B TO INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 2 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of Vyline Glass Works Limited on the accounts for the year ended 31st March, 2018)**

i. In respect of its fixed assets:

   a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.

   b. As explained to us, all the fixed assets have been physically verified by the management in accordance with the program of verification, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification as compared with the available records.

   c. According to the information and explanation provided to us and the records examined by us and based on the examination of the registered sale deed/ conveyance deed, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company.

ii. As explained to us, inventories have been physically verified during the year by the management except for inventories in transit and in our opinion the frequency of verification is reasonable. Discrepancies noticed on physical verification of the inventories between the physical inventories and book records were not material, having regard to the size of the operations of the Company and the same have been properly dealt with.

iii. According to the information and explanations given to us, the Company has not granted any loan secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Therefore the provisions of clause (iii) of paragraph 3 of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has not made any investments and not granted any loan or provided any guarantee or security during the year to parties covered under section 185 of the Act and hence provision of section 185 & 186 are not applicable to the Company.

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Continuation sheet...

v. According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year. Therefore, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the Company.

vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies ( Cost Records & Audit ) Rules, 2014, as amended, prescribed by Central Government under section 148 (1) (d) of the Act as applicable and are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained. We have not, however made a detailed examination of the records with a view to determine whether they are accurate and complete

vii. According to the information and explanations given to us, in respect of statutory dues:

a. The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales-Tax, Goods and Service Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues to the appropriate authorities as applicable during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding as at 31st March, 2018 for a period of more than six months from the date they became payable.

b. Details of dues of Income Tax aggregating to Rs.5,63,567/- that have not been deposited on account of disputed matters pending before appropriate authorities are as under:

| **Name of the Statute** | **Nature of the Dues** | **Amount in Rs.** | **Period to which the amount relates** | **Forum where dispute is pending** |
|---|---|---|---|---|
| Income-tax Act,1961 | Income Tax | 6,767 | 2005-06 | Assistant Commissioner of Income tax |
| | | 5,56,800 | 2015-16 | |
| **Total** | | **5,63,567** | | |

viii. Based on our audit procedures and according to the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks. During the year, the Company did not have any loans from financial institutions or by way of debentures.

MUMBAI

Continuation sheet...

ix. According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and no term loan from bank was raised during the year. Therefore, the provisions of clause (ix) of paragraph 3 of the Order are not applicable to the Company.

x. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and on the basis of information and explanations given by the management, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi. In our opinion and according to the information and explanations give to us the Company has not paid / provided managerial remuneration and therefore the provisions of section 197 read with schedule V of the Act are not applicable to the Company.

xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi Company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable Accounting Standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of clause (xiv) of paragraph 3 of the Order are not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Therefore, the provisions of clause (xv) of paragraph 3 of the Order are not applicable to the Company.

PATHAK H.D. & ASSOCIATES MUMBAI

Continuation sheet...

xvi. In our opinion and according to information and explanations provided to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **Pathak H.D. & Associates**
Chartered Accountants
Firm Reg. No. 107783W

Mukesh Mehta
**Partner**
Membership No.: 43495

Place: Mumbai
Dated: 18.06.2018

**VYLINE GLASS WORKS LIMITED**

**BALANCE SHEET AS AT 31st MARCH, 2018**

**(Amount in ₹)**

| PARTICULARS | NOTE NO. | As at 31st March, 2018 | | As at 31st March, 2017 | |
|---|---|---|---|---|---|
| **I. EQUITY AND LIABILITIES** | | | | | |
| **1 Shareholders' Funds** | | | | | |
| (a) Share Capital | 2 | 195,00,000 | | 195,00,000 | |
| (b) Reserves and Surplus | 3 | 1513,31,358 | **1708,31,358** | 1015,93,652 | **1210,93,652** |
| **2 Non-Current Liabilities** | | | | | |
| (a) Long-Term Borrowings | 4 | - | | 3322,03,167 | |
| (b) Deferred Tax Liabilities (Net) | 5 | 62,22,214 | | 122,44,924 | |
| (c) Long Term Provisions | 6 | 49,26,213 | **111,48,427** | 39,05,246 | **3483,53,337** |
| **3 Current Liabilities** | | | | | |
| (a) Trade Payables | 7 | | | | |
| (i) Total outstanding dues of Micro and Small Enterprises | | 140,31,707 | | 79,65,782 | |
| (ii) Total outstanding dues of Creditors other than Micro and Small Enterprises | | 597,45,224 | | 339,93,086 | |
| (b) Other Current Liabilities | 8 | 3751,83,959 | | 451,08,459 | |
| (c) Short Term Provisions | 9 | 93,24,846 | **4582,85,736** | 162,38,508 | **1033,05,835** |
| **TOTAL** | | | **6402,65,521** | | **5727,52,824** |
| **II. ASSETS** | | | | | |
| **1 Non-Current Assets** | | | | | |
| (a) Fixed Assets | 10 | | | | |
| (i) Tangible Assets | | 1600,91,556 | | 1766,14,954 | |
| (ii) Intangible Assets | | 18,24,330 | | 14,28,571 | |
| (iii) Capital Work-in-Progress | | 9,64,492 | | 80,75,294 | |
| | | **1628,80,378** | | **1861,18,819** | |
| (b) Non-Current Investments | 11 | 150,02,567 | | 150,02,567 | |
| (c) Long Term Loans and Advances | 12 | 75,99,654 | **1854,82,599** | 112,92,417 | **2124,13,803** |
| **2 Current Assets** | | | | | |
| (a) Inventories | 13 | 2869,54,374 | | 3151,63,622 | |
| (b) Trade Receivables | 14 | 1596,51,900 | | 292,82,271 | |
| (c) Cash and Bank Balances | 15 | 19,73,893 | | 60,72,128 | |
| (d) Short Term Loans and Advances | 16 | 62,02,755 | | 94,14,000 | |
| (e) Other Current Assets | 17 | - | **4547,82,922** | 4,07,000 | **3603,39,021** |
| **TOTAL** | | | **6402,65,521** | | **5727,52,824** |
| Significant Accouting Policies | 1 | | | | |
| Notes to the Financial Statements | 2 to 34 | | | | |

As per our report of even date
**For Pathak H.D. & Associates**
Chartered Accountants
(Firm Registration No. 107783W)

**Mukesh Mehta**
Partner
(Membership No. 43495)

Place : Mumbai
Date : 18.06.2018

PATHAK H.D. & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

**Som Chand Mehta**
Director
(DIN 07238211)

**Dharmesh Naik**
Director
(DIN 00957601)

**VYLINE GLASS WORKS LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018**

(Amount in ₹)

| | PARTICULARS | NOTE NO. | For the Year ended 31st March, 2018 | For the Year ended 31st March, 2017 |
|---|---|---|---|---|
| I. | Revenue From Operations | 18 | 7935,47,477 | 7875,02,684 |
| | Less:- Excise Duty Recovered | | 108,94,680 | 554,56,516 |
| | **Net Revenue From Operations** | | **7826,52,797** | **7320,46,168** |
| II. | Other Income | 19 | 98,11,085 | 109,04,175 |
| III. | **Total Income (I + II)** | | **7924,63,882** | **7429,50,343** |
| IV. | **Expenses:** | | | |
| | Cost of Materials Consumed | 20 | 1549,94,520 | 1563,82,611 |
| | Purchases of Stock-in-Trade | 21 | 1168,26,739 | 1315,51,651 |
| | Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade | 22 | 246,70,436 | (163,13,268) |
| | Employee Benefits Expense | 23 | 911,77,254 | 906,97,379 |
| | Finance Costs | 24 | 406,10,022 | 415,94,338 |
| | Depreciation and Amortization Expense | 10 | 329,93,115 | 359,37,991 |
| | Other Expenses | 25 | 2581,77,007 | 2565,92,274 |
| | **Total Expenses** | | **7194,49,093** | **6964,42,976** |
| V. | **Profit Before Tax (III- IV)** | | **730,14,789** | **465,07,367** |
| VI. | **Tax Expense:** | | | |
| | (1) Current Tax | | 292,99,793 | 179,37,959 |
| | (2) Deferred Tax Credit | | (60,22,710) | (24,96,944) |
| | | | **232,77,083** | **154,41,015** |
| VII. | **Profit For The Year (V-VI)** | | **497,37,706** | **310,66,352** |
| VIII. | **Earnings per Equity Share of Rs.10 each** | 26 | | |
| | Basic and Diluted EPS (in ₹) | | **25.51** | **15.93** |
| | Significant Accouting Policies | 1 | | |
| | Notes to the Financial Statements | 2 to 34 | | |

As per our report of even date
**For Pathak H.D. & Associates**
Chartered Accountants
(Firm Registration No. 107783W)

**Mukesh Mehta**
Partner
(Membership No. 43495)

Place : Mumbai
Date : 18.06.2018

MUMBAI

For and on behalf of the Board of Directors

**Som Chand Mehta**
Director
(DIN 07238211)

**Dharmesh Naik**
Director
(DIN 00957601)

**VYLINE GLASS WORKS LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018** **(Amount in ₹)**

| | PARTICULARS | For the Year ended 31st March, 2018 | | For the Year ended 31st March, 2017 | |
|---|---|---|---|---|---|
| **A.** | **CASH FLOW FROM OPERATING ACTIVITIES** | | | | |
| | Net Profit before tax as per Statement of Profit and Loss | | 730,14,789 | | 465,07,367 |
| | **Adjusted for :** | | | | |
| | Depreciation and Amortisation Expense | 329,93,115 | | 359,37,991 | |
| | Net Loss / (Gain) on Foreign Currency Transactions | 2,98,850 | | (1,77,259) | |
| | Sundry balance written off / (written back) (Net) | (77,901) | | - | |
| | Loss / (Gain) on discarding/sales of fixed assets/ assets held for disposal | (9,58,000) | | 19,90,288 | |
| | Comission on Guarantee | 40,810 | | 1,52,304 | |
| | Finance Cost | 406,10,022 | | 415,94,338 | |
| | Interest Income | (1,47,758) | | (2,65,887) | |
| | | | 727,59,138 | | 792,31,775 |
| | **Operating Profit before Working Capital Changes** | | **1457,73,927** | | **1257,39,142** |
| | **Adjusted for :** | | | | |
| | Trade and Other Receivables | | (1272,27,356) | | (168,46,435) |
| | Inventories | | 282,09,248 | | (176,11,741) |
| | Trade and Other Payables | | 224,19,145 | | (295,44,820) |
| | **Cash flow from operations** | | **691,74,964** | | **617,36,146** |
| | Direct taxes paid | | (240,86,019) | | (157,24,664) |
| | **Net Cash Flow from Operating Activities** | | **450,88,945** | | **460,11,482** |
| **B.** | **CASH FLOW FROM INVESTING ACTIVITIES** | | | | |
| | Purchase of Fixed Assets | | (92,59,348) | | (189,12,292) |
| | Sale of Fixed Assets | | 13,65,000 | | 150,00,000 |
| | Interest Income | | 1,70,047 | | 2,15,757 |
| | **Net Cash Flow used in Investing Activities** | | **(77,24,301)** | | **(36,96,535)** |
| **C.** | **CASH FLOW FROM FINANCING ACTIVITIES** | | | | |
| | Proceeds of Long Term Borrowings | | - | | 87,42,000 |
| | Repayment of Long Term Borrowings | | (8,12,149) | | (173,34,091) |
| | Fixed Deposit pledged with a Bank | | 37,731 | | 1,04,626 |
| | Commission on Guarantee Paid | | (40,810) | | (1,52,304) |
| | Finance Cost Paid | | (406,11,063) | | (410,29,756) |
| | **Net Cash Flow from / (used in) Financing Activities** | | **(414,26,291)** | | **(496,69,525)** |
| | **Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)** | | **(40,61,647)** | | **(73,54,578)** |
| | **Opening Balance of Cash and Cash Equivalents** | 60,34,397 | | 133,98,347 | |
| | **Opening Effect of exchange rate on cash and cash equivalents** | - | **60,34,397** | (9,372) | **133,88,975** |
| | **Closing Balance of Cash and Cash Equivalents (Refer Note 15)** | 19,73,893 | | 60,34,397 | |
| | **Closing Effect of exchange rate on cash and cash equivalents** | (1,143) | **19,72,750** | - | **60,34,397** |

Notes :

1 The above Cash Flow Statements has been prepared under the "Indirect Method" as set out in Accounting Standard-3 "Cash Flow Statement".

2 Bracket indicates cash outflow.

3 Previous Year figures have been regrouped, reworked and reclassified wherever necessary.

As per our report of even date
**For Pathak H.D. & Associates**
Chartered Accountants
(Firm Registration No. 107783W)

For and on behalf of the Board of Directors

**Mukesh Mehta**
Partner
(Membership No. 43495)

**Som Chand Mehta**
Director
(DIN 07238211)

**Dharmesh Naik**
Director
(DIN 00957601)

Place : Mumbai
Date : 18.06.2018

**VYLINE GLASS WORKS LIMITED**
**Notes to the Financial Statement for the year ended 31st March, 2018**

## Note 1 - Significant Accounting Policies

1.1 **BASIS OF ACCOUNTING**:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP),including the Accounting Standards prescribed under the relevant provisions of the Companies Act, 2013 as adopted consistently by the Company. The financial statements have been prepared as a going concern basis under the historical cost convention.

1.2 **REVENUE RECOGNITION**:

Revenue is recognised only when it can be realiably measured and it is resonable to expect ultimate collection. Revenue from sale of goods is recognised when significant risk and rewards of ownership of the goods have passed to the buyer. Processing Charges is recognised upon passage of processed goods to the processee, which generally coincides with their delivery and acceptance. Revenue from operations includes sales of goods, services, scrap and excise duty but excludes sales tax/ value added tax. Dividend Income is recognised when right to receive the payment is established by the balance sheet date. Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable.

1.3 **USE OF ESTIMATES**:

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialised.

1.4 **FIXED ASSETS (PROPERTY, PLANT AND EQUIPMENT)**:

Fixed Assets are stated at cost of acquisition or construction net of cenvat and value added tax credits and includes amounts added on revaluation, less accumulated depreciation and impairment loss, if any. All costs, including financing costs till commencement of commercial production are capitalized.

1.5 **DEPRECIATION**:

i) Depreciation on fixed assets is provided to the extent of depreciable amount on straight line method over the useful life of assets as prescribed in Part C of Schedule II to the Companies Act, 2013.

ii) Computer software is amortized over the useful life or period of three years whichever is less.

iii) The revised carrying amount of the fixed assets identified as impaired, is amortized over the estimated residual life of the respective fixed assets.

iv) Leasehold improvements are amortized on a straight line basis over the life of lease.

1.6 **INVESTMENTS**:

Current investments are carried at lower of cost and market value/NAV, computed individually. Long-term investments are carried at cost. Provision for diminution in the value of long term investments is made only if such decline is other than temporary in the opinion of the management.

1.7 **INVENTORIES:**

Items of Inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventories comprise of all cost of purchase, cost of conversion and other cost incurred in bringing the inventory to there present location and condition. Cost of raw material, stores & spares and packing materials are calculated on the weighted average method. Cost of work in progress, finished goods and stock in trade is determined on absorption costing method.Cullet is valued at net realisable value.

MUMBAI

1.8 **EMPLOYEE BENEFITS**:

i) Short-term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss of the period in which the related service is rendered.

ii) Post employment and other long term employee benefits are recognized as an expense in the statement of profit and loss for the period in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and loss in respect of post employment and other long term benefits are charged to the statement of profit and loss.

iii) Compensated absences are accounted similar to the short term employee benefits.

iv) Retirement benefits in the form of Provident Fund is defined contribution scheme and the contributions are charged to the statement of profit and loss of the period when the contribution to the respective funds are due. There are no other obligation other than the contribution payable to the fund.

1.9 **FOREIGN CURRENCY TRANSACTIONS:**

(i) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the date of transaction.

(ii) Monetary items denominated in foreign currencies at the period end are restated at period end rates. In case of any items which are covered by forward exchange contracts, the difference between the period end rate and rate on the date of contract is recognised as exchange difference and the premium paid on forward contracts has been recognised over the life of the contract.

(iii) Non monetary foreign currency items are carried at cost.

(iv) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the statement of profit and loss.

1.10 **IMPAIRMENT OF ASSETS**:

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the statement of profit and loss in the period in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been change in the estimate of recoverable amount.

1.11 **DERIVATIVE TRANSACTIONS:**

In respect of derivative contract, premium paid, provision for losses on re-statement and gains/losses on settlement are recognised along with underlying transaction and charged to the statement of profit and loss.

1.12 **PROVISION, 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 Liabilities are not recognised but are disclosed in the financial statements. Contingent Assets are neither recognised nor disclosed in the financial statements.

MUMBAI

1.13 **PROVISION FOR CURRENT AND DEFERRED TAX**:

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act,1961. Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be realized in future. In the case of unabsorbed depreciation and carry forward tax losses, all deferred tax asset are recognised only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. The carrying amount of deferred tax assets are reviewed at each balance sheet date for their appropriateness.

Deferred Tax Assets and Deferred Tax Liabilities are off set if legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws.

Minimum Alternative Tax (MAT) is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an assets in accordance with the recommendations contained in guidance Note issued by the ICAI, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that company will pay normal income tax during the specified period.

1.14 **EXCISE DUTY**:

Excise Duty has been accounted on the basis of payments made in respect of goods cleared and provision made for goods lying in bonded warehouses, where applicable.

1.15 **BORROWING COST**:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

1.16 **LEASES**:

Lease rentals are expensed with reference to lease terms and other considerations.

MUMBAI

**Note 2 - Share Capital**

(Amount in ₹)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| **Authorised** | | |
| 2,000,000 (Previous Year 2,000,000) Equity Shares of Rs. 10 each | 200,00,000 | 200,00,000 |
| 500,000 (Previous Year 500,000) 10% Cumulative Convertible Preference Shares of Rs. 10 each | 50,00,000 | 50,00,000 |
| | **250,00,000** | **250,00,000** |
| **Issued, Subscribed and Paid up** | | |
| 1,950,000 (Previous Year 1,950,000) Equity Shares of Rs. 10 each fully paid up | 195,00,000 | 195,00,000 |
| **Total** | **195,00,000** | **195,00,000** |

**2.1 Reconciliation of number of Equity Shares outstanding at the beginning of the year and at the end of the year.**

| Particulars | 2017-18 | | 2016-17 | |
|---|---|---|---|---|
| | (in Nos.) | (Amount in ₹) | (in Nos.) | (Amount in ₹) |
| Number of Shares outstanding at the beginning of the year | 19,50,000 | 195,00,000 | 19,50,000 | 195,00,000 |
| Number of Shares outstanding at the end of the year | 19,50,000 | 195,00,000 | 19,50,000 | 195,00,000 |

**2.2 Terms/Rights attached to Equity Shares**

The Company has only one class of shares referred to as equity shares having a par value of Rs.10/- per share. Holders of equity shares is entitled to one vote per share.In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**2.3 Details of Shareholder holding more than 5% of Equity Share Capital:**

| Name of Shareholder | As at 31st March, 2018 | | As at 31st March, 2017 | |
|---|---|---|---|---|
| | Number of Shares held | % of Holding | Number of Shares held | % of Holding |
| Mrs. Rekha Kheruka | 7,56,545 | 38.80 | 7,56,545 | 38.80 |
| Mrs. Kiran Kheruka | 7,42,246 | 38.06 | 7,42,246 | 38.06 |
| Mr. B.L. Kheruka | 1,71,500 | 8.79 | 1,71,500 | 8.79 |
| Mr. P. K. Kheruka | 1,57,205 | 8.06 | 1,57,205 | 8.06 |
| Gujarat Fusion Glass LLP | 1,13,600 | 5.83 | 1,13,600 | 5.83 |

**VYLINE GLASS WORKS LIMITED**
**Notes to the Financial Statement for the year ended 31st March, 2018**

**Note 3 - Reserves and Surplus**

(Amount in ₹)

| Particulars | | As at 31st March, 2018 | | As at 31st March, 2017 |
|---|---|---|---|---|
| **Surplus in the Statement of Profit and Loss** | | | | |
| Balance as at the beginning of the year | 1015,93,652 | | 705,27,300 | |
| Add: Profit for the year | 497,37,706 | | 310,66,352 | |
| Balance as at the end of the year | | 1513,31,358 | | 1015,93,652 |
| **Total** | | **1513,31,358** | | **1015,93,652** |

**Note 4 - Long-Term borrowings**

(Amount in ₹)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| **Secured:** | | |
| Vehicle Loan from a Bank | - | 5,78,167 |
| Inter Corporate Deposits from Related Party | - | 3316,25,000 |
| **Total** | **-** | **3322,03,167** |

**4.1** Vehicle loan from bank was secured against the specific vehicle & was carrying interest @ 11.50%.

**4.2** Inter Corporate Deposit from related party is secured by all existing machinery including future machinery to be bought / procured from the ICD and further secured by all inventories lying at various locations subject to prior charge in favour of bank. Inter Corporate Deposit, as disclosed under current maturity of long term borrowings (Refer Note 8), amounting to Rs. 18,21,64,000 is repayable on or before 16.12.2018 and Rs. 14,94,61,000 is repayable on or before 07.08.2018. It carries interest at the rate of 12% per annum.

**Note 5 - Deferred Tax Liabilities (Net)**

(Amount in ₹)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| **Liabilities** | | |
| Related to Fixed Assets | 102,99,164 | 150,49,103 |
| **Total** | **102,99,164** | **150,49,103** |
| **Assets** | | |
| Disallowance Under Section 43B of the Income Tax Act, 1961 | 37,47,830 | 24,13,032 |
| Others | 3,29,120 | 3,91,147 |
| **Total** | **40,76,950** | **28,04,179** |
| **Deferred Tax Liabilities (Net)** | **62,22,214** | **122,44,924** |

**Note 6 - Long-Term Provisions**

(Amount in ₹)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| **Provision for Employee Benefits** | | |
| Gratuity (Refer Note No. 23.1) | 49,26,213 | 39,05,246 |
| **Total** | **49,26,213** | **39,05,246** |

MUMBAI

VYLINE GLASS WORKS LIMITED
**Notes to the Financial Statement for the year ended 31st March, 2018**

**Note 7 - Trade Payables**

(Amount in ₹)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| Micro, Small and Medium Enterprises | 140,31,707 | 79,65,782 |
| Others | 597,45,224 | 339,93,086 |
| **Total** | **737,76,931** | **419,58,868** |

**7.1** Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED 2006) have been determined based on the information available with the Company and the details of amount outstanding due to them are as given below:

(Amount in ₹)

| | Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|---|
| a) | Principal amount outstanding | 140,31,707 | 79,65,782 |
| b) | Interest due thereon | - | - |
| c) | Interest paid by the Company in terms of Section 16 of MSMED 2006, alongwith amount of the payment made to the suppliers beyond the appointed day during the year . | - | - |
| d) | Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED 2006. | - | - |
| e) | Interest accrued and remaining unpaid | - | - |
| f) | Further interest remaining due and payable in the succeeding years. | - | - |

**Note 8 - Other Current Liabilities**

(Amount in ₹)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| Current maturities of Long-term borrowings (Refer Note 4.2) | 3316,25,000 | 2,33,982 |
| Interest accrued but not due on borrowings | 113,23,763 | 113,24,804 |
| Advance from customers | - | 4,57,524 |
| Creditors for capital expenditure | 46,27,376 | 49,92,363 |
| Security deposits | 8,20,680 | 1,25,000 |
| Statutory liabilities | 107,97,153 | 77,45,807 |
| Other payables | 159,89,987 | 202,28,979 |
| **Total** | **3751,83,959** | **451,08,459** |

**8.1** Other Payables includes mainly outstanding liabilities for expenses, Salary, Wages, Bonus Payable etc.

**Note 9 - Short - Term Provisions**

(Amount in ₹)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| **Provisions for Employee Benefits** | | |
| Gratuity (Refer Note No. 23.1) | 2,66,647 | 2,88,078 |
| Leave Encashment | 33,56,756 | 30,51,427 |
| **Others** | | |
| Provision for Income Tax (Net) | 57,01,443 | 33,65,261 |
| Provision for Excise Duty | - | 95,33,742 |
| **Total** | **93,24,846** | **162,38,508** |

**9.1** In Previous year, the Company had recognised liabilities based on substantial degree of estimation for Excise Duty payable on clearance of goods lying in stock. During the period till 30th June, 2017, Rs. 9,533,742 was utilised for clearance of goods. Excise duty is discontinued with effect from 1st July, 2017 upon implementation of Goods and Service Tax (GST).

MUMBAI
CHARTERED ACCOUNTANTS

**VYLINE GLASS WORKS LIMITED**
**Notes to the Financial Statement for the year ended 31st March, 2018**

**Note 10 - FIXED ASSETS**

| | GROSS BLOCK | | | | DEPRECIATION AND AMORTIZA | | |
|---|---|---|---|---|---|---|---|
| **Description** | **As at 1st April, 2017** | Additions | Deductions/ Adjustments | **As at 31st March, 2018** | Upto 31st March, 2017 | For the Year | Deductions/ Adjustments |
| **Tangible Assets - Leased** | | | | | | | |
| Leasehold Improvements | 270,34,237 | - | - | 270,34,237 | 96,73,500 | 32,26,887 | - |
| **Tangible Assets - Owned** | | | | | | | |
| Land - Freehold | 9,53,223 | - | - | 9,53,223 | - | | - |
| Building | 163,47,868 | - | - | 163,47,868 | 92,75,395 | 2,66,191 | - |
| Plant And Equipments | 2579,70,335 | 136,01,826 | - | 2715,72,161 | 1180,20,925 | 253,54,563 | - |
| Furniture And Fixtures | 58,67,103 | 1,59,754 | - | 60,26,857 | 26,04,264 | 5,31,002 | - |
| Vehicles | 31,37,168 | - | - | 31,37,168 | 7,51,257 | 3,58,202 | - |
| Office Equipments | 128,27,659 | 15,54,313 | - | 143,81,972 | 71,97,298 | 21,02,445 | - |
| **TOTAL (A)** | **3241,37,593** | **153,15,893** | **-** | **3394,53,486** | **1475,22,639** | **318,39,290** | **-** |
| **Owned Intangible Assets *** | | | | | | | |
| Computer Software | 27,94,595 | 15,49,583 | - | 43,44,178 | 13,66,024 | 11,53,824 | - |
| **TOTAL (B)** | **27,94,595** | **15,49,583** | **-** | **43,44,178** | **13,66,024** | **11,53,824** | **-** |
| | | | | | | | |
| **GRAND TOTAL** | **3269,32,188** | **168,65,476** | **-** | **3437,97,664** | **1488,88,663** | **329,93,115** | **-** |
| **PREVIOUS YEAR** | **3193,80,108** | **274,53,172** | **199,01,092** | **3269,32,188** | **1158,61,475** | **359,37,991** | **29,10,803** |
| Capital Work in Progress | | | | | | | |

* other than self generated.

**Notes :**

10.1 Gross Block of Plant and Equipements includes Rs. 1,196,847 (Previous year Rs. 1,196,847) being the amount spent for laying Power Line
Authorities.

**VYLINE GLASS WORKS LIMITED**
**Notes to the Financial Statement for the year ended 31st March, 2018**

**Note 11 - Non-current Investments**

| Particulars | As at 31st March, 2018 Quantity (Nos) | As at 31st March, 2017 Quantity (Nos) | Face Value (₹) | As at 31st March, 2018 (Amount in ₹) | As at 31st March, 2017 (Amount in ₹) |
|---|---|---|---|---|---|
| **Long Term Investments** | | | | | |
| **Trade Investments** | | | | | |
| **Unquoted Fully Paid Up** | | | | | |
| **In Equity Instruments** | | | | | |
| **Others** | | | | | |
| Fennel Investment and Finance Pvt Ltd. | 7,50,163 | 7,50,163 | 10 | 150,02,567 | 150,02,567 |
| **Total** | | | | **150,02,567** | **150,02,567** |

**11.1** Aggregate amount of Non-current Investments and market value thereof

| | As at 31st March, 2018 | | As at 31st March, 2017 | |
|---|---|---|---|---|
| | Book Value (Amount in Rs) | Market Value (Amount in Rs) | Book Value (Amount in Rs) | Market Value (Amount in Rs) |
| Unquoted Investments | 150,02,567 | | 150,02,567 | |
| | **150,02,567** | | **150,02,567** | |

**11.2** Refer Note 1.6 for basis of valuation of Non Current Investments

MUMBAI

**VYLINE GLASS WORKS LIMITED**
**Notes to the Financial Statement for the year ended 31st March, 2018**

**Note 12 - Long - Term Loans and Advances**

(Amount in ₹)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| **(Unsecured, Considered Good) :** | | |
| Capital Advances | 14,69,934 | 23,30,247 |
| Security Deposits | 34,35,345 | 33,77,196 |
| Prepaid Expenses | 2,48,407 | 2,61,414 |
| Advance Tax (Net) | 24,45,968 | 53,23,560 |
| **Total** | **75,99,654** | **112,92,417** |

**Note 13 - Inventories**

(Amount in ₹)

| Particulars | | As at 31st March, 2018 | | As at 31st March, 2017 |
|---|---|---|---|---|
| **Raw Materials** | | | | |
| Goods-in-Transit | 195,92,531 | | 164,72,062 | |
| Others | 1480,91,106 | 1676,83,637 | 1574,15,020 | 1738,87,082 |
| Work-in-Progress - Glassware | | 112,66,038 | | 97,38,024 |
| Finished Goods - Glassware | | 575,97,559 | | 836,12,467 |
| Stock-in-Trade - Glassware | | 231,48,875 | | 233,43,970 |
| Stores and Spares | | 148,19,715 | | 128,53,420 |
| Packing Material | | 122,97,848 | | 115,99,510 |
| Scrap(Cullet) | | 1,40,702 | | 1,29,149 |
| **Total** | | **2869,54,374** | | **3151,63,622** |

13.1 For Mode of Valuation Refer Note 1.7

**Note 14 - Trade Receivable**

(Amount in ₹)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| **(Unsecured):** | | |
| Considered Good | 1596,51,900 | 292,82,271 |
| **Total** | **1596,51,900** | **292,82,271** |

**Note 15 - Cash and Bank Balances**

(Amount in ₹)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| **Cash and Cash Equivalents** | | |
| Balances with Banks in current accounts | 7,70,129 | 29,86,399 |
| Fixed deposits with a Bank - Having maturity less than 3 months | 7,25,749 | 28,00,822 |
| Cash on Hand | 4,78,015 | 2,47,176 |
| **Total** | **19,73,893** | **60,34,397** |
| **Other Bank Balances** | | |
| Fixed deposits with a Bank - Having maturity more than 3 months | - | 37,731 |
| **Total** | **19,73,893** | **60,72,128** |

**Note 16 - Short - Term Loans and Advances**

(Amount in ₹)

| Particulars | | As at 31st March, 2018 | | As at 31st March, 2017 |
|---|---|---|---|---|
| **(Unsecured, Considered Good, unless otherwise stated)** | | | | |
| **Loans and Advances to Others :** | | | | |
| Security Deposits | | | | |
| Considered Goods | - | | - | |
| Considered Doubtful | 11,83,034 | | 11,83,034 | |
| | 11,83,034 | | 11,83,034 | |
| Less : Provision for Doubtful Advances | 11,83,034 | - | 11,83,034 | - |
| Interest receivables | | 2,10,538 | | 2,32,827 |
| Advances to Creditors | | 38,13,874 | | 9,75,866 |
| Balance with Excise Authorities | | - | | 4,01,177 |
| Others | | 21,78,343 | | 78,04,130 |
| **Total** | | **62,02,755** | | **94,14,000** |

**16.1** Other includes mainly prepaid expenses, service tax and cenvat receivable etc.

**Note 17 - Other Current Assets**

(Amount in ₹)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| Fixed Assets held for disposal | - | 4,07,000 |
| **Total** | **-** | **4,07,000** |

**Note 18 - Revenues from Operations**

(Amount in ₹)

| | Particulars | For the year ended 31st March, 2018 | For the year ended 31st March, 2017 |
|---|---|---|---|
| | Sale of Products - Glassware | 7888,69,665 | 7834,90,117 |
| | Other Operating Revenue | 46,77,812 | 40,12,567 |
| | **Gross Revenue from Operations** | **7935,47,477** | **7875,02,684** |
| **18.1** | **Sale of Products under broad head** | | |
| | Glassware | 7853,87,782 | 7822,19,411 |
| | Others | 34,81,883 | 12,70,706 |
| | **Finished Goods** | | |
| | Glassware | 5483,37,169 | 5460,92,007 |
| | **Traded Goods** | | |
| | Glassware | 2370,50,613 | 2361,27,403 |
| | Other | 34,81,883 | 12,70,706 |

**18.2**

Sale of products for the periods up to 30th June 2017 includes excise duty, which is discontinued with effect from 1st July, 2017 upon implementation of Goods and Service Tax (GST). In accordance with 'AS 9 – Revenue', GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from operations for the year is not comparable with those of previous year.

**Note 19 - Other Income**

(Amount in ₹)

| Particulars | For the year ended 31st March, 2018 | For the year ended 31st March, 2017 |
|---|---|---|
| Interest Income on | | |
| - Fixed Deposits | 1,47,758 | 2,65,887 |
| - Others | 8,23,094 | 2,74,518 |
| Gain on Foreign currency transactions (Net) | - | 28,31,686 |
| Gain on Sale of Assets | 9,58,000 | - |
| Cash Discount Income | 23,861 | 43,081 |
| Rent Income | 26,52,660 | 24,90,950 |
| Sundry balance written back (Net) | 77,901 | - |
| Miscellaneous Income | 51,27,811 | 49,98,053 |
| **Total** | **98,11,085** | **109,04,175** |

**Note 20 - Cost of Material consumed**

(Amount in ₹)

| | Particulars | For the year ended 31st March, 2018 | For the year ended 31st March, 2017 |
|---|---|---|---|
| | **Cost of Material consumed under Broad Head** | | |
| | Glass items | 1549,94,520 | 1563,82,611 |
| | **Total** | **1549,94,520** | **1563,82,611** |
| **20.1** | Mainly consists of Tubing, Blanks and accessories etc. | | |

**20.2 Value of Material Consumed**

| Particulars | For the year ended 31st March, 2018 | | For the year ended 31st March, 2017 | |
|---|---|---|---|---|
| | **(Amount in ₹)** | **% of Consumption** | **(Amount in ₹)** | **% of Consumption** |
| **Material Consumed** | | | | |
| Imported | 1374,11,130 | 89% | 1383,44,561 | 88% |
| Indigenous | 175,83,390 | 11% | 180,38,050 | 12% |
| **Total** | **1549,94,520** | **100%** | **1563,82,611** | **100%** |

MUMBAI

**Note 21 - Purchase of Stock in Trade**

(Amount in ₹)

| Particulars | For the year ended 31st March, 2018 | For the year ended 31st March, 2017 |
|---|---|---|
| **Purchase of Stock in Trade under broad head:** | | |
| Glass Items | 1168,26,739 | 1315,51,651 |
| **Total** | **1168,26,739** | **1315,51,651** |

**Note 22 - Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade**

(Amount in ₹)

| Particulars | For the year ended 31st March, 2018 | For the year ended 31st March, 2017 |
|---|---|---|
| **At the end of the Year** | | |
| Finished Goods | 575,97,559 | 836,12,467 |
| Stock-in-Trade | 231,48,875 | 233,43,970 |
| Work-in-Progress | 112,66,038 | 97,38,024 |
| Scrap (Cullet) | 1,40,702 | 1,29,149 |
| | **921,53,174** | **1168,23,610** |
| **At the beginning of the Year** | | |
| Finished Goods | 836,12,467 | 636,94,830 |
| Stock-in-Trade | 233,43,970 | 269,23,535 |
| Work-in-Progress | 97,38,024 | 97,73,053 |
| Scrap (Cullet) | 1,29,149 | 1,18,924 |
| | **1168,23,610** | **1005,10,342** |
| **Total** | **246,70,436** | **(163,13,268)** |

**Note 23 - Employee Benefits Expense**

(Amount in ₹)

| Particulars | For the year ended 31st March, 2018 | For the year ended 31st March, 2017 |
|---|---|---|
| Salaries, Wages & allowances | 814,56,942 | 819,35,219 |
| Contribution to Provident and Other Funds | 36,93,840 | 35,61,115 |
| Staff Welfare Expenses | 46,74,517 | 38,09,100 |
| Gratuity (Refer Note 23.1) | 13,51,955 | 13,91,945 |
| **Total** | **911,77,254** | **906,97,379** |

**23.1 As per revised Accounting Standard-15 'Employee Benefits', the disclosure of Employee benefits as defined in the Accounting Standard are given below :**

**Defined Contribution Plan:**

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

(Amount in ₹)

| Particulars | 2017-18 | 2016-17 |
|---|---|---|
| Employer's Contribution to Provident Fund | 17,39,039 | 16,57,373 |
| Employer's Contribution to Pension Scheme | 19,54,801 | 19,03,742 |

The contribution to provident fund is made to Employees' Provident Fund managed by Provident Fund Commissioner.

**Defined Benefit Plan:**

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes 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.

MUMBAI

(Amount in ₹)

| Particulars | Gratuity (Unfunded) 2017-18 | 2016-17 |
|---|---|---|
| **Actuarial assumptions** | | |
| Mortality Table | Indian Assured Lives Mortality (2006-08) Ult. | Indian Assured Lives Mortality (2006-08) Ult. |
| Salary growth :- | 6.00% | 6.00% |
| Discount rate :- | 7.70% | 7.35% |
| **Movement in present value of defined benefit obligation** | | |
| Obligation at the beginning of the year | 41,93,324 | 28,73,396 |
| Current service cost | 11,99,687 | 9,93,256 |
| Interest cost | 2,97,622 | 2,20,176 |
| Actuarial (gains) / losses on obligation | (1,45,354) | 1,78,513 |
| Benefit Paid | (3,52,419) | (72,017) |
| **Obligation at the end of the year** | **51,92,860** | **41,93,324** |
| **Current** | 2,66,647 | 2,88,078 |
| **Non Current** | 49,26,213 | 39,05,246 |
| **Amount recognised in the income statement** | | |
| Current service cost | 11,99,687 | 9,93,256 |
| Interest cost | 2,97,622 | 2,20,176 |
| Net actuarial (gains) /losses recognized in the year | (1,45,354) | 1,78,513 |
| **Total** | **13,51,955** | **13,91,945** |

**Net Liability Recognised in the balance sheet**

| Particulars | 2017-18 | 2016-17 |
|---|---|---|
| Present value of obligations at the end of the year | 51,92,860 | 41,93,324 |
| Less: Fair value of plan assets at the end of the year | | - |
| **Net liability recognized in the balance sheet** | **51,92,860** | **41,93,324** |

**Amounts for current period is as follows :**

| Gratuity (Unfunded) | 2017-18 | 2016-17 | 2015-16 | 2014-15 | 2013-14 |
|---|---|---|---|---|---|
| Defined Benefit Obligation | 51,92,860 | 41,93,324 | 28,73,396 | - | - |
| Experience adjustment on plan Liabilities | 86,696 | (1,25,192) | 1,49,324 | 9,203 | 76,995 |
| Actuarial Loss / (Gain) due to change in assumptions | (2,32,050) | 3,03,705 | (55,231) | 3,47,182 | (1,59,783) |

The estimate of rate of escalation in Salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other retirement factors including supply & demand in the employment market. The above information is certified by the actuary.

**Note 24 - Finance Cost**

(Amount in ₹)

| Particulars | For the year ended 31st March, 2018 | For the year ended 31st March, 2017 |
|---|---|---|
| Interest Expenses | 406,10,022 | 415,94,338 |
| **Total** | **406,10,022** | **415,94,338** |

MUMBAI

**VYLINE GLASS WORKS LIMITED**
**Notes to the Financial Statement for the year ended 31st March, 2018**
**Note 25 - Other Expenses**

(Amount in ₹)

| Particulars | For the year ended 31st March, 2018 | For the year ended 31st March, 2017 |
|---|---|---|
| **Trading and Manufacturing Expenses** | | |
| Consumption of Stores and Spares | 353,92,830 | 343,62,353 |
| Power and Fuel | 575,92,539 | 380,54,845 |
| Processing Charges | 72,84,875 | 85,12,651 |
| Consumption of Packing Materials | 592,59,400 | 536,70,906 |
| Excise Duty | (95,33,742) | 19,23,999 |
| Contract Labour Expenses | 563,49,102 | 617,62,026 |
| Repairs to Machinery | 119,33,119 | 122,78,393 |
| Repairs to Buildings | 10,38,056 | 9,04,514 |
| **Administrative and General Expenses** | | |
| Rent | 107,46,456 | 117,98,326 |
| Rates and Taxes | 5,68,945 | 5,46,345 |
| Other Repairs | 26,11,540 | 39,68,459 |
| Insurance | 10,93,827 | 11,21,119 |
| Legal and Professional Fees | 51,03,809 | 76,58,904 |
| Travelling | 40,79,430 | 38,82,704 |
| Vehicles Hire Charges | 53,80,639 | 56,28,480 |
| Donation | 8,100 | 8,200 |
| Payment to Auditors (Refer Note 25.2) | 7,00,000 | 7,25,115 |
| Commission on Guarantee | 40,810 | 1,52,304 |
| Debit Balances Written Off | - | 2,89,101 |
| Loss on Foreign currency transactions (Net) | 3,48,422 | - |
| Loss on sale / discarding of fixed assets | - | 19,90,288 |
| Miscellaneous Expenses | 81,78,850 | 73,53,242 |
| **Total** | **2581,77,007** | **2565,92,274** |

**25.1 Consumption of Stores and Spares**

| Particulars | For the Year ended 31st March, 2018 | | For the Year ended 31st March, 2017 | |
|---|---|---|---|---|
| | (Amount in ₹) | % of Consumption | (Amount in ₹) | % of Consumption |
| Imported | 11,82,417 | 3% | 13,67,794 | 4% |
| Indigenous | 342,10,413 | 97% | 329,94,559 | 96% |
| **Total** | **353,92,830** | **100%** | **343,62,353** | **100%** |

**25.2 Details of Payment to Auditors (Net of Service tax/GST credit taken)**

(Amount in ₹)

| Particulars | For the year ended 31st March, 2018 | For the year ended 31st March, 2017 |
|---|---|---|
| Audit Fees | 5,00,000 | 5,00,000 |
| Tax Audit Fees | 2,00,000 | 2,00,000 |
| **Total** | **7,00,000** | **7,00,000** |

**Note 26 - Earnings Per Equity share**

| Particulars | For the year ended 31st March, 2018 | For the year ended 31st March, 2017 |
|---|---|---|
| Net Profit /(Loss) After Tax Attributable to Equity Shareholders for Basic EPS and Diluted EPS (Amount in ₹ ) | 497,37,706 | 310,66,352 |
| Weighted Average Number of Equity Shares Outstanding During the Year for Basic EPS and Diluted EPS (in Nos.) | 19,50,000 | 19,50,000 |
| Basic EPS and Diluted EPS (in ₹) | 25.51 | 15.93 |
| Face Value per Equity Share (in ₹) | 10.00 | 10.00 |

MUMBAI

**Note 27 - Contingent Liabilities and Commitments (To the extent not provided for)**

**(Amount in ₹)**

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| **Contingent Liabilities** | | |
| **Claims against the Company not acknowledged as debts** | | |
| **Disputed Liabilities in Appeal (No Cash outflow is expected in the near future)** | | |
| - Income Tax | 5,63,567 | 17,93,347 |
| - Wealth Tax | 38,45,176 | 38,45,176 |
| **Bank Guarantees** | 21,80,354 | - |
| **Others** | | |
| Letter of Credits | | |
| - Foreign | - | 70,66,854 |
| Bonus (Refer note 27.2) | 10,21,700 | 10,21,700 |
| **Total** | **76,10,797** | **137,27,077** |
| **Commitments** | | |
| Estimated amount of Contracts remaining to be executed on Capital Account not provided for (Cash outflow is expected on execution of such capital contracts) | 82,59,230 | 21,10,791 |

27.1 Management of the view that above litigations will not impact the financial position of the company.

27.2 The Payment of Bonus (Amendment) Act, 2015 envisages enhancement of eligibility limit and Calculation Ceiling under section 12 from Rs. 3500 to Rs.7000 or the minimum wage for the scheduled employment, as fixed by the appropriate Government, whichever is higher. The Payment of Bonus (Amendment) Act, 2015 have come into force on the 1st April 2014. However, the same is challenged in the Hon'ble High Courts of few States by some parties and those High Courts have provided stay on the retrospectively impact of the same and accordingly same amount shown as contingent liability.

**Note 28 - Excise Duty**

**(Amount in ₹)**

| Particulars | For the year ended 31st March, 2018 | For the year ended 31st March, 2017 |
|---|---|---|
| Excise duty shown as a reduction from Revenue from Operation | 108,94,680 | 554,56,516 |
| **Excise duty charged to Statement of Profit and Loss:** | | |
| Difference between closing & opening stock | (95,33,742) | 19,23,999 |

**Note 29 - Financial and Derivative Instruments:**

**29.1** The Company has not entered into any derivative contract during the year and hence no derivative contract is outstanding.

**29.2** Unhedged Foreign Currency exposure as on 31st March, 2018 are as follows:

**(Amount in ₹)**

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| Payables | 158,18,474 | 114,92,995 |

**Note 30 - Related Party Disclosure**

**Information on Related Parties Disclosures as per Accounting Standard (AS-18) - "Related Party Disclosures" are given below:**

**30.1 List of Related Parties :**

**a) Individuals owning an interest in the voting power of the company that gives them significant influence over the company.**

Mrs. Rekha Kheruka
Mrs. Kiran Kheruka

**b) Enterprises over which persons described in (a) above and their relatives are able to exercise significant influence (Other Related Parties) with whom transactions have taken place:-**

Borosil Glass Works Limited
Gujarat Borosil Limited
Sonargaon Properties LLP
Fennel Investments and Finance Private Limited
Window Glass Limited

**30.2 Transactions with Related Parties :** **(Amount in ₹)**

| Name of Transactions | | 2017-18 | 2016-17 |
|---|---|---|---|
| Sale of Goods and Services | Borosil Glass Works Limited | 7875,00,816 | 7837,34,407 |
| | Gujarat Borosil Limited | 1,30,069 | 7,61,298 |
| Purchase of Goods / Consumables / Services | Borosil Glass Works Limited | 27,76,010 | 21,97,004 |
| | Gujarat Borosil Limited | 15,429 | 37,823 |
| Rent Paid | Sonargaon Properties LLP | 7,20,000 | 7,20,000 |
| | Window Glass Limited | 60,120 | 48,000 |
| | Borosil Glass Works Limited | 99,17,929 | 99,17,928 |
| Rent Income | Borosil Glass Works Limited | 25,83,360 | 23,68,080 |
| Professional Fees | Mrs Rekha Kheruka | - | 3,20,000 |
| Interest Paid | Borosil Glass Works Limited | 397,94,991 | 407,88,691 |
| Guarantee Commission Paid | Borosil Glass Works Limited | 40,954 | 1,44,548 |
| Reimbursement of Expenses by the Company to | Gujarat Borosil Limited | 8,67,530 | 16,55,169 |
| | Borosil Glass Works Limited | 1,33,598 | 8,48,378 |
| Reimbursement of Expenses to the Company by | Sonargaon Properties LLP | 21,469 | - |
| | Borosil Glass Works Limited | 8,473 | - |
| Long Term Borrowings Received / adjusted | Borosil Glass Works Limited | - | 87,42,000 |
| Long Term Borrowings Repaid / adjusted | Borosil Glass Works Limited | - | 171,19,887 |
| Secured Long Term Borrowings (Non-Current) as at | Borosil Glass Works Limited | 3316,25,000 | 3316,25,000 |

MUMBAI

| Name of Transactions | | | |
|---|---|---|---|
| Other Current Liabilities as at | Gujarat Borosil Limited | - | 10,02,449 |
| Trade Receivable as at | Borosil Glass Works Limited | 1579,87,111 | 289,12,702 |
| | Window Glass Ltd | 5,900 | - |
| | Sonargaon Properties LLP | 54,000 | - |
| Interest Accrued But not Due on borrowings | Borosil Glass Works Limited | 113,23,763 | 113,23,772 |
| Investment As At | Fennel Investments & Finance Private Limited | 150,02,567 | 150,02,567 |
| Investment Pledged with a Bank to avail Credit facility by | Borosil Glass Works Limited | 51,35,791 | 203,25,245 |

**Note 31 - CIF Value of Imports**

(Amount in ₹)

| Particulars | For the year ended 31st March, 2018 | For the year ended 31st March, 2017 |
|---|---|---|
| **In Respect of :** | | |
| Raw Material | 1272,25,521 | 1061,20,302 |
| Stock in Trade | 482,86,143 | 654,80,223 |
| Capital Goods | - | 34,32,928 |
| Components and Spare parts | 36,45,949 | 25,16,424 |

**Note 32 - Expenditure in Foreign Currency**

(Amount in ₹)

| Particulars | For the year ended 31st March, 2018 | For the year ended 31st March, 2017 |
|---|---|---|
| Travelling, Lodging and Boarding | 3,21,200 | 5,02,130 |
| Professional Fees | - | 6,48,842 |
| Interest and Bank Charges | - | 94,197 |

**Note 33 Segment Repotting**

The company is primarily engaged in manufacturing and trading glassware items. As there is one reportable segment, the disclosure as required as per accounting standard on "Segment Reporting" (AS – 17) is not given.

MUMBAI

**Note 34** Previous Year figures have been regrouped, reworked, reclassified and re-arranged wherever necessary.

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As per our report of even date
**For Pathak H.D. & Associates**
Chartered Accountants
(Firm Registration No. 107783W)

**Mukesh Mehta**
Partner
(Membership No. 43495)

Place : Mumbai
Date : 18.06.2018

PATHAK H.D. & ASSOCIATES
MUMBAI
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

**Som Chand Mehta**
Director
(DIN 07238211)

**Dharmesh Naik**
Director
(DIN 00957601)

**VYLINE GLASS WORKS LIMITED**

**UNAUDITED PROVISIONAL BALANCE SHEET AS AT 31ST DECEMBER, 2018**

(Amount in ₹)

| PARTICULARS | NOTE NO. | As at 31st December, 2018 | | As at 31st March, 2018 | |
|---|---|---|---|---|---|
| **I. EQUITY AND LIABILITIES** | | | | | |
| **1 Shareholders' Funds** | | | | | |
| (a) Share Capital | 2 | 195,00,000 | | 195,00,000 | |
| (b) Reserves and Surplus | 3 | 1995,61,802 | **2190,61,802** | 1513,31,358 | **1708,31,358** |
| **2 Non-Current Liabilities** | | | | | |
| (a) Deferred Tax Liabilities (Net) | 4 | 35,17,021 | | 62,22,214 | |
| (b) Long Term Provisions | 5 | 60,01,470 | **95,18,491** | 49,26,213 | **111,48,427** |
| **3 Current Liabilities** | | | | | |
| (a) Trade Payables | 6 | | | | |
| (i) Total outstanding dues of Micro and Small Enterprises | | 114,19,079 | | 140,31,707 | |
| (ii) Total outstanding dues of Creditors other than Micro and Small Enterprises | | 819,42,469 | | 597,45,224 | |
| (b) Other Current Liabilities | 7 | 2174,03,101 | | 3751,83,959 | |
| (c) Short Term Provisions | 8 | 56,25,350 | **3163,89,999** | 93,24,846 | **4582,85,736** |
| **TOTAL** | | | **5449,70,292** | | **6402,65,521** |
| **II. ASSETS** | | | | | |
| **1 Non-Current Assets** | | | | | |
| (a) Fixed Assets | 9 | | | | |
| (i) Tangible Assets | | 1425,98,202 | | 1600,91,556 | |
| (ii) Intangible Assets | | 11,59,284 | | 18,24,330 | |
| (iii) Capital Work-in-Progress | | 61,91,063 | | 9,64,492 | |
| | | **1499,48,549** | | **1628,80,378** | |
| (b) Non-Current Investments | 10 | 150,02,567 | | 150,02,567 | |
| (c) Long Term Loans and Advances | 11 | 139,50,603 | **1789,01,719** | 75,99,654 | **1854,82,599** |
| **2 Current Assets** | | | | | |
| (a) Inventories | 12 | 2444,60,344 | | 2869,54,374 | |
| (b) Trade Receivables | 13 | 991,15,421 | | 1596,51,900 | |
| (c) Cash and Bank Balances | 14 | 107,89,153 | | 19,73,893 | |
| (d) Short Term Loans and Advances | 15 | 117,03,656 | **3660,68,574** | 62,02,755 | **4547,82,922** |
| **TOTAL** | | | **5449,70,292** | | **6402,65,521** |
| Significant Accouting Policies | 1 | | | | |
| Notes to the Financial Statements | 2 to 25 | | | | |

For and on behalf of the Board of Directors

VYLINE GLASS WORKS LTD. MUMBAI

**Som Chand Mehta**
Director
(DIN 07238211)

**Dharmesh Naik**
Director
(DIN 00957601)

Place : Mumbai
Date : 11.03.2019

**VYLINE GLASS WORKS LIMITED**

**UNAUDITED PROVISIONAL STATEMENT OF PROFIT AND LOSS FOR THE THIRD PERIOD ENDED 31ST DECEMBER, 2018**

(Amount in ₹)

| PARTICULARS | NOTE NO. | For the Period ended 31st December, 2018 | For the Year ended 31st March, 2018 |
|---|---|---|---|
| I. Revenue From Operations | 16 | 8632,03,588 | 7935,47,477 |
| Less:- Excise Duty Recovered | | - | 108,94,680 |
| **Net Revenue From Operations** | | **8632,03,588** | **7826,52,797** |
| II. Other Income | 17 | 66,64,502 | 98,11,085 |
| **III. Total Income (I + II)** | | **8698,68,090** | **7924,63,882** |
| **IV. Expenses:** | | | |
| Cost of Materials Consumed | 18 | 1726,19,751 | 1549,94,520 |
| Purchases of Stock-in-Trade | 19 | 1899,77,178 | 1168,26,739 |
| Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade | 20 | 651,86,973 | 246,70,436 |
| Employee Benefits Expense | 21 | 755,08,519 | 911,77,254 |
| Finance Costs | 22 | 227,71,953 | 406,10,022 |
| Depreciation and Amortization Expense | 9 | 244,65,049 | 329,93,115 |
| Other Expenses | 23 | 2530,09,905 | 2581,77,007 |
| **Total Expenses** | | **8035,39,327** | **7194,49,093** |
| **V. Profit Before Tax (III- IV)** | | **663,28,763** | **730,14,789** |
| **VI. Tax Expense:** | | | |
| (1) Current Tax | | 208,03,512 | 292,99,793 |
| (2) Deferred Tax Credit | | (27,05,193) | (60,22,710) |
| | | **180,98,319** | **232,77,083** |
| **VII. Profit For The Year (V-VI)** | | **482,30,444** | **497,37,706** |
| **VIII. Earnings per Equity Share of Rs.10 each** | 24 | | |
| Basic and Diluted EPS (in ₹) | | **24.73** | **25.51** |
| Significant Accouting Policies | 1 | | |
| Notes to the Financial Statements | 2 to 25 | | |

For and on behalf of the Board of Directors

**Som Chand Mehta**
Director
(DIN 07238211)

**Dharmesh Naik**
Director
(DIN 00957601)

Place : Mumbai
Date : 11.03.2019

VYLINE GLASS WORKS LTD. MUMBAI

**Note 1 - Significant Accounting Policies**

1.1 **BASIS OF ACCOUNTING**:
The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP),including the Accounting Standards prescribed under the relevant provisions of the Companies Act, 2013 as adopted consistently by the Company. The financial statements have been prepared as a going concern basis under the historical cost convention.

1.2 **REVENUE RECOGNITION**:
Revenue is recognised only when it can be realiably measured and it is resonable to expect ultimate collection. Revenue from sale of goods is recognised when significant risk and rewards of ownership of the goods have passed to the buyer. Processing Charges is recognised upon passage of processed goods to the processee, which generally coincides with their delivery and acceptance. Revenue from operations includes sales of goods, services, scrap and excise duty but excludes sales tax/ value added tax. Dividend Income is recognised when right to receive the payment is established by the balance sheet date. Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable.

1.3 **USE OF ESTIMATES**:
The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialised.

1.4 **FIXED ASSETS (PROPERTY, PLANT AND EQUIPMENT)**:
Fixed Assets are stated at cost of acquisition or construction net of cenvat and value added tax credits and includes amounts added on revaluation, less accumulated depreciation and impairment loss, if any. All costs, including financing costs till commencement of commercial production are capitalized.

1.5 **DEPRECIATION**:
i) Depreciation on fixed assets is provided to the extent of depreciable amount on straight line method over the useful life of assets as prescribed in Part C of Schedule II to the Companies Act, 2013.
ii) Computer software is amortized over the useful life or period of three years whichever is less.
iii) The revised carrying amount of the fixed assets identified as impaired, is amortized over the estimated residual life of the respective fixed assets.
iv) Leasehold improvements are amortized on a straight line basis over the life of lease.

1.6 **INVESTMENTS**:
Current investments are carried at lower of cost and market value/NAV, computed individually. Long-term investments are carried at cost. Provision for diminution in the value of long term investments is made only if such decline is other than temporary in the opinion of the management.

1.7 **INVENTORIES:**
Items of Inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventories comprise of all cost of purchase, cost of conversion and other cost incurred in bringing the inventory to there present location and condition. Cost of raw material, stores & spares and packing materials are calculated on the weighted average method. Cost of work in progress, finished goods and stock in trade is determined on absorption costing method.Cullet is valued at net realisable value.

1.8 **EMPLOYEE BENEFITS**:

i) Short-term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss of the period in which the related service is rendered.

ii) Post employment and other long term employee benefits are recognized as an expense in the statement of profit and loss for the period in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and loss in respect of post employment and other long term benefits are charged to the statement of profit and loss.

iii) Compensated absences are accounted similar to the short term employee benefits.

iv) Retirement benefits in the form of Provident Fund is defined contribution scheme and the contributions are charged to the statement of profit and loss of the period when the contribution to the respective funds are due. There are no other obligation other than the contribution payable to the fund.

1.9 **FOREIGN CURRENCY TRANSACTIONS:**

(i) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the date of transaction.

(ii) Monetary items denominated in foreign currencies at the period end are restated at period end rates. In case of any items which are covered by forward exchange contracts, the difference between the period end rate and rate on the date of contract is recognised as exchange difference and the premium paid on forward contracts has been recognised over the life of the contract.

(iii) Non monetary foreign currency items are carried at cost.

(iv) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the statement of profit and loss.

1.10 **IMPAIRMENT OF ASSETS**:

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the statement of profit and loss in the period in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been change in the estimate of recoverable amount.

1.11 **DERIVATIVE TRANSACTIONS:**

In respect of derivative contract, premium paid, provision for losses on re-statement and gains/losses on settlement are recognised along with underlying transaction and charged to the statement of profit and loss.

1.12 **PROVISION, 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 Liabilities are not recognised but are disclosed in the financial statements. Contingent Assets are neither recognised nor disclosed in the financial statements.

1.13 **PROVISION FOR CURRENT AND DEFERRED TAX**:

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act,1961. Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be realized in future. In the case of unabsorbed depreciation and carry forward tax losses, all deferred tax asset are recognised only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. The carrying amount of deferred tax assets are reviewed at each balance sheet date for their appropriateness.

Deferred Tax Assets and Deferred Tax Liabilities are off set if legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws.

Minimum Alternative Tax (MAT) is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an assets in accordance with the recommendations contained in guidance Note issued by the ICAI, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that company will pay normal income tax during the specified period.

1.14 **EXCISE DUTY**:

Excise Duty has been accounted on the basis of payments made in respect of goods cleared and provision made for goods lying in bonded warehouses, where applicable.

1.15 **BORROWING COST**:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

1.16 **LEASES**:

Lease rentals are expensed with reference to lease terms and other considerations.

**VYLINE GLASS WORKS LIMITED**
**UNAUDITED PROVISIONAL STATEMENT OF PROFIT AND LOSS FOR THE THIRD PERIOD ENDED 31ST DECEMBER, 2018**

**Note 2 - Share Capital**

(Amount in ₹)

| Particulars | As at 31st Dec, 2018 | As at 31st March, 2018 |
|---|---|---|
| **Authorised** | | |
| 2,000,000 (Previous Year 2,000,000) Equity Shares of Rs. 10 each | 200,00,000 | 200,00,000 |
| 500,000 (Previous Year 500,000) 10% Cumulative Convertible Preference Shares of Rs. 10 each | 50,00,000 | 50,00,000 |
| | **250,00,000** | **250,00,000** |
| **Issued, Subscribed and Paid up** | | |
| 1,950,000 (Previous Year 1,950,000) Equity Shares of Rs. 10 each fully paid up | 195,00,000 | 195,00,000 |
| **Total** | **195,00,000** | **195,00,000** |

VYLINE GLASS WORKS LIMITED

Notes to the Unaudited Provisional Financial Statement for the period ended 31st December, 2018

**Note 3 - Reserves and Surplus**

(Amount in ₹)

| Particulars | | As at 31st December, 2018 | | As at 31st March, 2018 |
|---|---|---|---|---|
| **Surplus in the Statement of Profit and Loss** | | | | |
| Balance as at the beginning of the year | 1513,31,358 | | 1015,93,652 | |
| Add: Profit for the period / year | 482,30,444 | | 497,37,706 | |
| Balance as at the end of the Period / Year | | 1995,61,802 | | 1513,31,358 |
| **Total** | | **1995,61,802** | | **1513,31,358** |

**Note 4 - Deferred Tax Liabilities (Net)**

(Amount in ₹)

| Particulars | As at 31st December, 2018 | As at 31st March, 2018 |
|---|---|---|
| **Liabilities** | | |
| Related to Fixed Assets | 77,48,102 | 102,99,164 |
| **Total** | **77,48,102** | **102,99,164** |
| **Assets** | | |
| Disallowance Under Section 43B of the Income Tax Act, 1961 | 39,01,961 | 37,47,830 |
| Others | 3,29,120 | 3,29,120 |
| **Total** | **42,31,081** | **40,76,950** |
| **Deferred Tax Liabilities (Net)** | **35,17,021** | **62,22,214** |

**Note 5 - Long-Term Provisions**

(Amount in ₹)

| Particulars | As at 31st December, 2018 | As at 31st March, 2018 |
|---|---|---|
| **Provision for Employee Benefits** | | |
| Gratuity | 60,01,470 | 49,26,213 |
| **Total** | **60,01,470** | **49,26,213** |

VYLINE GLASS WORKS LIMITED

**Notes to the Unaudited Provisional Financial Statement for the period ended 31st December, 2018**

**Note 6 - Trade Payables**

(Amount in ₹)

| Particulars | As at 31st December, 2018 | As at 31st March, 2018 |
|---|---|---|
| Micro, Small and Medium Enterprises | 114,19,079 | 140,31,707 |
| Others | 819,42,469 | 597,45,224 |
| **Total** | **933,61,548** | **737,76,931** |

**Note 7 - Other Current Liabilities**

(Amount in ₹)

| Particulars | As at 31st December, 2018 | As at 31st March, 2018 |
|---|---|---|
| Current maturities of Long-term borrowings | 1821,64,000 | 3316,25,000 |
| Interest accrued but not due on borrowings | 57,69,474 | 113,23,763 |
| Advance from customers | 5,06,532 | - |
| Creditors for capital expenditure | 13,33,653 | 46,27,376 |
| Security deposits | 10,20,680 | 8,20,680 |
| Statutory liabilities | 76,07,075 | 107,97,153 |
| Other payables | 190,01,687 | 159,89,987 |
| **Total** | **2174,03,101** | **3751,83,959** |

**7.1** Other Payables includes mainly outstanding liabilities for expenses, Salary, Wages, Bonus Payable etc.

**Note 8 - Short - Term Provisions**

(Amount in ₹)

| Particulars | As at 31st December, 2018 | As at 31st March, 2018 |
|---|---|---|
| **Provisions for Employee Benefits** | | |
| Gratuity | 2,66,647 | 2,66,647 |
| Leave Encashment | 42,68,820 | 33,56,756 |
| **Others** | | |
| Provision for Income Tax (Net) | 10,89,883 | 57,01,443 |
| **Total** | **56,25,350** | **93,24,846** |

VYLINE GLASS WORKS LIMITED

**Notes to the Unaudited Provisional Financial Statement for the period ended 31st December, 2018**

**Note 9 - FIXED ASSETS**

(Amount in ₹)

| | GROSS BLOCK | | | | DEPRECIATION AND AMORTIZATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Description** | **As at 1st April, 2018** | Additions | Deductions/ Adjustments | **As at 31st December, 2018** | Upto 31st March, 2018 | For the Year | Deductions/ Adjustments | **Upto 31st December, 2018** | **As at 31st December, 2018** | As at 31st March, 2018 |
| **Tangible Assets - Leased** | | | | | | | | | | |
| Leasehold Improvements | 270,34,237 | | | 270,34,237 | 129,00,387 | 24,31,216 | | 153,31,603 | 117,02,634 | 141,33,850 |
| **Tangible Assets - Owned** | | | | | | | | | | |
| Land - Freehold | 9,53,223 | | | 9,53,223 | - | | | - | 9,53,223 | 9,53,223 |
| Building | 163,47,868 | | | 163,47,868 | 95,41,586 | 2,00,555 | | 97,42,141 | 66,05,727 | 68,06,282 |
| Plant And Equipments | 2715,72,161 | 45,65,513 | | 2761,37,674 | 1433,75,488 | 188,61,829 | | 1622,37,317 | 1139,00,357 | 1281,96,673 |
| Furniture And Fixtures | 60,26,857 | 3,57,475 | | 63,84,332 | 31,35,266 | 3,40,226 | | 34,75,492 | 29,08,839 | 28,91,590 |
| Vehicles | 31,37,168 | | | 31,37,168 | 11,09,459 | 2,67,721 | | 13,77,180 | 17,59,988 | 20,27,709 |
| Office Equipments | 143,81,972 | 12,58,660 | | 156,40,632 | 92,99,743 | 15,73,455 | | 108,73,198 | 47,67,434 | 50,82,229 |
| **TOTAL (A)** | **3394,53,486** | **61,81,648** | **-** | **3456,35,134** | **1793,61,929** | **236,75,002** | **-** | **2030,36,931** | **1425,98,202** | **1600,91,556** |
| **Owned Intangible Assets *** | | | | | | | | | | |
| Computer Software | 43,44,178 | 1,25,000 | | 44,69,178 | 25,19,848 | 7,90,047 | | 33,09,895 | 11,59,284 | 18,24,330 |
| **TOTAL (B)** | **43,44,178** | **1,25,000** | **-** | **44,69,178** | **25,19,848** | **7,90,047** | **-** | **33,09,895** | **11,59,284** | **18,24,330** |
| **GRAND TOTAL** | **3437,97,664** | **63,06,648** | **-** | **3501,04,312** | **1818,81,778** | **244,65,049** | **-** | **2063,46,826** | **1437,57,486** | **1619,15,886** |
| **PREVIOUS YEAR** | **3269,32,188** | **168,65,476** | **-** | **3437,97,664** | **1488,88,663** | **329,93,115** | **-** | **1818,81,778** | **1619,15,886** | **1780,43,525** |
| Capital Work in Progress | | | | | | | | | 61,91,063 | 9,64,492 |

**Note 10 - Non-current Investments**

| Particulars | As at 31th December, 2018 Quantity (Nos) | As at 31st March, 2018 Quantity (Nos) | Face Value (₹) | As at 31th December, 2018 (Amount in ₹) | As at 31st March, 2018 (Amount in ₹) |
|---|---|---|---|---|---|
| **Long Term Investments** | | | | | |
| **Trade Investments** | | | | | |
| **Unquoted Fully Paid Up** | | | | | |
| **In Equity Instruments** | | | | | |
| **Others** | | | | | |
| Fennel Investment and Finance Pvt Ltd. | 7,50,163 | 7,50,163 | 10 | 150,02,567 | 150,02,567 |
| **Total** | | | | **150,02,567** | **150,02,567** |

**10.1** Aggregate amount of Non-current Investments and market value thereof

| | As at 31st December, 2018 | | As at 31st March, 2018 | |
|---|---|---|---|---|
| | **Book Value (Amount in Rs)** | **Market Value (Amount in Rs)** | **Book Value (Amount in Rs)** | **Market Value (Amount in Rs)** |
| Unquoted Investments | 150,02,567 | | 150,02,567 | |
| | **150,02,567** | | **150,02,567** | |

**10.2** Refer Note 1.6 for basis of valuation of Non Current Investments

VYLINE GLASS WORKS LIMITED

**Notes to the Unaudited Provisional Financial Statement for the period ended 31st December, 2018**

**Note 11 - Long - Term Loans and Advances**

(Amount in ₹)

| Particulars | As at 31st December, 2018 | As at 31st March, 2018 |
|---|---|---|
| **(Unsecured, Considered Good) :** | | |
| Capital Advances | 67,62,652 | 14,69,934 |
| Security Deposits | 53,38,748 | 34,35,345 |
| Prepaid Expenses | 2,48,407 | 2,48,407 |
| Advance Tax (Net) | 16,00,796 | 24,45,968 |
| **Total** | **139,50,603** | **75,99,654** |

**Note 12 - Inventories**

(Amount in ₹)

| Particulars | | As at 31st December, 2018 | | As at 31st March, 2018 |
|---|---|---|---|---|
| **Raw Materials** | | | | |
| Goods-in-Transit | 296,67,182 | | 195,92,531 | |
| Others | 1548,87,795 | 1845,54,977 | 1480,91,106 | 1676,83,637 |
| Work-in-Progress - Glassware | | 133,20,259 | | 112,66,038 |
| Goods-in-Transit | | | | |
| Finished Goods - Glassware | | 109,86,998 | | 575,97,559 |
| Stock-in-Trade - Glassware | | 21,93,505 | | 231,48,875 |
| Stores and Spares | | 197,79,180 | | 148,19,715 |
| Packing Material | | 131,59,986 | | 122,97,848 |
| Scrap(Cullet) | | 4,65,439 | | 1,40,702 |
| **Total** | | **2444,60,344** | | **2869,54,374** |

**12.1** For Mode of Valuation Refer Note 1.7

**Note 13 - Trade Receivable**

(Amount in ₹)

| Particulars | As at 31st December, 2018 | As at 31st March, 2018 |
|---|---|---|
| **(Unsecured):** | | |
| Due for a Period Exceeding Six Months from the due date | 88,664 | - |
| Considered Good | 990,26,757 | 1596,51,900 |
| **Total** | **991,15,421** | **1596,51,900** |

VYLINE GLASS WORKS LIMITED

**Notes to the Unaudited Provisional Financial Statement for the period ended 31st December, 2018**

**Note 14 - Cash and Bank Balances**

(Amount in ₹)

| **Particulars** | **As at 31st December, 2018** | **As at 31st March, 2018** |
|---|---|---|
| **Cash and Cash Equivalents** | | |
| Balances with Banks in current accounts | 35,28,805 | 7,70,129 |
| Fixed deposits with a Bank - Having maturity less than 3 months | 68,00,749 | 7,25,749 |
| Cash on Hand | 4,59,599 | 4,78,015 |
| **Total** | **107,89,153** | **19,73,893** |

**Note 15 - Short - Term Loans and Advances**

(Amount in ₹)

| **Particulars** | | **As at 31st December, 2018** | | **As at 31st March, 2018** |
|---|---|---|---|---|
| **(Unsecured, Considered Good, unless otherwise stated)** | | | | |
| **Loans and Advances to Others :** | | | | |
| Security Deposits | | | | |
| Considered Goods | - | | - | |
| Considered Doubtful | 11,83,034 | | 11,83,034 | |
| | 11,83,034 | | 11,83,034 | |
| Less : Provision for Doubtful Advances | 11,83,034 | - | 11,83,034 | - |
| Interest receivables | | 1,92,856 | | 2,10,538 |
| Advances to Creditors | | 87,78,807 | | 38,13,874 |
| Others | | 27,31,993 | | 21,78,343 |
| **Total** | | **117,03,656** | | **62,02,755** |

**15.1** Other includes mainly prepaid expenses, service tax and cenvat receivable etc.

VYLINE GLASS WORKS LIMITED

**Notes to the Unaudited Provisional Financial Statement for the period ended 31st December, 2018**

**Note 16 - Revenues from Operations**

(Amount in ₹)

| Particulars | For the period ended 31st December, 2018 | For the year ended 31st March, 2018 |
|---|---|---|
| Sale of Products - Glassware | 8593,97,600 | 7888,69,665 |
| Other Operating Revenue | 38,05,988 | 46,77,812 |
| **Gross Revenue from Operations** | **8632,03,588** | **7935,47,477** |

**Note 17 - Other Income**

(Amount in ₹)

| Particulars | For the period ended 31st December, 2018 | For the year ended 31st March, 2018 |
|---|---|---|
| Interest Income on | | |
| - Fixed Deposits | 47,028 | 1,47,758 |
| - Others | 4,66,977 | 8,23,094 |
| Gain on Sale of Assets | - | 9,58,000 |
| Cash Discount Income | - | 23,861 |
| Rent Income | 20,06,820 | 26,52,660 |
| Sundry balance written back (Net) | 4 | 77,901 |
| Miscellaneous Income | 41,43,673 | 51,27,811 |
| **Total** | **66,64,502** | **98,11,085** |

**Note 18 - Cost of Material consumed**

(Amount in ₹)

| Particulars | For the period ended 31st December, 2018 | For the year ended 31st March, 2018 |
|---|---|---|
| **Cost of Material consumed under Broad Head** | | |
| Glass items | 1726,19,751 | 1549,94,520 |
| **Total** | **1726,19,751** | **1549,94,520** |

**18.1** Mainly consists of Tubing, Blanks and accessories etc.

VYLINE GLASS WORKS LIMITED
**Notes to the Unaudited Provisional Financial Statement for the period ended 31st December, 2018**

**Note 19 - Purchase of Stock in Trade**

(Amount in ₹)

| Particulars | For the period ended 31st December, 2018 | For the year ended 31st March, 2018 |
|---|---|---|
| **Purchase of Stock in Trade under broad head:** | | |
| Glass Items | 1899,77,178 | 1168,26,739 |
| **Total** | **1899,77,178** | **1168,26,739** |

**Note 20 - Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade**

(Amount in ₹)

| Particulars | For the period ended 31st December, 2018 | For the year ended 31st March, 2018 |
|---|---|---|
| **At the end of the Year** | | |
| Finished Goods | 109,86,998 | 575,97,559 |
| Stock-in-Trade | 21,93,505 | 231,48,875 |
| Work-in-Progress | 133,20,259 | 112,66,038 |
| Scrap (Cullet) | 4,65,439 | 1,40,702 |
| | **269,66,201** | **921,53,174** |
| **At the beginning of the Year** | | |
| Finished Goods | 575,97,559 | 836,12,467 |
| Stock-in-Trade | 231,48,875 | 233,43,970 |
| Work-in-Progress | 112,66,038 | 97,38,024 |
| Scrap (Cullet) | 1,40,702 | 1,29,149 |
| | **921,53,174** | **1168,23,610** |
| **Total** | **651,86,973** | **246,70,436** |

**Note 21 - Employee Benefits Expense**

(Amount in ₹)

| Particulars | For the period ended 31st December, 2018 | For the year ended 31st March, 2018 |
|---|---|---|
| Salaries, Wages & allowances | 678,77,736 | 814,56,942 |
| Contribution to Provident and Other Funds | 32,62,611 | 36,93,840 |
| Staff Welfare Expenses | 31,21,936 | 46,74,517 |
| Gratuity | 12,46,236 | 13,51,955 |
| **Total** | **755,08,519** | **911,77,254** |

**Note 22 - Finance Cost**

(Amount in ₹)

| Particulars | For the period ended 31st December, 2018 | For the year ended 31st March, 2018 |
|---|---|---|
| Interest Expenses | 227,71,953 | 406,10,022 |
| **Total** | **227,71,953** | **406,10,022** |

**VYLINE GLASS WORKS LIMITED**
**Notes to the Unaudited Provisional Financial Statement for the period ended 31st December, 2018**
**Note 23 - Other Expenses**

**(Amount in ₹)**

| Particulars | For the period ended 31st December, 2018 | For the year ended 31st March, 2018 |
|---|---|---|
| **Trading and Manufacturing Expenses** | | |
| Consumption of Stores and Spares | 445,37,318 | 353,92,830 |
| Power and Fuel | 558,13,864 | 575,92,539 |
| Processing Charges | 64,04,364 | 72,84,875 |
| Consumption of Packing Materials | 556,05,572 | 592,59,400 |
| Excise Duty | - | (95,33,742) |
| Contract Labour Expenses | 517,50,584 | 563,49,102 |
| Repairs to Machinery | 84,32,553 | 119,33,119 |
| Repairs to Buildings | 53,865 | 10,38,056 |
| **Administrative and General Expenses** | | |
| Rent | 80,36,086 | 107,46,456 |
| Rates and Taxes | 4,74,137 | 5,68,945 |
| Other Repairs | 26,67,772 | 26,11,540 |
| Insurance | 11,59,251 | 10,93,827 |
| Legal and Professional Fees | 30,86,513 | 51,03,809 |
| Travelling | 23,70,055 | 40,79,430 |
| Vehicles Hire Charges | 47,47,416 | 53,80,639 |
| Donation | 30,102 | 8,100 |
| Payment to Auditors | 5,24,998 | 7,00,000 |
| Commission on Guarantee | - | 40,810 |
| Loss on Foreign currency transactions (Net) | 7,78,778 | 3,48,422 |
| Miscellaneous Expenses | 65,41,665 | 81,78,850 |
| **Total** | **2530,14,893** | **2581,77,007** |

**Note 24 - Earnings Per Equity share**

| Particulars | For the period ended 31st December, 2018 | For the year ended 31st March, 2018 |
|---|---|---|
| Net Profit /(Loss) After Tax Attributable to Equity Shareholders for Basic EPS and Diluted EPS (Amount in ₹ ) | 482,30,444 | 497,37,706 |
| Weighted Average Number of Equity Shares Outstanding During the Year for Basic EPS and Diluted EPS (in Nos.) | 19,50,000 | 19,50,000 |
| Basic EPS and Diluted EPS (in ₹) | 24.73 | 25.51 |
| Face Value per Equity Share (in ₹) | 10.00 | 10.00 |

**Note 25** Previous Year figures have been regrouped, reworked, reclassified and re-arranged wherever necessary.

For and on behalf of the Board of Directors

VYLINE GLASS WORKS LTD. MUMBAI

**Som Chand Mehta**
Director
(DIN 07238211)

**Dharmesh Naik**
Director
(DIN 00957601)

Place : Mumbai
Date : 11.03.2019

SINGHI & COMPANY
CHARTERED ACCOUNTANTS

## AUDITOR'S REPORT

**TO THE MEMBERS OF**

**Fennel Investment and Finance Pvt Ltd**

**Report on the Ind AS Financial Statement**

We have audited the accompanying financial statements of **Fennel Investment and Finance Pvt Ltd**, which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income) and the statement of change in equityfor the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statement").

**Management's Responsibility for the Financial Statements**

The company's Board of Directors is responsible for the matters stated in section 134 of sub section 5 of the companies Act, 2013 with respect to the preparation of these Ind AS 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 principles generally accepted in India ,including the Indian Accounting Standards (Ind AS)specified under section 133 of the Companies Act, 2013 , read with Rule 7 of the Companies (Account) Rules,2014.This responsibility also includes maintenance of adequate accounting records in accordance with provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

SINGHI & CO. ★ MUMBAI ★ CHARTERED ACCOUNTANTS

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind As financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind ASfinancial statements 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 including the Ind AS, of financial position of the Company as at 31 March, 2018, and its financial performance including other comprehensive income and the change in equity for the year ended on that date.

**Report on other Legal and Regulatory Requirements**

**1.** As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (1) of section 143 of the Act, we give in the "Annexure A "a statement on the matters specified in paragraphs 3 and 4 of the Order.

**2.** **As required by section 143(3) of the Act, we report that:**

a. We have sought and 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 it appears from our examination of those books.

c. The Balance Sheet, the Statement of Profit and Loss, and the Statement of changes in equity dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014.

e. On the basis of written representations received from the directors as on March 31, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of sub-section (2) of section164 of the Companies Act, 2013.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, referred to our separate Report in **"Annexure B"**and

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note **22** contingent liability to the financial statements;

ii. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses,

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection fund by the Company

iv. Company has approved the scheme of Amalgamation for merger of Fennel Investment and Finance Private Limited, Vyline Glass Works Ltd and Hopewell Tableware Private Limited with Borosil Glass Works Ltd. Refer Note 23 to the Ind As financial Statement.

**For SINGHI & CO.**
Chartered Accountants
FRN -110283W

SINGHI & CO. MUMBAI CHARTERED ACCOUNTANTS

UNIT NO.30 NEPTUNE BUILDING,
EVERSHINE MILLENIUM PARADISE
THAKUR VILLAGE, KANDIVALI EAST
MUMBAI- 400101.

Dated- 15th day of MAY, 2018

**PRAVEEN KUMAR SINGHI**
Partner
Membership No -051471

**ANNEXURE "A" REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF FENNEL INVESTMENT AND FINANCE PVT LTD ('THE COMPANY') ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2018**

On the basis of the information and explanation furnished to us and the books and record examined by us in the normal course of audit and to the best of our knowledge and belief we report that,

**1.** There are no Fixed Assets in the company therefor the clause is not applicable to the company.

**2.** There is no Inventory at the year end March 31, 2018.

**3.** The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in register maintained under section 189 of companies Act, 2013.

**4.** As explained being Non-Banking Finance Company the restrictions of section 185 and 186 of Companies Act, 2013 and rules framed there under are not applicable.

**5.** The Company has not accepted any deposit and directive issued by the Reserve bank of India and provisions of sections 73 to 76 or any other provisions of companies act 2013 and rules frames there under will not applicable on company.

**6.** As per information and explanation given by the management, the company has not carried out any manufacturing activity during the financial year ended March 31, 2018. Therefore, maintenance of cost records as prescribed under sub section 1 of section 148 of the Companies Act, 2013 is not applicable to the Company.

**7.** **a)** According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Wealth Tax, Custom Duty, Excise Duty, Service tax, Sales Tax, Value added tax, Cess and other statutory dues applicable to the company. There are no undisputed amount payable as at 31.03.2018 for a period of more than six months from the date they become payable.

**b)** According to the information & explanations given to us, the amount dues payable in respect of Income Tax that have not been deposited with the appropriate authorities on account of dispute and the forum where the dispute are pending as given below:

| Name of the Status | Nature of Dues | Amount in Rs | Period to which Amount Relates | Forum where dispute is pending |
|---|---|---|---|---|
| Income Tax Act 1961 | Disallowance made | 121560 | Assessment Year 13-14 | CIT(A) Mumbai |

**8.** The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.

**9.** Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial

SINGHI & CO. ★ CHARTERED ACCOUNTANTS ★ MUMBAI

public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company.

10. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

11. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.

13. According to the information and explanations given to us and based on our examination ofthe records of the Company, transactions with the related parties are in compliance with sections177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standard.

14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment orprivate placement of shares or fully or partly convertible debentures during the year under review and therefor the provisions of clause 3(XIV) of the Companies (Auditor's Report) Order, 2016 not applicable to the company.

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is notapplicable.

16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For SINGHI & CO.**
Chartered Accountants
FRN -110283W

SINGHI & CO. ★ CHARTERED ACCOUNTANTS ★ MUMBAI

UNIT NO.30 NEPTUNE BUILDING,
EVERSHINE MILLENIUM PARADISE
THAKUR VILLAGE, KANDIVALI EAST
MUMBAI- 400101.

Dated- 15th day of MAY, 2018

**PRAVEEN KUMAR SINGHI**
Partner
Membership No -051471

**Annexure - B to the Auditors' Report**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **FENNEL INVESTMENT AND FINANCE PVT LTD,** as of 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

SINGHI & CO. ★ CHARTERED ACCOUNTANTS ★ MUMBAI

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For SINGHI & CO.**
Chartered Accountants
FRN -110283W

SINGHI & CO. ★ CHARTERED ACCOUNTANTS ★ MUMBAI

UNIT NO.30 NEPTUNE BUILDING,
EVERSHINE MILLENIUM PARADISE
THAKUR VILLAGE, KANDIVALI EAST
MUMBAI- 400101.

Dated- 15th day of May, 2018

**PRAVEEN KUMAR SINGHI**
Partner
Membership No -051471

FENNEL INVESTMENT AND FINANCE PVT LTD

BALANCE SHEET AS AT 31st March 2018

| Particulars | Note No. | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|---|
| | | IND AS | IND AS |
| **I. ASSETS** | | 0 | - |
| **1 Non-current Assets** | | | |
| (i) Financial Assets | | | |
| (i) Investments | 2 | 1 14 01 91 960 | 90 72 27 622 |
| (ii) Other non-current assets | 3 | 93 38 712 | 18 68 288 |
| | | **1 14 95 30 672** | **90 90 95 910** |
| **2 Current Assets** | | | |
| **(a) Financial Assets** | | | |
| (i) Investments | 2 | 4 40 26 286 | 2 02 85 958 |
| (ii) Trade Receivable | 4 | | |
| (iii) Cash and cash equivalents | 5 | 1 02 084 | 1 02 128 |
| (iv) Bank Balance other than (iii) above | 5 | 3 09 505 | 4 03 197 |
| (v) Loans | 6 | 3 45 91 874 | 3 45 92 000 |
| (c) Current Tax Assets (Net) | | | |
| | | **7 90 29 749** | **5 53 83 283** |
| **3 Non-current assets classified as held for sale** | | | |
| **TOTAL** | | **1 22 85 60 421** | **96 44 79 193** |
| **I. EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| (a) Equity Share Capital | 7 | 9 04 90 000 | 9 04 90 000 |
| (b) Other Equity | 8 | 1 12 27 56 721 | 86 21 29 573 |
| | | 1 21 32 46 721 | 95 26 19 573 |
| **LIABILITIES** | | | |
| **1 Non-current Liabilities** | | | |
| (a) **Financial Liabilities** Borrowings | 9 | 97 29 000 | |
| (b) Deferred Tax Liabilities (Net) | 9A | | 13 520 |
| | | 97 29 000 | 13 520 |
| **2 Current Liabilities** | | | |
| (a) **Financial Liabilities** | | | |
| Borrowings | 10 | | 97 29 000 |
| (b) Other current liabilities | 11 | 1 74 600 | 1 75 000 |
| (c) Provisions | 12 | | |
| (d) Current Tax Liabilities (Net) | 13 | 54 10 100 | 19 42 100 |
| | | **55 84 700** | **1 18 46 100** |
| **3 Liabilities associated with group of assets held for disposal** | | | |
| **TOTAL** | | **1 22 85 60 421** | **96 44 79 193** |

See accompanying notes to the financial statements 1

As per our report of even date attached.

**For Singhi & Company**
**Chartered Accountants.**
**Firm No.: 110283W**

**(Praveen Kumar Singhi)**
**Partner**
**Membership No. : 51471**

SINGHI & CO. ★ CHARTERED ACCOUNTANTS ★ MUMBAI

**For and on behalf of Board of Directors**

| | |
|---|---|
| **Director** | **Director** |
| **B.L.Kheruka** | **P.K.Kheruka** |
| **DIN No.** | **DIN No.** |
| **00016861** | **00016909** |

**Place : Mumbai**
**Date :** 15th day of May, 2018

**FENNEL INVESTMENT AND FINANCE PRIVATE LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED**

| | Particulars | Note | For the Year Ended 31st March, 2018 | For the Year Ended 31st March, 2017 |
|---|---|---|---|---|
| I. | Revenue From Operations | 14 | | |
| | Other Income | 15 | 9,991,534 | 7,239,630 |
| | **Total Revenue (I)** | | **9,991,534** | **7,239,630** |
| II. | **Expenses:** | | | |
| | Purchases of Stock-in-Trade/Cost of Material Consumed | 16 | - | - |
| | Employee Benefits Expense | 17 | - | 162,834 |
| | Finance Costs | 18 | 810,000 | 810,000 |
| | Other Expenses | 19 | 1,348,989 | 182,541 |
| | **Total Expenses** | | **2,158,989** | **1,155,375** |
| III. | **Profit Before Exceptional Item and Tax (I - II)** | | **7,832,545** | **6,084,255** |
| VI. | Exceptional Items | 20 | - | |
| VII. | **Profit Before Tax (V - VI)** | | **7,832,545** | **6,084,255** |
| VI. | **Tax Expense:** | | | |
| | (1) Current Tax | | 3,468,000 | 1,223,000 |
| | Less : MAT Credit Entitlement | | (2,882,113) | (490,290) |
| | Net Current Tax | | 585,887 | 732,710 |
| | (2) Deferred Tax Expenses /(Income) | | (211,167) | (9,804) |
| | (3) Income Tax of earlier years | | - | 1,230 |
| VII. | **Profit For The Year (VII-VIII)** | | **7,457,825** | **5,360,119** |
| VIII. | **Other Comprehensive Income** | | | |
| | A i) Items that will not be reclassified to profit or loss | | | |
| | Remeasurements of defined benefit plans | | | |
| | Equity Instruments through Other Comprehensive Income | | 253,169,323 | 447,638,324 |
| | Other Comprehensive Income | | 253,169,323 | 447,638,324 |
| IX. | **Total Comprehensive Income for the period (VII + VIII)** | | 260,627,148 | 452,998,443 |
| X. | **Earnings per Equity Share of Rs.10 each (Basic and Diluted)** | 21 | 0.82 | 0.59 |
| | See accompanying notes to the financial statements | 1 | | |

As per our report of even date attached.

**For Singhi & Company**
**Chartered Accountants.**
**Firm No.: 110283W**

**(Praveen Kumar Singhi)**
**Partner**
**Membership No. : 51471**

SINGHI & CO. ★ CHARTERED ACCOUNTANTS ★ MUMBAI

**For and on behalf of Board of Directors**

**Director**
**B.L.Kheruka**
**DIN No.**
**00016861**

**Director**
**P.K.Kheruka**
**DIN No.**
**00016909**

**Place : Mumbai**
**Date :** 15th day of May, 2018

**FENNEL INVESTMENT AND FINANCE PRIVATE LIMITED**
**Notes to the financial statement for the year ended 31st March, 2018**

**Note 1: CORPORATE INFOMRATION**

Fennel Investment and Finance Private Limited (the 'Company') is a Private Limited Company incorporated and domiciled in India whose shares are not publicly traded. The registered office is located at 1101, Crescenzo, G Block, Opp MCA Club, Bandra Kurla Complex, Bandra East, Mumbai - 400 051, India.

The Company is an NBFC, registered with Reserve Bank of India Act, 1934 having Registration No. N-13-01594 dated 30.03.2002.

The financial statements of the Company for the year 31st March, 2018 were approved and adopted by board of directors in their meeting dated 8th May, 2018

**Note 2: BASIS OF PREPARATION**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS).

For all periods up to year ended 31st March, 2017, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31st March, 2018 are the first the Company has prepared in accordance with Ind AS.

The financial statements have been prepared on a historical cost basis, except for the following assets which have been measured at fair value:

a. Certain financial assets measured at fair value (refer accounting policy regarding financial instruments),

The financial statements are presented in INR and all values are rounded to the nearest rupee, except when otherwise indicated.

**Note 3: SIGNIFICANT ACCOUNTING POLICIES**

**3.1 Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**3.2 Employee Benefits**

Short term employee benefits are recognized as an expense in the statement of Profit and Loss of the year in which the related services are rendered.

Leave encashment being a short term benefit is accounted for using the projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise.

Contribution to Provident Fund, a defined contribution plan, is made in accordance with the statute, and is recognised as an expense in the year in which employees have rendered services.

**3.3 Financial instruments – initial recognition, subsequent measurement and impairment**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets -Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

**Financial assets - Subsequent measurement**

For the purpose of subsequent measurement financial assets are classified in two broad categories:-

a) Financial assets at fair value

b) Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income)

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A financial asset that meets the following two conditions is **measured at amortised cost** (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.
a) Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flow (rather than to sell the instrument).
b) **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at **fair value through other comprehensive income** unless the asset is designated at fair value through profit or loss under the fair value option.

**a) Business model test:** The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets.
b) **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.
Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. All other financial asset is measured at fair value through profit or loss.
All equity instruments are measured at fair value in the balance sheet, with value changes recognised in the statement of profit and loss, except for those equity instruments for which the entity has elected to present value changes in 'other comprehensive income.

**Investment in associates:**
The company has accounted for its investment in associates at cost.

**Financial assets - Derecognition**
A financial assets (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed form the Company's statement of financial position) when:
a) The rights to receive cash flows from the asset have expired, or
b) The Company has transferred its rights to receive cash flow from the asset or has assumed an obligation to pay the received cash flow in full without material delay to a third party under a pass-through arrangement and either i) the Company has transferred substantially all the risks and rewards of the asset, or ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flow from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

**Financial liabilities - Initial recognition and measurement**
The financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

**Financial liabilities - Subsequent measurement**
The measurement of financial liabilities depends on their classification, as described below:

**Financial Liabilities at fair value through profit or loss**
Financial Liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.
Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.
Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 as satisfied.

**Financial Liabilities - Derecognition**
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another, from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

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**3.4 Borrowing Costs**

Borrowing costs specifically relating to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized (net of income on temporarily deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period. All other borrowing costs are expensed in the period in which they occur.

All other borrowing costs are recognised as expense in the period in which they are incurred.

**3.5 Taxes on Income**

Income tax expense represents the sum of current (including MAT) and deferred tax . Tax is recognised in the statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in such cases the tax is also recognised directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognised in equity or other comprehensive income is also recognised in equity or other comprehensive income, such change could be for change in tax rate.

Current tax provision is computed for Income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws. Current tax assets and current tax liabilities are off set, and presented as net.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised. Deferred tax assets and liabilities are measured at the applicable tax rates. Deferred tax assets and deferred tax liabilities are off set, and presented as net. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

Minimum Alternative Tax (MAT) is applicable to the Company. Credit of MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the profit and loss account and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

**3.6 Revenue recognition and other income**

**Interest Income**

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in the other income in the statement of profit and loss.

**Dividend Income**

Dividend Income is recognised when the right to receive the payment is established, which is generally when shareholders approve the dividend.

**3.7 Dividend Distribution**

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in equity.

SINGHI & CO. CHARTERED ACCOUNTANTS MUMBAI

**3.8 Earnings per share**

Basic earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of shares outstanding during the year.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholder' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

**3.9 Provisions, Contingent Liabilities, Contingent assets and Commitments:**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

**3.10 Current and non-current classification**

The Company presents assets and liabilities in statement of financial position based on current/non-current classification. The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by Ministry of Corporate Affairs.

An asset is classified as current when it is:
a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
b) Held primarily for the purpose of trading,
c) Expected to be realised within twelve months after the reporting period, or
d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
All other assets are classified as non-current.
A liability is classified as current when it is:
a) Expected to be settled in normal operating cycle,
b) Held primarily for the purpose of trading,
c) Due to be settled within twelve months after the reporting period, or
d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has identified twelve months as its normal operating cycle.

**3.11 Fair value measurement:**

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
a) In the principal market for the asset or liability, or
b) In the absence of a principal market, in the most advantageous market for the asset or liability.

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The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

a) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

b) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

c) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

**3.12 Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable rights to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable rights must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or counterparty.

**Note 4: SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**Income Tax**

The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to an adjustment to the amounts reported in the standalone financial statements.

**Contingencies**

Management has estimated the possible outflow of resources at the end of each annual reporting period, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

**Fair value measurement of financial instruments**

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

SINGHI & CO. CHARTERED ACCOUNTANTS MUMBAI

| FENNEL INVESTMENT AND FINANCE PRIVATE LIMITED | | | | | |
|---|---|---|---|---|---|
| **Note 2 - Other Non - Current Assets** | | | | | |
| | **31/03/2018** | | | **31/03/2017** | |
| **Quoted Investment: Equity** | **Units** | | | **Units** | |
| **Associates:** | | | | | |
| Gujarat Borosil Ltd. | 2 26 00 000 | 11 30 00 000 | | 2 26 00 000 | 11 30 00 000 |
| **Others:** | | | | | |
| Borosil Glass Works Ltd | 12 40 570 | **102 71 91 960** | | 1 24 057 | 77 40 22 637 |
| Power Finance Corp. Ltd. | | | | 730 | 1 06 544 |
| Himatsingka Seide Ltd | | | | 58 957 | 2 00 98 441 |
| **Carrying Value to Investment (A)** | | **114 01 91 960** | | | **90 72 27 622** |
| | | | | | |
| | | | | | |
| **Note 2 - Other Current Assets** | | | | | |
| **Unquoted Investments:** | | | | | |
| **Mutual Funds:** | | | | | |
| Birla Sunlife Frontline Equity Fund Growth. | 14 540 | **30 41 803** | | 14 540 | 28 07 706 |
| Birla Sunlife Frontline Equity Fund Growth. | **6 988** | **14 61 926** | | 6 988 | 13 49 416 |
| BSL Saving Fund Daily Dividend Reinvested. | **79 830** | **79 95 141** | | 4 321 | 4 33 959 |
| HDFC Midcap Opportunity Fund Gr. | | | | 2 07 778 | 1 03 47 354 |
| Mirae Asset India Opprtunity Fund DP Div | **9 56 623** | **3 15 27 416** | | | |
| SBI Bluechip MF Direct Dividend Reinvestment | | | | 2 36 826 | 53 47 523 |
| | | | | | |
| **Carrying Value to Investment** | | **4 40 26 286** | | | **2 02 85 958** |
| | | | | | |
| | | | | | |

SINGHI & CO. ★ CHARTERED ACCOUNTANTS
MUMBAI

FENNEL INVESTMENT AND FINANCE PVT LTD

**Note 3 - Other Non - Current Assets**

| Particulars | As at 31st March, 2018 IND(AS) | As at 31st March, 2017 IND (AS) |
|---|---|---|
| **(Unsecured, Considered Good) :** | | |
| Long Term Trade Receivables | | |
| Advance Tax (Net) | 57 68 662 | 13 77 998 |
| MAT Credit Entitlement | 33 72 403 | 4 90 290 |
| Deferred Tax Assets | 1 97 647 | |
| **Total** | **93 38 712** | 18 68 288 |

**Note 4 - Financial Assets - Trade Receivable**

| Particulars | As at 31st March, 2018 IND(AS) | As at 31st March, 2017 IND (AS) |
|---|---|---|
| **(Unsecured) :** | | |
| **Due for a Period Not Exceeding Six Months from the due date** | | |
| Considered Good | | |
| **Total** | | |

**Note 5 - Financial Assets - Cash and cash equivelent**

| Particulars | As at 31st March, 2018 IND(AS) | As at 31st March, 2017 IND (AS) |
|---|---|---|
| **Cash and Cash Equivalents** | | |
| Balances with Banks in current accounts | 309,504.99 | 4 03 197 |
| Cash on Hand | 102,084.00 | 1 02 128 |
| **Total** | **411,588.99** | 5 05 325 |

**Note 6 - Financial Assets - Loans**

| Particulars | As at 31st March, 2018 IND(AS) | As at 31st March, 2017 IND (AS) |
|---|---|---|
| **(Unsecured, Considered Good, unless otherwise stated)** | | |
| **Loans and Advances to Related Parties** | | |
| Inter Corporate Deposit | 3 45 00 000 | 3 20 00 000 |
| Interest receivables | 91 874 | 25 92 000 |
| | **3 45 91 874** | 3 45 92 000 |

SINGHI & CO. ★ CHARTERED ACCOUNTANTS ★ MUMBAI

**FENNEL INVESTMENT AND FINANCE PVT LTD**

**Note 7 - Equity Share Capital**

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| **Authorised** | | |
| 17650000 Equity shares of Rs. 10/- each (Previous Year17650000) | 17 65 00 000 | 17 65 00 000 |
| 1750000 9% NCRP shares of Rs. 10/- each (Previous Year1750000) | 1 75 00 000 | 1 75 00 000 |
| | 19 40 00 000 | 19 40 00 000 |
| **Issued, Subscribed & Fully Paid up** | | |
| 9049000 Equity shares of Rs. 10/- each (Previous Year 9049000) | 9 04 90 000 | 9 04 90 000 |
| **Total** | **9 04 90 000** | **9 04 90 000** |

**7.1 Reconciliation of number of Equity Shares outstanding at the beginning and at the end of the year :**

| Particulars | As at 31st March, 2018 | | As at 31st March, 2017 | |
|---|---|---|---|---|
| | (in Nos.) | (Rs. in lacs) | (in Nos.) | (Rs. in lacs) |
| Shares outstanding at the beginning of the year | 90 49 000 | 9 04 90 000 | 90 49 000 | 9 04 90 000 |
| Add: Issue of equity share capital * | - | - | - | - |
| **Shares outstanding at the end of the year** | **90 49 000** | **9 04 90 000** | **90 49 000** | **9 04 90 000** |

**7.2 Details of Shareholder holding more than 5% of Equity Share Capital :**

| | Particulars | As at 31st March, 2018 | | As at 31 March, 2017 | |
|---|---|---|---|---|---|
| | | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| | **Corporate Bodies** | 41 48 967 | 46% | 41 48 967 | 46% |
| 1 | Borosil Glass Works Ltd | 7 50 163 | 8% | 7 50 163 | 8% |
| 2 | Vyline Glass Works Ltd. | 5 19 412 | 6% | 5 19 412 | 6% |
| 3 | Croton Trading Pvt. Ltd. | | | | |
| | **Limited Liabilities Partnership** | | | | |
| 1 | Spartan Trade Holdings LLP. | 6 25 286 | 7% | 6 25 286 | 7% |
| 2 | Borosil Holdings LLP. | 5 00 408 | 6% | 5 00 408 | 6% |
| 3 | Gujarat Fusion Glass LLP (w.e.f. 3rd April, 2014). | 15 56 428 | 17% | 15 56 428 | 17% |

**7.3** There are no shares reserved for issue under options and contracts / commitments for the sale of shares /

**7.4** There is no dividend paid or proposed during the year and during the previous year.

SINGHI & CO. ★ CHARTERED ACCOUNTANTS ★ MUMBAI

FENNEL INVESTMENT AND FINANCE PVT LTD
Notes to the Financial Statement for the year ended 31st March, 2018
Note 8 - Other Equity

| Particulars | Reserves and Surplus | | | | Equity Instruments through Other Comprehensive Income | Total |
|---|---|---|---|---|---|---|
| | Amalgamation Reserve | Special Reserve Fund | P & L Account Balance | Retained Earnings | | |
| Balance as at 1st April, 2016 | 2 44 30 000 | 1 52 66 700 | 6 13 23 406 | | | 10 10 20 106 |
| Profit & Loss 31-3-17 | | | 23 83 442 | | | 23 83 442 |
| Transferred to Special Reserve Fund | | 9 74 000 | - 9 74 000 | | | |
| **Balance as at 1st April, 2016 as per AS** | **2 44 30 000** | **1 62 40 700** | **6 27 32 848** | | | **10 34 03 548** |
| IND AS Adjustments | | | | 12 74 217 | 30 68 36 807 | 30 81 11 024 |
| Dividend | | | | | | |
| Fair Value Adjustments | | | | 29 76 677 | 44 76 38 324 | 45 06 15 001 |
| P&L Adjustments | | | | | | |
| IND AS Adjustments | | | | 42 50 894 | 75 44 75 131 | 75 87 26 025 |
| 1st April, 2017 as per Ind AS | **2 44 30 000** | **1 62 40 700** | **6 27 32 848** | **42 50 894** | **75 44 75 131** | **86 21 29 573** |

| | Reserves and Surplus | | | | | |
|---|---|---|---|---|---|---|
| | Amalgamation Reserve | Special Reserve Fund | P & L Account Balance | Retained Earnings | Equity Instruments through Other Comprehensive Income | Total |
| Balance at the beginning of the reporting period | 2 44 30 000 | 1 62 40 700 | 6 27 32 848 | 42 50 894 | 75 44 75 131 | 86 21 29 573 |
| Total Comprehensive Income for the year | | | 83 90 486 | | | 83 90 486 |
| Transferred to Special Reserve Fund | | 9 15 200 | - 9 15 200 | | | |
| Balance at the end of the reporting period | **2 44 30 000** | **1 71 55 900** | **7 02 08 134** | **42 50 894** | **75 44 75 131** | **87 05 20 059** |
| IND AS Adjustments | | | | | | |
| Dividend | | | | | | |
| Fair Value Adjustments | | | | - 9 32 661 | 25 31 69 323 | 25 22 36 662 |
| P&L Adjustments | | | | | | |
| Deferred Tax Changes - Mar 18 | | | | | | |
| Balance at the end of the reporting period | | | | - 9 32 661 | 25 31 69 323 | 25 22 36 662 |
| Balance at the end of the reporting period | **2 44 30 000** | **1 71 55 900** | **7 02 08 134** | **33 18 233** | **1 00 76 44 454** | **1 12 27 56 721** |

8.1 Nature and Purpose of Reserve

1.Amalgamation Reserve

1.1 A Scheme of Amalgamation (the scheme) between Arica Trading Private Limited (hereinafter known as the transferor company and the Company u/s 391 (1) to 394 of the Companies Act, 1956 was sanctioned by the Hon'ble High Court Calcutta on 13th July, 2011. The Scheme has become efective 1st April 2010 (the transfer date).

1.2 Pursuant to the Scheme, with effect from the Transfer date transferor company have amalgamated in the Company with all its assets, liabilities, properties, rights, benefits and interest therein subject to existing charges thereon in favour of banks and financial institutions.

1.3 In consideration for the amalgamation,

For every 2 fully paid-up equity share of Rs.10/- each of Amalgamating Company, 1 fully paid-up Equity shares of Rs. 10/- each of the Company allotted as per Scheme on 26th August.2011.

For every 5 fully paid up 9% Non cumulative Redeemable Preference Shares of Rs. 10/- each of Amalgamating Company, 4 fully paid up Equity Shares of Rs. 10/- each of the Company allotted on 26th august,2011 as per Scheme.

2. Special Reserve Fund:
Special Reserve Fund is created as per Section 45IC of RBI Act 1934.

SINGHI & CO. MUMBAI CHARTERED ACCOUNTANTS

**FENNEL INVESTMENT AND FINANCE PVT LTD**

**Note 9 - Financial Liabilities - Borrowings**

| Particulars | As at 31st March, 2018 IND(AS) | As at 31st March, 2017 IND (AS) |
|---|---|---|
| **(Unsecured Loan)** | | |
| Loan from a body corporate | 90 00 000 | - |
| Interest | 7 29 000 | - |
| **Total** | **97 29 000** | - |

**Note 9A - Deferred Tax Liabilities (Net)**

| Particulars | As at 31st March, 2018 IND(AS) | As at 31st March, 2017 IND (AS) |
|---|---|---|
| **Liabilities** | | |
| Related to Investments | | 13 520 |
| Related to Fixed Assets | | |
| **Total** | | 13 520 |
| **Deferred Tax Liabilities (Net)** | | 13 520 |

**Note 10 - Financial Liabilities - Borrowings**

| Particulars | As at 31st March, 2018 IND(AS) | As at 31st March, 2017 IND (AS) |
|---|---|---|
| **(Unsecured Loan)** | | |
| Loan from a body corporate | | 90 00 000 |
| Interest | | 7 29 000 |
| **Total** | | 97 29 000 |

**Note 11 - Other Current Liabilities**

| Particulars | As at 31st March, 2018 IND(AS) | As at 31st March, 2017 IND (AS) |
|---|---|---|
| Statutory liabilities | 83 000 | 84 000 |
| Other Payables | 91 600 | 91 000 |
| **Total** | **1 74 600** | 1 75 000 |

**Note 12 - Short - Term Provisions**

| Particulars | As at 31st March, 2018 IND(AS) | As at 31st March, 2017 IND (AS) |
|---|---|---|
| **Others** | | |
| **Total** | | |

**Note 13 - Liabilities for current tax (Net)**

| Particulars | As at 31st March, 2018 IND(AS) | As at 31st March, 2017 IND (AS) |
|---|---|---|
| Provisions for Tax (Net) | 54 10 100 | 19 42 100 |
| | **54 10 100** | 19 42 100 |

SINGHI & CO. CHARTERED ACCOUNTANTS MUMBAI

**FENNEL INVESTMENT AND FINANCE PVT LTD**
**Note 14 - Revenues from Operations**

| Particulars | As at 31st March, 2018 IND(AS) | As at 31st March, 2017 IND (AS) |
|---|---|---|
| Sale of Products | | |
| **Net Revenue from Operations** | | |

**Note 15 - Other Income**

| Particulars | As at 31st March, 2018 IND(AS) | As at 31st March, 2017 IND (AS) |
|---|---|---|
| Interest Income on | | |
| - Long Term Investments | | |
| - Current Investments | | |
| - Inter Corporate Deposits | 28 55 835 | 28 80 000 |
| Dividend Income from | | |
| - Long Term Investments | 32 52 468 | 2 34 905 |
| - Current Investments | 19 64 866 | 3 78 515 |
| Profit on Sale of Investments (Net) | | |
| - Long Term Investments | 1 30 950 | 46 627 |
| - Current Investments | 17 87 414 | |
| Gain/Loss on Financial Instruments measured at fair value through Profit or Loss (Net) | | 36 99 583 |
| **Total** | 99 91 534 | 72 39 630 |

**Note 16 - Purchase of Stock - in - Trade**

| Particulars | As at 31st March, 2018 IND(AS) | As at 31st March, 2017 IND (AS) |
|---|---|---|
| **Purchase of Stock-in-Trade under Broad Head** Others | | |
| **Total** | | |

**Note 17 - Employee Benefits Expense**

| Particulars | As at 31st March, 2018 IND(AS) | As at 31st March, 2017 IND (AS) |
|---|---|---|
| Salaries, Wages & allowances | | 1 62 834 |
| **Total** | | 1 62 834 |

SINGHI & CO. ★ CHARTERED ACCOUNTANTS ★ MUMBAI

FENNEL INVESTMENT AND FINANCE PVT LTD

**Note 18 - Finance Cost**

| Particulars | As at 31st March, 2018 IND(AS) | As at 31st March, 2017 IND (AS) |
|---|---|---|
| Interest Expenses | 8 10 000 | 8 10 000 |
| **Total** | **8 10 000** | **8 10 000** |

**Note 19 - Other Expenses**

| Particulars | As at 31st March, 2018 IND(AS) | As at 31st March, 2017 IND (AS) |
|---|---|---|
| **Administrative and General Expenses** | | |
| Rates and Taxes | 2 150 | 4 400 |
| ROC filing fees | 1 800 | 26 600 |
| Legal & Professional Fees | 5 000 | 47 920 |
| Conveyance and Travelling | | 3 560 |
| Bank charges | 134 | 348 |
| Gain/Loss on Financial Instruments measured at fair value through Profit or Loss (Net) | 9 32 661 | |
| Advertisement | | 2 577 |
| Donation | 3 50 000 | |
| Demat Charges | | 3 950 |
| Payment to Auditors | | |
| Audit Fees | 23 600 | 23 000 |
| Certification charges | 17 250 | 54 626 |
| Out of pocket expenses | 3 775 | 3 418 |
| Miscellaneous Expenses | 12 619 | 12 142 |
| **Total** | 13 48 989 | 1 82 541 |

**Note 20 - Exceptional Items**

| Particulars | As at 31st March, 2018 IND(AS) | As at 31st March, 2017 IND (AS) |
|---|---|---|
| Provision for Doubtful Debts | | |
| Bad Debts | | |
| Less: Provision for Doubtful Debts | | |
| Appriciation/(Diminution) in value of Investments | | |
| **Total** | | |

**Note 21 - Earnings Per Equity share**

| Particulars | As at 31st March, 2018 IND(AS) | As at 31st March, 2017 IND (AS) |
|---|---|---|
| Net Profit After Tax Attributable to Equity Shareholders for Basic EPS and Diluted EPS (Rs. In Lacs) | 0.82 | 0.59 |
| Basic and Diluted Earning per share of Rs. 10 each (in Rs.) | | |
| Face Value per Equity Share (in Rs.) | 10 | 10 |

SINGHI & CO. CHARTERED ACCOUNTANTS MUMBAI

FENNEL INVESTMENT AND FINANCE PVT LTD

**Note 22** Contingent Liabilities - nil

i) The company has filed appeal before Commissioner of Income Tax (Appeals) 8, Mumbai against the assessment order receivede from Income Tax Office 3(1)(4), Mumbai in respect of the Assessment

| | Amount Rs. | Payment under Protest |
|---|---|---|
| | 121,560 | 61,000 |

**Note 23** The Board of Directors of the Company at its meeting held on 25th November, 2016 approved a Scheme of Amalgamation for merger of Fennel Investment and Finance Private Limited,Vyline Glass Works Limited and Hopewell Tableware Private Limited with Borosil Glass Works Limied. The Scheme is, inter alia, subject to necessary regulatory approvals from concerned authorities, which is under process and will be given effect to upon receipt of such approvals.

**Note 24** As per the Accounting Standard 18, issued by the Institute of Chargered Accountants of India the disclosure of the transaction with the relared parties as defined in the Accounting Standard given below

a) List of related parties and their relationship

| Name of the related party | Loan Taken | Amount Outstanding |
|---|---|---|
| Croton TradingPvt. Ltd. | 9,000,000 | 9,729,000 |
| Interest @ 9% | 810,000 | |

| Name of the related party | Loan Given | Amount Outstanding |
|---|---|---|
| Gujarat Fusion Glass LLP | 32,000,000 | - |
| Interest @ 9% | 2,753,753 | |

**Note 25** Previous year figures are re-arranged or re-grouped wherever considered necessary.

SINGHI & CO. ★ CHARTERED ACCOUNTANTS ★ MUMBAI

FENNEL INVESTMENT AND FINANCE PVT LTD

UNAUDITED (PROVISIONAL) BALANCE SHEET AS AT 31ST DECEMBER 2018

| Particulars | Note No. | As at 31st December 2018 | As at 31st March, 2018 |
|---|---|---|---|
| | | IND AS | IND AS |
| **I. ASSETS** | | | |
| **1 Non-current Assets** | | | |
| (i) Financial Assets | | | |
| (i) Investments | 2 | 1 26 00 31 022 | 1 14 01 91 960 |
| (ii) Other non-current assets | 3 | 91 42 153 | 91 41 065 |
| | | **1 26 91 73 175** | **1 14 93 33 025** |
| **2 Current Assets** | | | |
| **(a) Financial Assets** | | | |
| (i) Investments | 2 | 4 90 58 107 | 4 40 26 286 |
| (ii) Trade Receivable | 4 | | |
| (iii) Cash and cash equivalents | 5 | 1 01 934 | 1 02 084 |
| (iv) Bank Balance other than (iii) above | 5 | 1 32 837 | 3 09 506 |
| (v) Loans | 6 | 3 69 20 624 | 3 45 91 874 |
| (c) Deferred Tax Assets | 6A | 82 01 342 | 1 97 646 |
| | | **9 44 14 844** | **7 92 27 396** |
| **3 Non-current assets classified as held for sale** | | | |
| **TOTAL** | | **1 36 35 88 019** | **1 22 85 60 421** |
| **I. EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| (a) Equity Share Capital | 7 | 9 04 90 000 | 9 04 90 000 |
| (b) Other Equity | 8 | 1 25 73 21 341 | 1 12 27 56 721 |
| | | 1 34 78 11 341 | 1 21 32 46 721 |
| **LIABILITIES** | | | |
| **1 Non-current Liabilities** | | | |
| (a) **Financial Liabilities** Borrowings | 9 | 96 07 500 | 97 29 000 |
| (b) Deferred Tax Liabilities (Net) | 9A | | |
| | | 96 07 500 | 97 29 000 |
| **2 Current Liabilities** | | | |
| **(a) Financial Liabilities** | | | |
| Borrowings | 10 | | |
| (b) Other current liabilities | 11 | 65 000 | 1 74 600 |
| (c) Provisions | 12 | | |
| (d) Current Tax Liabilities (Net) | 13 | 61 04 178 | 54 10 100 |
| | | **61 69 178** | **55 84 700** |
| **3 Liabilities associated with group of assets held for disposal** | | | |
| **TOTAL** | | **1 36 35 88 019** | **1 22 85 60 421** |

See accompanying notes to the financial statements 1

FENNEL INVESTMENT AND FINANCE PVT. LTD.

**Place:** Mumbai

**Date:** 13/03/2019

**B.L.Kheruka**
**Director**
**DIN-00016861**

**P.K.Kheruka**
**Director**
**DIN-00016909**

**FENNEL INVESTMENT AND FINANCE PRIVATE LIMITED**

**UNAUDITED (PROVISIONAL) STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST DECEMBER 2018**

| | Particulars | Note | For the Period Ended 31st December, 2018 | For the Year Ended 31st March, 2018 |
|---|---|---|---|---|
| I. | Revenue From Operations | 14 | | |
| | Other Income | 15 | 83 11 995 | 99 91 534 |
| | **Total Revenue (I)** | | **83 11 995** | **99 91 534** |
| II. | **Expenses:** | | | |
| | Purchases of Stock-in-Trade/Cost of Material Consumed | 16 | | |
| | Employee Benefits Expense | 17 | | |
| | Finance Costs | 18 | 6 07 500 | 8 10 000 |
| | Other Expenses | 19 | 1 30 633 | 13 48 989 |
| | **Total Expenses** | | **7 38 133** | **21 58 989** |
| III. | **Profit Before Exceptional Item and Tax (I - II)** | | **75 73 862** | **78 32 545** |
| VI. | Exceptional Items | 20 | | |
| VII. | **Profit Before Tax (V - VI)** | | **75 73 862** | **78 32 545** |
| VI. | **Tax Expense:** | | | |
| | (1) Current Tax | | 6 94 078 | 34 68 000 |
| | Less : MAT Credit Entitlement/Adjusted | | 1 57 922 | (2,882,113) |
| | Net Current Tax | | 8 52 000 | 5 85 887 |
| | (2) Deferred Tax Expenses /(Income) | | (293,568) | (211,167) |
| | (3) Income Tax of earlier years | | | |
| VII. | **Profit For The Year (VII-VIII)** | | **70 15 430** | **74 57 825** |
| VIII. | **Other Comprehensive Income** | | | |
| | A i) Items that will not be reclassified to profit or loss | | | |
| | Remeasurements of defined benefit plans | | | |
| | Equity Instruments through Other Comprehensive Income | | 11 98 39 062 | 25 31 69 323 |
| | Income Tax effect on above | | 77 10 128 | |
| | Other Comprehensive Income | | 12 75 49 190 | 25 31 69 323 |
| IX. | **Total Comprehensive Income for the period (VII + VIII)** | | 13 45 64 620 | 26 06 27 148 |
| X. | **Earnings per Equity Share of Rs.10 each (Basic and Diluted)** | 21 | 0.78 | 0.82 |
| | See accompanying notes to the financial statements | 1 | | |

FENNEL INVESTMENT AND FINANCE PVT. LTD.

**Place:** Mumbai

**Date:** 13/03/2019

**B.L.Kheruka**
**Director**
**DIN-00016861**

**P.K.Kheruka**
**Director**
**DIN-00016909**

| FENNEL INVESTMENT AND FINANCE PRIVATE LIMITED | | | | |
|---|---|---|---|---|
| **Note 2 - Other Non - Current Assets** | | | | |
| | As at 31st December, 2018 IND(AS) | | As at 31st March, 2018 IND (AS) | |
| **Quoted Investment: Equity** | **Units** | **Rs.** | **Units** | **Rs.** |
| **Associates:** | | | | |
| Gujarat Borosil Ltd. | 2 26 00 000 | 11 30 00 000 | 2 26 00 000 | 11 30 00 000 |
| **Others:** | | | | |
| Borosil Glass Works Ltd | 49 62 280 | **114 70 31 022** | 12 40 570 | 102 71 91 960 |
| **Carrying Value to Investment (A)** | | **126 00 31 022** | | **114 01 91 960** |
| | | | | |
| | | | | |
| **Note 2 - Other Current Assets** | | | | |
| **Unquoted Investments:** | | | | |
| **Mutual Funds:** | | | | |
| Birla Sunlife Frontline Equity Fund Growth. | 14540.16 7 | **31 44 166** | 14 540 | 30 41 803 |
| Birla Sunlife Frontline Equity Fund Growth. | 6988.174 | **15 11 123** | 6 988 | 14 61 926 |
| BSL Saving Fund Daily Dividend Reinvested. | 104810.0 87 | **1 04 81 019** | 79 830 | 79 95 141 |
| Mirae Asset India Opprtunity Fund DP Div | 1001736. 39 2 | **3 39 21 799** | 9 56 623 | 3 15 27 416 |
| **Carrying Value to Investment** | | **4 90 58 107** | | **4 40 26 286** |
| | | | | |
| | | | | |

**FENNEL INVESTMENT AND FINANCE PVT LTD**

**Note 3 - Other Non - Current Assets**

| Particulars | As at 31st December, 2018 IND(AS) | As at 31st March, 2018 IND (AS) |
|---|---|---|
| **(Unsecured, Considered Good) :** | | |
| Long Term Trade Receivables | | |
| Advance Tax (Net) | 59 27 672 | 57 68 662 |
| MAT Credit Entitlement | 32 14 481 | 33 72 403 |
| **Total** | **91 42 153** | 91 41 065 |

**Note 4 - Financial Assets - Trade Receivable**

| Particulars | As at 31st December, 2018 IND(AS) | As at 31st March, 2018 IND (AS) |
|---|---|---|
| **(Unsecured) :** | | |
| **Due for a Period Not Exceeding Six Months from the due date** | | |
| Considered Good | | |
| **Total** | - | - |

**Note 5 - Financial Assets - Cash and cash equivelent**

| Particulars | As at 31st December, 2018 IND(AS) | As at 31st March, 2018 IND (AS) |
|---|---|---|
| **Cash and Cash Equivalents** | | |
| Balances with Banks in current accounts | 132,837 | 3 09 506 |
| Cash on Hand | 101,934 | 1 02 084 |
| **Total** | **234,771** | 4 11 590 |

**Note 6 - Financial Assets - Loans**

| Particulars | As at 31st December, 2018 IND(AS) | As at 31st March, 2018 IND (AS) |
|---|---|---|
| **(Unsecured, Considered Good, unless otherwise stated)** | | |
| **Loans and Advances to Related Parties** | | |
| Inter Corporate Deposit | 3 52 76 250 | 3 45 00 000 |
| Interest receivables | 16 44 374 | 91 874 |
| | **3 69 20 624** | 3 45 91 874 |

**Note 6A - Deffered Tax Assets**

| Particulars | As at 31st December, 2018 IND(AS) | As at 31st March, 2018 IND (AS) |
|---|---|---|
| Deferred Tax Assets | **82 01 342** | 1 97 646 |
| | **82 01 342** | 1 97 646 |

FENNEL INVESTMENT AND FINANCE PVT LTD

## Note 7 - Equity Share Capital

| Particulars | As at 31st December, 2018 | As at 31st March, 2018 |
|---|---|---|
| **Authorised** | | |
| 17650000 Equity shares of Rs. 10/- each (Previous Year17650000) | 17 65 00 000 | 17 65 00 000 |
| 1750000 9% NCRP shares of Rs. 10/- each (Previous Year1750000) | 1 75 00 000 | 1 75 00 000 |
| | 19 40 00 000 | 19 40 00 000 |
| **Issued, Subscribed & Fully Paid up** | | |
| 9049000 Equity shares of Rs. 10/- each (Previous Year 9049000) | 9 04 90 000 | 9 04 90 000 |
| **Total** | **9 04 90 000** | **9 04 90 000** |

**7.1 Reconciliation of number of Equity Shares outstanding at the beginning and at the end of the year :**

| Particulars | As at 31st December, 2018 | | As at 31st March, 2018 | |
|---|---|---|---|---|
| | (in Nos.) | (Rs. ) | (in Nos.) | (Rs.) |
| Shares outstanding at the beginning of the year | 90 49 000 | 9 04 90 000 | 90 49 000 | 9 04 90 000 |
| Add: Issue of equity share capital * | - | - | - | - |
| **Shares outstanding at the end of the year** | **90 49 000** | **9 04 90 000** | **90 49 000** | **9 04 90 000** |

**7.2 Details of Shareholder holding more than 5% of Equity Share Capital :**

| Particulars | As at 31st December, 2018 | | As at 31st March, 2018 | |
|---|---|---|---|---|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| **Corporate Bodies** | | | | |
| 1 Borosil Glass Works Ltd | 41 48 967 | 46% | 41 48 967 | 46% |
| 2 Vyline Glass Works Ltd. | 7 50 163 | 8% | 7 50 163 | 8% |
| 3 Croton Trading Pvt. Ltd. | 5 19 412 | 6% | 5 19 412 | 6% |
| **Limited Liabilities Partnership** | | | | |
| 1 Spartan Trade Holdings LLP. | 6 25 286 | 7% | 6 25 286 | 7% |
| 2 Borosil Holdings LLP. | 5 00 408 | 6% | 5 00 408 | 6% |
| 3 Gujarat Fusion Glass LLP | 15 56 428 | 17% | 15 56 428 | 17% |

**7.3** There are no shares reserved for issue under options and contracts / commitments for the sale of shares /

**7.4** There is no dividend paid or proposed during the year and during the previous year.

FENNEL INVESTMENT AND FINANCE PVT LTD
Notes to the Financial Statement for the period ended 31st December, 2018
Note 8 - Other Equity

| Particulars | Reserves and Surplus | | | | Equity Instruments through Other Comprehensive Income | Total |
|---|---|---|---|---|---|---|
| | Amalgamation Reserve | Special Reserve Fund | P & L Account Balance | Retained Earnings | | |
| Balance as at 1st April, 2017 | 2 44 30 000 | 1 62 40 700 | 6 27 32 848 | 42 50 894 | 75 44 75 131 | 86 21 29 573 |
| Profit & Loss 31-3-18 | | | 83 90 486 | | | 83 90 486 |
| Transferred to Special Reserve Fund | | 9 15 200 | - 9 15 200 | | | |
| Balance as at 1st April, 2017 as per AS | **2 44 30 000** | **1 71 55 900** | **7 02 08 134** | **42 50 894** | **75 44 75 131** | **87 05 20 059** |
| IND AS Adjustments | | | | | | |
| Dividend | | | | | | |
| Fair Value Adjustments | | | | - 9 32 661 | 25 31 69 323 | 25 22 36 662 |
| P&L Adjustments | | | | | | |
| IND AS Adjustments | | | | - 9 32 661 | 25 31 69 323 | 25 22 36 662 |
| 1st April, 2018 as per Ind AS | **2 44 30 000** | **1 71 55 900** | **7 02 08 134** | **33 18 233** | **1 00 76 44 454** | **1 12 27 56 721** |

| | Reserves and Surplus | | | | | |
|---|---|---|---|---|---|---|
| | Amalgamation Reserve | Special Reserve Fund | P & L Account Balance | Retained Earnings | Equity Instruments through Other Comprehensive Income | Total |
| Balance at the beginning of the reporting period | 2 44 30 000 | 1 71 55 900 | 7 02 08 134 | 33 18 233 | 1 00 76 44 454 | 1 12 27 56 721 |
| Total Comprehensive Income for the year | | | 59 51 741 | | | 59 51 741 |
| Transferred to Special Reserve Fund | | 14 05 000 | - 14 05 000 | | | |
| Balance at the end of the reporting period | **2 44 30 000** | **1 85 60 900** | **7 47 54 875** | **33 18 233** | **1 00 76 44 454** | **1 12 87 08 462** |
| IND AS Adjustments | | | | | | |
| Dividend | | | | | | |
| Fair Value Adjustments | | | | 10 63 689 | 11 98 39 062 | 12 09 02 751 |
| P&L Adjustments | | | | | | |
| Deferred Tax Changes - December 18 | | | | | 77 10 128 | 77 10 128 |
| Balance at the end of the reporting period | | | | 10 63 689 | 12 75 49 190 | 12 86 12 879 |
| Balance at the end of the reporting period | **2 44 30 000** | **1 85 60 900** | **7 47 54 875** | **43 81 922** | **1 13 51 93 644** | **1 25 73 21 341** |

FENNEL INVESTMENT AND FINANCE PVT LTD

**Note 9 - Financial Liabilities - Borrowings**

| Particulars | As at 31st December, 2018 IND(AS) | As at 31st March, 2018 IND (AS) |
|---|---|---|
| **(Unsecured Loan)** | | |
| Loan from a body corporate | 92 02 500 | 90 00 000 |
| Interest | 4 05 000 | 7 29 000 |
| **Total** | **96 07 500** | **97 29 000** |

**Note 9A - Deferred Tax Liabilities (Net)**

| Particulars | As at 31st December, 2018 IND(AS) | As at 31st March, 2018 IND (AS) |
|---|---|---|
| **Liabilities** | | |
| Related to Investments | | |
| Related to Fixed Assets | | |
| **Total** | | |
| **Deferred Tax Liabilities (Net)** | - | - |

**Note 10 - Financial Liabilities - Borrowings**

| Particulars | As at 31st December, 2018 IND(AS) | As at 31st March, 2018 IND (AS) |
|---|---|---|
| **(Unsecured Loan)** | | |
| Loan from a body corporate | | |
| Interest | | |
| **Total** | - | - |

**Note 11 - Other Current Liabilities**

| Particulars | As at 31st December, 2018 IND(AS) | As at 31st March, 2018 IND (AS) |
|---|---|---|
| Statutory liabilities | | 83 000 |
| Other Payables | **65 000** | 91 600 |
| **Total** | **65 000** | 1 74 600 |

**Note 12 - Short - Term Provisions**

| Particulars | As at 31st December, 2018 IND(AS) | As at 31st March, 2018 IND (AS) |
|---|---|---|
| **Others** | | |
| **Total** | - | - |

**Note 13 - Liabilities for current tax (Net)**

| Particulars | As at 31st December, 2018 IND(AS) | As at 31st March, 2018 IND (AS) |
|---|---|---|
| Provisions for Tax (Net) | **61 04 178** | 54 10 100 |
| | **61 04 178** | 54 10 100 |

**FENNEL INVESTMENT AND FINANCE PVT LTD**

**Note 14 - Revenues from Operations**

| **Particulars** | **As at 31st December, 2018 IND(AS)** | As at 31st March, 2018 IND (AS) |
|---|---|---|
| Sale of Products | - | - |
| **Net Revenue from Operations** | **-** | |

**Note 15 - Other Income**

| **Particulars** | **As at 31st December, 2018 IND(AS)** | As at 31st March, 2018 IND (AS) |
|---|---|---|
| Interest Income on | | |
| - Long Term Investments | | |
| - Current Investments | | |
| - Inter Corporate Deposits | 23 28 750 | 28 55 835 |
| Dividend Income from | | |
| - Long Term Investments | 31 01 425 | 32 52 468 |
| - Current Investments | 18 30 446 | 19 64 866 |
| Profit on Sale of Investments (Net) | | |
| - Long Term Investments | - 12 314 | 1 30 950 |
| - Current Investments | | 17 87 414 |
| Gain/Loss on Financial Instruments measured at fair value through Profit or Loss (Net) | 10 63 689 | |
| **Total** | **83 11 995** | 99 91 534 |

**Note 16 - Purchase of Stock - in - Trade**

| **Particulars** | **As at 31st December, 2018 IND(AS)** | As at 31st March, 2018 IND (AS) |
|---|---|---|
| **Purchase of Stock-in-Trade under Broad Head** | | |
| Others | - | - |
| **Total** | **-** | - |

**Note 17 - Employee Benefits Expense**

| **Particulars** | **As at 31st December, 2018 IND(AS)** | As at 31st March, 2018 IND (AS) |
|---|---|---|
| Salaries, Wages & allowances | | |
| **Total** | **-** | - |

FENNEL INVESTMENT AND FINANCE PVT LTD

**Note 18 - Finance Cost**

| Particulars | As at 31st December, 2018 IND(AS) | As at 31st March, 2018 IND (AS) |
|---|---|---|
| Interest Expenses | 6 07 500 | 8 10 000 |
| **Total** | **6 07 500** | 8 10 000 |

**Note 19 - Other Expenses**

| Particulars | As at 31st December, 2018 IND(AS) | As at 31st March, 2018 IND (AS) |
|---|---|---|
| **Administrative and General Expenses** | | |
| Rates and Taxes | | 2 150 |
| ROC filing fees | 1 800 | 1 800 |
| Legal & Professional Fees | 50 900 | 5 000 |
| Conveyance and Travelling | | |
| Bank charges | 356 | 134 |
| Gain/Loss on Financial Instruments measured at fair value through Profit or Loss (Net) | | 9 32 661 |
| Advertisement | | |
| Donation | | 3 50 000 |
| Demat Charges | 5 600 | |
| Payment to Auditors | | |
| Audit Fees | | 23 600 |
| Certification charges | 59 000 | 17 250 |
| Out of pocket expenses | 4 316 | 3 775 |
| Miscellaneous Expenses | 8 660 | 12 619 |
| **Total** | **1 30 632** | 13 48 989 |

**Note 20 - Exceptional Items**

| Particulars | As at 31st December, 2018 IND(AS) | As at 31st March, 2018 IND (AS) |
|---|---|---|
| Provision for Doubtful Debts | | |
| Bad Debts | - | - |
| Less: Provision for Doubtful Debts | - | - |
| Appriciation/(Diminution) in value of Investments | - | - |
| **Total** | **-** | - |

**Note 21 - Earnings Per Equity share**

| Particulars | As at 31st December, 2018 IND(AS) | As at 31st March, 2018 IND (AS) |
|---|---|---|
| Net Profit After Tax Attributable to Equity Shareholders for Basic EPS and Diluted EPS (Rs. In Lacs) | 0.78 | 0.82 |
| Basic and Diluted Earning per share of Rs. 10 each (in Rs.) | | |
| Face Value per Equity Share (in Rs.) | 10 | 10 |

Pathak H.D. & Associates
Chartered Accountants

# Independent Auditor's Report

**To the Members of**
**Hopewell Tableware Private Limited**

**Report on the Financial Statements**
We have audited the accompanying financial statements of **HOPEWELL TABLEWARE PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

**Auditor's Responsibility**
Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made there under.

PATHAK H.D. & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

**Head Office:** 814-815, Tulsiani Chambers, 212, Nariman Point, Mumbai - 400 021, India. Tel.: + 91 22 3022 8508 Fax: + 91 22 3022 8509.
URL: www.phd.ind.in

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the disclosures in the financial statements. The procedures selected depend on the auditor's 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 audit opinion on the financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements 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, of the state of affairs of the Company as at 31st March, 2018, and its loss including other comprehensive income, its cash flows and the statement of changes in equity for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143 (3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

PATHAK H.D. & ASSOCIATES
MUMBAI
CHARTERED ACCOUNTANTS

Continuation sheet...

d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued there under.
e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act;
f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**;
g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

    (a) The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note no. 33 to the financial statements.

    (b) The Company does not have long term contracts including derivative contracts for which there were any material foreseeable losses

    (c) There were no amount which were required to be transferred, to the Investor Education and Protection Fund by the Company;

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India, in terms of sub-section (11) of Section 143 of the Act, we give in **"Annexure B"** hereto, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

**For Pathak H.D. & Associates**
Chartered Accountants
Firm Registration No: 107783W

**Gyandeo Chaturvedi**
Partner
Membership No. 46806

MUMBAI

Place: Mumbai
Date: 10th May, 2018

Continuation sheet...

## "ANNEXURE A" TO INDEPENDENT AUDITOR'S REPORT

**(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Hopewell Tableware Private Limited on the financial statements for the year ended 31st March, 2018)**

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Hopewell Tableware Private Limited ("the Company")** as of 31st March, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

PATHAK H.D. & ASSOCIATES
MUMBAI
CHARTERED ACCOUNTANTS

Continuation sheet...

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PATHAK H.D. & ASSOCIATES
MUMBAI
CHARTERED ACCOUNTANTS

Continuation sheet...

Pathak H.D. & Associates
Chartered Accountants

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

**For Pathak H.D. & Associates**
Chartered Accountants
Firm Registration No: 107783W

**Gyandeo Chaturvedi**
Partner
Membership No. 46806

Pathak H.D. & Associates
Mumbai
Chartered Accountants

Place: Mumbai
Date: 10th May, 2018

Continuation sheet...

## "ANNEXURE B" TO INDEPENDENT AUDITOR'S REPORT

**(Referred to in paragraph 2 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of Hopewell Tableware Private Limited on the financial statements for the year ended 31st March, 2018)**

i. In respect of its fixed assets:

   a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
   b. As explained to us, the Company has physically verified assets, in accordance with a phased program of verification, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification as compared with the available records.
   c. According to the information and explanations given to us and on the basis of our examination, the title deeds of immovable properties are held in the name of the Company.

ii. In respect of its inventories:

   As explained to us, inventories, except goods in transit, have been physically verified during the year by the management. In our opinion the frequency of verification is reasonable. Discrepancies noticed on physical verification of the inventories between the physical inventories have been properly dealt with.

iii. During the year, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of the clause (iii) of paragraph 3 of the Order are not applicable to the Company.

iv. The Company has not given any loan, made investments and provided guarantees and securities during the year. Therefore, the provisions of the clause (iv) of paragraph 3 of the Order are not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the Company.

Pathak H.D. & Associates
MUMBAI
Chartered Accountants

Continuation sheet...

vi. According to the information and explanations given to us, Central Government has not prescribed maintenance of cost records under sub-Section (1) of Section 148 of the Act in respect of activities carried on by the Company. Therefore, the provisions of clause (vi) of paragraph 3 of the Order are not applicable to the Company.

vii. According to the information and explanations given to us, in respect of statutory dues:

a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income tax, Sales tax, Service tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service tax, Cess and any other statutory dues with the appropriate authorities, as applicable. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding as at 31st March, 2018 for a period of more than six months from the date they became payable.

b. According to information and explanations given to us there are no dues of Income tax, Sales tax, Service tax, Customs Duty, Excise Duty, Value Added Tax and Goods and Service tax, as applicable, which have not been deposited on account of any dispute.

viii. Based on our audit procedures and according to the information and explanations given by the management, we are of the opinion that as on 31st March, 2018 the Company has not defaulted in repayment of dues to banks. The Company does not have any borrowings from financial institutions, government and debenture holders.

ix. According to the information and explanations given to us, during the year the Company has not raised any money by way of initial public offer, further public offer (including debt instruments) and no new term loans raised during the year. Therefore, provisions of clause (ix) of paragraph 3 of the Order are not applicable to the Company.

x. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and on the basis of information and explanations given by the management, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

PATHAK H.D. & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

Continuation sheet...

xi. In our opinion and according to the information and explanations given to us, the Company has paid or provided managerial remuneration in accordance with the requisite approvals mandated by the provision of section 197 read with Schedule V to the Act.

xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us, Company's transactions with the related parties are in compliance with section 177 and 188 of the Act as applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards.

xiv. According to the information and explanations give to us and based on our examination of the records of the Company, during the year, the Company has not raised any money by preferential allotment or private placement of share or debentures. Therefore, the provisions of clause (xiv) of paragraph 3 of the Order are not applicable to the Company.

xv. According to the information and explanations given to us, during the year the company has not entered into any non-cash transactions with directors or persons connected with him, Therefore, the provisions of clause (xv) of paragraph 3 of the Order are not applicable to the Company.

xvi. In our opinion and according to the information and explanations provided to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Pathak H.D. & Associates**
Chartered Accountants
Firm Registration No: 107783W

**Gyandeo Chaturvedi**
Partner
Membership No. 46806

Place: Mumbai
Date: 10th May, 2018

Continuation sheet...

**HOPEWELL TABLEWARE PRIVATE LIMITED**

**BALANCE SHEET AS AT 31ST MARCH 2018**

(Rs. in lacs)

| Particulars | Note No. | As at 31st March, 2018 | | As at 31st March, 2017 | |
|---|---|---|---|---|---|
| **I. ASSETS** | | | | | |
| **1 Non-current Assets** | | | | | |
| (a) Property, Plant and Equipment | 5 | 8,905.36 | | 3,783.90 | |
| (b) Capital Work-in-progress | 5 | 985.64 | | 35.32 | |
| (c) Other Intangible assets | 6 | 15.94 | | 21.59 | |
| (d) Intangible Assets under Development | 6 | - | | 4.75 | |
| (e) Financial Assets | | | | | |
| (i) Others | 7 | 273.18 | | 262.27 | |
| (f) Deferred Tax Assets (net) | 8 | 802.53 | | 709.54 | |
| (g) Non-current Tax Assets (net) | | 7.48 | | - | |
| (h) Other Non-current Assets | 9 | 257.01 | **11,247.14** | 1,067.54 | **5,884.91** |
| **2 Current Assets** | | | | | |
| (a) Inventories | 10 | 2,261.69 | | 2,410.88 | |
| (b) Financial Assets | | | | | |
| (i) Trade Receivables | 11 | 1,711.67 | | 1,513.67 | |
| (ii) Cash and Cash Equivalents | 12 | 16.02 | | 18.46 | |
| (iii) Bank Balances other than (ii) above | 13 | 47.20 | | 215.71 | |
| (iv) Others | 14 | 67.31 | | 49.45 | |
| (c) Current Tax Assets (net) | | 1.80 | | 5.37 | |
| (d) Other Current Assets | 15 | 809.65 | **4,915.34** | 320.96 | **4,534.50** |
| **TOTAL ASSETS** | | | **16,162.48** | | **10,419.41** |
| **II. EQUITY AND LIABILITIES** | | | | | |
| **EQUITY** | | | | | |
| (a) Equity Share Capital | 16 | 2,575.00 | | 2,575.00 | |
| (b) Other Equity | 17 | (1,359.98) | **1,215.02** | (677.56) | **1,897.44** |
| **LIABILITIES** | | | | | |
| **1 Non-current Liabilities** | | | | | |
| (a) Financial Liabilities | | | | | |
| (i) Borrowings | 18 | 7,897.01 | | 3,698.62 | |
| (b) Provisions | 19 | 54.16 | **7,951.17** | 38.20 | **3,736.82** |
| **2 Current Liabilities** | | | | | |
| (a) Financial Liabilities | | | | | |
| (i) Borrowings | 20 | 2,770.06 | | 2,569.44 | |
| (ii) Trade Payables | 21 | 1,077.15 | | 795.94 | |
| (iii) Other Financial Liabilities | 22 | 2,992.13 | | 1,294.14 | |
| (b) Other Current Liabilities | 23 | 113.95 | | 77.37 | |
| (c) Provisions | 24 | 43.00 | **6,996.29** | 48.26 | **4,785.15** |
| **TOTAL EQUITY AND LIABILITIES** | | | **16,162.48** | | **10,419.41** |
| Significant Accounting Policies and Notes to Financial Statements | 1 to 45 | | | | |

As per our report of even date

**For PATHAK H.D. & ASSOCIATES**
Chartered Accountants
(Firm Registration No. 107783 W)

**Gyandeo Chaturvedi**
Partner
Membership No. 46806

Place : Mumbai
Date : 10.05.2018

PATHAK H.D. & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

**Ashok Jain**
Director
(DIN 00025125)

**P. K. Kheruka**
Chairman
(DIN 00016909)

**Vivek Singh**
Chief Financial Officer

**Raghav Sharma**
Company Secretary
(Membership No. ACS41472)

**HOEPWELL TABLEWARE PRIVATE LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018**

(Rs. in lacs)

| Particulars | Note No. | For the Year Ended 31st March, 2018 | For the Year Ended 31st March, 2017 |
|---|---|---|---|
| I. Revenue from Operations | 25 | 10,211.08 | 9,937.04 |
| Other Income | 26 | 55.29 | 120.10 |
| **Total Income (I)** | | **10,266.37** | **10,057.14** |
| **II. Expenses:** | | | |
| Cost of Material Consumed | | 1,814.16 | 1,430.30 |
| Changes in Inventories of Work-in-Progress and Finished goods | 27 | 335.12 | (327.82) |
| Excise Duty Expenses | | 54.11 | 1,240.63 |
| Employee Benefits Expense | 28 | 1,880.91 | 1,707.12 |
| Finance Costs | 29 | 667.85 | 632.58 |
| Depreciation and Amortisation Expense | 30 | 837.53 | 922.51 |
| Other Expenses | 31 | 5,445.03 | 5,935.13 |
| **Total Expenses (II)** | | **11,034.71** | **11,540.45** |
| **III. Loss Before Tax (I - II)** | | **(768.34)** | **(1,483.31)** |
| **IV. Tax Expense:** | | | |
| Deferred Tax | 8 | (90.83) | (324.44) |
| **V. Loss For The Year (III-IV)** | | **(677.51)** | **(1,158.87)** |
| **VI. Other Comprehensive Income** | | | |
| **i) Items that will not be reclassified to profit or loss:** | | | |
| Re-measurement Gains / (Losses) on Defined Benefit Plans | | (7.07) | 1.34 |
| Income Tax Effect on above | | 2.16 | (0.41) |
| **Total Other Comprehensive Income** | | **(4.91)** | **0.93** |
| **VII. Total Comprehensive Income for the year (V + VI)** | | **(682.42)** | **(1,157.94)** |
| **VIII. Earnings per Equity Share of Rs.10 each (in Rs.)** | 32 | | |
| Basic | | (2.63) | (4.50) |
| Diluted | | (2.63) | (4.50) |
| Significant Accounting Policies and Notes to Financial Statements | 1 to 45 | | |

As per our report of even date

**For PATHAK H.D. & ASSOCIATES**
Chartered Accountants
(Firm Registration No. 107783 W)

**Gyandeo Chaturvedi**
Partner
Membership No. 46806

Place : Mumbai
Date : 10.05.2018

PATHAK H.D. & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

**Ashok Jain**
Director
(DIN 00025125)

**P. K. Kheruka**
Chairman
(DIN 00016909)

**Vivek Singh**
Chief Financial Officer

**Raghav Sharma**
Company Secretary
(Membership No. ACS41472)

**HOPEWELL TABLEWARE PRIVATE LIMITED**
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2018**

**(Rs. in lacs)**

| PARTICULARS | For the Year ended 31st March, 2018 | | For the Year ended 31st March, 2017 | |
|---|---|---|---|---|
| **A. CASH FLOW FROM OPERATING ACTIVITIES** | | | | |
| **Loss before tax as per Statement of Profit and Loss** | | **(768.34)** | | **(1,483.31)** |
| **Adjusted for :** | | | | |
| Depreciation and Amortisation Expense | 837.53 | | 922.51 | |
| Loss on Foreign Currency Transactions (net) | 15.98 | | 0.88 | |
| Loss on sale / discarding of Property, Plant and Equipment (net) | 410.92 | | 1.17 | |
| Sundry Balance Written Back (net) | (19.35) | | (16.86) | |
| Provision for Doubtful Debts | 40.69 | | 76.21 | |
| Guarantee Commission | 2.15 | | 0.55 | |
| Share Based Payment Expenses | 11.74 | | - | |
| Finance Cost | 667.85 | | 632.58 | |
| Interest Income | (31.57) | | (19.21) | |
| | | 1,935.94 | | 1,597.83 |
| **Operating Profit before Working Capital Changes** | | **1,167.60** | | **114.52** |
| **Adjusted for :** | | | | |
| Trade and Other Receivables | | (734.30) | | (231.59) |
| Inventories | | 149.19 | | (261.24) |
| Trade and Other Payables | | 675.79 | | 65.59 |
| **Cash flow from / (used in) operations** | | **1,258.28** | | **(312.72)** |
| Direct taxes paid | | (3.91) | | (2.62) |
| **Net Cash Flow from / (used in) Operating Activities** | | **1,254.37** | | **(315.34)** |
| **B. CASH FLOW FROM INVESTING ACTIVITIES** | | | | |
| Purchase of Property, Plant and Equipment | | (5,914.59) | | (1,393.50) |
| Sale of Property, Plant and Equipment | | 94.46 | | 4.50 |
| Interest Income | | 18.89 | | 5.63 |
| **Net Cash (used in) Investing Activities** | | **(5,801.24)** | | **(1,383.37)** |
| **C. CASH FLOW FROM FINANCING ACTIVITIES** | | | | |
| Proceeds from issue of Preference Share Capital | | - | | 200.00 |
| Proceeds from Non-current Borrowings | | 5,893.00 | | 2,290.00 |
| Repayment of Non-current Borrowings | | (706.74) | | (874.59) |
| Movements in Current Borrowings | | 200.62 | | 907.58 |
| Movements in Fixed Deposit pledged with a Bank | | 159.30 | | (198.53) |
| Guarantee Commission Paid | | (2.15) | | - |
| Finance Cost Paid | | (999.60) | | (614.27) |
| **Net Cash Flow from Financing Activities** | | **4,544.43** | | **1,710.19** |
| **Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)** | | **(2.44)** | | **11.48** |
| **Opening Balance of Cash and Cash Equivalents** | | **18.46** | | **6.98** |
| **Closing Balance of Cash and Cash Equivalents (Refer Note 12.1)** | | **16.02** | | **18.46** |

Notes :

1 **Changes in liabilities arising from financing activities on account of Non-current and Current Borrowings:**

**(Rs. In lacs)**

| **Particulars** | **For the Year ended 31st March, 2018** | **For the Year ended 31st March, 2017** |
|---|---|---|
| Opening balance of liabilities arising from financing activities | 7,023.00 | 5,100.01 |
| Add: Changes from financing cash flows | 5,386.88 | 1,922.99 |
| Closing balance of liabilities arising from financing activities | 12,409.88 | 7,023.00 |

2 Bracket indicates cash outflow.
3 Previous Year figures have been regrouped and reclassified wherever necessary.
4 The above statement cash flow has been prepared under the "Indirect Method" as set out in Ind AS 7 "Statement of Cash Flow".
5 During the previous year, Conversion of Inter Corporate deposit of Rs. 400 lacs into preference share capital were considered as non cash item.

As per our report of even date

**For PATHAK H.D. & ASSOCIATES**
Chartered Accountants
(Firm Registration No. 107783 W)

PATHAK H.D. & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

**Gyandeo Chaturvedi**
Partner
Membership No. 46806

Place : Mumbai
Date : 10.05.2018

For and on behalf of the Board of Directors

**Ashok Jain**
Director
(DIN 00025125)

**P. K. Kheruka**
Chairman
(DIN 00016909)

**Vivek Singh**
Chief Financial Officer

**Raghav Sharma**
Company Secretary
(Membership No. ACS41472)

HOPEWELL TABLEWARE PRIVATE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

A. Equity Share Capital (Rs. in Lacs)

| Particulars | As at 1st April, 2016 | Changes during 2016-17 | As at 31st March, 2017 | Changes during 2017-18 | As at 31st March, 2018 |
|---|---|---|---|---|---|
| Equity Share Capital | 2,575.00 | - | 2,575.00 | - | 2,575.00 |

B. Other Equity (Rs. in Lacs)

| Particulars | 6% Optionally Convertible Non-Cumulative Redeemable Preference Shares | Reserves and Surplus | Items of Other Comprehensive Income | Total Other Equity |
|---|---|---|---|---|
| | | Retained Earnings | Remeasurements of Defined benefit Plans | |
| **Balance as at 1st April, 2016** | **2,200.00** | **(2,309.61)** | **(10.01)** | **(119.62)** |
| Total Comprehensive Income for the year | - | (1,158.87) | 0.93 | (1,157.94) |
| Issued during the year | 600.00 | - | - | 600.00 |
| **Balance as at 31st March, 2017** | **2,800.00** | **(3,468.48)** | **(9.08)** | **(677.56)** |
| **Balance as at 1st April, 2017** | **2,800.00** | **(3,468.48)** | **(9.08)** | **(677.56)** |
| Total Comprehensive Income for the year | - | (677.51) | (4.91) | (682.42) |
| **Balance as at 31st March, 2018** | **2,800.00** | **(4,145.99)** | **(13.99)** | **(1,359.98)** |

As per our report of even date

For and on behalf of the Board of Directors

**For PATHAK H.D. & ASSOCIATES**
Chartered Accountants
(Firm Registration No. 107783 W)

**Gyandeo Chaturvedi**
Partner
Membership No. 46806

Place : Mumbai
Date : 10.05.2018

PATHAK H.D. & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

**Ashok Jain**
Director
(DIN 00025125)

**P. K. Kheruka**
Chairman
(DIN 00016909)

**Vivek Singh**
Chief Financial Officer

**Raghav Sharma**
Company Secretary
(Membership No. ACS41472)

**HOPEWELL TABLEWARE PRIVATE LIMITED**
**Notes to the standalone financial statement for the year ended 31st March, 2018**

## Note 1 CORPORATE INFORMATION

Hopewell Tableware Private Limited ("the Company") is a private limited company domiciled and incorporated in India. It is a unlisted Company. The registered office of the Company is situated at 1101,11th Floor, Crescenzo, G-Block, Plot No C-38, Opp. MCA Club, Bandra Kurla Complex, Bandra (East), Mumbai - 400051

The Company is engaged in manufacturing of tableware and dinnerware items made of "opal glassware".

The financial statements of the Company for the year ended 31st March, 2018 were approved and adopted by board of directors in their meeting held on 10th May, 2018.

## Note 2 BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS), as notified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities, which are measured at fair value / amortised cost.

The financial statements are presented in Indian Rupees (Rs.), which is the Company's functional and presentation currency and all values are rounded to the nearest lacs, except when otherwise indicated.

## Note 3 SIGNIFICANT ACCOUNTING POLICIES

### 3.1 Property, Plant and Equipment

Property, plant and equipment are carried at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Cost includes purchase price, borrowing cost and any cost directly attributable to the bringing the assets to its working condition for its intended use. In case of Property, Plant and Equipment, the Company has availed the carrying value as deemed cost on the date of transition i.e. 1st April, 2015.

Depreciation on the property, plant and equipment is provided using straight line method over the useful life of assets as specified in schedule II to the Companies Act, 2013 except following property, plant and equipment.

| **Particulars** | **Useful life considered for depreciation** |
|---|---|
| Furnace :- | 3 Years |
| Moulds :- | 3 Years |

Depreciation on property, plant and equipment which are added / disposed off during the year, is provided on pro-rata basis with reference to the date of addition / deletion. Freehold land is not depreciated.

The assets' residual values, useful lives and method of depreciation are reviewed at each financial year end and are adjusted prospectively, if appropriate.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Profits / losses arising in the case of retirement / disposal of property, plant and equipment are recognised in the statement of profit and loss in the year of occurrence.

Leasehold land is amortised over the period of lease. Buildings constructed on leasehold land are depreciated based on the useful life specified in schedule II to the Companies Act, 2013, where the lease period of land is beyond the life of the building. In other cases, buildings constructed on leasehold land is amortised over the primary lease period of the land.

### 3.2 Intangible Assets

Intangible assets are carried at cost, net of recoverable taxes, trade discount and rebates less accumulated amortisation and impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the intangible assets. In case of Intangible Assets, the Company has availed the carrying value as deemed cost on the date of transition i.e. 1st April, 2015.

Identifiable intangible assets are recognised when it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured.

Computer softwares are capitalised at the amounts paid to acquire the respective license for use and are amortised over the period of useful lives or period of three years, whichever is less. The assets' useful lives are reviewed at each financial year end.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

MUMBAI

**3.3 Leases**

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. The corresponding liability is included in the balance sheet as a finance lease liability. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor 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 except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

**3.4 Inventories**

Inventories are valued at the lower of cost and net realizable value except scrap (cullet), which is valued at raw material cost. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their respective present location and condition. Cost of raw materials, stores and spares and packing materials are computed on the weighted average basis. Cost of work in progress and finished goods is determined on absorption costing method.

**3.5 Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**3.6 Impairment of non-financial assets - property, plant and equipment and intangible assets:**

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**3.7 Discontinued operation and non-current assets (or disposal groups) held for sale:**

**Discontinued operation**

A discontinued operation is a component of the Company that has been disposed off or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose off such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

**Non-current assets (or disposal groups) held for sale:**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when a sale is highly probable from the date of classification, management are committed to the sale and the asset is available for immediate sale in its present condition. Non-current assets are classified as held for sale from the date these conditions are met and are measured at the lower of carrying amount and fair value less cost to sell. Any resulting impairment loss is recognised in the Statement of Profit and Loss as a separate line item. On classification as held for sale, the assets are no longer depreciated. Assets and liabilities classified as held for sale are presented separately as current items in the Balance Sheet.

MUMBAI

**3.8 Financial instruments – initial recognition, subsequent measurement and impairment**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**I) Financial assets -Initial recognition and measurement**

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

**Financial assets - Subsequent measurement**

For the purpose of subsequent measurement, financial assets are classified in two broad categories:-
a) Financial assets at fair value
b) Financial assets at amortised cost
Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured **at amortised cost** (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.
**a) Business model test:** The objective of the Company's business model is to hold the financial asset to collect the contractual cash flow.
b) **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at **fair value through other comprehensive income** unless the asset is designated at fair value through profit or loss under the fair value option.

**a) Business model test:** The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets.
b) **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

All other financial asset is measured at fair value through profit or loss.

**Financial assets - Derecognition**

A financial assets (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed form the Company's statement of financial position) when:
a) The rights to receive cash flows from the asset have expired, or
b) The Company has transferred its rights to receive cash flow from the asset.

**Impairment of financial assets**

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).
Expected credit losses are measured through a loss allowance at an amount equal to:
a) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
b) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)
For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.
For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

MUMBAI

**II) Financial liabilities - Initial recognition and measurement**
The financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

**Financial liabilities - Subsequent measurement:**
Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**Financial Liabilities - Financial guarantee contracts:**
Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined and the amount recognised less cumulative amortisation.

**Financial Liabilities - Derecognition**
Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined and the amount recognised less cumulative amortisation.

**3.9 Provisions, Contingent Liabilities, Contingent Assets and Commitments:**
Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.
Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

**3.10 Dividend Distribution**
Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in other equity.

PATHAK H.D. & ASSOCIATES
MUMBAI
CHARTERED ACCOUNTANTS

**3.11 Revenue recognition and other income**

**Sale of goods**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer as per the terms of the contracts, usually on delivery of the goods, and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. It also includes excise duty, if applicable, and excludes value added tax / sales tax / Goods and Service Tax. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

**Sale of Services**

Revenue from sale of services is recognised as per the terms of the contract with customer based on stage of completion when the outcome of the transactions involving rendering of services can be estimated reliably. Percentage of completion method requires the Company to estimate the services performed to date as a proportion of the total services to be performed.

**Other Operating Income**

Incentives on exports and other Government incentives related to operations are recognised in the statement of profit and loss after due consideration of certainty of utilization/receipt of such incentives.

**Interest Income**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**Dividend Income**

Dividend Income is recognised when the right to receive the payment is established.

**Rental income**

Rental income arising from operating leases on is accounted for on a straight-line basis over the lease terms and is included as other income in the statement of profit or loss.

**3.12 Foreign currency reinstatement and translation**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transaction. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other finance gains / losses are presented in the statement of profit and loss on a net basis.

**3.13 Employee Benefits**

Short term employee benefits are recognized as an expense in the statement of Profit and Loss of the year in which the related services are rendered.

Leave encashment being a defined benefit plan is accounted for using the projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the year in which they arise. Other costs are accounted in statement of profit and loss.

Contribution to Provident Fund, a defined contribution plan, is made in accordance with the statute, and is recognised as an expense in the year in which employees have rendered services.

The cost of providing gratuity, a defined benefit plans, is determined using the Projected Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. Other costs are accounted in statement of profit and loss.

Remeasurements of defined benefit plan in respect of post employment and other long term benefits are charged to the other comprehensive income in the year in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods.

MUMBAI
CHARTERED ACCOUNTANTS

**3.14 Share-based payments:-**

Certain employees of the company receive part of their remuneration in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares of holding company ('equity-settled transactions').

The cost of equity-settled transactions with employees is measured at fair value at the date at which they are granted. The fair value of share awards are determined with the assistance of an external valuer and the fair value at the grant date is expensed on a proportionate basis over the vesting period based on the Company's estimate of shares that will eventually vest. The estimate of the number of awards likely to vest is reviewed at each balance sheet date up to the vesting date at which point the estimate is adjusted to reflect the current expectations. Amounts charged by the holding company in respect of awards granted to employees of the Company are recognised as payable under current financial liabilities - other until paid to the Holding Company.

**3.15 Taxes on Income**

Income tax expense represents the sum of current tax (including MAT and income tax for earlier years) and deferred tax . Tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in such cases the tax is also recognised directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognised in equity or other comprehensive income is also recognised in equity or other comprehensive income.

Current tax provision is computed for Income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws. Current tax assets and current tax liabilities are off set, and presented as net.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

Where Minimum Alternative Tax (MAT) is applicable, credit of MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

**3.16 Borrowing Costs**

Borrowing costs specifically relating to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized (net of income on temporarily deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period. All other borrowing costs are expensed in the period in which they occur.

**3.17 Earnings per share**

Basic earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of shares outstanding during the year.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

MUMBAI

**3.18 Current and non-current classification**

The Company presents assets and liabilities in statement of financial position based on current/non-current classification.

The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III. Division II of Companies Act. 2013 notified bv MCA.

**An asset is classified as current when it is:**

a) Expected to be realised or intended to be sold or consumed in normal operating cycle,

b) Held primarily for the purpose of trading,

c) Expected to be realised within twelve months after the reporting period, or

d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

**A liability is classified as current when it is:**

a) Expected to be settled in normal operating cycle,

b) Held primarily for the purpose of trading,

c) Due to be settled within twelve months after the reporting period, or

d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Deferred tax assets / liabilities are classified as non-current assets / liabilities. The Company has identified twelve months as its normal operating cycle.

**3.19 Fair value measurement:**

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or

b) In the absence of a principal market, in the most advantageous market for the asset or liability.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy.

**3.20 Government Grant**

Government grants are recognized only if there is reasonable assurance as to its receipt and that the conditions attached there to shall be complied with and are recognised and shown under the head "Other Income".

**3.21 Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable rights to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable rights must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or counterparty.

MUMBAI

## Note 4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based on its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**4.1 Property, Plant and Equipment, Investment Properties and Other Intangible Assets:**

Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values as per schedule II of the Companies Act, 2013 or are based on the Company's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.

**4.2 Income Tax**

The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to an adjustment to the amounts reported in the financial statements.

**4.3 Contingencies**

Management has estimated the possible outflow of resources at the end of each annual reporting Financial year, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

**4.4 Impairment of financial assets**

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**4.5 Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent to those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

**4.6 Defined benefits plans**

The Cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

MUMBAI
CHARTERED ACCOUNTANTS

**4.7 Recoverability of trade receivable:**

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

**4.8 Provisions:**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances

**4.9 Fair value measurement of financial instruments**

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

PATHAK H.D. & ASSOCIATES
MUMBAI
CHARTERED ACCOUNTANTS

**HOPEWELL TABLEWARE PRIVATE LIMITED**

**Notes to the financial statement for the year ended 31st March, 2018**

**Note 5. Property, Plant and Equipment** (Rs. in lacs)

| Particulars | Land - Freehold | Buildings | Plant and Equipment | Furniture and Fixtures | Vehicles | Office Equipment | Total | Capital Work in Progress |
|---|---|---|---|---|---|---|---|---|
| **COST** | | | | | | | | |
| **At 1st April, 2016** | **95.70** | **853.33** | **4,008.97** | **75.44** | **21.45** | **51.41** | **5,106.30** | **10.14** |
| Additions | - | 9.08 | 174.98 | 63.37 | - | 36.94 | 284.37 | 288.91 |
| Disposals / transfers | - | - | 6.73 | - | - | - | 6.73 | 263.73 |
| **At 31st March, 2017** | **95.70** | **862.41** | **4,177.22** | **138.81** | **21.45** | **88.35** | **5,383.94** | **35.32** |
| Additions | - | 179.73 | 6,073.26 | 128.79 | 34.24 | 27.85 | 6,443.87 | 7,394.19 |
| Disposals / transfers | - | - | 1,331.03 | - | - | - | 1,331.03 | 6,443.87 |
| **At 31st March, 2018** | **95.70** | **1,042.14** | **8,919.45** | **267.60** | **55.69** | **116.20** | **10,496.78** | **985.64** |
| **DEPRECIATION** | | | | | | | | |
| **At 1st April, 2016** | - | 28.06 | 639.29 | 8.03 | 3.06 | 12.47 | 690.91 | |
| Depreciation for the year | - | 28.48 | 846.91 | 14.12 | 3.06 | 17.62 | 910.19 | |
| Disposals | - | - | 1.06 | - | - | - | 1.06 | |
| **At 31st March, 2017** | **-** | **56.54** | **1,485.14** | **22.15** | **6.12** | **30.09** | **1,600.04** | |
| Depreciation for the year | - | 29.78 | 735.53 | 32.18 | 4.20 | 22.38 | 824.07 | |
| Disposals | - | - | 832.69 | - | - | - | 832.69 | |
| **At 31st March, 2018** | **-** | **86.32** | **1,387.98** | **54.33** | **10.32** | **52.47** | **1,591.42** | |
| **NET BOOK VALUE** | | | | | | | | |
| **At 31st March, 2017** | **95.70** | **805.87** | **2,692.08** | **116.66** | **15.33** | **58.26** | **3,783.90** | **35.32** |
| **At 31st March, 2018** | **95.70** | **955.82** | **7,531.47** | **213.27** | **45.37** | **63.73** | **8,905.36** | **985.64** |

MUMBAI

## HOPEWELL TABLEWARE PRIVATE LIMITED
## Notes to the financial statement for the year ended 31st March, 2018

**5.1** In accordance with the Indian Accounting Standard (Ind AS -36 ) on " Impairment of Assets", the management during the year carried out an exercise of identifying the assets that may have been impaired in accordance with the said Ind AS . On the basis of this review carried out by the management, there was no impairment loss on property, plant and equipment during the year ended 31st March, 2018.

**5.2** Refer note 33 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

**5.3** Certain property, plant and equipment are pledged as collateral against borrowings, the details related to which have been described in note 18 and note 20.

**5.4** Addition to fixed assets includes borrowing cost of Rs. 365.57 lacs (Previous year Rs. Nil) and Capital work in progress includes borrowing cost of Rs. 7.79 lacs (Previous year Rs. Nil)

**5.5** Details of pre-operative expenditure included in capital work in progress and its capitalisation during the year:

(Rs. in lacs)

| Particulars | 31st March 2018 | 31st March 2017 |
|---|---|---|
| Salaries, Wages & allowances | 134.46 | - |
| Legal & Professional Fees | 23.86 | - |
| Power and Fuel | 3.17 | - |
| Travelling | 40.89 | - |
| Guarantee Commission | 4.50 | - |
| Hire Charges | 5.16 | - |
| Borrowing Cost | 373.36 | - |
| Bank Charges | 5.56 | - |
| **Total** | **590.97** | - |
| Capitalised during the year | 583.18 | - |
| **Balance pre-operative expenses included in Capital work in Progress** | **7.79** | - |

MUMBAI

HOPEWELL TABLEWARE PRIVATE LIMITED
Notes to the financial statement for the year ended 31st March, 2018

**Note 6. Other Intangible assets**

(Rs. in lacs)

| Particulars | Other Intangible assets | Intangible assets under development |
|---|---|---|
| **Cost:** | | |
| **As at 1st April, 2016** | **38.58** | **-** |
| Additions | 7.52 | 4.75 |
| Disposals / transfers | - | - |
| **As at 31st March, 2017** | **46.10** | **4.75** |
| Additions | 14.85 | - |
| Disposals / transfers | 37.22 | 4.75 |
| **As at 31st March, 2018** | **23.73** | **-** |
| **Accumulated Amortisation:** | | |
| **As at 1st April, 2016** | **12.19** | |
| Amortisation during the year | 12.32 | |
| Disposals | - | |
| **As at 31st March, 2017** | **24.51** | |
| Amortisation during the year | 13.46 | |
| Disposals | 30.18 | |
| **As at 31st March, 2018** | **7.79** | |
| **Net Book Value:** | | |
| **As at 31st March, 2017** | **21.59** | **4.75** |
| **As at 31st March, 2018** | **15.94** | **-** |

**6.1** Other intangible assets represents computer software other than self generated.

MUMBAI

**HOPEWELL TABLEWARE PRIVATE LIMITED**
**Notes to the financial statement for the year ended 31st March, 2018**

**Note 7 - Non-current financial assets - Others**

(Rs. in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| **Unsecured, Considered Good, unless otherwise stated :** | | |
| Fixed deposits pledged with banks having maturity more than 12 months | 97.77 | 88.56 |
| Security Deposits | 175.41 | 173.71 |
| **Total** | **273.18** | **262.27** |

MUMBAI

HOPEWELL TABLEWARE PRIVATE LIMITED
**Notes to the financial statement for the year ended 31st March, 2018**

**Note 8 Income Tax**

**8.1** The major components of Income Tax Expenses/(Income) for the year ended 31st March, 2018 and 31st March, 2017 are as follows:

(Rs. in lacs)

| Particulars | For the year ended 31st March, 2018 | For the year ended 31st March, 2017 |
|---|---|---|
| **Recognised in Statement of Profit and Loss :** | | |
| Deferred Tax - Relating to origination and reversal of temporary differences | (90.83) | (324.44) |
| **Total tax Expenses/ (Income)** | **(90.83)** | **(324.44)** |

**8.2** Reconciliation between tax expenses (income) and accounting profit multiplied by tax rate for the year ended 31st March, 2018 and 31st March, 2017:

(Rs. in lacs)

| Particulars | For the year ended 31st March, 2018 | For the year ended 31st March, 2017 |
|---|---|---|
| Accounting loss before tax | (768.34) | (1,483.31) |
| Applicable tax rate | 30.90% | 30.90% |
| **Computed Tax Expenses** | **(237.42)** | **(458.34)** |
| **Tax effect on account of:** | | |
| Lower tax rate and indexation benefits | (0.94) | (1.22) |
| Expenses not allowed | 0.03 | - |
| Tax losses for which no deferred tax recognised | - | 135.12 |
| Changes in Income Tax rates of subsequent year | 148.77 | - |
| Other deductions / allowances | (1.27) | - |
| **Income tax expenses / (income) recognised in statement of profit and loss** | **(90.83)** | **(324.44)** |

**8.3** Deferred tax Assets relates to the following:

(Rs. in lacs)

| Particulars | Balance Sheet | | Statement of profit and loss | |
|---|---|---|---|---|
| | As at 31st March, 2018 | As at 31st March, 2017 | For the Year Ended 31st March, 2018 | For the Year Ended 31st March, 2017 |
| Property, Plant and Equipment | (178.59) | (44.02) | (134.57) | 60.63 |
| Unabsorbed Depreciation Loss | 925.47 | 703.29 | 222.18 | 226.00 |
| Provision for doubtful debts | 30.39 | 23.55 | 6.84 | 23.55 |
| Disallowance Under Section 43B of the Income Tax Act, 1961 | 25.26 | 26.72 | (1.46) | 13.85 |
| **Deferred Tax Assets / (Liabilities)** | **802.53** | **709.54** | **92.99** | **324.03** |

**8.4** Reconciliation of deferred tax Assets (net):

(Rs. in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| **Opening balance as at 1st April** | **709.54** | **385.51** |
| Deferred Tax Expenses during the period recognised in profit or loss | 90.83 | 324.44 |
| Deferred Tax Expenses / (Income) during the period recognised in OCI | 2.16 | (0.41) |
| **Closing balance as at 31st March** | **802.53** | **709.54** |

**8.5 Amount and expiry date of unused tax losses for which no deferred tax asset is recognised**

(Rs. in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| Unused tax losses for which no deferred tax assets has been recognised | 1,885.73 | 1,824.51 |

Unused tax losses are available for set off for 8 years from the year in which losses arose. Above mentioned losses pertains to the Financial year 2015-16 and 2016-17.

MUMBAI

**HOPEWELL TABLEWARE PRIVATE LIMITED**
**Notes to the financial statement for the year ended 31st March, 2018**

**Note 9 - Other Non-current Assets**

(Rs. in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| **Unsecured, Considered Good, unless otherwise stated :** | | |
| Capital Advances | 257.01 | 1,067.54 |
| **Total** | **257.01** | **1,067.54** |

**Note 10 - Inventories**

(Rs. in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| Raw Materials | 171.17 | 91.28 |
| Work-in-Progress | 690.70 | 876.80 |
| Finished Goods | 943.85 | 1,145.36 |
| Stores, Spares and Consumables | 139.16 | 84.98 |
| Packing Materials | 209.33 | 90.14 |
| Scrap(Cullet) | 107.48 | 122.32 |
| **Total** | **2,261.69** | **2,410.88** |

**10.1** All Inventories are hypothecated as collateral against borrowings, the details related to which have been described in note 18 and note 20.

**10.2** For mode of valuation, refer note no. 3.4.

**Note 11 - Current Financial Assets - Trade Receivables**

(Rs. in lacs)

| Particulars | | As at 31st March, 2018 | | As at 31st March, 2017 |
|---|---|---|---|---|
| **Unsecured :** | | | | |
| Considered Good | 1,711.67 | | 1,513.67 | |
| Considered Doubtful | 116.90 | | 76.21 | |
| | 1,828.57 | | 1,589.88 | |
| Less : Provision for Doubtful Debts | 116.90 | 1,711.67 | 76.21 | 1,513.67 |
| **Total** | | **1,711.67** | | **1,513.67** |

**Note 12 - Current Financial Assets - Cash and Cash Equivalents**

(Rs. in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| **Cash and Cash Equivalents** | | |
| Balances with Banks in current accounts | 13.96 | 13.69 |
| Cash on Hand | 2.06 | 4.77 |
| **Total** | **16.02** | **18.46** |

**12.1** For the purpose of the statement of cash flow, cash and cash equivalents comprise the followings:

(Rs. in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| Balances with Banks in current accounts | 13.96 | 13.69 |
| Cash on Hand | 2.06 | 4.77 |
| **Total** | **16.02** | **18.46** |

MUMBAI

**HOPEWELL TABLEWARE PRIVATE LIMITED**
**Notes to the financial statement for the year ended 31st March, 2018**

**Note 13 - Bank balances Other than Cash and Cash Equivalents**

(Rs. in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| **Earmarked Balances with banks :** | | |
| Fixed deposit pledged with the Banks having maturity upto 12 months | 47.20 | 215.71 |
| | **47.20** | **215.71** |

**Note 14 - Current financial assets - Others**

(Rs. in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| **Unsecured, Considered Good, unless otherwise stated:** | | |
| Interest Receivables | 53.28 | 40.60 |
| Security Deposits | 14.03 | 8.85 |
| | **67.31** | **49.45** |

**Note 15 - Other Current Assets**

(Rs. in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| **Unsecured, Considered Good, unless otherwise stated:** | | |
| Export Incentives Receivable | 15.99 | 11.56 |
| Advances against supplies | 131.14 | 63.67 |
| Balance with Excise / Goods and Service Tax Authorities | 485.55 | 9.64 |
| Amount paid under protest (Refer Note 33) | 23.53 | 23.53 |
| Others | 153.44 | 212.56 |
| **Total** | **809.65** | **320.96** |

**15.1** Others includes Sales tax incentive receivable, prepaid expenses etc.

**Note 16 - Equity Share Capital**

(Rs. in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| **Authorised** | | |
| 2,70,00,000 (Previous Year 2,70,00,000) Equity Shares of Rs. 10/- each | 2,700.00 | 2,700.00 |
| 2,80,00,000 (Previous Year 2,80,00,000) 6% Optionally Convertible Non-Cumulative Redeemable Preference Shares of Rs. 10/- each | 2,800.00 | 2,800.00 |
| **Total** | 5,500.00 | 5,500.00 |
| **Issued, Subscribed & Fully Paid up** | | |
| 2,57,50,000 (Previous Year 2,57,50,000) Equity Shares of Rs. 10/- each fully paid up | 2,575.00 | 2,575.00 |
| **Total** | 2,575.00 | 2,575.00 |

**16.1 Reconciliation of number of Equity Shares outstanding at the beginning and at the end of the year :**

| Particulars | As at 31st March, 2018 | | As at 31st March, 2017 | |
|---|---|---|---|---|
| | (in Nos.) | ( Rs. in lacs) | (in Nos.) | ( Rs. in lacs) |
| Shares outstanding at the beginning of the year | 25,750,000 | 2,575.00 | 25,750,000 | 2,575.00 |
| Shares outstanding at the end of the year | 25,750,000 | 2,575.00 | 25,750,000 | 2,575.00 |

**16.2 Terms/Rights attached to Equity Shares :**

**Equity Shares**

The Company has only one class of shares referred to as equity shares having a par value of Rs.10/- per share. Holders of equity shares are entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuring annual general meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**16.3 Shares held by Holding Company**

| Name of Shareholder | As at 31st March, 2018 | | As at 31st March, 2017 | |
|---|---|---|---|---|
| | No. of Shares held | % of Holding | No. of Shares | % of Holding |
| Borosil Glass Works Limited * | 25,750,000 | 100% | 25,750,000 | 100% |

* One share is held in the name Mr Shreevar Kheruka as nominee of the Company.

**16.4 Details of Shareholder holding more than 5% of Equity Share Capital :**

| Name of Shareholder | As at 31st March, 2018 | | As at 31 March, 2017 | |
|---|---|---|---|---|
| | No. of Shares held | % of Holding | No. of Shares | % of Holding |
| Borosil Glass Works Limited * | 25,750,000 | 100.00% | 25,750,000 | 100.00% |

* One share is held in the name Mr Shreevar Kheruka as nominee of the Company.

**16.5** There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.

**16.6** There is no dividend proposed or paid during the year and during the previous year.

MUMBAI

**HOPEWELL TABLEWARE PRIVATE LIMITED**
**Notes to the financial statement for the year ended 31st March, 2018**

**Note 17 - Other Equity**

(Rs. in lacs)

| Particulars | | As at 31st March, 2018 | | As at 31st March, 2017 |
|---|---|---|---|---|
| **6% Optionally Convertible Non-Cumulative Redeemable Preference Shares** | | | | |
| As per Last Balance Sheet | 2,800.00 | | 2,200.00 | |
| Add: Issued during the year | - | 2,800.00 | 600.00 | 2,800.00 |
| **Retained Earnings** | | | | |
| As per Last Balance Sheet | (3,468.48) | | (2,309.61) | |
| Add: Profit for the year | (677.51) | (4,145.99) | (1,158.87) | (3,468.48) |
| **Other Comprehensive Income (OCI)** | | | | |
| As per Last Balance Sheet | (9.08) | | (10.01) | |
| Add: Movements in OCI (net) during the year | (4.91) | (13.99) | 0.93 | (9.08) |
| **Total** | | **(1,359.98)** | | **(677.56)** |

**17.1 6% Optionally Convertible Non-Cumulative Redeemable Preference Shares:**

**a. Terms/Rights attached to 6% Optionally Convertible Non-Cumulative Redeemable Preference Shares:**

The Preference Shares carries a preferential right vis-à-vis equity shares of the Company with respect to the payment of dividend and repayment of capital during winding up. The Preference Shares shall not participate in the surplus funds and profits on winding up which may remain after the entire capital has been repaid. The Preference Shares carries voting rights as may be prescribed under the provisions of Section 47(2) of the Companies Act, 2013. It carries a non-cumulative right to dividend. Dividend rate will be 6% p.a. (on the face value) which will remain fixed over the tenor of the Preference Shares. The tenor of Preference Shares is 15 years.

The rights of Conversion shall rest with the issuer. In the event of conversion, every one Preference Share of face value of Rs. 10/- each will be entitled to one Equity Share of face value of Rs. 10/-.

The preference shares will be redeemed at face value of Rs. 10/- per share. The issuer will have an option to redeem the Preference Shares at any time.

The said preference shares are held by holding Company namely, Borosil Glass Works Limited.

**b. Reconciliation of number of Preference Shares outstanding at the beginning and at the end of the year :**

| Particulars | As at 31st March, 2018 (in Nos.) | As at 31st March, 2018 ( Rs. in lacs) | As at 31st March, 2017 (in Nos.) | As at 31st March, 2017 ( Rs. in lacs) |
|---|---|---|---|---|
| Shares outstanding at the beginning of the year | 28,000,000 | 2,800.00 | 22,000,000 | 2,200.00 |
| Add: Issued during the year | - | - | 6,000,000 | 600.00 |
| Shares outstanding at the end of the year | 28,000,000 | 2,800.00 | 28,000,000 | 2,800.00 |

**c. Preference Shares held by Holding Company:**

| Name of Shareholder | As at 31st March, 2018 No. of Shares held | As at 31st March, 2018 % of Holding | As at 31st March, 2017 No. of Shares held | As at 31st March, 2017 % of Holding |
|---|---|---|---|---|
| Borosil Glass Works Limited | 28,000,000 | 100% | 28,000,000 | 100% |

**d. Details of Shareholder holding more than 5% of Preference Share Capital :**

| Name of Shareholder | As at 31st March, 2018 No. of Shares held | As at 31st March, 2018 % of Holding | As at 31st March, 2017 No. of Shares held | As at 31st March, 2017 % of Holding |
|---|---|---|---|---|
| Borosil Glass Works Limited | 28,000,000 | 100% | 28,000,000 | 100% |

**e.** There is no dividend proposed or paid during the year and during the previous year.

**17.2** Other Comprehensive Income (OCI) includes remeasurements of defined benefit plans.

MUMBAI

**Note 18 - Non-current financial liabilities - Borrowings**

(Rs. in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| **Secured Loan** | | |
| Term Loans From a Bank | 704.01 | 1,407.21 |
| Vehicle Loan | - | 1.41 |
| **Unsecured Loan** | | |
| Loan from related party (Refer note 38) | 7,193.00 | 2,290.00 |
| **Total** | **7,897.01** | **3,698.62** |

**18.1 Term Loans (including current maturities of long term borrowings shown under current financial liabilities - others)**
Rs.1,455.41 lacs (Previous Year Rs.2,159.01 lacs) carrying interest 9% p.a. (1% above one year MCLR) and are primary secured by way of hypothecation of entire property, plant and equipment (present & future) (excluding factory land and building) and collateral secured by equitable mortgage of factory land and building located at khasara, at village Balekhan, main NH No. 11, Tehsil Chomu, Dist Jaipur and further by way of pledge of 66,75,010 equity shares of Rs. 10/- each of the Company held by Borosil Glass Works Limited (Holding Company). Loan of Rs. 789.01 lacs is repayable in 7 equal quarterly instalments of Rs. 98.75 lacs and last instalment of Rs. 97.76 lacs. Loan of Rs. 52.40 lacs is repayable in 3 equal quarterly instalments of Rs. 13.20 lacs and last instalment of Rs. 12.80 lacs. Loan of Rs. 434.00 lacs is repayable in 10 equal quarterly instalments of Rs. 41.00 lacs and last instalment is Rs. 24.00 lacs. Loan of Rs. 180.00 lacs is repayable in 4 equal quarterly instalments of Rs. 35.00 lacs and last instalment is Rs. 40.00 lacs.

**18.2 Vehicle Loans (shown as current maturities of long term borrowings under current financial liabilities - others)**
Vehicle loans from a banks are secured by respective vehicle and carrying interest rate at the rate of 11.50% p.a.

**18.3 Loan from Related Party (Including current maturities of long term borrowings shown under current financial liabilities - Others)**
Loan from related party of Rs. 990 lacs is repayable within 1 year and Rs. 7,193.00 lacs is repayable within 3 years from the date of said loan and it is carrying interest at the rate of 10% p.a.

**Note 19 - Non-current Provisions**

(Rs. in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| **Provisions for Employee Benefits** | | |
| Gratuity (Unfunded) (Refer note 34) | 54.16 | 38.20 |
| **Total** | **54.16** | **38.20** |

**Note 20 - Current financial liabilities - Borrowings**

(Rs. in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| **Secured Loan** | | |
| Loan repayable on demand | - | 1,200.00 |
| Woking Capital Loan From a Bank | 1,770.06 | 559.44 |
| **Unsecured Loan** | | |
| Loan from Related Party (Refer Note 38) | 1,000.00 | 810.00 |
| **Total** | **2,770.06** | **2,569.44** |

**20.1** Working capital loan is primary secured by way of hypothecation of entire current assets of the company i.e. inventories, book debts and other current assets and collateral secured by equitable mortgage of factory land and building located at khasara, at village Balekhan, main NH No. 11, Tehsil Chomu, Dist Jaipur and further by way of pledge of 66,75,010 equity shares of Rs. 10/- each of the Company held by Borosil Glass Works Limited (Holding Company). The same loan is carrying interest at the rate of 9% p.a. (1% above one year MCLR).

**20.2** Loan repayable on demand was primary secured by way of hypothecation of entire current assets of the company i.e. inventories, book debts and other current assets.

**20.3** Loan from related party was carrying interest @ 10% p.a.

MUMBAI

**Note 21 - Current financial liabilities - Trade Payables**

(Rs. in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| Micro, Small and Medium Enterprises | - | - |
| Others | 1,077.15 | 795.94 |
| **Total** | **1,077.15** | **795.94** |

**21.1** Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED 2006) have been determined based on the information available with the Company and the details of amount outstanding due to them are as given below:

(Rs. In lacs)

| | Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|---|
| a) | Principal amount outstanding | - | - |
| b) | Interest due thereon | - | - |
| c) | Interest paid by the Company in terms of Section 16 of MSMED 2006, alongwith amount of the payment made to the suppliers beyond the appointed day during the year . | - | - |
| d) | Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED 2006. | - | - |
| e) | Interest accrued and remaining unpaid | - | - |
| f) | Further interest remaining due and payable in the succeeding years. | - | - |

**Note 22 - Current financial liabilities - Others**

(Rs. in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| Current maturity of long term borrowings - Term Loan | 751.40 | 751.80 |
| Current maturity of long term borrowings - Vehicle Loan | 1.41 | 3.14 |
| Current maturity of long term borrowings - loan from related party | 990.00 | - |
| Interest accrued but not due on borrowing | 94.29 | 52.68 |
| Dealer Deposits | 58.81 | 55.81 |
| Creditors for Capital Expenditure | 316.57 | 10.76 |
| Other Payables | 779.65 | 419.95 |
| | **2,992.13** | **1,294.14** |

**22.1** Other Payables includes outstanding liabilities for expenses, discount, rebates etc.

**Note 23 - Other Current Liabilities**

(Rs. in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| Advance from other Customers | 61.50 | 18.72 |
| Statutory liabilities | 48.40 | 52.28 |
| Other Payables | 4.05 | 6.37 |
| **Total** | **113.95** | **77.37** |

**23.1** Other Payables includes payables to employee.

**Note 24 - Current Provisions**

(Rs. in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| **Provisions for Employee Benefits** | | |
| Gratuity (Unfunded) (Refer note 34) | 3.58 | 0.77 |
| Leave Encashment | 39.42 | 25.33 |
| **Others** | | |
| Provision for excise duty on Finished Goods | - | 22.16 |
| **Total** | **43.00** | **48.26** |

**24.1** In Previous year, the Company had recognised liabilities based on substantial degree of estimation for Excise Duty payable on clearance of goods lying in stock. During the period till 30th June, 2017, Rs. 22.16 lacs was utilised for clearance of goods. Excise duty is discontinued with effect from 1st July, 2017 upon implementation of Goods and Service Tax (GST).

MUMBAI

HOPEWELL TABLEWARE PRIVATE LIMITED
**Notes to the financial statement for the year ended 31st March, 2018**

**Note 25 - Revenues from Operations**

(Rs. in lacs)

| Particulars | For the Year Ended 31st March, 2018 | For the Year Ended 31st March, 2017 |
|---|---|---|
| Sale of Products (including excise duty) | 10,195.64 | 9,917.86 |
| Other Operating Revenue | 15.44 | 19.18 |
| **Revenue from Operations** | **10,211.08** | **9,937.04** |

**25.1** Sale of products for the periods up to 30th June 2017 includes excise duty, which is discontinued with effect from 1st July, 2017 upon implementation of Goods and Service Tax (GST). In accordance with 'Ind AS 18 – Revenue', GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from operations for the year is not comparable with those of previous year.

**Note 26 - Other Income**

(Rs. in lacs)

| Particulars | For the Year Ended 31st March, 2018 | For the Year Ended 31st March, 2017 |
|---|---|---|
| Interest Income from Financial Assets measured at amortised cost | | |
| - Fixed Deposits with banks | 31.57 | 19.21 |
| Gain on Foreign Currency Transactions (Net) | - | 4.49 |
| Sundry Credit Balance Written Back (Net) | 19.35 | 16.86 |
| Miscellaneous Income | 4.37 | 79.54 |
| **Total** | **55.29** | **120.10** |

**26.1** Eligibility certificate under Rajasthan Investment Promotion Scheme -2010 (RIPS-2010) has been granted to the Company in the year 2012. The Company has filed claim of subsidy before the appropriate authority, as designated under RIPS-2010. The Company has recognized (i) 30% of VAT/CST (taxes) deposited as Investment Subsidy and (ii) 20% of such taxes or wages paid whichever is less as Employment Generation Subsidy. Both these subsidies have been shown under the head "Other Income" for applicable periods.

**Note 27 - Changes in Inventories of Work-in-Progress and Finished Goods**

(Rs. in lacs)

| Particulars | For the Year Ended 31st March, 2018 | For the Year Ended 31st March, 2017 |
|---|---|---|
| **At the end of the Year** | | |
| Work-in-Progress | 690.70 | 876.80 |
| Finished goods | 943.85 | 1,145.36 |
| | **1,634.55** | **2,022.16** |
| **At the beginning of the Year** | | |
| Work-in-Progress | 876.80 | 1,172.15 |
| Finished goods | 1,145.36 | 522.19 |
| | **2,022.16** | **1,694.34** |
| Less: GST Credit taken on opening stock | 52.49 | - |
| | **1,969.67** | **1,694.34** |
| **Total** | **335.12** | **(327.82)** |

MUMBAI

**HOPEWELL TABLEWARE PRIVATE LIMITED**
**Notes to the financial statement for the year ended 31st March, 2018**

**Note 28 - Employee Benefits Expense**

(Rs. in lacs)

| Particulars | For the Year Ended 31st March, 2018 | For the Year Ended 31st March, 2017 |
|---|---|---|
| Salaries, Wages and allowances | 1,667.21 | 1,574.96 |
| Contribution to Provident and Other Funds | 53.84 | 42.98 |
| Share Based Payments (Refer Note 35) | 11.74 | - |
| Staff Welfare Expenses | 127.26 | 71.27 |
| Gratuity (Unfunded) (Refer note 34) | 20.86 | 17.91 |
| **Total** | **1,880.91** | **1,707.12** |

**Note 29 - Finance Costs**

(Rs. in lacs)

| Particulars | For the Year Ended 31st March, 2018 | For the Year Ended 31st March, 2017 |
|---|---|---|
| Interest Expenses on financial liabilities measured at amortised cost | 667.85 | 632.58 |
| **Total** | **667.85** | **632.58** |

**Note 30 - Depreciation and Amortisation Expense**

(Rs. in lacs)

| Particulars | For the Year Ended 31st March, 2018 | For the Year Ended 31st March, 2017 |
|---|---|---|
| Depreciation of Property, Plant and Equipment (Refer note 5) | 824.07 | 910.19 |
| Amortisation of Intangible Assets (Refer note 6) | 13.46 | 12.32 |
| **Total** | **837.53** | **922.51** |

**Note 31 - Other Expenses**

(Rs. in lacs)

| Particulars | For the Year Ended 31st March, 2018 | For the Year Ended 31st March, 2017 |
|---|---|---|
| **Manufacturing Expenses** | | |
| Consumption of Stores and Spares | 152.37 | 267.79 |
| Power & Fuel | 1,719.47 | 1,875.34 |
| Packing Materials Consumed | 1,193.80 | 1,370.53 |
| Repairs to Machinery | 2.70 | 0.03 |
| **Selling and Distribution Expenses** | | |
| Sales Promotion and Advertisement Expenses | 554.12 | 1,125.89 |
| Cash Discount and Commission | 97.60 | 86.12 |
| Freight Outward / Octroi | 559.46 | 578.22 |
| **Administrative and General Expenses** | | |
| Rent | 137.01 | 73.87 |
| Rates and Taxes | 11.60 | 19.05 |
| Other Repairs | 71.53 | 48.92 |
| Insurance | 22.19 | 10.26 |
| Legal & Professional Fees | 172.32 | 110.36 |
| Travelling | 121.21 | 122.13 |
| Loss on Foreign Currency Transactions (net) | 39.70 | - |
| Provision for Doubtful Debts | 40.69 | 76.21 |
| Loss on sale / discarding of Property, Plant and Equipment (net) | 410.92 | 1.17 |
| Guarantee Commission | 2.15 | 0.55 |
| Directors Sitting Fees | 5.69 | 5.65 |
| Payment to Auditors (Refer Note 31.1) | 10.65 | 10.00 |
| Donation | 0.10 | - |
| Miscellaneous Expenses | 119.75 | 153.04 |
| **Total** | **5,445.03** | **5,935.13** |

MUMBAI

HOPEWELL TABLEWARE PRIVATE LIMITED
**Notes to the financial statement for the year ended 31st March, 2018**

**31.1 Details of Payment to Auditors**

(Rs. in lacs)

| Particulars | For the Year Ended 31st March, 2018 | For the Year Ended 31st March, 2017 |
|---|---|---|
| **Payments ro the auditor as:** | | |
| Auditor | 8.00 | 8.00 |
| For Tax Audit | 2.00 | 2.00 |
| For Taxation Matters | - | - |
| For Company Law Matters | - | - |
| For Other Service | - | - |
| For Reimbursment of Expenses | 0.65 | - |
| **Total** | **10.65** | **10.00** |

**Note 32 - Earnings Per Equity share (EPS)**

(Rs. in lacs)

| Particulars | For the Year Ended 31st March, 2018 | For the Year Ended 31st March, 2017 |
|---|---|---|
| Net loss for the year attributable to Equity Shareholders for Basic EPS and Diluted EPS (Rs. In Lacs) | (677.51) | (1,158.87) |
| Weighted Average Number of Equity Shares Outstanding During the Year for Basic EPS and Diluted EPS (in Nos.) | 25,750,000 | 25,750,000 |
| Earning per share of Rs. 10 each (in Rs.) | | |
| - Basic | (2.63) | (4.50) |
| - Diluted | (2.63) | (4.50) |
| Face Value per Equity Share (in Rs.) | 10.00 | 10.00 |

**32.1** The convertible preference shares could potentially dilute basic earnings per share in the future, but are not included in the calculation of diluted earnings per share, because they are anti-dilutive for the year presented.

MUMBAI

**HOPEWELL TABLEWARE PRIVATE LIMITED**
**Notes to the financial statement for the year ended 31st March, 2018**

**Note 33 - Contingent Liabilities and Commitments**

**33.1 Contingent Liabilities (To the extent not provided for)**
**Claims against the Company not acknowledged as debts**

(Rs. in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| **Disputed Liabilities in Appeal (No Cash outflow is expected in the near future)** | | |
| - Sales tax (Amount paid under protest is Rs. 23.53 lacs (Previous year Rs. 23.53 lacs) | 23.53 | 51.78 |
| **Guarantees** | | |
| - Bank Guarantees | 185.91 | 133.16 |
| **Others** | | |
| 1. Bonus (Refer note 33.4) | 9.86 | 9.86 |
| 2. Letter of Credits | - | 1,916.25 |

**33.2 Commitments**

(Rs. in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| Estimated amount of Contracts remaining to be executed on Capital Account not provided for (cash outflow is expected on execution of such capital contracts) | | |
| -- Related to Property, plant and equipment | 446.57 | 3,011.92 |
| Commitment towards EPCG License | 575.83 | 593.60 |

**33.3** Management is of the view that above contingent liabilities and commitments will not have impact on the financial position of the company.

**33.4** The Payment of Bonus (Amendment) Act, 2015 envisages enhancement of eligibility limit and Calculation Ceiling under section 12 from Rs. 3500 to Rs.7000 or the minimum wage for the scheduled employment, as fixed by the appropriate Government, whichever is higher. The Payment of Bonus (Amendment) Act, 2015 have come into force on the 1st April 2014. However, the same is challenged in the Hon'ble High Courts of few States by some parties and those High Courts have provided stay on the retrospectively impact of the same and accordingly same amount shown as contingent liability.

**Note 34- Employee Benefits**

**34.1 As per Ind AS 19 'Employee Benefits', the disclosure of Employee benefits as defined in the Ind AS are given below:**

**(a) Defined Contribution Plan:**
Contribution to Defined Contribution Plan, recognized as expense for the year are as under:

( Rs. in lacs)

| Particulars | 2017-18 | 2016-17 |
|---|---|---|
| Employer's Contribution to Provident Fund | 25.80 | 17.63 |
| Employer's Contribution to Pension Scheme | 20.68 | 19.58 |
| Employer's Contribution to ESIC | 3.58 | 1.92 |

The contribution to provident fund and Pension Scheme is made to Employees' Provident Fund managed by Provident Fund Commissioner. The contribution towards ESIC made to Employees' State Insurance Corporation. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

**(b) Defined Benefit Plan:**
The Gratuity benefits of the Company are unfunded. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes 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.

| Particulars | Gratuity (Unfunded) As at 31st March, 2018 | Gratuity (Unfunded) As at 31st March, 2017 |
|---|---|---|
| **Actuarial assumptions** | | |
| Mortality Table | Indian Assured Lives Mortality (2006-08) Ult | Indian Assured Lives Mortality (2006-08) Ult |
| Salary growth | 10.00% | 10.00% |
| Discount rate | 7.60% | 7.15% |
| Withdrawals Rates | 10% at all ages | 10% at all ages |

( Rs. in lacs)

| Particulars | Gratuity (Unfunded) 2017-18 | Gratuity (Unfunded) 2016-17 |
|---|---|---|
| **Movement in present value of defined benefit obligation** | | |
| Obligation at the beginning of the year | 38.97 | 29.01 |
| Current service cost | 17.25 | 15.64 |
| Interest cost | 2.76 | 2.26 |
| Benefits paid | (0.65) | (1.05) |
| Past Service Cost | 0.85 | - |
| Actuarial loss/(gain) on obligation | (1.44) | (6.91) |
| **Obligation at the end of the year** | **57.74** | **38.97** |
| Current Provision | 54.16 | 0.77 |
| Non-current Provision | 3.58 | 38.20 |

MUMBAI

( Rs. in lacs)

| Particulars | Gratuity (Unfunded) 2017-18 | 2016-17 |
|---|---|---|
| **Amount recognised in the Statement of profit and loss** | | |
| Current service cost | 17.25 | 15.64 |
| Interest cost | 2.76 | 2.26 |
| Past Service Cost | 0.85 | - |
| **Total** | **20.86** | **17.91** |
| | | |
| **Amount recognised in the Other Comprehensive Income** | | |
| **Components of actuarial (gains) / losses on obligations:** | | |
| Due to change in financial assumptions | (2.16) | 2.28 |
| Due to experience adjustments | 0.72 | (9.19) |
| **Total** | **(1.44)** | **(6.91)** |

**(c) Net Liability Recognised in the balance sheet**

( Rs. in lacs)

| Amount recognised in the balance sheet | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| Present value of obligations at the end of the year | 57.74 | 38.97 |
| Less: Fair value of plan assets at the end of the year | - | - |
| **Net liability recognized in the balance sheet** | **57.74** | **38.97** |

**(d)** The estimate of rate of escalation in Salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other retirement factors including supply & demand in the employment market. The above information is certified by the actuary.

**34.2 Sensitivity analysis:**

(Rs. in lacs)

| Particulars | Changes in assumptions | Effect on Gratuity obligation |
|---|---|---|
| **For the year ended 31st March, 2017** | | **Increase / (Decrease)** |
| Salary growth rate | 0.50% | 1.74 |
| | -0.50% | (1.74) |
| Discount rate | 0.50% | (1.78) |
| | -0.50% | 1.92 |
| Withdrawal rate | W.R. x 110% | (1.17) |
| | W.R. x 90% | 1.15 |
| **For the year ended 31st March, 2018** | | |
| Salary growth rate | 0.50% | 2.34 |
| | -0.50% | (2.20) |
| Discount rate | 0.50% | (2.24) |
| | -0.50% | 2.41 |
| Withdrawal rate | W.R. x 110% | (1.15) |
| | W.R. x 90% | 1.26 |

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is the same as that applied in calculating the defined obligation liability recognized in the balance sheet.

**34.3 The following payments are expected towards Gratuity in future years:**

(Rs.in lacs)

| Year ended | Expected payment |
|---|---|
| 31st March, 2019 | 3.58 |
| 31st March, 2020 | 3.59 |
| 31st March, 2021 | 4.57 |
| 31st March, 2022 | 5.35 |
| 31st March, 2023 | 5.12 |
| 31st March, 2024 to 31st March, 2028 | 24.69 |

**34.4 Risk exposures**

**1) Actuarial Risk:** It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

**Adverse Salary Growth Experience:** Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

**Variability in mortality rates:** If actual mortality rates are higher than assumed mortality rate then the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

**Variability in withdrawal rates:** If actual withdrawal rates are higher than assumed withdrawal rate then the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

**2) Liquidity Risk:** Employees with high salaries and long durations or those higher in hierarchy accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cash flows.

**3) Market Risk:** Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

**4) Legislative Risk:** Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

MUMBAI
CHARTERED ACCOUNTANTS

**34.5 Details of Asset-Liability Matching Strategy:-**

Gratuity benefits liabilities of the company are unfunded. There are no minimum funding requirements for a Gratuity benefits plan in India and there is no compulsion on the part of the Company to fully or partially pre-fund the liabilities under the Plan.

Since the liabilities are unfunded, there is no Asset-Liability Matching strategy deviced for the plan.

**34.6** The average duration of the defined benefit plan obligation at the end of the reporting period is 2.93 years (Previous Year 2.56 years).

**Note 35 - Share based payments**

The Company offers equity-based award plans to its employees through its Holding Company, Borosil Glass Works Limited. During the year, the Holding Company introduced an Borosil Employee Stock Option Scheme 2017 ("ESOS"), which was approved by the shareholders of the Holding Company to provide equity settled incentive to an employee of the Company. The ESOS scheme includes tenure based stock option awards. The specific Employees to whom the Options are granted and their Eligibility Criteria are determined by the Nomination and Remuneration Committee of Holding Company.

Initial awards under the ESOS were granted on 2nd November, 2017. The exercise price of the awards is Rs. 800 per option. 33% of the options will vested on completion of 1st year, another 33% will be vested on completion of 2nd year and remaining 34% will be vested on completion of 3rd year. Options are exercisable within period of 5 years from the respecting vesting period.

The Company recognized total expenses of Rs. 11.74 lacs related to equity settled share-based payment transactions for the year ended 31st March, 2018 and corresponding liability has been recognised for an equivalent amount. The liability recognised on this account will be payble to the Holding Company on exercise of the option by the employee. Total 15,683 Employee Stock options has been granted by the Holding Company to an employee of the Company and there is no forfeiture / exercise during the year.

**Note 36 - Provisions**

**Disclosures as required by Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets:-**

**36.1 Movement in provisions:-**

(Rs. in lacs)

| Nature of provision | Provision for Doubtful Debts | Excise duty Provision | Total |
|---|---|---|---|
| **As at 1st April, 2016** | **-** | **63.35** | **63.35** |
| Provision during the year | 76.21 | 22.16 | 98.37 |
| Payment during the year | - | (63.35) | (63.35) |
| **As at 31st March, 2017** | **76.21** | **22.16** | **98.37** |
| Provision during the year | 40.69 | - | 40.69 |
| Payment during the year | - | (22.16) | (22.16) |
| **As at 31st March, 2018** | **116.90** | **-** | **116.90** |

**Note 37 - Segment Information**

**37.1** The company is primarily engaged in the business of manufacturing of Consumerware (Tableware) items, which is a single segment in terms of Ind AS 108 "Operating Segments".

**37.2 Revenue from External Sales** (Rs. in lacs)

| Particulars | For the year Ended 31st March, 2018 | For the year Ended 31st March, 2017 |
|---|---|---|
| India | 9,844.54 | 9,440.58 |
| Outside India | 366.54 | 496.46 |
| **Total** | **10,211.08** | **9,937.04** |

**37.3** No single customer has accounted for more than 10% of the Company's revenue for the year ended 31st March, 2018 and 31st March, 2017.

**37.4** No non-current assets are held by the Company outside India.

**Note 38 - Related party disclosures**

In accordance with the requirements of Ind AS 24 "Related Party Disclosures", name of the related party, related party relationship, transactions and outstanding balances including commitments where control exits and with whom transactions have taken place during reported periods, are as detail below:

**38.1 List of Related Parties :**

| | Name of the related party | Country of incorporation | % of equity interest held by holding company As at 31st March 2018 | % of equity interest held by holding company As at 31st March 2017 |
|---|---|---|---|---|
| (a) | **Holding Company** | | | |
| | Borosil Glass Works Limited | India | 100% | 100% |

**(b) Fellow Subsidiaries**

Gujarat Borosil Limited
Klasspack Private Limited

**(c) Key Management Personnel**

P.K.Kheruka - Chairman
Ashok Jain – Director (Managing Director upto 28.02.2018)
Shreevar Kheruka – Director
Anil Kumar Jain - Chief Financial Officer (upto 21.09.2017)
Vivek Singh Jamwal - Chief Financial Officer (w.e.f. 13.03.2018)
Raghav Sharma - Company Secretary

PATHAK H.D. & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

**(d) Relatives of Key Management Personnel**

Rekha Kheruka
Kiran Kheruka

**38.2 Transactions with Related Parties :**

(Rs. in lacs)

| Name of Transactions | Name of the Related Party | 2017-18 | 2016-17 |
|---|---|---|---|
| **Transactions with Holding Company and Fellow Subsidiaries** | | | |
| Sale of goods | Borosil Glass Works Limited | - | 106.88 |
| | Gujarat Borosil Limited | - | 2.40 |
| Purchase of goods | Borosil Glass Works Limited | 0.30 | 1.64 |
| | Gujarat Borosil Limited | 2.13 | 7.24 |
| Interest Expenses | Borosil Glass Works Limited | 672.72 | 121.19 |
| (includes borrowing cost capitalised of Rs. 373.36 lacs (Previous year Rs. Nil)) | | | |
| Rent Expenses | Borosil Glass Works Limited | 6.32 | 1.25 |
| Guarantee Commission | Borosil Glass Works Limited | 6.64 | 0.55 |
| (includes Guarantee Commission capitalised of Rs. 4.50 lacs (Previous Year Rs. Ni)) | | | |
| Share Based Payment | Borosil Glass Works Limited | 11.74 | - |
| Reimbursement of expenses to | Borosil Glass Works Limited | 2.30 | 7.22 |
| | Gujarat Borosil Limited | 3.45 | 4.75 |
| Reimbursement of expenses from | Borosil Glass Works Limited | 2.53 | 1.77 |
| | Gujarat Borosil Limited | 7.50 | - |
| Current Financial Liabilities - Borrowings taken | Borosil Glass Works Limited | 190.00 | 1,010.00 |
| Current Borrowings converted into 6% Optionally Convertible Non-Cumulative Redeemable Preference Shares | Borosil Glass Works Limited | - | 600.00 |
| Non-current Financial Borrowings taken | Borosil Glass Works Limited | 5,893.00 | 2,290.00 |
| **Transactions with other related parties:** | | | |
| Remuneration | Ashok Jain | 72.70 | 56.43 |
| | Vivek Singh Jamwal | 1.14 | - |
| | Raghav Sharma | 2.41 | 2.19 |
| | Anil Kumar Jain | 10.39 | 14.89 |
| Director's Sitting fees | Shreevar Kheruka | 0.60 | 0.80 |
| | P.K.Kheruka | 0.50 | 0.70 |
| | Ashok Jain | 0.10 | - |

(Rs. in lacs)

| Name of Transactions | Name of the Related Party | As at 31st March, 2018 | As at 1st April, 2017 |
|---|---|---|---|
| **Balances with Holding Company and Fellow Subsidiary at the end of the year** | | | |
| Trade Payable | Borosil Glass Works Limited | 4.40 | 9.41 |
| | Gujarat Borosil Limited | - | 3.37 |
| Current financial liabilities - Borrowings | Borosil Glass Works Limited | 1,000.00 | 810.00 |
| Non-current financial liabilities - Borrowings | Borosil Glass Works Limited | 8,183.00 | 2,290.00 |
| Other Current Liabilities - Interest accrued but not due | Borosil Glass Works Limited | 83.10 | 29.32 |
| Current Financial Liabilities - Others (Refer Note 35) | Borosil Glass Works Limited | 11.74 | - |
| **Balances with other related parties at the end of the year:** | | | |
| Other Payable | Ashok Jain | - | 3.78 |

PATHAK H.D. & ASSOCIATES * MUMBAI * CHARTERED ACCOUNTANTS

**38.3 Compensation of key management personnel of the Company**

(Rs. in lacs)

| Nature of transaction | 2017-18 | 2016-17 |
|---|---|---|
| Short-term employee benefits | 86.89 | 75.63 |
| Post-employment benefits | 0.24 | 2.21 |
| **Total compensation paid to key management personnel** | **87.13** | **77.84** |

**38.4** The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at year-end are unsecured, unless specified and settlement occurs in cash. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**38.5 Details of corporate guarantee given:**

(Rs. in lacs)

| Name of Transactions | Name of the Related Party | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|---|
| Corporate Guarantee given by | Borosil Glass Works Limited | - | 1,916.25 |

## Note 39 - Fair Values

**39.1 Financial Instruments by category:**

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial assets and liabilities that are recognised in the financial statements.

**Financial Assets / Liabilities measured at amortised cost**

(Rs. in lacs)

| Particulars | As at 31st March, 2018 | | As at 31st March, 2017 | |
|---|---|---|---|---|
| | Carrying Value | Fair Value | Carrying Value | Fair Value |
| **Financial Assets designated at amortised cost:-** | | | | |
| - Trade Receivables | 1711.67 | 1711.67 | 1,513.67 | 1,513.67 |
| - Cash and cash equivalents | 16.02 | 16.02 | 18.46 | 18.46 |
| - Bank Balances other than cash and cash equivalents | 47.2 | 47.2 | 215.71 | 215.71 |
| - Others | 340.49 | 340.49 | 311.72 | 311.72 |
| | **2,115.38** | **2,115.38** | **2,059.56** | **2,059.56** |
| **Financial Liabilities designated at amortised cost:-** | | | | |
| - Non-current Borrowings | 7897.01 | 7897.01 | 3,698.62 | 3,698.62 |
| - Current Borrowings | 2770.06 | 2770.06 | 2,569.44 | 2,569.44 |
| - Trade Payables | 1077.15 | 1077.15 | 795.94 | 795.94 |
| - Other Financial Liabilities | 2992.13 | 2992.13 | 1,294.14 | 1,294.14 |
| | **14736.35** | **14736.35** | **8358.14** | **8358.14** |

**39.2 Fair Valuation techniques used to determine fair value**

The Company maintains procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

i) Fair value of trade receivables, cash and cash equivalents, other bank balances, trade payables, borrowings, deposits and other financial assets and liabilities are approximate at their carrying amounts largely due to the short-term maturities of these instruments.

ii) The fair values of Non-current Borrowings, Fixed Deposits and Security Deposits are approximate at their carrying amount due to interest bearing features of these instruments.

iii) The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

MUMBAI

HOPEWELL TABLEWARE PRIVATE LIMITED
**Notes to the financial statement for the year ended 31st March, 2018**

**Note 40 :- Financial Risk Management**

The Company is exposed to market risk, credit risk and liquidity risk. Risk management is carried out by the company under policies approved by the board of directors. This Risk management plan defines how risks associated with the Company will be identified, analysed, and managed. It outlines how risk management activities will be performed, recorded, and monitored by the Company. The basic objective of risk management plan is to implement an integrated risk management approach to ensure all significant areas of risks are identified, understood and effectively managed, to promote a shared vision of risk management and encourage discussion on risks at all levels of the organization to provide a clear understanding of risk/benefit trade-offs, to deploy appropriate risk management methodologies and tools for use in identifying, assessing, managing and reporting on risks, and to determine the appropriate balance between cost and control of risk and deploy appropriate resources to manage/optimize key risks. Activities are developed to provide feedback to management and other interested parties (e.g. Board etc.). The results of these activities ensure that risk management plan is effective in the long term.

**40.1 Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise of three types of risk: foreign currency rate risk, interest rate risk and other price risks, such as commodity risk. Financial instruments affected by market risk include borrowings and deposits.

The sensitivity analysis is given relate to the position as at 31st March 2018 and 31st March 2017.

The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations, provisions and on the non-financial assets and liabilities. The sensitivity of the relevant Statement of Profit and Loss item is the effect of the assumed changes in the respective market risks. The Company's activities exposes it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. This is based on the financial assets and financial liabilities held as at 31st March, 2018 and 31st March, 2017.

**(a) Foreign exchange risk and sensitivity**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. The Company transacts foreign business primarily in USD and EURO. The Company has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk. The Company is regularly reviews and evaluates exchange rate exposure arising from foreign currency transactions.

The following table demonstrates the sensitivity in the USD to the Indian Rupee with all other variables held constant. The impact on the Company's loss before tax due to changes in the fair values of monetary assets and liabilities is given below:

| Unhedged Foreign currency exposure as at 31st March, 2017 | Currency | Amount in FC | Rs. in lacs |
|---|---|---|---|
| Trade Receivables | USD | 72,526 | 46.74 |
| Trade Payable | USD | 11,750 | 7.66 |

| Unhedged Foreign currency exposure as at 31st March, 2018 | Currency | Amount in FC | Rs. in lacs |
|---|---|---|---|
| Trade Receivables | USD | 84,878 | 54.76 |
| Trade Payable | USD | 33,503 | 21.88 |
| Trade Payable | EURO | 253,059 | 206.19 |

**Foreign currency sensitivity**

1% increase or decrease in foreign exchange rates will have the following impact on loss before tax:-

(Rs. in lacs)

| Particulars | 2017-18 | | 2016-17 | |
|---|---|---|---|---|
| | 1% Increase | 1% Decrease | 1% Increase | 1% Decrease |
| USD | 0.33 | (0.33) | 0.39 | (0.39) |
| EURO | (2.06) | 2.06 | - | - |
| Decrease / (Increase) in loss before tax | (1.73) | 1.73 | 0.39 | (0.39) |

**b) Interest rate risk and sensitivity :-**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is having long term borrowings in the form of term loan from bank, vehicle loan from banks and financial institutions and loan from related party. Further, the Company is having short term borrowings in the form of loan from related party and working capital loan from bank. In respect of loan from related party, the rate of interest is fixed during the tenure of the borrowings and hence there is no significant risk associated with these borrowings. The Company is exposed to interest rate risk associated with term loan, vehicle loan and working capital loan due to floating rate of interest.

The table below illustrates the impact of a 2% increase in interest rates on interest on financial liabilities assuming that the changes occur at the reporting date and has been calculated based on risk exposure outstanding as of date. The year end balances are not necessarily representative of the average debt outstanding during the year. This analysis also assumes that all other variables, in particular foreign currency rates, remain constant.

(Rs. in lacs)

| Particulars | 2017-18 | | 2016-17 | |
|---|---|---|---|---|
| | 2% Increase | 2% Decrease | 2% Increase | 2% Decrease |
| Term Loan | (29.11) | 29.11 | (43.18) | 43.18 |
| Vehicle loan | (0.03) | 0.03 | (0.09) | 0.09 |
| Working capital loan and loan repayable on demand | (35.40) | 35.40 | (35.19) | 35.19 |
| Decrease / (Increase) in loss before tax | (64.54) | 64.54 | (78.46) | 78.46 |

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

**c) Commodity price risk:-**

The Company is exposed to the movement in price of key traded materials in domestic markets. The Company entered into contracts for procurement of material, most of the transactions are short term fixed price contract and hence Company is not exposed to significant risk.

MUMBAI

**40.2 Credit risk**

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

**a) Trade Receivables:-**

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings with the Company for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. The Company has also taken security deposits from its customers in certain cases, which mitigate the credit risk to some extent. No single customer accounted for 10% or more of revenue in any of the years presented. The history of trade receivables shows a negligible provision for bad and doubtful debts. Therefore, the Company does not expect any material risk on account of non performance by any of the Company's counterparties.

**b) Financial instruments and cash deposits:-**

The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances are maintained. Credit risk from balances with bank is managed by the Company's finance department. Investment of surplus funds are also managed by finance department. The Company does not maintain significant cash in hand. Excess balance of cash other than those required for its day to day operations is deposited into the bank.

For other financial instruments, the finance department assesses and manage credit risk based on internal assessment. Internal assessment is performed for each class of financial instrument with different characteristics.

**40.3 Liquidity risk.**

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times, maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company relies operating cash flows and short term borrowings in the form of working capital loan to meet its needs for funds. The Company has access to a sufficient variety of sources of funding as per requirement.

The table below provides undiscounted cash flows towards financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

(Rs. in lacs)

| Particulars | On demand | Maturity | | | | Total |
|---|---|---|---|---|---|---|
| | | 0 - 3 Months | 3 - 6 Months | 6 - 12 months | More than 1 year | |
| **As at 31st March, 2017** | | | | | | |
| Non-current borrowings | - | - | - | - | 3,698.62 | 3,698.62 |
| Current borrowings | 1,759.44 | - | 710.00 | 100.00 | - | 2,569.44 |
| Trade Payables | - | 795.94 | - | - | - | 795.94 |
| Other Financial Liabilities | - | 697.63 | 188.74 | 407.77 | - | 1,294.14 |
| **Total** | **1,759.44** | **1,493.57** | **898.74** | **507.77** | **3,698.62** | **8,358.14** |
| **As at 31st March, 2018** | | | | | | |
| Non-current borrowings | - | - | - | - | 7,897.01 | 7,897.01 |
| Current borrowings | 1,770.06 | - | 710.00 | 290.00 | - | 2,770.06 |
| Trade Payables | - | 1,077.15 | - | - | - | 1,077.15 |
| Other Financial Liabilities | - | 1,584.38 | 932.25 | 475.50 | - | 2,992.13 |
| **Total** | **1,770.06** | **2,661.53** | **1,642.25** | **765.50** | **7,897.01** | **14,736.35** |

**40.4 Competition and price risk**

The Company faces competition from local and foreign competitors. Nevertheless, it believes that it has competitive advantage in terms of high quality products and by continuously upgrading its expertise and range of products to meet the needs of its customers.

**Note 41: Capital Management**

For the purpose of Company's capital management, capital includes issued capital, all other equity reserves and debts. The primary objective of the Company's capital management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using gearing ratio, which is net debt divided by total capital (equity plus net debt). Net debt are non-current and current debts as reduced by cash and cash equivalents. Equity comprises all components including other comprehensive income.

(Rs. in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| Total Debt | 12,409.88 | 7,023.00 |
| Less:- Cash and cash equivalent | 16.02 | 18.46 |
| **Net Debt** | **12,393.86** | **7,004.54** |
| **Total Equity (Equity Share Capital plus Other Equity)** | 1,215.02 | 1,897.44 |
| **Total Capital (Total Equity plus net debt)** | **13,608.88** | **8,901.98** |
| **Gearing ratio** | **91.07%** | **78.69%** |

**Note 42**

The Board of Directors of the Company at its meeting held on 25th November, 2016 approved a Scheme of Amalgamation for merger of the Company along with Fennel Investment and Finance Private Limited and Vyline Glass Works Limited with Borosil Glass Works Limited (Holding Company). The Board of Directors subsequently fixed 25th November, 2016 as appointed date for the said scheme. The Scheme is pending for approval with National Company Law Tribunal (NCLT) and will be given effect to upon receipt of such approval.

MUMBAI
CHARTERED ACCOUNTANTS

**HOPEWELL TABLEWARE PRIVATE LIMITED**
**Notes to the financial statement for the year ended 31st March, 2018**

**Note 43: Standards issued but not effective :**

On 28th March, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - "Revenue from Contract with Customers" and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from 1st April, 2018.

**43.1 Issue of Ind AS 115 - "Revenue from Contracts with customers"**

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations. The core principles of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

**43.2 Amendment to Existing issued Ind AS**

The MCA has also notified certain amendments to the following Accounting Standards:

i. Ind AS 21 - The Effects of Changes in Foreign Exchange Rates

ii. Ind AS 12 - Income Taxes

**43.3** Applications of the above standards are not expected to have any significant impact on the Company's financial statements.

**Note 44 :**

The Management and authorities have the power to amend the Financial Statements in accordance with section 130 and 131 of The Companies Act, 2013.

**Note 45:**

Previous Year figures have been regrouped and reclassified wherever necessary.

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As per our report of even date

**For PATHAK H.D. & ASSOCIATES**
Chartered Accountants
(Firm Registration No. 107783 W)

**Gyandeo Chaturvedi**
Partner
Membership No. 46806

PATHAK H.D. & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

Place : Mumbai
Date : 10.05.2018

For and on behalf of the Board of Directors

**Ashok Jain**
Director
(DIN 00025125)

**P. K. Kheruka**
Chairman
(DIN 00016909)

**Vivek Singh**
Chief Financial Officer

**Raghav Sharma**
Company Secretary
(Membership No. ACS41472)

**BOROSIL LIMITED (FORMERLY KNOWN AS HOEPWELL TABLEWARE LIMITED)**

**UNAUDITED (PROVISIONAL) BALANCE SHEET AS AT 31ST DECEMBER 2018**

(Rs. in lacs)

| Particulars | Note No. | As at 31st December, 2018 | | As at 31st March, 2018 | |
|---|---|---|---|---|---|
| **I. ASSETS** | | | | | |
| **1 Non-current Assets** | | | | | |
| (a) Property, Plant and Equipment | 2 | 8,979.11 | | 8,905.36 | |
| (b) Capital work-in-progress | 2 | 725.20 | | 985.64 | |
| (c) Other Intangible assets | 3 | 10.15 | | 15.94 | |
| (d) Intangible Assets under development | 3 | - | | - | |
| (e) Financial Assets | | | | | |
| (i) Others | 4 | 273.18 | | 273.18 | |
| (f) Deferred tax assets (net) | | 865.68 | | 802.53 | |
| (g) Non Current Tax Assets (net) | | 3.81 | | 7.48 | |
| (h) Other non-current assets | 5 | 530.30 | **11,387.43** | 257.01 | **11,247.14** |
| **2 Current Assets** | | | | | |
| (a) Inventories | 6 | 3,677.66 | | 2,261.69 | |
| (b) Financial Assets | | | | | |
| (i) Trade Receivable | 7 | 2,933.20 | | 1,711.67 | |
| (ii) Cash and cash equivalents | 8 | 14.24 | | 16.02 | |
| (iii) Bank Balances other than (ii) above | 9 | 33.18 | | 47.20 | |
| (iv) Others | 10 | 81.60 | | 67.31 | |
| (c) Current Tax Assets (net) | | 1.83 | | 1.80 | |
| (d) Other current assets | 11 | 299.95 | **7,041.66** | 809.65 | **4,915.34** |
| **TOTAL ASSETS** | | | **18,429.09** | | **16,162.48** |
| **II. EQUITY AND LIABILITIES** | | | | | |
| **EQUITY** | | | | | |
| (a) Equity Share Capital | 12 | 2,575.00 | | 2,575.00 | |
| (b) Other Equity | 13 | (1,564.43) | **1,010.57** | (1,359.98) | **1,215.02** |
| **LIABILITIES** | | | | | |
| **1 Non-current Liabilities** | | | | | |
| (a) Financial Liabilities | | | | | |
| (i) Borrowings | 14 | 9,125.26 | | 7,897.01 | |
| (b) Provisions | 15 | 65.83 | **9,191.09** | 54.16 | **7,951.17** |
| **2 Current Liabilities** | | | | | |
| (a) Financial Liabilities | | | | | |
| (i) Borrowings | 16 | 2,854.11 | | 2,770.06 | |
| (ii) Trade Payable | 17 | 806.54 | | 1,077.15 | |
| (iii) Other Financial Liabilities | 18 | 4,410.44 | | 2,992.13 | |
| (b) Other current liabilities | 19 | 111.95 | | 113.95 | |
| (c) Provisions | 20 | 44.39 | **8,227.43** | 43.00 | **6,996.29** |
| **TOTAL EQUITY AND LIABILITIES** | | | **18,429.09** | | **16,162.48** |
| Notes to the unaudited (provisional) financial statements | 1 to 28 | | | | |

For and on behalf of the Board of Directors

Borosil Limited Mumbai

**Rituraj Sharma**
Director
(DIN 07426469)

**Shreevar Kheruka**
Director
(DIN 01802416)

Place : Mumbai
Date : 11.03.2019

BOROSIL LIMITED (FORMERLY KNOWN AS HOEPWELL TABLEWARE LIMITED)

UNAUDITED (PROVISIONAL) STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST DECEMBER, 2018

(Rs. in lacs)

| Particulars | Note | For the Period Ended 31st December, 2018 | For the Year Ended 31st March, 2018 |
|---|---|---|---|
| **I.** Revenue from Operations | 21 | 11,998.45 | 10,211.08 |
| Other Income | 22 | 32.77 | 55.29 |
| **Total Income** | | **12,031.22** | **10,266.37** |
| **II. Expenses:** | | | |
| Cost of Material Consumed | | 1,949.23 | 1,814.16 |
| Changes in Inventories of Work-in-Progress and Finished goods | 23 | (609.32) | 387.61 |
| Excise duty expenses | | - | 1.62 |
| Employee Benefits Expense | 24 | 2,217.80 | 1,880.91 |
| Finance Costs | 25 | 960.68 | 667.85 |
| Depreciation and Amortization Expense | 26 | 1,324.08 | 837.53 |
| Other Expenses | 27 | 6,393.33 | 5,445.03 |
| **Total Expenses** | | **12,235.80** | **11,034.71** |
| **III. Loss Before Tax (I - II)** | | **(204.58)** | **(768.34)** |
| **IV. Tax Expense:** | | | |
| Deferred tax expenses / (credit) | | (46.76) | (90.83) |
| **V. Loss For The Year (III-IV)** | | **(157.82)** | **(677.51)** |
| | | | - |
| **VI. Other Comprehensive Income** | | | |
| **i) Items that will not be reclassified to profit or loss:** | | | |
| Re-measurement gains / (losses) on defined benefit plans | | (3.54) | (7.07) |
| Income tax effect on above | | 0.92 | 2.16 |
| **Total Other Comprehensive Income** | | **(2.62)** | **(4.91)** |
| **VII. Total Comprehensive Income for the year (V + VI)** | | **(160.44)** | **(682.42)** |
| **VIII. Earnings per Equity Share of Re.1 each (Basic and Diluted)** | 28 | (0.06) | (2.63) |
| Notes to the unaudited (provisional) financial statements | 1 to 28 | | |

For and on behalf of the Board of Directors

Borosil Limited Mumbai

Rituraj Sharma
Director
(DIN 07426469)

Shreevar Kheruka
Director
(DIN 01802416)

Place : Mumbai
Date : 11.03.2019

**BOROSIL LIMITED (FORMERLY KNOWN AS HOPEWELL TABLEWARE LIMITED)**

**UNAUDITED (PROVISIONAL) STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST DECEMBER, 2018**

**A. Equity Share Capital** (Rs. in Lacs)

| Particulars | As at 1st April, 2017 | Changes during 2017-18 | As at 31st March, 2018 | Changes during 2018-19 | As at 31st December, 2018 |
|---|---|---|---|---|---|
| Equity Share Capital | 2,575.00 | - | 2,575.00 | - | 2,575.00 |

**B. Other Equity** (Rs. in Lacs)

| Particulars | 6% Optionally Convertible Non-Cumulative Redeemable Preference Shares | Reserves and Surplus | Items of Other Comprehensive Income | Total Other Equity |
|---|---|---|---|---|
| | | Retained Earnings | Remeasurements of defined benefit plans | |
| **Balance as at 1st April, 2017** | **2,800.00** | **(3,468.48)** | **(9.08)** | **(677.56)** |
| Total Comprehensive Income for the year | - | (677.51) | (4.91) | (682.42) |
| **Balance as at 31st March, 2018** | **2,800.00** | **(4,145.99)** | **(13.99)** | **(1,359.98)** |
| Total Comprehensive Income for the Period | - | (157.82) | (2.62) | (160.44) |
| Transitional impact of Ind AS 115 | - | (44.01) | - | (44.01) |
| **Balance as at 31st December, 2018** | **2,800.00** | **(4,347.82)** | **(16.61)** | **(1,564.43)** |

Borosil Limited Mumbai

For and on behalf of the Board of Directors

**Rituraj Sharma**
Director
(DIN 07426469)

**Shreevar Kheruka**
Director
(DIN 01802416)

Place : Mumbai
Date : 11.03.2019

**BOROSIL LIMITED (FORMERLY KNOWN AS HOPEWELL TABLEWARE LIMITED)**
**Notes to the Unaudited (Provisional) financial statement for the period ended 31st December, 2018**

## Note 1 SIGNIFICANT ACCOUNTING POLICIES

### 1.1 Property, Plant and Equipment

The carrying value (Gross Block less accumulated depreciation and amortisation) as on 1st April, 2015 of the Property, plant and equipment was considered as a deemed cost on the date of transition i.e on 01.04.2015.

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price, borrowing cost and any cost directly attributable to the bringing the assets to its working condition for its intended use.

Depreciation on the property, plant and equipment is provided using straight line method over the useful life of assets as specified in schedule II to the Companies Act, 2013 except following property, plant and equipment.

| Particulars | Useful life considered for depreciation |
|---|---|
| Furnace :- | 3 Years |
| Moulds :- | 3 Years |

Depreciation on property, plant and equipment which are added / disposed off during the year, is provided on pro-rata basis with reference to the date of addition / deletion. Freehold land is not depreciated.

The assets' residual values, useful lives and method of depreciation are reviewed at each financial year end and are adjusted prospectively, if appropriate.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Profits / losses arising in the case of retirement / disposal of property, plant and equipment are recognised in the statement of profit and loss in the year of occurrence.

Leasehold lands are amortised over the period of lease. Buildings constructed on leasehold land are depreciated based on the useful life specified in schedule II to the Companies Act, 2013, where the lease period of land is beyond the life of the building. In other cases, buildings constructed on leasehold lands are amortised over the primary lease period of the lands.

### 1.2 Intangible Assets

The carrying value (Gross Block less accumulated amortisation) as on 1st April, 2015 of the Other Intangible assets is considered as a deemed cost on the date of transition i.e on 01.04.2015.

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the intangible assets.

Identifiable intangible assets are recognised when it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured.

Computer softwares are capitalised at the amounts paid to acquire the respective license for use and are amortised over the period of useful lives or period of three years, whichever is less. The assets' useful lives are reviewed at each financial year end.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

### 1.3 Leases

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. The corresponding liability is included in the balance sheet as a finance lease liability. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor 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 except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

**1.4 Inventories**

Inventories are valued at the lower of cost and net realizable value except scrap (cullet), which is valued at raw material cost. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their respective present location and condition. Cost of raw materials, stores and spares and packing materials are computed on the weighted average basis. Cost of work in progress and finished goods is determined on absorption costing method.

**1.5 Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**1.6 Impairment of non-financial assets - property, plant and equipment and intangible assets:**

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**1.7 Discontinued operation and non-current assets (or disposal groups) held for sale:**

**Discontinued operation**

A discontinued operation is a component of the Company that has been disposed off or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose off such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

**Held for Sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when a sale is highly probable from the date of classification, management are committed to the sale and the asset is available for immediate sale in its present condition. Non-current assets are classified as held for sale from the date these conditions are met and are measured at the lower of carrying amount and fair value less cost to sell. Any resulting impairment loss is recognised in the statement of profit and loss as a separate line item. On classification as held for sale, the assets are no longer depreciated. Assets and liabilities classified as held for sale are presented separately as current items in the Balance Sheet.

**1.8 Financial instruments – initial recognition, subsequent measurement and impairment**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**I) Financial assets -Initial recognition and measurement**

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

**Financial assets - Subsequent measurement**

For the purpose of subsequent measurement, financial assets are classified in two broad categories:-
a) Financial assets at fair value
b) Financial assets at amortised cost
Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured **at amortised cost** (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.
**a) Business model test:** The objective of the Company's business model is to hold the financial asset to collect the contractual cash flow.
b) **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at **fair value through other comprehensive income** unless the asset is designated at fair value through profit or loss under the fair value option.

**a) Business model test:** The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets.
b) **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

All other financial asset is measured at fair value through profit or loss.

**Financial assets - Derecognition**

A financial assets (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed form the Company's statement of financial position) when:
a) The rights to receive cash flows from the asset have expired, or
b) The Company has transferred its rights to receive cash flow from the asset.

**Impairment of financial assets**

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).
Expected credit losses are measured through a loss allowance at an amount equal to:
a) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
b) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)
For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.
For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

**II) Financial liabilities - Initial recognition and measurement**

The financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

**Financial liabilities - Subsequent measurement:**

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**Financial Liabilities - Financial guarantee contracts:**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined and the amount recognised less cumulative amortisation.

**Financial Liabilities - Derecognition**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined and the amount recognised less cumulative amortisation.

**1.9 Provisions, Contingent Liabilities, Contingent Assets and Commitments:**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

**1.10 Dividend Distribution**

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in other equity.

### 1.11 Revenue recognition and other income

**Sale of goods**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer as per the terms of the contracts, usually on delivery of the goods, and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. It also includes excise duty, if applicable, and excludes value added tax / sales tax / Goods and Service Tax. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

**Sale of Services**

Revenue from sale of services is recognised as per the terms of the contract with customer based on stage of completion when the outcome of the transactions involving rendering of services can be estimated reliably. Percentage of completion method requires the Company to estimate the services performed to date as a proportion of the total services to be performed.

**Other Operating Income**

Incentives on exports and other Government incentives related to operations are recognised in the statement of profit and loss after due consideration of certainty of utilization/receipt of such incentives.

**Interest Income**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**Dividend Income**

Dividend Income is recognised when the right to receive the payment is established.

**Rental income**

Rental income arising from operating leases on is accounted for on a straight-line basis over the lease terms and is included as other income in the statement of profit or loss.

### 1.12 Foreign currency reinstatement and translation

Transactions in foreign currencies are initially recorded by the Company at rates prevailing at the date of the transaction. Subsequently monetary items are translated at closing exchange rates as on balance sheet date and the resulting exchange difference recognised in statement of profit and loss. Differences arising on settlement of monetary items are also recognised in statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transaction. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other finance gains / losses are presented in the statement of profit and loss on a net basis.

### 1.13 Employee Benefits

Short term employee benefits are recognized as an expense in the statement of Profit and Loss of the year in which the related services are rendered.

Leave encashment being a defined benefit plan is accounted for using the projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the year in which they arise. Other costs are accounted in statement of profit and loss.

Contribution to Provident Fund, a defined contribution plan, is made in accordance with the statute, and is recognised as an expense in the year in which employees have rendered services.

The cost of providing gratuity, a defined benefit plans, is determined using the Projected Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other

**1.14 Share-based payments:-**

Certain employees of the company receive part of their remuneration in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares of holding company ('equity-settled transactions').

The cost of equity-settled transactions with employees is measured at fair value at the date at which they are granted. The fair value of share awards are determined with the assistance of an external valuer and the fair value at the grant date is expensed on a proportionate basis over the vesting period based on the Company's estimate of shares that will eventually vest. The estimate of the number of awards likely to vest is reviewed at each balance sheet date up to the vesting date at which point the estimate is adjusted to reflect the current expectations. Amounts charged by the holding company in respect of awards granted to employees of the Company are recognised as payable under current financial liabilities - other until repaid.

**1.15 Taxes on Income**

Income tax expense represents the sum of current tax (including MAT and income tax for earlier years) and deferred tax . Tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in such cases the tax is also recognised directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognised in equity or other comprehensive income is also recognised in equity or other comprehensive income.

Current tax provision is computed for Income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws. Current tax assets and current tax liabilities are off set, and presented as net.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised. Deferred tax assets and liabilities are measured at the applicable tax rates. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

Where Minimum Alternative Tax (MAT) is applicable, credit of MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

**1.16 Borrowing Costs**

Borrowing costs specifically relating to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized (net of income on temporarily deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period. All other borrowing costs are expensed in the period in which they occur.

**1.17 Earnings per share**

Basic earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of shares outstanding during the year.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

**1.18 Current and non-current classification**

The Company presents assets and liabilities in statement of financial position based on current/non-current classification.

The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA.

**An asset is classified as current when it is:**

a) Expected to be realised or intended to be sold or consumed in normal operating cycle,

b) Held primarily for the purpose of trading,

c) Expected to be realised within twelve months after the reporting period, or

d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

**A liability is classified as current when it is:**

a) Expected to be settled in normal operating cycle,

b) Held primarily for the purpose of trading,

c) Due to be settled within twelve months after the reporting period, or

d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has identified twelve months as its normal operating cycle.

**1.19 Fair value measurement:**

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or

b) In the absence of a principal market, in the most advantageous market for the asset or liability.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy.

**1.20 Government Grant**

Government grants are recognized only if there is reasonable assurance as to its receipt and that the conditions attached there to shall be complied with and are recognised and shown under the head "Other Income".

**1.21 Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable rights to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable rights must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or counterparty.

BOROSIL LIMITED (FORMERLY KNOWN AS HOPEWELL TABLEWARE LIMITED)

Notes to the Unaudited (Provisional) financial statement for the period ended 31st December, 2018

Note 2. Property, Plant and Equipment

(Rs. in lacs)

| Particulars | Land - Freehold | Buildings | Plant and Equipment | Furniture and Fixtures | Vehicles | Office Equipment | Total | Capital Work in Progress |
|---|---|---|---|---|---|---|---|---|
| **COST** | | | | | | | | |
| **At 1st April, 2017** | **95.70** | **862.41** | **4,177.22** | **138.81** | **21.45** | **88.35** | **5,383.94** | **35.320** |
| Additions | - | 179.73 | 6,073.26 | 128.79 | 34.24 | 27.85 | 6,443.87 | 7,394.19 |
| Disposals / transfers | - | - | 1,331.03 | - | - | - | 1,331.03 | 6,443.87 |
| **At 31st March, 2018** | **95.70** | **1,042.14** | **8,919.45** | **267.60** | **55.69** | **116.20** | **10,496.78** | **985.64** |
| Additions | - | 1.61 | 1,252.24 | 123.78 | | 19.39 | 1,397.02 | 485.44 |
| Disposals / transfers | - | | 10.53 | | 1.35 | | 11.88 | 745.89 |
| **At 31st December, 2018** | **95.70** | **1,043.75** | **10,161.16** | **391.38** | **54.34** | **135.59** | **11,881.92** | **725.20** |
| **DEPRECIATION AND AMORTIZATION** | | | | | | | | |
| **At 1st April, 2017** | **-** | **56.54** | **1,485.14** | **22.15** | **6.12** | **30.09** | **1,600.04** | |
| Depreciation for the year | - | 29.78 | 735.53 | 32.18 | 4.20 | 22.38 | 824.07 | |
| Disposals | - | - | 832.69 | - | - | - | 832.69 | |
| **At 31st March, 2018** | **-** | **86.32** | **1,387.98** | **54.33** | **10.32** | **52.47** | **1,591.42** | |
| Depreciation for the year | - | 25.82 | 1,215.07 | 52.04 | 5.25 | 20.11 | 1,318.29 | |
| Disposals | - | - | 6.90 | - | - | - | 6.90 | |
| **At 31st December, 2018** | **-** | **112.14** | **2,596.15** | **106.37** | **15.57** | **72.58** | **2,902.81** | |
| **NET BOOK VALUE** | | | | | | | | |
| **At 31st March, 2018** | **95.70** | **955.82** | **7,531.47** | **213.27** | **45.37** | **63.73** | **8,905.36** | **985.64** |
| **At 31st December, 2018** | **95.70** | **931.61** | **7,565.00** | **285.01** | **38.77** | **63.01** | **8,979.11** | **725.20** |

**BOROSIL LIMITED (FORMERLY KNOWN AS HOPEWELL TABLEWARE LIMITED)**
**Notes to the Unaudited (Provisional) financial statement for the period ended 31st December, 2018**

**Note 3. Other Intangible assets**

(Rs. in lacs)

| Particulars | Other Intangible assets | Intangible assets under development |
|---|---|---|
| **Cost:** | | |
| **As at 1st April, 2017** | **46.10** | **4.75** |
| Additions | 14.85 | - |
| Disposals / transfers | 37.22 | 4.75 |
| **As at 31st March, 2018** | **23.73** | **-** |
| Additions | - | |
| Disposals / transfers | - | |
| **As at 31st December, 2018** | **23.73** | **-** |
| **Accumulated Depreciation:** | | |
| **As at 1st April, 2017** | **24.51** | |
| Amortisation during the year | 13.46 | |
| **As at 31st March, 2018** | **7.79** | |
| Amortisation during the year | 5.79 | |
| Disposals | | |
| **As at 31st December, 2018** | **13.58** | |
| **Net Book Value:** | | |
| **As at 31st March, 2018** | **15.94** | **-** |
| **As at 31st December, 2018** | **10.15** | **-** |

**3.1** Other intangible assets represents software other than self generated.

BOROSIL LIMITED (FORMERLY KNOWN AS HOPEWELL TABLEWARE LIMITED)
Notes to the Unaudited (Provisional) financial statement for the period ended 31st December, 2018

**Note 4 - Non-current financial assets - Others**

(Rs. in lacs)

| Particulars | As at 31st December, 2018 | As at 31st March, 2018 |
|---|---|---|
| **Unsecured, Considered Good, unless otherwise stated :** | | |
| Fixed deposits pledged with banks having maturity more than 12 months | 97.77 | 97.77 |
| Security Deposits | 175.41 | 175.41 |
| **Total** | **273.18** | **273.18** |

**Note 5 - Other Non-current assets**

(Rs. in lacs)

| Particulars | As at 31st December, 2018 | As at 31st March, 2018 |
|---|---|---|
| **Unsecured, Considered Good, unless otherwise stated :** | | |
| **(Unsecured, Considered Good) :** | | |
| Capital Advances | 530.30 | 257.01 |
| **Total** | **530.30** | **257.01** |

**Note 6 - Inventories**

(Rs. in lacs)

| Particulars | As at 31st December, 2018 | As at 31st March, 2018 |
|---|---|---|
| Raw Materials | 253.39 | 171.17 |
| Work-in-Progress | 1,046.93 | 690.70 |
| Finished Goods | 1,808.14 | 943.85 |
| Stores, Spares and Consumables | 321.64 | 139.16 |
| Packing Materials | 241.70 | 209.33 |
| Scrap(Cullet) | 5.86 | 107.48 |
| **Total** | **3,677.66** | **2,261.69** |

**Note 7 - Current Financial Assets - Trade Receivable**

(Rs. in lacs)

| Particulars | | As at 31st December, 2018 | | As at 31st March, 2018 |
|---|---|---|---|---|
| **Unsecured :** | | | | |
| Considered Good | 2,933.20 | | 1,711.67 | |
| Considered Doubtful | 88.28 | | 116.90 | |
| | 3,021.48 | | 1,828.57 | |
| Less : Provision for Doubtful Debts | 88.28 | 2,933.20 | 116.90 | 1,711.67 |
| **Total** | | **2,933.20** | | **1,711.67** |

**Note 8 - Current Financial Assets - Cash and cash equivalents**

(Rs. in lacs)

| Particulars | As at 31st December, 2018 | As at 31st March, 2018 |
|---|---|---|
| **Cash and Cash Equivalents** | | |
| Balances with Banks in current accounts | 8.39 | 13.96 |
| Cash on Hand | 5.85 | 2.06 |
| **Total** | **14.24** | **16.02** |

**Note 9 - Bank balances Other than Cash and cash Equivalents**

(Rs. in lacs)

| Particulars | As at 31st December, 2018 | As at 31st March, 2018 |
|---|---|---|
| **Earmarked Balances with banks :** | | |
| Fixed deposit pledged with the Banks having maturity upto 12 months | 33.18 | 47.20 |
| | **33.18** | **47.20** |

**Note 10 - Current financial assets - Others**

(Rs. in lacs)

| Particulars | As at 31st December, 2018 | As at 31st March, 2018 |
|---|---|---|
| **Unsecured, Considered Good, unless otherwise stated:** | | |
| Interest Receivables | 62.11 | 53.28 |
| Security Deposits | 19.49 | 14.03 |
| | **81.60** | **67.31** |

**Note 11 - Other Current Assets**

(Rs. in lacs)

| Particulars | As at 31st December, 2018 | As at 31st March, 2018 |
|---|---|---|
| **Unsecured, Considered Good, unless otherwise stated:** | | |
| Export Incentives Receivable | 24.76 | 15.99 |
| Advances against supplies | 150.10 | 131.14 |
| Balance with Excise / Goods and Service Tax Authorities | 2.29 | 485.55 |
| Amount paid under protest | 23.53 | 23.53 |
| Others | 99.27 | 153.44 |
| **Total** | **299.95** | **809.65** |

**11.1** Others includes mainly Sales tax incentive receivable, prepaid expenses etc.

**BOROSIL LIMITED (FORMERLY KNOWN AS HOPEWELL TABLEWARE LIMITED)**
**Notes to the Unaudited (Provisional) financial statement for the period ended 31st December, 2018**

**Note 12 - Equity Share Capital**

(Rs. In lacs)

| Particulars | As at 31st Dec., 2018 | As at 31st March, 2018 |
|---|---|---|
| **Authorised** | | |
| 27,00,00,000 (As at 31st March, 2018 :- 2,70,00,000) Equity Shares of Rs. 1/- each | 2,700.00 | 2,700.00 |
| 2,80,00,000 (As at 31st March, 2018 :- 2,80,00,000) 6% Optionally Convertible Non-Cumulative Redeemable Preference Shares of Rs. 10/- each | 2,800.00 | 2,800.00 |
| **Issued, Subscribed & Fully Paid up** | | |
| 25,75,00,000 ((As at 31st March, 2018 :- 2,57,50,000) Equity Shares of Rs. 1/- each fully paid up | 2,575.00 | 2,575.00 |
| **Total** | **2,575.00** | **2,575.00** |

BOROSIL LIMITED (FORMERLY KNOWN AS HOPEWELL TABLEWARE LIMITED)

**Notes to the Unaudited (Provisional) financial statement for the period ended 31st December, 2018**

**Note 13 - Other Equity**

(Rs. in lacs)

| Particulars | | As at 31st December, 2018 | | As at 31st March, 2018 |
|---|---|---|---|---|
| **6% Optionally Convertible Non-Cumulative Redeemable Preference Shares** | | | | |
| As per Last Balance Sheet | | 2,800.00 | | 2,800.00 |
| **Retained Earnings** | | | | |
| As per Last Balance Sheet | (4,145.99) | | (3,468.48) | |
| Add: Profit (loss) for the year / period | (157.82) | | (677.51) | |
| Add: Transitional impact of Ind AS 115 | (44.01) | (4,347.82) | - | (4,145.99) |
| **Other Comprehensive Income (OCI)** | | | | |
| As per Last Balance Sheet | (13.99) | | (9.08) | |
| Add: Movements in OCI (net) during the year / Period | -2.62 | (16.61) | (4.91) | (13.99) |
| **Total** | | **(1,564.43)** | | **(1,359.98)** |

**Note 14 - Non-current financial liabilities - Borrowings**

(Rs. in lacs)

| Particulars | As at 31st December, 2018 | As at 31st March, 2018 |
|---|---|---|
| **Secured Loan** | | |
| Term Loans From a Bank | 244.76 | 704.01 |
| **Unsecured Loan** | | |
| Loan from related party | 8,880.50 | 7,193.00 |
| **Total** | **9,125.26** | **7,897.01** |

**Note 15 - Non-current Provisions**

(Rs. in lacs)

| Particulars | As at 31st December, 2018 | As at 31st March, 2018 |
|---|---|---|
| **Provisions for Employee Benefits** | | |
| Gratuity (Unfunded) | 65.83 | 54.16 |
| **Total** | **65.83** | **54.16** |

**Note 16 - Current financial liabilities - Borrowings**

(Rs. in lacs)

| Particulars | As at 31st December, 2018 | As at 31st March, 2018 |
|---|---|---|
| **Secured Loan** | | |
| Woking Capital Loan From a Bank | 1,854.11 | 1,770.06 |
| **Unsecured Loan** | | |
| Loan from Related Party | 1,000.00 | 1,000.00 |
| **Total** | **2,854.11** | **2,770.06** |

**Note 17 - Current financial liabilities - Trade Payables**

(Rs. in lacs)

| Particulars | As at 31st December, 2018 | As at 31st March, 2018 |
|---|---|---|
| Micro, Small and Medium Enterprises | - | - |
| Others | 806.54 | 1,077.15 |
| **Total** | **806.54** | **1,077.15** |

**Note 18 - Current financial liabilities - Others**

(Rs. in lacs)

| Particulars | As at 31st December, 2018 | As at 31st March, 2018 |
|---|---|---|
| Current maturity of long term borrowings - Term Loan | 646.80 | 751.40 |
| Current maturity of long term borrowings - Vehicle Loan | - | 1.41 |
| Current maturity of long term borrowings - loan from related party | 2,085.00 | 990.00 |
| Interest accrued but not due on borrowing | 131.32 | 94.29 |
| Dealer Deposits | 79.31 | 58.81 |
| Creditors for Capital Expenditure | 63.41 | 316.57 |
| Other Payables | 1,404.60 | 779.65 |
| | **4,410.44** | **2,992.13** |

**18.1** Other Payables includes mainly outstanding liabilities for expenses, discount, rebates etc.

**Note 19 - Other Current Liabilities**

(Rs. in lacs)

| Particulars | As at 31st December, 2018 | As at 31st March, 2018 |
|---|---|---|
| Advance from other Customers | 29.30 | 61.50 |
| Statutory liabilities | 82.65 | 48.40 |
| Other Payables | - | 4.05 |
| **Total** | **111.95** | **113.95** |

**Note 20 - Current Provisions**

(Rs. in lacs)

| Particulars | As at 31st December, 2018 | As at 31st March, 2018 |
|---|---|---|
| **Provisions for Employee Benefits** | | |
| Gratuity (Unfunded) | 3.58 | 3.58 |
| Leave Encashment | 40.81 | 39.42 |
| **Total** | **44.39** | **43.00** |

**Note 21 - Revenues from Operations**

(Rs. in lacs)

| Particulars | For the Period Ended 31st December, 2018 | For the Year Ended 31st March, 2018 |
|---|---|---|
| Sale of Products | 11,981.10 | 10,195.64 |
| Other Operating Revenue | 17.35 | 15.44 |
| **Revenue from Operations** | **11,998.45** | **10,211.08** |

**Note 22 - Other Income**

(Rs. in lacs)

| Particulars | For the Period Ended 31st December, 2018 | For the Year Ended 31st March, 2018 |
|---|---|---|
| Interest Income from financial assets measured at amortised cost | | |
| - Fixed Deposits with banks | 16.20 | 31.57 |
| Gain on foreign currency transactions (Net) | 8.62 | - |
| Profit on sale of property, plant and equipment | 6.37 | |
| Sundry Credit Balance Written Back (Net) | 0.87 | 19.35 |
| Miscellaneous Income | 0.71 | 4.37 |
| **Total** | **32.77** | **55.29** |

**Note 23 - Changes in Inventories of Work-in-Progress and Finished Goods**

(Rs. in lacs)

| Particulars | For the Period Ended 31st December, 2018 | For the Year Ended 31st March, 2018 |
|---|---|---|
| **At the end of the Year** | | |
| Work-in-Progress | 1,046.93 | 690.70 |
| Finished goods | 1,808.14 | 943.85 |
| | **2,855.07** | **1,634.55** |
| **At the beginning of the Year** | | |
| Work-in-Progress | 690.70 | 876.80 |
| Finished goods | 943.85 | 1,145.36 |
| | **1,634.55** | **2,022.16** |
| **Total** | **(1,220.52)** | **387.61** |

**Note 24 - Employee Benefits Expense**

(Rs. in lacs)

| Particulars | For the Period Ended 31st December, 2018 | For the Year Ended 31st March, 2018 |
|---|---|---|
| Salaries, Wages & allowances | 2,014.56 | 1,667.21 |
| Contribution to Provident and Other Funds | 43.12 | 53.84 |
| Share Based Payments | 17.48 | 11.74 |
| Staff Welfare Expenses | 125.11 | 127.26 |
| Gratuity | 17.53 | 20.86 |
| **Total** | **2,217.80** | **1,880.91** |

**Note 25 - Finance Cost**

(Rs. in lacs)

| Particulars | For the Period Ended 31st December, 2018 | For the Year Ended 31st March, 2018 |
|---|---|---|
| Interest Expenses on financial liabilities measured at amortised cost | 960.68 | 667.85 |
| **Total** | **960.68** | **667.85** |

**Note 26 - Depreciation and amortisation Expenses**

(Rs. in lacs)

| Particulars | For the Period Ended 31st December, 2018 | For the Year Ended 31st March, 2018 |
|---|---|---|
| Depreciation of tangible assets | 1,318.29 | 824.07 |
| Amortisation of intangible assets | 5.79 | 13.46 |
| **Total** | **1,324.08** | **837.53** |

**BOROSIL LIMITED (FORMERLY KNOWN AS HOPEWELL TABLEWARE LIMITED)**
**Notes to the Unaudited (Provisional) financial statement for the period ended 31st December, 2018**

**Note 27 - Other Expenses**

(Rs. in lacs)

| Particulars | | For the Period Ended 31st December, 2018 | | For the Year Ended 31st March, 2018 |
|---|---|---|---|---|
| **Manufacturing Expenses** | | | | |
| Consumption of Stores and Spares | | 267.39 | | 152.37 |
| Power & Fuel | | 2,148.98 | | 1,719.47 |
| Packing Materials Consumed | | 1,795.44 | | 1,193.80 |
| Repairs to Machinery | | 2.55 | | 2.70 |
| **Selling and Distribution Expenses** | | | | |
| Sales Promotion and Advertisement Expenses | | 736.70 | | 554.12 |
| Cash Discount and Commission | | 111.01 | | 97.60 |
| Freight Outward / Octroi | | 752.97 | | 559.46 |
| **Administrative and General Expenses** | | | | |
| Rent | | 151.62 | | 137.01 |
| Rates and Taxes | | 4.43 | | 11.60 |
| Other Repairs | | 90.36 | | 71.53 |
| Insurance | | 25.90 | | 22.19 |
| Legal & Professional Fees | | 52.55 | | 172.32 |
| Travelling | | 113.86 | | 121.21 |
| Loss on foreign currency transactions (net) | | - | | 39.70 |
| Bad Debts | 29.72 | | - | |
| Less: Provision for Doubtful Debts | -28.62 | 1.10 | - | - |
| Provision for Doubtful Debts | | - | | 40.69 |
| Loss on sale of property, plant and equipment | | - | | 410.92 |
| Guarantee Commission | | - | | 2.15 |
| Directors Sitting Fees | | 3.10 | | 5.69 |
| Payment to Auditors | | 7.50 | | 10.65 |
| Donation | | - | | 0.10 |
| Miscellaneous Expenses | | 127.87 | | 119.75 |
| **Total** | | **6,393.33** | | **5,445.03** |

**Note 28 - Earnings Per Equity share**

(Rs. in lacs)

| Particulars | For the Period Ended 31st December, 2018 | For the Year Ended 31st March, 2018 |
|---|---|---|
| Net loss for the year / period attributable to Equity Shareholders for Basic EPS and Diluted EPS (Rs. In Lacs) | (157.82) | (677.51) |
| Weighted Average Number of Equity Shares Outstanding During the Year for Basic EPS and Diluted EPS (in Nos.) | 2575,00,000 | 257,50,000 |
| Basic Earning per share of Re. 1 each (in Rs.) | (0.06) | (2.63) |
| Face Value per Equity Share (in Rs.) | 1.00 | 1.00 |

For and on behalf of the Board of Directors

Borosil Limited Mumbai

**Rituraj Sharma**
Director
(DIN 07426469)

**Shreevar Kheruka**
Director
(DIN 01802416)

Place : Mumbai
Date : 11.03.2019

## Independent Auditor's Report

**To the Members of**

**Gujarat Borosil Limited**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **GUJARAT BOROSIL LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "financial statements").

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of state of affairs (financial position), profit (financial performance) including other comprehensive income, cash flows and statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with relevant rules thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made thereunder.

We conducted our audit of the financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. 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 the disclosures in the financial statements. The procedures selected depend on the auditor's 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 audit opinion on the financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements 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, of the state of affairs of the Company as at 31st March, 2018, and its profit including other comprehensive income, its cash flows and the statement of changes in equity for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143 (3) of the Act, we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

    d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules thereunder;

    e) On the basis of the written representations received from the directors as on 31st March, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act;

    f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **“Annexure A”**;

    g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

        (a) The Company has disclosed the impact of pending litigations on its financial position in its financial statement as referred to in Note no. 37, 40 and 41 to the financial statements.

        (b) The Company does not have long term contracts including derivative contracts for which there were any material foreseeable losses.

        (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government of India, in terms of sub-section (11) of Section 143 of the Act, we give in **“Annexure B”** hereto, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

**For Chaturvedi & Shah**
Chartered Accountants
Firm Registration No: 101720W

**R. Koria**
Partner
Membership No. 35629

Place: Mumbai
Date:10th May, 2018

## "ANNEXURE A" TO INDEPENDENT AUDITOR'S REPORT

**(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Gujarat Borosil Limited on the financial statements for the year ended 31st March, 2018)**

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Gujarat Borosil Limited** ("the Company") as of 31st March, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

**For Chaturvedi & Shah**
Chartered Accountants
Firm Registration No: 101720W

**R. Koria**
Partner
Membership No. 35629

Place: Mumbai
Date:10th May, 2018

## “ANNEXURE B” TO INDEPENDENT AUDITOR’S REPORT

**(Referred to in paragraph 2 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date to the members of Gujarat Borosil Limited on the financial statements for the year ended 31st March, 2018)**

i. In respect of its fixed assets:

   a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.

   b. As explained to us, the Company has physically verified assets, in accordance with a phased program of verification, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification as compared with the available records.

   c. According to the information and explanations given to us and records examined by us and based on the examination of the deed provided to us, we report that, the title deeds of immovable properties are held in the name of the Company.

ii. In respect of its inventories:

   As explained to us, inventories have been physically verified during the year by the management, except for inventories in transit for which management confirmation has been received. In our opinion the frequency of verification is reasonable. Discrepancies noticed on physical verification of the inventories between the physical inventories and book records were not material, having regard to the size of the operations of the Company, and the same have been properly dealt with.

iii. The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in register maintained under section 189 of the Act. Therefore, the provisions of the clause (iii) of paragraph 3 of the Order are not applicable to the Company.

iv. The Company has not given any loan, made investments and provided guarantees and securities during the year. Therefore, the provisions of the clause (iv) of paragraph 3 of the Order are not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the Company.

vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) (d) of the act, as applicable and are of the opinion that, prima facie, the prescribed accounts and records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. According to the information and explanations given to us, in respect of statutory dues:

   a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income tax, Sales tax, Service tax, Customs Duty, Excise Duty, Value Added Tax, Cess, Goods and Service Tax and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding as at 31st March, 2018 for a period of more than six months from the date they became payable.

   b) Details of dues of Duty of Income Tax, Service Tax and Sales Tax aggregating to Rs. **908.11 Lacs** that have not been deposited on account of disputed matters pending before appropriate authorities are as under:

| Name of the Statutes | Nature of the Dues | Period to which it relates | Amounts (Rs. in Lacs) (*) | Forum where the dispute is pending |
|---|---|---|---|---|
| Income Tax Act, 1961 | Income Tax | Assessment Year(A.Y) 2012-13 to 2015-16 | 52.58 | CIT (A) Vadodara |
| | | A.Y. 2010-12 | 195.74 | ITAT, Ahmedabad |
| | | A.Y. 2003-04 | 83.88 | Gujarat High Court |
| Gujarat Sales Tax Act, 1969 | Sales Tax | 2000-01, 2002-03 and 2004-05 | 550.84 | Joint Commissioner of Commercial Tax, Vadodara |
| | | 2013-14 | 14.95 | Joint Commissioner of Commercial Tax Appeals, Vadodara |
| Service Tax under Finance Act, 1994 | Service Tax | April 2011 to October 2015 | 10.12 | CESTAT, Ahmedabad |
| | | **Total** | **908.11** | |

* Net of amount paid under protest

viii. Based on our audit procedures and according to the information and explanations given by the management, we are of the opinion that as on 31st March, 2018 the Company has not defaulted in repayment of dues to banks. The Company does not have any borrowings from financial institutions, government and debenture holders.

ix. According to the information and explanations given to us, during the year the Company has not raised any money by way of initial public offer, further public offer (including debt instruments) and no new term loans raised during the year. Therefore, provisions of clause (ix) of paragraph 3 of the Order are not applicable to the Company.

x. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and on the basis of information and explanations given by the management, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi. In our opinion and according to the information and explanations given to us, the Company has paid or provided managerial remuneration in accordance with the requisite approvals mandated by the provision of section 197 read with Schedule V to the Act.

xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us, Company’s transactions with the related parties are in compliance with section 177 and 188 of the Act, as applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, during the year, the Company has not raised any money by preferential allotment or private placement of share or debentures. Therefore, the provisions of clause (xiv) of paragraph 3 of the Order are not applicable to the Company.

xv. According to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with directors or persons connected with him, therefore, the provisions of clause (xv) of paragraph 3 of the Order are not applicable to the Company.

xvi. In our opinion and according to the information and explanations provided to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Chaturvedi & Shah**
Chartered Accountants
Firm Registration No: 101720W

**R. Koria**
Partner
Membership No. 35629

Place: Mumbai
Date:10th May, 2018

## BALANCE SHEET AS AT 31ST MARCH, 2018

(Rs. in Lacs)

| Particulars | Note No. | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|---|
| **I. ASSETS** | | | |
| **1 Non-Current Assets** | | | |
| (a) Property, Plant and Equipment | 5 | 12,582.90 | 9,430.59 |
| (b) Capital Work-in-Progress | 5 | 125.29 | 3,700.05 |
| (c) Intangible Assets | 6 | 50.29 | 19.35 |
| (d) Intangible Assets under Development | 6 | - | 16.62 |
| (e) Financial Assets | | | |
| (i) Investments | 7 | - | 0.90 |
| (ii) Others | 8 | 115.54 | 105.01 |
| (f) Non-Current Tax Assets (Net) | | 0.23 | - |
| (g) Other Non-Current Assets | 9 | 1,440.50 | 1,880.37 |
| | | **14,314.75** | **15,152.89** |
| **2 Current Assets** | | | |
| (a) Inventories | 10 | 2,327.84 | 2,820.48 |
| (b) Financial Assets | | | |
| (i) Investments | 11 | 3,053.89 | - |
| (ii) Trade Receivables | 12 | 2,445.22 | 2,676.12 |
| (iii) Cash and Cash Equivalents | 13 | 52.38 | 47.69 |
| (iv) Bank Balances other than (iii) above | 14 | 112.56 | 174.04 |
| (v) Loans | 15 | 7.25 | 7.69 |
| (vi) Others | 16 | 18.85 | 609.74 |
| (c) Current Tax Assets (Net) | | 49.09 | - |
| (d) Other Current Assets | 17 | 351.40 | 540.56 |
| | | **8,418.48** | **6,876.32** |
| (e) Assets Held for Sale | | - | 24.49 |
| **TOTAL ASSETS** | | **22,733.23** | **22,053.70** |
| **II. EQUITY AND LIABILITIES** | | | |
| **EQUITY** | | | |
| (a) Equity Share Capital | 18 | 3,410.38 | 3,410.38 |
| (b) Other Equity | 19 | 3,480.76 | 2,784.59 |
| | | **6,891.14** | **6,194.97** |
| **LIABILITIES** | | | |
| **1 Non-Current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 20 | - | 9,364.71 |
| (b) Provisions | 21 | 91.11 | 60.95 |
| (c) Deferred Tax Liabilities (Net) | 22 | 1,847.74 | 1,900.59 |
| | | **1,938.85** | **11,326.25** |
| **2 Current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 23 | 995.47 | 1,401.01 |
| (ii) Trade Payables | 24 | 1,101.48 | 990.98 |
| (iii) Other Financial Liabilities | 25 | 11,365.14 | 1,700.71 |
| (b) Other Current Liabilities | 26 | 422.35 | 171.76 |
| (c) Provisions | 27 | 18.80 | 61.81 |
| (d) Current Tax Liabilities (Net) | | - | 206.21 |
| | | **13,903.24** | **4,532.48** |
| **TOTAL EQUITY AND LIABILITIES** | | **22,733.23** | **22,053.70** |
| Significant accounting policies and notes to the financial statements | 1 to 50 | | |

As per our report of even date
**For CHATURVEDI & SHAH**
Chartered Accountants
**(Firm Registration no. 101720W)**

**R. Koria**
Partner
Membership No. 035629
Place : Mumbai
Date : 10th May, 2018

For and on behalf of the Board of Directors

**Sunil Kumar Roongta**
Chief Financial Officer

**B. L. Kheruka**
Chairman
DIN-00016861

**Kishor Talreja**
Company Secretary
Membership No. F7064

**Ramaswami Velayudhan Pillai**
Whole-time Director
DIN-00011204

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(Rs. in Lacs)

| Particulars | Note | For the Year Ended 31st March, 2018 | For the Year Ended 31st March, 2017 |
|---|---|---|---|
| I. Revenue From Operations | 28 | 19,981.23 | 18,832.81 |
| Other Income | 29 | 350.49 | 722.75 |
| **Total Income** | | **20,331.72** | **19,555.56** |
| **II. Expenses:** | | | |
| Cost of Materials Consumed | | 4,449.74 | 4,925.58 |
| Purchase of Stock-in-Trade | | - | 5.37 |
| Changes in Inventories of Finished Goods and Work-in-Progress | 30 | 784.74 | (605.39) |
| Excise Duty Expenses | | 175.37 | 536.94 |
| Employee Benefits Expense | 31 | 2,374.16 | 2,228.41 |
| Finance Costs | 32 | 1,376.91 | 1,108.19 |
| Depreciation and Amortization Expense | 33 | 1,667.54 | 1,438.76 |
| Other Expenses | 34 | 8,639.77 | 7,678.33 |
| **Total Expenses** | | **19,468.23** | **17,316.19** |
| **III. Profit Before Exceptional Items and Tax (I - II)** | | **863.49** | **2,239.37** |
| IV. Exceptional Items | 35 | 195.37 | - |
| **V. Profit Before Tax (III - IV)** | | **668.12** | **2,239.37** |
| **VI. Tax Expense:** | 22 | | |
| (1) Current Tax | | 31.29 | (3.06) |
| (2) Deferred Tax | | (55.10) | 814.01 |
| **VII. Profit For The Year (V-VI)** | | **691.93** | **1,428.42** |
| **VIII. Other Comprehensive Income** | | | |
| A i) Items that will not be reclassified to profit or loss: | | | |
| i) Re-measurement gains / (losses) on defined benefit plans | | 6.49 | (21.14) |
| ii) Income tax relating to Items that will not be reclassified to profit or loss | | (2.25) | 4.51 |
| B i) Items that will be reclassified to profit or loss: | | - | - |
| ii) Income tax relating to Items that will be reclassified to profit or loss | | - | - |
| **Total Other Comprehensive Income** | | **4.24** | **(16.63)** |
| **IX. Total Comprehensive Income for the year (VII + VIII)** | | **696.17** | **1,411.79** |
| **X. Earnings per Equity Share of Rs. 5 each (Basic and Diluted)** | 36 | **1.01** | **2.09** |
| Significant accounting policies and notes to the financial statements | 1 to 50 | | |

As per our report of even date
**For CHATURVEDI & SHAH**
Chartered Accountants
**(Firm Registration no. 101720W)**

**R. Koria**
Partner
Membership No. 035629
Place : Mumbai
Date : 10th May, 2018

**Sunil Kumar Roongta**
Chief Financial Officer

**Kishor Talreja**
Company Secretary
Membership No. F7064

For and on behalf of the Board of Directors

**B. L. Kheruka**
Chairman
DIN-00016861

**Ramaswami Velayudhan Pillai**
Whole-time Director
DIN-00011204

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

### A. Equity Share Capital

(Rs. in Lacs)

| Particulars | Balance as at 1st April, 2016 | Changes during 2016-17 | Balance as at 31st March, 2017 | Changes during 2017-18 | Balance as at 31st March, 2018 |
|---|---|---|---|---|---|
| Equity Share Capital | 3,410.38 | - | 3,410.38 | - | 3,410.38 |

### B. Other Equity

(Rs. in Lacs)

| Particulars | Equity Component of Preference shares issued (Net of Tax) | Reserves and Surplus | | | | Items of Other Comprehensive Income | Total Other Equity |
|---|---|---|---|---|---|---|---|
| | | Capital Reserve | Securities Premium Reserve | Surplus arising on giving effect to BIFR Order | Retained Earnings | Remeasurements of defined benefit plans | |
| **Balance as at 1st April, 2016** | **2,504.31** | **32.02** | **57.71** | **1,996.41** | **(3,209.04)** | **(8.61)** | **1,372.80** |
| Total Comprehensive Income for the year | - | - | - | - | 1,428.42 | (16.63) | 1,411.79 |
| **Balance as at 31st March, 2017** | **2,504.31** | **32.02** | **57.71** | **1,996.41** | **(1,780.62)** | **(25.24)** | **2,784.59** |
| Total Comprehensive Income for the year | - | - | - | - | 691.93 | 4.24 | **696.17** |
| **Balance as at 31st March, 2018** | **2,504.31** | **32.02** | **57.71** | **1,996.41** | **(1,088.69)** | **(21.00)** | **3,480.76** |

As per our report of even date

For and on behalf of the Board of Directors

**For CHATURVEDI & SHAH**
Chartered Accountants
**(Firm Registration no. 101720W)**

**Sunil Kumar Roongta**
Chief Financial Officer

**B. L. Kheruka**
Chairman
DIN-00016861

**R. Koria**
Partner
Membership No. 035629
Place : Mumbai
Date : 10th May, 2018

**Kishor Talreja**
Company Secretary
Membership No. F7064

**Ramaswami Velayudhan Pillai**
Whole-time Director
DIN-00011204

## STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2018

(Rs. in Lacs)

| | PARTICULARS | For the Year ended 31st March, 2018 | | For the Year ended 31st March, 2017 | |
|---|---|---|---|---|---|
| **A.** | **CASH FLOW FROM OPERATING ACTIVITIES** | | | | |
| | Profit before tax as per Statement of Profit and Loss | | 668.12 | | 2,239.37 |
| | **Adjusted for :** | | | | |
| | Depreciation and Amortisation Expense | 1,667.54 | | 1,438.76 | |
| | Exceptional Items | 195.37 | | - | |
| | Unrealised Loss / (Gain) on Foreign Currency Transactions (Net) | 144.80 | | (66.00) | |
| | Gain on Sale of Current Investments (net) | (0.92) | | (52.41) | |
| | Gain on financial instruments measured at fair value through profit or loss (net) | (53.72) | | - | |
| | Share in Profit from LLP | (0.02) | | (0.15) | |
| | Loss on Assets Held for Sale | - | | 124.00 | |
| | Loss on sale / Discarding of Property, Plant and Equipment (Net) | 11.31 | | 2.62 | |
| | Sundry balance written back (Net) | (7.33) | | (2.44) | |
| | Provision for doubtful debts | 10.56 | | 13.05 | |
| | Finance Costs | 1,287.48 | | 1,108.19 | |
| | Interest Income | (228.49) | | (24.87) | |
| | | | 3,026.58 | | 2,540.75 |
| | **Operating Profit before Working Capital Changes** | | **3,694.70** | | **4,780.12** |
| | **Adjusted for :** | | | | |
| | Trade and Other Receivables | | 1,584.00 | | (947.69) |
| | Inventories | | 492.64 | | (688.82) |
| | Trade and Other Payables | | 370.54 | | (77.95) |
| | **Cash generated from operations** | | **6,141.88** | | **3,065.66** |
| | Direct taxes paid | | (599.70) | | (429.46) |
| | **Net Cash Flow from Operating Activities** | | **5,542.18** | | **2,636.20** |
| **B.** | **CASH FLOW FROM INVESTING ACTIVITIES** | | | | |
| | Purchase of Property, Plant and Equipment | | (1,549.10) | | (4,006.01) |
| | Sale of Property, Plant and Equipment and Assets Held for Sale | | 77.07 | | 6.24 |
| | Purchase of Investments | | (3,550.00) | | (2,344.00) |
| | Sale of Investments | | 551.65 | | 3,888.96 |
| | Sale of Associate | | - | | 1.40 |
| | Share in Profit from LLP | | 0.02 | | 0.15 |
| | Interest Income | | 223.24 | | 30.88 |
| | **Net Cash Used in Investing Activities** | | **(4,247.12)** | | **(2,422.38)** |
| **C.** | **CASH FLOW FROM FINANCING ACTIVITIES** | | | | |
| | Repayment of Non-Current Borrowings | | (683.97) | | (1,337.10) |
| | Movement in Current Borrowings (net) | | (539.19) | | 1,400.31 |
| | Finance cost Paid | | (118.06) | | (72.88) |
| | Margin Money (net) | | 50.85 | | (180.84) |
| | **Net Cash Used in Financing Activities** | | **(1,290.37)** | | **(190.51)** |

## STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2018

| | | |
|---|---|---|
| **Net Increase in Cash and Cash Equivalents (A+B+C)** | **4.69** | **23.31** |
| **Opening Balance of Cash and Cash Equivalents** | 47.69 | 24.38 |
| **Closing Balance of Cash and Cash Equivalents (Refer Note No. 13.1)** | **52.38** | **47.69** |

Notes :

1 Bracket indicates cash outflow.

2 Previous Year figures have been regrouped and reclassified wherever necessary.

3 Changes in liabilities arising from financing activities on account of Non-Current and Current Borrowings

**(Rs. in Lacs)**

| Particulars | 31st March, 2018 | 31st March, 2017 |
|---|---|---|
| Opening balance of liabilities arising from financing activities | 11,449.69 | 10,404.76 |
| (+) changes from financing cash flows (net) | (1,223.16) | 63.21 |
| (+) changes in fair value | 1,170.59 | 1,040.51 |
| (+) the effects of changes in foreign exchange rates | 133.65 | (58.79) |
| **Closing balance of liabilities arising from financing activities** | **11,530.77** | **11,449.69** |

4 The above Statement of Cash Flow has been prepared under the "Indirect Method" as set out in Ind AS-7 "Cash Flow Statement".

As per our report of even date
**For CHATURVEDI & SHAH**
Chartered Accountants
**(Firm Registration no. 101720W)**

**R. Koria**
Partner
Membership No. 035629
Place : Mumbai
Date : 10th May, 2018

For and on behalf of the Board of Directors

**Sunil Kumar Roongta**
Chief Financial Officer

**B. L. Kheruka**
Chairman
DIN-00016861

**Kishor Talreja**
Company Secretary
Membership No. F7064

**Ramaswami Velayudhan Pillai**
Whole-time Director
DIN-00011204

# Notes to the Financial Statement for the year ended 31st March, 2018

## Note :1 CORPORATE INFORMATION

Gujarat Borosil Limited ("the Company") is a limited Company domiciled and incorporated in India and its shares are publicly traded on the Bombay Stock Exchange (BSE), in India. The registered office of the Company is situated at Village - Govali, Taluka - Jhagadia, District - Bharuch 393001, Gujarat.

Company is engaged in manufacturing of extra clear patterned glass and Low Iron Solar Glass for application in Photovoltaic panels, Flat plate collectors and Green houses.

The financial statements of the Company for the year ended 31st March, 2018 were approved and adopted by board of directors in their meeting dated 10th May, 2018.

## Note :2 BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS), as notified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015.

The financial statements have been prepared on a historical cost basis, except certain financial assets and liabilities that are measured at fair value and Assets held for sale measured at lower of carrying amount or fair value less cost to sale.

The financial statements are presented in Indian Rupees (Rs.), which is the Company's functional and presentation currency. All amounts are rounded to the nearest lacs and two decimals thereof, except when otherwise indicated.

## Note :3 SIGNIFICANT ACCOUNTING POLICIES

### 3.1 Property, Plant and Equipment

Property, Plant and Equipment are carried at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Cost includes purchase price, borrowing cost and any cost directly attributable to the bringing the assets to its working condition for its intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably. In case of Property, Plant and Equipment, the Company has availed the carrying value as deemed cost on the date of transition i.e. 1st April, 2015.

Property, Plant and Equipment not ready for the intended use on the date of Balance Sheet are disclosed as "Capital Work-in-Progress" and expenses incurred relating to it, net of income earned during the development stage, are disclosed as pre-operative expenses under "Capital Work-in-Progress".

Depreciation on the Property, Plant and Equipment is provided using straight line method over the useful life of the assets as specified in Schedule II to the Companies Act, 2013 except in respect of depreciation on rollers charged over a period of three year and following assets where the useful life is different as per technical evaluation than those prescribed in Schedule II.

| **Particulars** | **Useful life considered for depreciation** |
|---|---|
| Tempering line 3 :- | 10 Years |

Freehold land is not depreciated.

The asset's residual values, useful lives and method of depreciation are reviewed at each financial year end and are adjusted prospectively, if appropriate.

Property, Plant and Equipment are eliminated from financial statements, either on disposal or when retired from active use. Gains / losses arising in the case of retirement/disposal of Property, Plant and Equipment are recognised in the statement of profit and loss in the year of occurrence.

## Notes to the Financial Statement for the year ended 31st March, 2018

### 3.2 Intangible Assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the Intangible Assets. In case of Intangible Assets the Company has availed the carrying value as deemed cost on the date of transition i.e. 1st April, 2015.

Identifiable Intangible assets are recognised when it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured.

Computer Softwares are capitalised at the amounts paid to acquire the respective license for use and are amortised on a straight line method over the period of useful lives or period of three years, whichever is less. The assets' useful lives are reviewed at each financial year end.

Gains or losses arising from derecognition of an Intangible Asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

### 3.3 Leases

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. The corresponding liability is included in the Balance Sheet as a finance lease liability. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor 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 except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

### 3.4 Inventories

Inventories are valued at the lower of cost and net realizable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. The cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their respective present location and condition. The cost of raw materials, stores, spares & consumables and packing materials are computed on the weighted average basis. Scrap (cullet) are valued at raw materials cost. Cost of work in progress and finished goods is determined on absorption costing method.

### 3.5 Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at banks, cash on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

## Notes to the Financial Statement for the year ended 31st March, 2018

**3.6 Impairment of Non-Financial Assets - Property, Plant and Equipment and Intangible Assets:**

The Company assesses at each reporting date as to whether there is any indication that any Property, Plant and Equipment and Intangible Assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**3.7 Discontinued operation and Non-Current Assets (or disposal groups) Held for Sale**

**Discontinued operation**

A discontinued operation is a component of the Company that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

**Held for Sale**

Non-Current Assets are classified as Held for Sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when a sale is highly probable from the date of classification, management are committed to the sale and the asset is available for immediate sale in its present condition. Non-Current Assets are classified as Held for Sale from the date these conditions are met and are measured at the lower of carrying amount and fair value less cost to sell. Any resulting impairment loss is recognised in the statement of profit and loss as a separate line item. On classification as Held for Sale, the assets are no longer depreciated. Assets and liabilities classified as Held for Sale are presented separately as current items in the Balance Sheet.

**3.8 Financial instruments –**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**I) Financial Assets -Initial recognition and measurement**

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

**Financial assets - Subsequent measurement**

For the purpose of subsequent measurement financial assets are classified in two broad categories:-

a) Financial assets at fair value

b) Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit and loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

## Notes to the Financial Statement for the year ended 31st March, 2018

A financial asset that meets the following two conditions is **measured at amortised cost** (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

a) **Business model test:** The objective of the Company's business model is to hold the financial asset to collect the contractual cash flow.

b) **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at **fair value through other comprehensive income** unless the asset is designated at fair value through profit or loss under the fair value option.

**a)** **Business model test:** The financial asset from is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets.

**b)** **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

All other financial asset is measured at fair value through profit or loss.

**Financial assets - Derecognition**

A financial assets (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

a) The rights to receive cash flows from the asset have expired, or

b) The Company has transferred its rights to receive cash flow from the asset.

**Impairment of Financial Assets**

In accordance with Ind AS 109, the Company uses ‘Expected Credit Loss’ (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

a) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

b) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables Company applies ‘simplified approach’ which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

**II) Financial Liabilities - Initial recognition and measurement:**

The financial Liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

**Financial Liabilities - Subsequent measurement:**

Financial Liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

## Notes to the Financial Statement for the year ended 31st March, 2018

**Financial Liabilities - Financial guarantee contracts:**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined and the amount recognised less cumulative amortisation.

**Financial liability - Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another, from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

**Non-Cumulative Non Convertible Redeemable Preference**

Non-Cumulative Non Convertible Redeemable Preference are separated into liability and equity components based on the terms of the contract. The Non-Cumulative Non Convertible Redeemable Preference, the fair value of the liability component is determined using a market rate. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on redemption.

Transaction costs are apportioned between the liability and equity components of the Non-Cumulative Non Convertible Redeemable Preference based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

### 3.9 Provisions, Contingent Liabilities, Contingent assets and Commitments:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the statement of profit and loss as a finance cost. Provisions are reviewed at each Balance Sheet date and are adjusted to reflect the current best estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

### 3.10 Dividend Distribution:

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in other equity.

### 3.11 Revenue recognition and other income:

**Sale of goods:**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer as per the terms of the contracts, usually on delivery of the goods, and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. It also includes excise duty, if applicable, and excludes value added tax / sales tax and Goods and Service Tax. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

## Notes to the Financial Statement for the year ended 31st March, 2018

**Sale of Services:**

Revenue from sale of services is recognised as per the terms of the contract with customer based on stage of completion when the outcome of the transactions involving rendering of services can be estimated reliably. Percentage of completion method requires the Company to estimate the services performed to date as a proportion of the total services to be performed.

**Other Operating Income:**

Incentives on exports and other Government incentives related to operations are recognised in the statement of profit and loss after due consideration of certainty of utilization/receipt of such incentives.

**Interest Income:**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**Dividend Income:**

Dividend Income is recognised when the right to receive the payment is established.

**Rental income:**

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included as other income in the statement of profit or loss.

**3.12 Foreign currency transaction and translation:**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the transaction. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

**3.13 Employee Benefits**

Short term employee benefits are recognized as an expense in the statement of profit and loss of the year in which the related services are rendered.

Leave encashment being a defined benefit plan is accounted for using the projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the year in which they arise.

Contribution to Provident Fund, a defined contribution plan, is made in accordance with the statute, and is recognised as an expense in the year in which employees have rendered services.

The cost of providing gratuity, a defined benefit plans, is determined using the projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. Other costs are accounted in statement of profit and loss.

Remeasurements of defined benefit plan in respect of post employment and other long term benefits are charged to the other comprehensive income in the year in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods.

### 3.14 Borrowing Costs

Borrowing costs specifically relating to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized (net of income on temporarily deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period. All other borrowing costs are expensed in the period in which they occur.

### 3.15 Taxes on Income

Tax expense represents the sum of current tax (including MAT and income tax for earlier years) and deferred tax. Tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in such cases the tax is also recognised directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognised in equity or other comprehensive income is also recognised in equity or other comprehensive income.

Current tax provision is computed for Income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws. Current tax assets and current tax liabilities are off set, and presented as net.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised. Deferred tax assets and liabilities are measured at the applicable tax rates. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

Minimum Alternative Tax (MAT) is applicable to the Company. Credit of MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

### 3.16 Earnings per share

Basic earnings per share is computed using the net profit for the year attributable to the shareholders’ and weighted average number of shares outstanding during the year.

## Notes to the Financial Statement for the year ended 31st March, 2018

Diluted earnings per share is computed using the net profit for the year attributable to the shareholder' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

### 3.17 Current and non-current classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification.

The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by Ministry of Corporate Affairs (MCA).

**An asset is classified as current when it is:**

a) Expected to be realised or intended to be sold or consumed in normal operating cycle,

b) Held primarily for the purpose of trading,

c) Expected to be realised within twelve months after the reporting period, or

d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

**A liability is classified as current when it is:**

a) Expected to be settled in normal operating cycle,

b) Held primarily for the purpose of trading,

c) Due to be settled within twelve months after the reporting period, or

d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has identified twelve months as its operating cycle.

### 3.18 Fair value measurement:

The Company measures financial instruments at fair value at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or

b) In the absence of a principal market, in the most advantageous market for the asset or liability.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy.

## Notes to the Financial Statement for the year ended 31st March, 2018

**3.19 Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable rights to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable rights must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or counterparty.

**Note:4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**4.1 Property, Plant and Equipment and Intangible Assets:**

Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values as per schedule II of the Companies Act, 2013 or are based on the Company's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.

**4.2 Income Tax:**

The Company reviews at each Balance Sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to an adjustment to the amounts reported in the standalone financial statements.

**4.3 Contingencies:**

Management has estimated the possible outflow of resources at the end of each annual financial year, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

**4.4 Impairment of Financial Assets:**

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**4.5 Impairment of Non-Financial Assets:**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent to those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

**4.6 Defined benefits plans:**

The Cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**4.7 Recoverability of trade receivable:**

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

**4.8 Provisions:**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

**4.9 Fair value measurement of financial instruments:**

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

# Notes to the Financial Statement for the year ended 31st March, 2018

**Note - 5 Property, Plant and Equipment** **(Rs. in Lacs)**

| Particulars | Freehold-Land | Buildings | Plant and Equipment | Furniture and Fixtures | Vehicles | Office Equipment | Computer | Total | Capital-Work-in-Progress |
|---|---|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | | | |
| As at 1st April, 2016 | 118.13 | 1,598.47 | 9,903.53 | 27.70 | 45.65 | 69.97 | 33.58 | 11,797.03 | 229.25 |
| Additions | - | 12.77 | 355.86 | 0.84 | 47.79 | 9.24 | 13.91 | 440.41 | 3,700.08 |
| Disposals / Transfer | - | - | - | - | 4.39 | 0.32 | 5.50 | 10.21 | 229.28 |
| As at 31st March, 2017 | **118.13** | **1,611.24** | **10,259.39** | **28.54** | **89.05** | **78.89** | **41.99** | **12,227.23** | **3,700.05** |
| Additions | - | 1,458.49 | 3,560.30 | 0.72 | 4.49 | 34.50 | 11.60 | 5,070.10 | 1,428.62 |
| Disposals / Transfer | - | - | 339.03 | 0.27 | - | 2.37 | 1.41 | 343.08 | 5,003.38 |
| **As at 31st March, 2018** | **118.13** | **3,069.73** | **13,480.66** | **28.99** | **93.54** | **111.02** | **52.18** | **16,954.25** | **125.29** |
| **Accumulated Depreciation** | | | | | | | | | |
| As at 1st April, 2016 | - | 77.22 | 1,258.36 | 2.06 | 5.60 | 12.87 | 5.28 | 1,361.39 | |
| Depreciation for the year | - | 57.47 | 1,339.37 | 2.95 | 8.75 | 12.91 | 15.15 | 1,436.60 | |
| Disposals | - | - | - | - | 1.35 | - | - | 1.35 | |
| As at 31st March, 2017 | **-** | **134.69** | **2,597.73** | **5.01** | **13.00** | **25.78** | **20.43** | **2,796.64** | |
| Depreciation for the year | - | 96.01 | 1,518.64 | 3.01 | 13.13 | 16.45 | 11.29 | 1,658.53 | |
| Disposals | - | - | 81.10 | 0.15 | - | 1.42 | 1.15 | 83.82 | |
| **As at 31st March, 2018** | **-** | **230.70** | **4,035.27** | **7.87** | **26.13** | **40.81** | **30.57** | **4,371.35** | |
| **Net Carrying Amount** | | | | | | | | | |
| As at 31st March, 2017 | **118.13** | **1,476.55** | **7,661.66** | **23.53** | **76.05** | **53.11** | **21.56** | **9,430.59** | **3,700.05** |
| **As at 31st March, 2018** | **118.13** | **2,839.03** | **9,445.39** | **21.12** | **67.41** | **70.21** | **21.61** | **12,582.90** | **125.29** |

5.1 Property, Plant and Equipment includes assets pledged as security (Refer Note No. 23 and 25).

5.2 Refer Note No. 37.3 for disclosure of contractual commitments for the acquisition of Property, Plant and Equipment and Intangible Assets.

5.3 Additions to Plant and Equipment include Borrowing Cost of Rs. 56.28 Lacs (Previous year Rs. Nil).

5.4 Details of pre-operative expenditure as a part of Capital-Work-in-Progress.

**(Rs. in Lacs)**

| **Particulars** | **31st March 2018** | **31st March 2017** |
|---|---|---|
| Power and Fuel | 7.21 | 0.29 |
| Employee Benefits Expense | 4.41 | 1.94 |
| Testing Charges | - | 8.96 |
| Travelling and Conveyance Expenses | 3.06 | 6.49 |
| Loading, Unloading and Freight | 2.23 | 1.73 |
| Legal and Professional Fees | 0.39 | 57.20 |
| Rates & Taxes | 2.95 | - |
| Bank Charges | 2.11 | 9.88 |
| Insurance | - | 2.03 |
| Finance Cost and Others Borrowing Cost | 38.20 | 18.08 |
| Pre-operative expenses for the year | 60.56 | 106.61 |
| Add :- Pre-operative expenses upto previous year | 106.61 | - |
| | 167.17 | 106.61 |
| Less :- Allocated during the year to Property, Plant and Equipment | 167.17 | - |
| | **-** | **106.61** |

5.5 In accordance with the Indian Accounting Standard (Ind AS -36) on “Impairment of Assets”, the management during the year carried out an exercise of identifying the assets that may have been impaired in accordance with the said Ind AS . On the basis of review carried out by the management, there was no impairment loss on Property, Plant and Equipment during the year ended 31st March, 2018.

# Notes to the Financial Statement for the year ended 31st March, 2018

## Note - 6 Intangible Assets

(Rs. in Lacs)

| Particulars | Computer Software* | Intangible Assets under Development |
|---|---|---|
| **Cost** | | |
| **As at 1st April, 2016** | 15.24 | 2.74 |
| Additions | 11.70 | 21.41 |
| Disposals / Transfer | - | 7.53 |
| **As at 31st March, 2017** | 26.94 | 16.62 |
| Additions | 39.95 | 22.33 |
| Disposals / Transfer | - | 38.95 |
| **As at 31st March, 2018** | **66.89** | **-** |
| Amortisation | 5.43 | |
| **As at 1st April, 2016** | 2.16 | |
| Amortisation charge for the year | | |
| **As at 31st March, 2017** | 7.59 | |
| Amortisation charge for the year | 9.01 | |
| **As at 31st March, 2018** | **16.60** | |
| **Net Carrying Amount** | | |
| **As at 31st March, 2017** | 19.35 | 16.62 |
| **As at 31st March, 2018** | **50.29** | **-** |

* Other than self generated

## Note - 7 Non-Current Financial Assets - Investments

(Rs. in Lacs)

| | Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|---|
| | **Investment in Limited Liability Partnership** | | |
| | **Investment in Capital -Swapan Properties LLP (Unquoted)** | | |
| | Investments carried at fair value through profit & loss | - | 0.90 |
| | Share in Profit /(Loss) - Nil (Previous Year 18%) | | |
| | (Dissolved w.e.f. 1st January, 2018) | | |
| | **Total** | **-** | **0.90** |

**7.1** Aggregate amount of unquoted Investments is Rs. Nil (Previous Year Rs. 90 Lacs).

## Note - 8 Non-Current Financial Assets - Others

(Rs. in Lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| **Unsecured, Considered Good :** | | |
| Margin Money Deposits-Having maturity more than 12 months | 63.07 | 52.44 |
| Security Deposits with Government and Others | 52.47 | 52.57 |
| **Total** | **115.54** | **105.01** |

# Notes to the Financial Statement for the year ended 31st March, 2018

**Note - 9 Other Non-Current Assets**

(Rs. in Lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| **Unsecured, Considered Good:** | | |
| Capital Advances | 460.40 | 634.55 |
| MAT Credit Entitlement | 921.47 | 608.59 |
| Prepaid Expenses | 13.32 | 1.17 |
| Amount paid under protest (Refer Note No. 37.1) | 45.31 | 636.06 |
| **Total** | **1,440.50** | **1,880.37** |

**9.1** Presently the Company is liable to pay MAT under Section 115JB of the Income Tax Act, 1961 (the Act) and the amount paid as MAT is allowed to be carried forward for set off against the future tax liabilities computed in accordance with the provisions of the Act, other than Section 115JB, in next fifteen years. Based on the future projection of the performance, the Company will be liable to pay the income tax computed as per provisions, other than under Section 115JB, of the Act. Accordingly as advised in Guidance note on "Accounting for Credit available in respect of Minimum Alternate Tax under the Income Tax Act 1961" issued by the Institute of Chartered Accountants of India, Rs. 312.88 Lacs (Previous year Rs. 449.25 Lacs) being the excess of tax payable under Section 115JB of the Act, over tax payable as per the provisions other than Section 115JB of the Act, has been considered as MAT credit entitlement and credited to statement of profit and loss. The total MAT credit as at 31st March, 2018 is Rs. 921.47 Lacs (Previous year Rs. 608.59 Lacs).

**Note - 10 Inventories**

(Rs. in Lacs)

| Particulars | As at 31st March, 2018 | | As at 31st March, 2017 | |
|---|---|---|---|---|
| Raw Materials | | 937.65 | | 892.41 |
| Work-in-Progress | | 186.33 | | 728.88 |
| Finished Goods | | | | |
| Goods-in-Transit | 7.59 | | - | |
| Others | 96.22 | 103.81 | 346.00 | 346.00 |
| Stores, Spares and Consumables | | 713.81 | | 667.98 |
| Packing Materials | | 169.97 | | 120.29 |
| Scrap (Cullet) | | 216.27 | | 64.92 |
| **Total** | | **2,327.84** | | **2,820.48** |

**10.1** Basis of valuation refer Accounting policy No 3.4

**10.2** For Inventories hypothecation as security (Refer Note No. 23 and 25)

# Notes to the Financial Statement for the year ended 31st March, 2018

## Note - 11 Financial Assets - Current Investments

| Particulars | As at 31st March, 2018 No of units | As at 31st March, 2017 No of units | Face Value (In Rs.) | As at 31st March, 2018 (Rs. in Lacs) | As at 31st March, 2017 (Rs. in Lacs) |
|---|---|---|---|---|---|
| **Current Investments (carried at fair value through profit and loss)** | | | | | |
| **Mutual Funds:** | | | | | |
| **Unquoted Fully Paid Up** | | | | | |
| a. ICICI Prudential Flexible Income Plan - Growth | 5,52,794.94 | - | 100.00 | 1,842.56 | - |
| b. ICICI Prudential Flexible Income Plan - Direct Growth | 3,61,504.54 | - | 100.00 | 1,211.33 | - |
| **Total** | **9,14,299.48** | **-** | | **3,053.89** | **-** |

**11.1** Aggregate amount of unquoted Investments is Rs. 3053.89 Lacs (Previous Year Rs. Nil).

## Note - 12 Current Financial Assets - Trade Receivables

(Rs. in Lacs)

| Particulars | As at 31st March, 2018 | | As at 31st March, 2017 | |
|---|---|---|---|---|
| **Unsecured :** | | | | |
| Considered Good | 2,445.22 | | 2,676.12 | |
| Considered Doubtful | 23.61 | | 13.05 | |
| | 2,468.83 | | 2,689.17 | |
| Less : Provision for Doubtful Debts | 23.61 | 2,445.22 | 13.05 | 2,676.12 |
| **Total** | | **2,445.22** | | **2,676.12** |

## Note - 13 Cash and Cash Equivalents

(Rs. in Lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| Balances with Banks in current accounts | 36.24 | 31.53 |
| Cash on Hand | 16.14 | 16.16 |
| **Total** | **52.38** | **47.69** |

**13.1 For the purpose of the statement of cash flow, cash and cash equivalents comprise the followings:**

(Rs. in Lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| Balances with Banks in current accounts | 36.24 | 31.53 |
| Cash on Hand | 16.14 | 16.16 |
| **Total** | **52.38** | **47.69** |

## Note - 14 Bank Balances Other than Cash and Cash Equivalents

(Rs. in Lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| **Earmarked Balances with bank :** | | |
| Fixed deposit with Banks - Pledged as Margin Money | 112.56 | 174.04 |
| **Total** | **112.56** | **174.04** |

# Notes to the Financial Statement for the year ended 31st March, 2018

## Note 15 Current Financial Assets - Loans

(Rs. in Lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| **Unsecured, Considered Good :** | | |
| Loan to Employees | 7.25 | 7.69 |
| **Total** | **7.25** | **7.69** |

## Note 16 - Current Financial Assets - Others

(Rs. in Lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| **Unsecured, Considered Good :** | | |
| Interest Receivables | 14.03 | 8.78 |
| Security Deposits | 2.72 | 9.26 |
| Receivable from Related Party (Refer Note No. 43.1) | - | 17.31 |
| Others | 2.10 | 574.39 |
| **Total** | **18.85** | **609.74** |

**16.1** Others for the year includes Duty Draw Back, Insurance and other receivables and Others for the previous year includes refund of gas transportation charges (Refer Note No.29.1), Duty Draw Back, Insurance and other receivables.

**16.2** Receivable from Related Parties Includes amounts of Rs. Nil (Previous year Rs. 4.24 Lacs) due from private Companies in which directors of the companies are director (Refer Note No.43.1).

## Note - 17 Other Current Assets

(Rs. in Lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| **Unsecured, Considered Good :** | | |
| Export Incentives Receivable | 79.94 | 51.81 |
| Advances against supplies | 148.20 | 245.02 |
| Balance with Government Authorities | 20.21 | 96.48 |
| Prepaid Expenses | 55.31 | 44.98 |
| Others | 47.74 | 102.27 |
| **Total** | **351.40** | **540.56** |

**17.1** Others Includes mainly VAT Refund and other receivables.

## Note 18 - Equity Share Capital

(Rs. in Lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| **Authorised** | | |
| 12,00,00,000 (Previous Year :- 9,20,00,000) Equity Shares of Rs. 5/- each | 6,000.00 | 4,600.00 |
| Unclassified Share Capital | - | 400.00 |
| **Preference Share Capital** | | |
| 90,00,000 - 9% Non-Cumulative Non Convertible Redeemable Preference Shares of Rs. 100/- each (Previous Year :- 90,00,000) | 9,000.00 | 9,000.00 |
| **Total** | **15,000.00** | **14,000.00** |

## Notes to the Financial Statement for the year ended 31st March, 2018

| | | |
|---|---|---|
| **Issued, Subscribed & Fully paid-up** | | |
| 6,82,07,500 (Previous Year :- 6,82,07,500) Equity Shares of Rs. 5/- each fully paid up | 3,410.38 | 3,410.38 |
| **Total** | **3,410.38** | **3,410.38** |

**18.1 Reconciliation of number of Equity Shares outstanding at the beginning and at the end of the year :**

| Particulars | As at 31st March, 2018 | | As at 31st March, 2017 | |
|---|---|---|---|---|
| | No of Shares | (Rs. in Lacs) | No of Shares | (Rs. in Lacs) |
| Shares outstanding at the beginning of the year | 6,82,07,500 | 3,410.38 | 6,82,07,500 | 3,410.38 |
| Shares outstanding at the end of the year | 6,82,07,500 | 3,410.38 | 6,82,07,500 | 3,410.38 |

**18.2 Terms/Rights attached to Equity Shares :**

The Company has only one class of shares referred to as equity shares having a par value of Rs. 5/- per share. Holders of equity shares are entitled to one vote per share. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**18.3 Details of Shareholder holding more than 5% of Equity Share Capital :**

| Name of Shareholder | As at 31st March, 2018 | | As at 31st March, 2017 | |
|---|---|---|---|---|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Fennel Investment & Finance Pvt. Ltd. | 22,600,000 | 33.13 | 22,600,000 | 33.13 |
| Borosil Glass Works Limited | 17,222,376 | 25.25 | 17,222,376 | 25.25 |
| Pradeep Kumar Kheruka | 11,300,000 | 16.57 | 11,300,000 | 16.57 |

**18.4** There are no shares reserved for issue under options and contracts / commitments.

**18.5** Paid and Proposed dividend of Rs. Nil (Previous Year Rs. Nil).

**Note 19 - Other Equity** **(Rs. in Lacs)**

| Particulars | | As at 31st March, 2018 | | As at 31st March, 2017 |
|---|---|---|---|---|
| **Equity Component of Preference shares issued (Net of Tax)** | | | | |
| Balance as per last Balance Sheet | | 2,504.31 | | 2,504.31 |
| **Capital Reserve** | | | | |
| Balance as per last Balance Sheet | | 32.02 | | 32.02 |
| **Securities Premium Reserve** | | | | |
| Balance as per last Balance Sheet | | 57.71 | | 57.71 |
| **Surplus arising on giving effect to BIFR Order** | | | | |
| Balance as per last Balance Sheet | | 1,996.41 | | 1,996.41 |
| **Retained Earnings** | | | | |
| Balance as per last Balance Sheet | (1,780.62) | | (3,209.04) | |
| Add: Profit for the year | 691.93 | (1,088.69) | 1,428.42 | (1,780.62) |
| **Other Comprehensive Income (OCI)** | | | | |
| Balance as per last Balance Sheet | (25.24) | | (8.61) | |
| Add: Movement in OCI (Net) during the year | 4.24 | (21.00) | (16.63) | (25.24) |
| | | **3,480.76** | | **2,784.59** |

# Notes to the Financial Statement for the year ended 31st March, 2018

**19.1 Nature and Purpose of Reserve**

1 **Capital Reserve :** Capital reserve was created by way of
(i) Subsidy received from State of Gujarat.
(ii) Forfeiture of shares for non payment of allotment money/call money.
The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

2 **Surplus arising on giving effect to BIFR Order**
This surplus was recognised in pursuant to implementation of the order of Board for Industrial and Financial Reconstruction (BIFR) in respect of the scheme for the rehabilitation of the company. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

3 **Securities Premium Reserve**
Securities premium reserve was created when shares were issued at premium. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

4 **Equity Component of Preference shares issued**

The difference between the fair value of preference shares on the date of issue and the transaction price is recognised as a deemed equity component.

The fair value of the financial liability has been estimated by considering comparable market interest rates adjusted to the facts and circumstances relevant to the Company.

**Note 20 - Non Current Financial Liabilities - Borrowings**

**(Rs. in Lacs)**

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| **Unsecured** | | |
| **Liability component of compound financial instrument** | | |
| 90,00,000 - 9% Non-Cumulative Non Convertible Redeemable Preference Share of Rs. 100 each | - | 9,364.71 |
| **Total** | **-** | **9,364.71** |

**20.1 9% Non-Cumulative Non Convertible Redeemable Preference Share (Preference Share) (as disclosed in Note No. 25).**

a) Preference Share shall be redeemable not later than 7 years from the date of issue i.e. 17th March, 2012 with an option to the Company to redeem the same at any time by giving two months prior notice in writing to holders. The terms of Preference shares were changed from Cumulative to Non-Cumulative vide special resolution passed by the Shareholders on 26th August, 2015 through Postal ballot.

b) The Preference Share have the priority in case of payment of dividend and in case of winding up, repayment of Capital and arrears of dividend.

c) Dividend on Preference Share Capital aggregating to Rs. 2791.64 Lacs is in arrear for the period from 17.03.2012 to 26.08.2015.

# Notes to the Financial Statement for the year ended 31st March, 2018

**20.2** Preference shareholders holding more than 5% of Preference share capital :

| Name of Shareholder | As at 31st March, 2018 | | As at 31st March, 2017 | |
|---|---|---|---|---|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Borosil Glass Works Limited | 9,000,000 | 100.00 | 9,000,000 | 100.00 |

**20.3** Reconciliation of number of Preference Share outstanding at the beginning and at the end of the year :

| Particulars | As at 31st March, 2018 No of Shares | As at 31st March, 2017 No of Shares |
|---|---|---|
| Shares outstanding at the beginning of the year | 9,000,000 | 9,000,000 |
| Shares outstanding at the end of the year | 9,000,000 | 9,000,000 |

**20.4** Paid and Proposed Preference Share dividend of Rs. Nil (Previous Year Rs. Nil).

**20.5 Terms/Rights attached to Preference Shares :**

a) The Preference shareholder have acquired voting rights due to non-payment of dividend for two years in pursuant to second proviso to section 47 (2) of the Companies Act, 2013.

b) The holder of Preference Shares will have priority over Equity Shares for repayment of capital, in the event of liquidation of the company before redemption of Preference Shares.

**Note 21 - Non Current Financial Liabilities - Provisions**

(Rs. in Lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| **Provisions for Employee Benefits** | | |
| Leave Encashment | 91.11 | 60.95 |
| **Total** | **91.11** | **60.95** |

**Note 22 - Income Tax**

**22.1 Current Tax :-** (Rs. in Lacs)

| Particulars | For the Year Ended 31st March, 2018 | For the Year Ended 31st March, 2017 |
|---|---|---|
| Current Tax for the year | 235.03 | 449.25 |
| Income tax for the earlier year | 109.14 | (3.06) |
| MAT credit entitlement | (312.88) | (449.25) |
| **Total Current Tax** | **31.29** | **(3.06)** |

# Notes to the Financial Statement for the year ended 31st March, 2018

**22.2 The major components of Tax Expense for the year ended 31st March, 2018 and 31st March, 2017 are as follows:**

(Rs. in Lacs)

| Particulars | For the Year Ended 31st March, 2018 | For the Year Ended 31st March, 2017 |
|---|---|---|
| **Recognised in Statement of Profit and Loss:** | | |
| Current Tax (Refer note no. 22.1) | 31.29 | (3.06) |
| Deferred Tax:-Relating to origination and reversal of temporary differences | (55.10) | 814.01 |
| **Total Tax Expenses** | **(23.81)** | **810.95** |

**22.3 Reconciliation between tax (income)/expenses and accounting profit multiplied by tax rate for the year ended 31st March, 2018 and 31st March, 2017:**

(Rs. in Lacs)

| Particulars | For the Year Ended 31st March, 2018 | For the Year Ended 31st March, 2017 |
|---|---|---|
| Accounting profit before tax | 668.12 | 2239.37 |
| Applicable tax rate | 34.61% | 34.61% |
| **Computed Tax Expenses** | **231.22** | **775.00** |
| **Tax effect on account of:** | | |
| Unrealised foreign exchange difference on capital borrowing and Indexation benefits on Property, Plant and Equipment | 64.80 | 20.05 |
| Fair value changes on financial instruments | (9.30) | (6.32) |
| Allowances of expenses on payment basis | - | 15.29 |
| Deduction not allowed under the Income Tax Act | 23.10 | 9.99 |
| Changes in Income Tax rates of subsequent year | (355.72) | - |
| Deduction under chapter VI A | (9.20) | - |
| Non consideration of surcharge for MAT Credit | 31.29 | - |
| Income tax for earlier years | - | (3.06) |
| **Income tax (income) / expenses recognised in Statement of Profit and Loss** | **(23.81)** | **810.95** |

## Notes to the Financial Statement for the year ended 31st March, 2018

**22.4 Deferred tax relates to the following:**

(Rs. in Lacs)

| Particulars | Balance Sheet | | Statement of profit and loss | |
|---|---|---|---|---|
| | As at 31st March, 2018 | As at 31st March, 2017 | For the Year Ended 31st March, 2018 | For the Year Ended 31st March, 2017 |
| Property, Plant and Equipment, Intangible Assets and Assets Held for Sale | 1,556.52 | 1,781.27 | (224.75) | (273.72) |
| Financial Instruments-Assets | 9.39 | - | 9.39 | (6.32) |
| Provision for doubtful debts | (6.88) | (4.52) | (2.36) | (2.97) |
| Inventories | (5.01) | (5.96) | 0.95 | 9.36 |
| Disallowance Under the Income Tax Act, 1961 | (51.23) | (46.61) | (4.62) | (2.85) |
| Non-Cumulative Non Convertible Redeemable Preference Share | 365.62 | 839.65 | (474.03) | (360.10) |
| Financial Instruments-Liabilities | (20.67) | (70.82) | 50.15 | 149.49 |
| Unabsorbed depreciation utilised | - | (592.42) | 592.42 | 1,296.61 |
| Deferred Tax Liabilities / (Assets) | **1,847.74** | **1,900.59** | **(52.85)** | **809.50** |

**22.5 Reconciliation of deferred tax liabilities (Net):**

(Rs. in Lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| Opening balance as at 1st April | 1,900.59 | 1,091.09 |
| Deferred Tax expenses recognised in statement of profit and loss | (55.10) | 814.01 |
| Deferred Tax expenses recognised in OCI | 2.25 | (4.51) |
| **Closing balance as at 31st March** | **1,847.74** | **1,900.59** |

**Note - 23 Current Financial Liabilities - Borrowings**

(Rs. in Lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| **Secured Loan from Bank** | | |
| Buyer's Credit | 947.31 | 1,332.95 |
| Export Packing Credit | - | 43.87 |
| Working Capital Facility | 48.16 | 24.19 |
| **Total** | **995.47** | **1,401.01** |

**23.1** Buyers' credit is primary secured by charge on the current assets and further secured by all the Property, Plant and Equipment of the Company (Present & Future) situated at Village Govali, Distt- Bharuch and carries Interest @ 12 month EURIBOR plus 27 BPS.

**23.2** a) Working Capital Facility from bank are secured by Hypothecation on all stock and book debts of the Company and additionally secured by way of second charges on Property, Plant and Equipment of the Company.

b) Interest rate on Working Capital Facility - Base Rate + 1% i.e.9.50%.

**23.3** Export Packing Credit Facility from bank was secured by Hypothecation on all stock and book debts of the Company and additionally secured by way of second charges on Property, Plant and Equipment of the Company.

# Notes to the Financial Statement for the year ended 31st March, 2018

## Note 24 - Current Financial Liabilities - Trade Payables

(Rs. in Lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| Micro, Small and Medium Enterprises | - | - |
| Others | 1,101.48 | 990.98 |
| | **1,101.48** | **990.98** |

**24.1** Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED 2006) have been determined based on the information as available with the Company and the details of amount outstanding due to them are as given below:

(Rs. in Lacs)

| | Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|---|
| a) | Principal amount outstanding | - | - |
| b) | Interest due thereon | - | - |
| c) | Interest paid by the Company in terms of Section 16 of MSMED 2006, along with amount of the payment made to the suppliers beyond the appointed day during the year . | - | - |
| d) | Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED 2006. | - | - |
| e) | Interest accrued and remaining unpaid | - | - |
| f) | Further interest remaining due and payable in the succeeding years. | - | - |
| | | **-** | **-** |

## Note 25 - Current Financial Liabilities - Others

(Rs. in Lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| **Current Maturity of Long Term Borrowings** | | |
| -Non-Current Borrowings (Refer Note No. 25.1) | - | 683.97 |
| **-Liability component of compound financial instrument** | | |
| 90,00,000 - 9% Non-Cumulative Non Convertible Redeemable Preference Share | 10,535.30 | - |
| Interest Accrued but not Due on Borrowing | 0.66 | 1.83 |
| Creditors for Capital Goods | 346.25 | 550.83 |
| Security Deposits | 52.06 | 52.10 |
| Other Payables | 430.87 | 411.98 |
| **Total** | **11,365.14** | **1,700.71** |

**25.1** Term Loan of Rs. Nil (Previous year Rs. 683.97 Lacs) was secured by way of exclusive charge on current assets of the company and further secured by way of charge on the property, plant and equipment of the Company (present & future) situated at village Govali, Dist Bharuch.

**25.2** Other Payables mainly includes outstanding liability for expenses and payable to employees.

# Notes to the Financial Statement for the year ended 31st March, 2018

**Note 26 - Other Current Liabilities**

(Rs. in Lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| Advance from Customers | 153.54 | 72.33 |
| Statutory liabilities | 228.84 | 59.46 |
| Export Obligation Liability | 39.97 | 39.97 |
| **Total** | **422.35** | **171.76** |

**Note 27 - Current Provisions**

(Rs. in Lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|
| **Provisions for Employee Benefits** | | |
| Gratuity (Funded) (Refer Note No. 38) | 12.81 | 17.00 |
| Leave Encashment | 5.99 | 3.96 |
| **Others** | | |
| Provision for Excise duty (Refer Note No. 39) | - | 40.85 |
| **Total** | **18.80** | **61.81** |

**27.1** In Previous year, the Company had recognised liabilities based on substantial degree of estimation for Excise Duty payable on clearance of goods lying in stock. During the period till 30th June, 2017, Rs. 40.85 Lacs was utilised for clearance of goods. Excise duty is discontinued with effect from 1st July, 2017 upon implementation of Goods and Service Tax (GST).

**Note 28 - Revenue From Operations**

(Rs. in Lacs)

| Particulars | For the Year Ended 31st March, 2018 | For the Year Ended 31st March, 2017 |
|---|---|---|
| Sale of Products (Including Excise duty) | 19,835.04 | 18,729.70 |
| Other Operating Revenue | 146.19 | 103.11 |
| **Revenue from Operations** | **19,981.23** | **18,832.81** |

**28.1** Sale of products up to 30th June 2017 includes excise duty, which is discontinued with effect from 1st July, 2017 upon implementation of Goods and Service Tax (GST). In accordance with ‘Ind AS 18 – Revenue’, GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from operations for the year is not comparable with those of previous year.

## Notes to the Financial Statement for the year ended 31st March, 2018

### Note 29 - Other Income

(Rs. in Lacs)

| Particulars | For the Year Ended 31st March, 2018 | For the Year Ended 31st March, 2017 |
|---|---|---|
| Interest Income from financial assets measured at amortised cost | | |
| - Fixed Deposits with banks | 15.37 | 6.65 |
| - Others | 213.12 | 18.22 |
| Gain on Sale of Current Investments (Net) | 0.92 | 52.41 |
| Gain on financial instruments measured at fair value through profit or loss (Net) | 53.72 | - |
| Share in Profit from LLP | 0.02 | 0.15 |
| Gain on foreign currency transactions (Net) | - | 59.35 |
| Sundry Credit Balance Written Back (Net) | 12.11 | 2.96 |
| Miscellaneous Income | 55.23 | 583.01 |
| **Total** | **350.49** | **722.75** |

**29.1** Miscellaneous income for the year includes Refund of Electricity duty of Rs. 53.55 Lacs and for the previous year includes a refund of Rs 559.38 Lacs from "Gas Authority of India Limited" (GAIL) on account of downward revision in gas transportation charges for the period from November 2008 to March 2016.

### Note 30 - Changes in Inventories of Finished Goods and Work-in-Progress

(Rs. in Lacs)

| Particulars | For the Year Ended 31st March, 2018 | | For the Year Ended 31st March, 2017 | |
|---|---|---|---|---|
| **Finished Goods** | | | | |
| Opening Stock | 346.00 | | 201.52 | |
| Less: Closing Stock | 103.81 | 242.19 | 346.00 | (144.48) |
| **Work-in-Progress** | | | | |
| Opening Stock | 728.88 | | 267.97 | |
| Less: Closing Stock | 186.33 | 542.55 | 728.88 | (460.91) |
| **Total** | | **784.74** | | **(605.39)** |

### Note 31 - Employee Benefits Expense

(Rs. in Lacs)

| Particulars | For the Year Ended 31st March, 2018 | For the Year Ended 31st March, 2017 |
|---|---|---|
| Salaries, Wages & allowances | 2,117.09 | 2,018.89 |
| Contribution to Provident and Other Funds (Refer Note No. 38) | 120.61 | 99.79 |
| Staff Welfare Expenses | 136.46 | 109.73 |
| **Total** | **2,374.16** | **2,228.41** |

## Notes to the Financial Statement for the year ended 31st March, 2018

### Note 32 - Finance Costs

(Rs. in Lacs)

| Particulars | For the Year Ended 31st March, 2018 | For the Year Ended 31st March, 2017 |
|---|---|---|
| Interest Expenses on financial liabilities measured at amortised cost | 1,287.48 | 1,108.19 |
| Exchange differences regarded as an adjustment to Borrowing Costs | 89.43 | - |
| **Total** | **1,376.91** | **1,108.19** |

**32.1** Above includes, Interest of Rs. 18.87 Lacs (Previous Year Rs. 12.77 Lacs) on late payment of Advance Tax.

### Note 33 - Depreciation and Amortization Expense

(Rs. in Lacs)

| Particulars | For the Year Ended 31st March, 2018 | For the Year Ended 31st March, 2017 |
|---|---|---|
| Depreciation of Property, Plant and Equipment (Refer Note No. 5) | 1,658.53 | 1,436.60 |
| Amortisation of Intangible Assets (Refer Note No. 6) | 9.01 | 2.16 |
| **Total** | **1,667.54** | **1,438.76** |

### Note 34 - Other Expenses

(Rs. in Lacs)

| Particulars | For the Year Ended 31st March, 2018 | For the Year Ended 31st March, 2017 |
|---|---|---|
| **Manufacturing Expenses** | | |
| Stores, Spares and Consumables Consumed | 611.20 | 478.61 |
| Packing Materials Consumed | 1,154.12 | 1,082.09 |
| Power and Fuel | 3,426.91 | 3,156.72 |
| Processing charges | 76.34 | 96.26 |
| **Repairs and Maintenance** | | |
| - Plant and Machinery | 236.56 | 167.01 |
| - Buildings | 18.61 | 11.98 |
| - Others | 105.30 | 67.19 |
| **Selling and Distribution Expenses** | | |
| Sales Promotion and Advertisement Expenses | 151.68 | 79.61 |
| Freight Outward | 1,456.46 | 1,366.93 |
| Commission | 69.65 | 17.79 |
| Cash Discount | 69.47 | 123.01 |
| **Administrative and General Expenses** | | |
| Insurance | 64.68 | 49.58 |
| Rent | 19.66 | 19.52 |
| Rates and Taxes | 12.36 | 12.50 |
| Legal and Professional Fees | 268.18 | 238.27 |
| Travelling and Conveyance Expenses | 304.55 | 272.62 |
| Payment to Auditor (Refer note no. 34.2) | 28.66 | 17.94 |

## Notes to the Financial Statement for the year ended 31st March, 2018

| | | | | |
|---|---|---|---|---|
| Research and Development Expenses | | - | | 19.95 |
| Corporate Social Responsibility Expenditure (Refer note no. 34.1) | | 33.40 | | 15.00 |
| Security Expenses | | 41.41 | | 31.59 |
| Excise duty of earlier years | | 197.35 | | - |
| Loss on foreign currency transactions (Net) | | 26.28 | | - |
| Directors Sitting Fees | | 17.10 | | 11.44 |
| Bad Debts | 4.78 | | 5.00 | |
| Less: Provision Written Back | - | 4.78 | 4.48 | 0.52 |
| Provision for Doubtful Debts | | 10.56 | | 13.05 |
| Loss on Discard/sale of Property, Plant and Equipment (Net) | | 11.31 | | 2.62 |
| Loss on Assets Held for Sale | | - | | 124.00 |
| Bank Charges | | 37.26 | | 52.85 |
| Miscellaneous Expenses | | 185.93 | | 149.68 |
| **Total** | | **8,639.77** | | **7,678.33** |

**Note 34.1 Notes related to Corporate Social Responsibility Expenditure (CSR):**

(a) CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the Company during the year is Rs. 32.88 Lacs (Previous Year Rs. 22.52 Lacs).

(b) Expenditure related to CSR is Rs. 33.40 Lacs (Previous Year Rs. 15.00 Lacs) and Rs. Nil (Previous year Rs. 7.52 Lacs) remained unspend.

**Details of expenditure towards CSR given below:** **(Rs. in Lacs)**

| | **Particulars** | **For the Year Ended 31st March, 2018** | **For the Year Ended 31st March, 2017** |
|---|---|---|---|
| (i) | Cost of shipping of the artwork and logistics of the exhibition | 12.40 | - |
| (ii) | Promoting education and making available safe drinking water | 21.00 | - |
| (iii) | Promoting health care including preventive health care | - | 5.00 |
| (iv | Promoting education | - | 10.00 |
| | **Total** | **33.40** | **15.00** |

**Note 34.2 - Details of Payment to Auditor**

**(Rs. in Lacs)**

| **Particulars** | **For the Year Ended 31st March, 2018** | **For the Year Ended 31st March, 2017** |
|---|---|---|
| Payments to the auditor as: | | |
| Auditor | 18.00 | 13.50 |
| For taxation Matters | - | - |
| For Company law matters | - | - |
| For Certifications | 5.25 | 3.35 |
| For other services | 5.00 | - |
| For reimbursement of expenses | 0.41 | 1.09 |
| **Total** | **28.66** | **17.94** |

## Notes to the Financial Statement for the year ended 31st March, 2018

**Note - 35 Exceptional Items:-**

(Rs. in Lacs)

| Particulars | For the Year Ended 31st March, 2018 | For the Year Ended 31st March, 2017 |
|---|---|---|
| Loss on sale of Property, Plant and Equipment | 195.37 | - |
| **Total** | **195.37** | **-** |

**35.1** During the year, the Company has sold Captive Power Plant (Gas Based Genset) at a loss of Rs. 195.37 Lacs which has been shown as an exceptional item.

**Note - 36 Earning Per Share**

(Rs. in Lacs)

| Particulars | For the Year Ended 31st March, 2018 | For the Year Ended 31st March, 2017 |
|---|---|---|
| Net Profit Attributable to Equity Shareholders for Basic EPS and Diluted EPS (Rs. In Lacs) | 691.93 | 1,428.42 |
| Weighted Average Number of Equity Shares Outstanding During the year for Basic EPS and Diluted EPS (in Nos.) | 6,82,07,500 | 6,82,07,500 |
| Basic and Diluted Earning per share of Rs. 5 each (in Rs.) | 1.01 | 2.09 |
| Face Value per Equity Share (in Rs.) | 5.00 | 5.00 |

**Note - 37 Contingent Liabilities and Commitments**

**37.1 Contingent Liabilities (To the extent not provided for) Claims against the Company not acknowledged as debts**

(Rs. in Lacs)

| Particulars | As at 31st March 2018 | As at 31st March 2017 |
|---|---|---|
| **Disputed Liabilities in Appeal (No Cash outflow is expected in the near future)** | | |
| - Excise (amount paid under protest of Rs. Nil Lacs (Previous Year Rs. 590.08 Lacs) | - | 1,252.13 |
| - Income Tax | 332.20 | 332.20 |
| - Sales Tax | 565.79 | 550.84 |
| - Cenvat Credit/Service Tax (amount paid under protest of Rs. 1.18 Lacs (Previous Year Rs. 1.85 Lacs) | 11.30 | 52.99 |
| - Others (amount paid under protest of Rs. 44.13 Lacs (Previous Year Rs. 44.13 Lacs) | 112.98 | 72.51 |
| **Guarantees** | | |
| - Bank Guarantees | 546.48 | 409.57 |
| **Others** | | |
| 1 Letter of Credits | 341.18 | 144.90 |
| 2 Bonus (refer note no. 37.4) | 18.45 | 18.45 |

**37.2** Management is of the view that above litigations will not materially impact the financial position of the Company.

## Notes to the Financial Statement for the year ended 31st March, 2018

**37.3 Commitments**

(Rs. in Lacs)

| Particulars | As at 31st March 2018 | As at 31st March 2017 |
|---|---|---|
| Estimated amount of Contracts remaining to be executed on Capital Account not provided for (cash outflow is expected on execution of such capital contracts) | | |
| -- Related to Property, Plant and Equipment | 1,662.49 | 852.82 |
| -- Related to Intangible Assets | - | 11.82 |

**37.4** The Payment of Bonus (Amendment) Act, 2015 envisages enhancement of eligibility limit and Calculation Ceiling under section 12 from Rs. 3500 to Rs. 7000 or the minimum wage for the scheduled employment, as fixed by the appropriate Government, whichever is higher. The Payment of Bonus (Amendment) Act, 2015 have come into force on the 1st April 2014. However the same is challenged in the Hon'ble High Courts of few states by some parties and those high courts have provided stay on the retrospectively impact of the same and accordingly same amount shown as contingent liability.

**38 Employee Benefits**

**38.1 As per Ind AS-19 'Employee Benefits', the disclosure of Employee benefits as defined in the Ind AS are given below:**

**(a) Defined Contribution Plan:**

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

(Rs. in Lacs)

| Particulars | 2017-18 | 2016-17 |
|---|---|---|
| Employer's Contribution to Provident Fund | 53.43 | 47.59 |
| Employer's Contribution to Pension Scheme | 34.00 | 33.25 |

The contribution to provident fund is made to Employees' Provident Fund managed by Provident Fund Commissioner.

**(b) Defined Benefit Plan:**

The employees' Gratuity Fund is managed by the Birla Sun Life Insurance Corporation of India. 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. The obligation for leave encashment is recognised in the same manner as the gratuity.

| Particulars | Gratuity (Funded) | |
|---|---|---|
| | As at 31st March 2018 | As at 31st March 2017 |
| **Actuarial assumptions** | | |
| Mortality Table | Indian Assured Lives Mortality (2006-08) Ult | Indian Assured Lives Mortality (2006-08) Ult |
| Salary growth | 5.00% | 5.00% |
| Discount rate | 7.55% | 7.25% |
| Expected returns on plan assets | 7.55% | 7.25% |
| Withdrawal rates | 2% at younger ages reducing to 1% at older ages | 2% at younger ages reducing to 1% at older ages |

## Notes to the Financial Statement for the year ended 31st March, 2018

(Rs. in Lacs)

| Particulars | Gratuity (Funded) | |
|---|---|---|
| | 2017-18 | 2016-17 |
| **Movement in present value of defined benefit obligation** | | |
| Obligation at the beginning of the year | 242.66 | 217.60 |
| Current service cost | 22.98 | 20.05 |
| Past service cost | 9.80 | - |
| Interest cost | 16.92 | 16.38 |
| Benefits paid | (13.18) | (21.53) |
| Actuarial (gain)/loss on obligation | (12.46) | 10.16 |
| **Obligation at the end of the year** | **266.72** | **242.66** |
| **Movement in present value of plan assets** | | |
| Fair value at the beginning of the year | 225.66 | 193.19 |
| Interest Income | 16.52 | 17.48 |
| Expected Return on Plan Assets | (0.09) | 11.52 |
| Employer Contribution | 25.00 | 25.01 |
| Benefits paid | (13.18) | (21.54) |
| **Fair value at the end of the year** | **253.91** | **225.66** |
| **Amount recognised in Statement of Profit and Loss** | | |
| Current service cost | 22.98 | 20.05 |
| Past service cost and loss on curtailments and settlement | 9.80 | - |
| Interest cost | 0.40 | (1.10) |
| **Total** | **33.18** | **18.95** |
| **Amount recognised in the other comprehensive income** | | |
| **Components of actuarial gain/losses on obligations:** | | |
| Due to financial assumptions | (6.96) | 12.56 |
| Due to experience adjustments | (5.50) | (2.40) |
| Return on plan assets excluding amounts included in interest income | 0.09 | (11.52) |
| **Total** | **(12.37)** | **(1.36)** |

**(c) Fair Value of assets**

(Rs. in Lacs)

| Particulars | Fair Value of Asset | |
|---|---|---|
| | 2017-18 | 2016-17 |
| Birla Sun Life Insurance Corporation of India | 253.91 | 225.66 |
| **Total** | **253.91** | **225.66** |

**(d) Net Liability Recognised in the balance sheet**

(Rs. in Lacs)

| Amount recognised in the balance sheet | As at 31st March 2018 | As at 31st March 2017 |
|---|---|---|
| Present value of obligations at the end of the year | 266.72 | 242.66 |
| Less: Fair value of plan assets at the end of the year | 253.91 | 225.66 |
| **Net liability recognised in the balance sheet** | **12.81** | **17.00** |

**(e)** The estimate of rate of escalation in Salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other retirement factors including supply & demand in the employment market. The above information is certified by the actuary.

## Notes to the Financial Statement for the year ended 31st March, 2018

**38.2 Sensitivity analysis:** **(Rs. in Lacs)**

| Particulars | Changes in assumptions | Effect on Gratuity Obligation Increase/ (Decrease) |
|---|---|---|
| **For the year ended 31st March, 2017** | | |
| Discount rate | +.5% | (10.53) |
| | -0.5% | 11.25 |
| Salary growth rate | +.5% | 11.30 |
| | -0.5% | (9.82) |
| Withdrawal rate (W.R.) | W.R. x 110% | 0.65 |
| | W.R. x 90% | (0.65) |
| **For the year ended 31st March, 2018** | | |
| Discount rate | +.5% | (11.01) |
| | -0.5% | 11.76 |
| Salary growth rate | +.5% | 11.56 |
| | -0.5% | (10.79) |
| Withdrawal rate (W.R.) | W.R. x 110% | 0.66 |
| | W.R. x 90% | (0.66) |

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is the same as that applied in calculating the defined obligation liability recognized in the Balance Sheet.

**38.3 Risk exposures**

**1) Actuarial Risk:** This can arise due to one of the following reasons:

**Adverse Salary Growth Experience:** Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

**Variability in mortality rates:** If actual mortality rates are higher than assumed mortality rate, than the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

**Variability in withdrawal rates:** If actual withdrawal rates are higher than assumed withdrawal rate, than the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

**2) Investment Risk:** For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

**3) Liquidity Risk:** Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the Company there can be strain on the cash flows.

**4) Market Risk:** Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

## Notes to the Financial Statement for the year ended 31st March, 2018

5) **Legislative Risk:** Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognised immediately in the year when any such amendment is effective.

**38.4 Details of Asset-Liability Matching Strategy:-**

Gratuity benefits liabilities of the company are funded. There are no minimum funding requirements for a Gratuity benefits plan in India and there is no compulsion on the part of the Company to fully or partially pre-fund the liabilities under the Plan.

The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it may not be possible to explicitly follow an asset-liability matching strategy to manage risk actively in a conventional fund.

**38.5** The expected payments towards contributions to the defined benefit plan is within one year.

**38.6** The expected payments towards to the gratuity in future years:

**(Rs. in Lacs)**

| Year Ended | Expected payment |
|---|---|
| 31st March, 2019 | 21.41 |
| 31st March, 2020 | 15.71 |
| 31st March, 2021 | 18.49 |
| 31st March, 2022 | 15.78 |
| 31st March, 2023 | 21.53 |
| 31st March, 2024 to 31st March, 2028 | 160.05 |

**38.7** The average duration of the defined benefit plan obligation at the end of the reporting period is 13.70 years (31 March 2017: 13.79 years).

**Note - 39 Provisions**

**Disclosures as required by Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets:-**

**Movement in provisions:-**

**(Rs. in Lacs)**

| Nature of provision | Provision for Doubtful Debts | Excise duty | Total |
|---|---|---|---|
| **As at 31st March, 2016** | **4.48** | **17.82** | **22.30** |
| Provision during the year | 13.05 | 40.85 | 53.90 |
| Payment during the year | - | (17.82) | (17.82) |
| Provision reversed during the year | (4.48) | - | (4.48) |
| **As at 31st March, 2017** | **13.05** | **40.85** | **53.90** |
| Provision during the year | 10.56 | - | 10.56 |
| Payment during the year | - | (40.85) | (40.85) |
| Provision reversed during the year | - | - | - |
| **As at 31st March, 2018** | **23.61** | **-** | **23.61** |

**Note- 40** The settlement with Worker's Union expired on 31st December, 2009 and 31st December, 2015, the Company has signed settlement agreement with workers on 21st March, 2013 and 20th August, 2016. The wages payable as per the settlement agreement to workers who have still not accepted the settlement amount from 1st January, 2010 to 31st March, 2018 amounts to Rs. 248.14 Lacs (Previous Year Rs. 216.32 Lacs), which have provided in the books of accounts.

## Notes to the Financial Statement for the year ended 31st March, 2018

**Note- 41** The Company was carrying a portion of items of certain Property, Plant and Equipment of Sheet Glass plant which were sold/discarded in 2013-14. As one of the buyer who had agreed to lift this portion of Property, Plant and Equipment and had given security deposit failed to perform the contract, the Company has finally sold the same during the year. Deposit received from the earlier buyer is lying in liabilities pending litigation.

**(Rs. in Lacs)**

| Particulars | As at 31st March 2018 | As at 31st March 2017 |
|---|---|---|
| Asset Held for Sale | - | 24.49 |
| | **-** | **24.49** |

Previous year the fair value of the above was determine using bidding method. This is level 2 measurement as per the fair value hierarchy

**Note - 42** Company had filed application for exemption for electricity duty on power used in Solar glass plant. The exemption has been partially granted and the same has been accounted. However, exemption in respect of electricity used from Captive Power Plant in the solar glass plant is pending to be disposal and accounting of the same will be done on disposal of said application.

**Note - 43** **Related party disclosure**

In accordance with the requirements of Ind AS 24, on related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exits and with whom transactions have taken place during reported periods, are as detail below:

**43.1 List of Related Parties :**

**a) Associate Companies**

Borosil Glass Works Limited

(25.25% of the equity share of the Company)

**b) Fellow subsidiaries**

Hopewell Tableware Private Limited

Klasspack Private Limited

**c) Key Management Personnel**

Mr. B. L. Kheruka – Chairman. (Non-Executive Director)

Mr. Rajesh Chaudhary - Whole-time Director (upto 31st March, 2018)

Mr. Sunil Kumar Roongta (Chief Financial Officer)

Mr. Kishor Talreja (Company Secretary)

**d) Relative of Key Management Personnel**

Mr. P. K. Kheruka - Relative of Mr. B. L. Kheruka

Mr. Shreevar Kheruka - Relative of Mr. B. L. Kheruka

**e) Enterprises over which persons described in (c) & (d) above are able to exercise significant influence (Other Related Parties) with whom transactions have taken place:-**

Cycas Trading LLP

Vyline Glass Works Limited

Window Glass Limited

Borosil Foundation

Chotila Silica Pvt. Ltd.

## Notes to the Financial Statement for the year ended 31st March, 2018

(Rs. in Lacs)

| Nature of Transactions | Name of the Related Party | 2017-18 | 2016-17 |
|---|---|---|---|
| **Transactions with associates:** | | | |
| Purchase of Goods | Borosil Glass Works Limited | 5.49 | 1.06 |
| Rent Paid | Borosil Glass Works Limited | 15.64 | 15.60 |
| Reimbursement of expenses to | Borosil Glass Works Limited | 1.26 | 19.56 |
| Reimbursement of expenses from | Borosil Glass Works Limited | 10.99 | 26.01 |
| **Transactions with fellow subsidiary:** | | | |
| Sale of Goods | Hopewell Tableware Private Limited | 2.11 | 7.24 |
| Purchase of Goods | Hopewell Tableware Private Limited | - | 2.40 |
| Reimbursement of expenses from | Klasspack Private Limited | 0.28 | 0.95 |
| | Hopewell Tableware Private Limited | 3.42 | 4.75 |
| Reimbursement of expenses to | Hopewell Tableware Private Limited | 7.50 | - |
| **Transactions with other related parties:** | | | |
| Sale of Goods | Vyline Glass Works Ltd. | 0.15 | 0.36 |
| Purchase of Goods | Vyline Glass Works Ltd. | 1.04 | 7.63 |
| | Chotila Silica Pvt Ltd | 267.05 | 1.95 |
| Rent Paid | Cycas Trading LLP | 2.64 | 2.16 |
| Office Rent/Maintenance charges | Window Glass Limited | 2.84 | 2.28 |
| Donation Given for CSR activities | Borosil Foundation | 22.40 | 0.10 |
| Managerial Remuneration | Mr. Rajesh Chaudhary | 48.10 | 89.65 |
| | Mr. Sunil Roongta | 35.40 | 30.66 |
| | Mr. Kishor Talreja | 18.53 | 15.45 |
| Reimbursement of expenses to | Vyline Glass Works Limited | - | 0.48 |
| Reimbursement of expenses from | Vyline Glass Works Limited | 9.73 | 17.35 |

(Rs. in Lacs)

| Nature of Transactions | Name of the Related Party | As at 31st March 2018 | As at 31st March 2017 |
|---|---|---|---|
| **Balances with associates:** | | | |
| Current Financial Assets - Others | Borosil Glass Works Limited | - | 2.80 |
| **Balances with fellow subsidiary:** | | | |
| Current Financial Assets - Others | Klasspack Private Limited | - | 0.87 |
| | Hopewell Tableware Private Limited | - | 3.37 |
| **Balance with other related parties:-** | | | |
| Current Financial Assets - Others | Vyline Glass Works Ltd. | - | 10.02 |
| Current Financial Liabilities - Trade Payables | Window Glass Limited | - | 0.19 |
| | Chotila Silica Pvt. Ltd. | - | 4.52 |

**43.2 Compensation to key management personnel of the Company** (Rs. in Lacs)

| Nature of transaction | 2017-18 | 2016-17 |
|---|---|---|
| Short-term employee benefits | 111.31 | 138.81 |
| Post-employment benefits | 11.39 | 9.04 |
| **Total compensation paid to key management personnel** | **122.70** | **147.85** |

## Notes to the Financial Statement for the year ended 31st March, 2018

**43.3** The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at year-end are unsecured, unless specified and settlement occurs in cash. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**Note 44 - Fair Values**

**44.1 Financial Instruments by category:**

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial assets and liabilities that are recognised in the financial statements.

**a) Financial Assets measured at fair value:** **(Rs. in Lacs)**

| Particulars | As at 31st March 2018 | As at 31st March 2017 |
|---|---|---|
| **Financial Assets designated at fair value through profit or loss:-** | | |
| - Investments | 3,053.89 | 0.90 |
| | **3,053.89** | **0.90** |

**b) Financial Assets designated at amortised cost:-** **(Rs. in Lacs)**

| Particulars | As at 31st March 2018 | | As at 31st March 2017 | |
|---|---|---|---|---|
| | Carrying Value | Fair Value | Carrying Value | Fair Value |
| **Financial Assets designated at amortised cost:-** | | | | |
| - Trade Receivable | 2,445.22 | 2,445.22 | 2,676.12 | 2,676.12 |
| - Cash and cash equivalents | 52.38 | 52.38 | 47.69 | 47.69 |
| - Bank Balance other than cash and cash equivalents | 112.56 | 112.56 | 174.04 | 174.04 |
| - Loans | 7.25 | 7.25 | 7.69 | 7.69 |
| - Others | 134.39 | 134.39 | 714.75 | 714.75 |
| | **2,751.80** | **2,751.80** | **3,620.29** | **3,620.29** |

**c) Financial Liabilities designated at amortised cost:-**

**(Rs. in Lacs)**

| Particulars | As at 31st March 2018 | | As at 31st March 2017 | |
|---|---|---|---|---|
| | Carrying Value | Fair Value | Carrying Value | Fair Value |
| **Financial Liabilities designated at amortised cost:-** | | | | |
| - Borrowings | 995.47 | 995.47 | 10,765.72 | 10,765.72 |
| - Trade Payable | 1,101.48 | 1,101.48 | 990.98 | 990.98 |
| - Other Financial Liabilities | 11,365.14 | 11,365.14 | 1,700.71 | 1,700.71 |
| | **13,462.09** | **13,462.09** | **13,457.41** | **13,457.41** |

**44.2 Fair Valuation techniques used to determine fair value**

The Company maintains procedures to value its financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

i) Fair value of cash and cash equivalents, other bank balances, trade receivables, trade payables, current loans, current borrowings, deposits and other current financial assets and liabilities are approximate at their carrying amounts largely due to the short-term maturities of these instruments.

ii) The fair values of non-current Security Deposits and Margin money are approximate at their carrying amount due to interest bearing features of these instruments.

iii) Fair values of mutual fund are derived from published NAV (unadjusted) in active markets for identical assets.

## Notes to the Financial Statement for the year ended 31st March, 2018

**44.3 Fair value hierarchy**

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:-

i) **Level 1 :-** Quoted prices / published NAV (unadjusted) in active markets for identical assets or liabilities. It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date and financial instruments like mutual funds for which net assets value (NAV) is published by mutual fund operators at the Balance Sheet date.

ii) **Level 2 :-** Inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). It includes fair value of the financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the Company specific estimates. If all significant inputs required to fair value an instrument are observable then instrument is included in level 2.

iii) **Level 3 :-** Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The following table provides hierarchy of the fair value measurement of Company's asset and liabilities, grouped into Level 1 (Quoted prices in active markets), Level 2 (Significant observable inputs) and Level 3 (Significant unobservable inputs) as described below:

**(Rs. in Lacs)**

| Particulars | 31st March, 2018 | | |
|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** |
| **Financial Assets designated at fair value through profit or loss:-** | | | |
| - Investments | 3,053.89 | - | - |

**(Rs. in Lacs)**

| Particulars | 31st March, 2017 | | |
|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** |
| **Financial Assets designated at fair value through profit or loss:-** | | | |
| - Investments * | - | - | 0.90 |

* Considered as book value as per latest financial statements of the investee and no material impact on fair valuation

**Note 45 - Financial Risk Management objective and policies**

The Company is exposed to market risk, credit risk and liquidity risk. Risk management is carried out by the Company under policies approved by the board of directors. This Risk management plan defines how risks associated with the Company will be identified, analysed, and managed. It outlines how risk management activities will be performed, recorded, and monitored by the Company. The basic objective of risk management plan is to implement an integrated risk management approach to ensure all significant areas of risks are identified, understood and effectively managed, to promote a shared vision of risk management and encourage discussion on risks at all levels of the organization to provide a clear understanding of risk/benefit trade-offs, to deploy appropriate risk management methodologies and tools for use in identifying, assessing, managing and reporting on risks, and to determine the appropriate balance between cost and control of risk and deploy appropriate resources to manage/optimize key risks. Activities are developed to provide feedback to management and other interested parties (e.g. Audit committee, Board etc.). The results of these activities ensure that risk management plan is effective in the long term.

## Notes to the Financial Statement for the year ended 31st March, 2018

**45.1 Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: foreign currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments.

The sensitivity analyses relate to the position as at 31st March 2018 and 31st March 2017.

The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations, provisions and on the non-financial assets and liabilities. The sensitivity of the relevant Statement of Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as at 31st March, 2018 and 31st March, 2017.

**(a) Foreign exchange risk and sensitivity**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. The Company transacts business primarily in USD and EURO. The Company has obtained foreign currency loans and has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk. The Company regularly reviews and evaluates exchange rate exposure arising from foreign currency transactions.

The following table demonstrates the sensitivity in the USD and EURO to the Indian Rupee with all other variables held constant. The impact on the Company's profit before tax due to changes in the fair values of monetary assets and liabilities is given below:

| Unhedged Foreign currency exposure as at 31st March, 2017 | Currency | Amount in FC | (Rs. in Lacs) |
|---|---|---|---|
| Trade Receivables | USD | 79,158 | 51.32 |
| Trade Receivables | EURO | 3,48,105 | 241.05 |
| Trade Payables | USD | 4,51,979 | 293.06 |
| Trade Payables | EURO | 4,80,646 | 332.84 |
| Borrowings and interest thereon | USD | 18,57,419 | 1,204.32 |
| Borrowings and interest thereon | EURO | 12,39,443 | 858.27 |

| Unhedged Foreign currency exposure as at 31st March, 2018 | Currency | Amount in FC | (Rs. in Lacs) |
|---|---|---|---|
| Trade Receivables | USD | 38,351 | 24.94 |
| Trade Receivables | EURO | 3,99,639 | 322.20 |
| Trade Payables | USD | 4,31,955 | 280.96 |
| Trade Payables | EURO | 2,64,851 | 213.53 |
| Borrowings and interest thereon | EURO | 11,75,820 | 947.97 |

**Foreign currency sensitivity**

2% increase or decrease in foreign exchange rates will have the following impact on profit before tax:-

**(Rs. in Lacs)**

| Particulars | 2017-18 | | 2016-17 | |
|---|---|---|---|---|
| | 2% Increase - Profit / (Loss) | 2% Decrease - Profit / (Loss) | 2% Increase - Profit / (Loss) | 2% Decrease Profit / (Loss) |
| USD | (5.12) | 5.12 | (28.92) | 28.92 |
| EURO | (16.79) | 16.79 | (19.00) | 19.00 |
| **Increase / (Decrease) in profit before tax** | **(21.91)** | **21.91** | **(47.92)** | **47.92** |

## Notes to the Financial Statement for the year ended 31st March, 2018

**b) Interest rate risk and sensitivity :-**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company having short term borrowings in the form of buyers credit and working capital facility. There is a fixed rate of interest in case of buyers credit hence, there is no interest rate risk associated with the borrowings. The Company is exposed to interest rate risk associated with working capital facility due to floating rate of interest.

The table below illustrates the impact of a 2% increase in interest rates on interest on financial liabilities assuming that the changes occur at the reporting date and has been calculated based on risk exposure outstanding as of date. The year end balances are not necessarily representative of the average debt outstanding during the year. This analysis also assumes that all other variables, in particular foreign currency rates, remain constant.

**(Rs. in Lacs)**

| **Particulars** | **2017-18** | | **2016-17** | |
|---|---|---|---|---|
| | **2% Increase - Decrease in PBT** | **2% Decrease - Increase in PBT** | **2% Increase - Decrease in PBT** | **2% Decrease - Increase in PBT** |
| Working Capital Facility | (0.96) | 0.96 | (0.48) | 0.48 |
| Foreign Currency Term Loan - ECB | - | - | (13.68) | 13.68 |
| **Increase / (Decrease) in profit before tax** | **(0.96)** | **0.96** | **(14.16)** | **14.16** |

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

**c) Commodity price risk:-**

The Company is exposed to the movement in price of key consumption materials in domestic and international markets. The Company entered into contracts for procurement of material, most of the transactions are short term fixed price contract and hence Company is not exposed to significant risk.

**45.2 Credit risk**

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

**a) Trade Receivables:-**

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings with the Company for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. No single customer accounted for 10% or more of revenue in any of the years presented. The history of trade receivables shows a negligible provision for bad and doubtful debts. Therefore, the Company does not expect any material risk on account of non performance by any of the counterparties.

## Notes to the Financial Statement for the year ended 31st March, 2018

**b) Financial instruments and cash deposits:-**

The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances are maintained. Credit risk from balances with bank is managed by the Company's finance department. Investment of surplus funds are also managed by finance department. The Company does not maintain significant cash in hand. Excess balance of cash other than those required for its day to day operations is deposited into the bank.

For other financial instruments, the finance department assesses and manage credit risk based on internal assessment. Internal assessment is performed for each class of financial instrument with different characteristics.

**45.3 Liquidity risk.**

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company’s objective is to, at all times, maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company relies operating cash flows and short term borrowings in the form of buyers credit and working capital to meet its needs for funds. Company does not breach any covenants (where applicable) on any of its borrowing facilities. The Company has access to a sufficient variety of sources of funding as per requirement.

The table below provides undiscounted cash flows towards financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

**(Rs. in Lacs)**

| Particulars | on Demand | Maturity | | | | Total |
|---|---|---|---|---|---|---|
| | | 0 - 3 Months | 3 - 6 Months | 6 - 12 months | More than 1 year | |
| **As at 31st March, 2017** | | | | | | |
| Long term borrowings | - | - | - | - | 9,364.71 | 9,364.71 |
| Short term borrowings | 24.19 | - | 43.87 | 1,332.95 | - | 1,401.01 |
| Trade Payable | - | 990.98 | - | - | - | 990.98 |
| Other | 335.32 | 803.19 | 204.56 | 357.64 | - | 1,700.71 |
| **Total** | **359.51** | **1,794.17** | **248.43** | **1,690.59** | **9,364.71** | **13,457.41** |
| **As at 31st March, 2018** | | | | | | |
| Short term borrowings | 48.16 | - | - | 947.31 | - | 995.47 |
| Trade Payable | - | 1,101.48 | - | - | - | 1,101.48 |
| Other | 365.20 | 251.83 | 212.15 | 10,535.96 | - | 11,365.14 |
| **Total** | **413.36** | **1,353.31** | **212.15** | **11,483.27** | **-** | **13,462.09** |

**45.4 Competition and price risk**

The Company faces competition from local and foreign competitors. Nevertheless, it believes that it has competitive advantage in terms of high quality products and by continuously upgrading its expertise and range of products to meet the needs of its customers.

# Notes to the Financial Statement for the year ended 31st March, 2018

**Note 46 - Capital Management**

For the purpose of Company's capital management, capital includes issued capital, all other equity reserves and debts. The primary objective of the Company's capital management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using gearing ratio, which is net debt divided by total capital (equity plus net debt). Net debt are non-current and current debts as reduced by cash and cash equivalents, other bank balances and current investments. Equity comprises all components including other comprehensive income.

**(Rs. in Lacs)**

| **Particulars** | **As at 31st March 2018** | **As at 31st March 2017** |
|---|---|---|
| Total Debt | 11,530.77 | 11,449.69 |
| Less:- Cash and cash equivalent | 52.38 | 47.69 |
| Less:- Current Investments | 3,053.89 | - |
| **Net Debt** | **8,424.50** | **11,402.00** |
| Equity ( Equity Share Capital plus Other Equity) | 6,891.14 | 6,194.97 |
| **Total Capital ( Equity plus net debts)** | **15,315.64** | **17,596.97** |
| **Gearing ratio** | **55.01%** | **64.80%** |

**Note 47 - Segment Information**

47.1 The Company is engaged only in the business of manufacture of Flat Glass which is a single segment in terms of Indian Accounting Standard 'Operating Segments (Ind AS-108).

47.2 **Revenue from Operations** **(Rs. in Lacs)**

| **Particulars** | **For the Year Ended 31st March, 2018** | **For the Year Ended 31st March, 2017** |
|---|---|---|
| India | 16,349.10 | 16,223.08 |
| Outside India | 3,632.13 | 2,609.73 |
| **Total** | **19,981.23** | **18,832.81** |

47.3 No single customer has accounted for more than 10% of the Company revenue for the year ended 31st March, 2018 and 31st March 2017.

47.4 No Non-Current Assets of the Company is located outside India as on 31st March, 2018 and 31st March 2017.

**Note 48 - Standards issued but not effective :**

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - Revenue from Contract with Customers and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from April 01, 2018.

**a) Issue of Ind AS 115 - Revenue from Contracts with customers**

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations. The core principles of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

## Notes to the Financial Statement for the year ended 31st March, 2018

**b) Amendment to Existing issued Ind AS**

The MCA has also notified certain amendments to the following Accounting Standards:

i. Ind AS 21 - The Effects of Changes in Foreign Exchange Rates

ii. Ind AS 12 - Income Taxes

Applications of the above standards are not expected to have any significant impact on the Company's financial statements.

**Note 49 -** The Management and authorities have the power to amend the Financial Statements in accordance with section 130 and 131 of The Companies Act, 2013.

**Note 50 -** Previous Year figures have been regrouped and reclassified wherever necessary.

| | | |
|---|---|---|
| As per our report of even date | | For and on behalf of the Board of Directors |
| **For CHATURVEDI & SHAH** | | |
| Chartered Accountants | **Sunil Kumar Roongta** | **B. L. Kheruka** |
| **(Firm Registration no. 101720W)** | Chief Financial Officer | Chairman |
| | | DIN-00016861 |
| **R. Koria** | | |
| Partner | | |
| Membership No. 035629 | **Kishor Talreja** | **Ramaswami Velayudhan Pillai** |
| Place : Mumbai | Company Secretary | Whole-time Director |
| Date : 10th May, 2018 | Membership No. F7064 | DIN-00011204 |

**GUJARAT BOROSIL LIMITED**

**Regd. Office : 1101, Crescenzo, G-Block, Opp. MCA Club, Bandra Kurla Complex, Bandra (E) , Mumbai -400051, India**

**Ph: 022-67406300, Fax: 022-67406514, CIN: L26100MH1988PLC316817**

**Website: www.gujaratborosil.com, Email: gborosil@borosil.com**

**STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2018**

(Rs. in Lakhs except as stated)

| S. No. | Particulars | Quarter Ended | | | Nine Months Ended | | Year Ended |
|---|---|---|---|---|---|---|---|
| | | 31.12.2018 | 30.09.2018 | 31.12.2017 | 31.12.2018 | 31.12.2017 | 31.03.2018 |
| | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 1 | **Income** | | | | | | |
| | (a) Revenue from Operations | 4,889.06 | 5,648.01 | 5,278.38 | 15,462.95 | 14,501.64 | 19,981.23 |
| | (b) Other Income | 57.38 | 113.07 | 73.30 | 239.69 | 98.63 | 350.49 |
| | **Total Income** | **4,946.44** | **5,761.08** | **5,351.68** | **15,702.64** | **14,600.27** | **20,331.72** |
| 2 | **Expenses** | | | | | | |
| | (a) Cost of Materials Consumed | 1,644.22 | 2,051.22 | 1,153.67 | 4,938.81 | 3,336.54 | 4,449.74 |
| | (b) Purchases of Stock-in-Trade | - | 7.42 | - | 16.81 | - | - |
| | (c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade | (730.42) | (797.82) | 287.92 | (1,751.91) | 176.91 | 784.74 |
| | (d) Excise Duty Expense | - | - | - | - | 175.37 | 175.37 |
| | (e) Employee Benefits Expense | 652.92 | 633.89 | 586.58 | 1,918.12 | 1,747.23 | 2,374.16 |
| | (f) Finance costs | 292.38 | 387.31 | 312.51 | 1,002.65 | 958.70 | 1,376.91 |
| | (g) Depreciation and Amortisation Expense | 455.37 | 451.70 | 444.62 | 1,347.26 | 1,232.16 | 1,667.54 |
| | (h) Power and Fuel | 1,088.40 | 1,060.77 | 937.44 | 3,066.73 | 2,530.95 | 3,426.91 |
| | (i) Other Expenses | 1,318.67 | 1,351.51 | 1,236.31 | 3,876.56 | 3,678.75 | 5,212.86 |
| | **Total Expenses** | **4,721.54** | **5,146.00** | **4,959.05** | **14,415.03** | **13,836.61** | **19,468.23** |
| 3 | **Profit Before Exceptional Items and Tax (1-2)** | **224.90** | **615.08** | **392.63** | **1,287.61** | **763.66** | **863.49** |
| 4 | Exceptional Items | - | - | - | - | - | 195.37 |
| 5 | **Profit Before Tax (3-4)** | **224.90** | **615.08** | **392.63** | **1,287.61** | **763.66** | **668.12** |
| 6 | **Tax Expense** | | | | | | |
| | (a) Current Tax | 190.42 | 338.00 | 17.90 | 780.90 | 30.12 | 31.29 |
| | (b) Income tax for earlier years | 130.67 | (41.38) | - | 89.29 | - | - |
| | (c) Deferred Tax | (155.35) | (213.46) | 150.97 | (499.03) | 348.85 | (55.10) |
| 7 | **Profit for the Period/Year (5-6)** | **59.16** | **531.92** | **223.76** | **916.45** | **384.69** | **691.93** |
| 8 | **Other Comprehensive Income (OCI)** | | | | | | |
| | **(a) Items that will not be reclassified to profit or loss:** | | | | | | |
| | (i) Re-measurement gains/(losses) on defined benefit plans | 1.62 | 1.63 | (5.23) | 4.87 | (15.70) | 6.49 |
| | (ii) Tax effect on above | (0.47) | (0.48) | 1.81 | (1.42) | 5.43 | (2.25) |
| | **(b) Items that will be reclassified to profit & Loss** | - | - | - | - | - | - |
| | **Total Other Comprehensive Income** | **1.15** | **1.15** | **(3.42)** | **3.45** | **(10.27)** | **4.24** |
| 9 | **Total Comprehensive Income for the Period/Year (7+8)** | **60.31** | **533.07** | **220.34** | **919.90** | **374.42** | **696.17** |
| 10 | Paid-up Equity Share Capital (Face value of Rs. 5/- each) | 3,410.38 | 3,410.38 | 3,410.38 | 3,410.38 | 3,410.38 | 3,410.38 |
| 11 | Other Equity excluding Revaluation Reserve | | | | | | 3,480.76 |
| 12 | Earning Per Share (In Rs.) (Face value of Rs. 5/- each) | | | | | | |
| | Basic (*not annualised) | 0.09* | 0.78* | 0.33* | 1.34* | 0.56* | 1.01 |
| | Diluted (*not annualised) | 0.09* | 0.78* | 0.33* | 1.34* | 0.56* | 1.01 |

GUJARAT BOROSIL LTD. MUMBAI

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

**Notes:-**

1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 7th February, 2019. The Statutory Auditors of the Company have carried out a Limited Review of the above results.

2 The Board of Directors of the Company at its meeting held on 18th June, 2018 approved a Composite Scheme of Amalgamation and Arrangement which provides for: (a) Amalgamation of Vyline Glass Works Limited, Fennel Investment and Finance Private Limited and Gujarat Borosil Limited with Borosil Glass Works Limited ('BGWL') and (b) Demerger of the Scientific and Industrial products and Consumer products businesses into Borosil Limited (Formerly Hopewell Tableware Limited) - a wholly owned subsidiary of BGWL. The appointed date is 1st October, 2018. After having received Observation letter from BSE Limited, the said Scheme has been filed with National Company Law Tribunal, Mumbai Bench and is pending for its approval.

3 The Ministry of Corporate Affairs (MCA), on 28th March, 2018, notified Ind AS 115 "Revenue from Contracts with Customers" as part of the Companies (Indian Accounting Standards) Amendment Rules, 2018 and the same is effective for accounting periods beginning on or after 1st April, 2018. The Company has applied modified retrospective approach in adopting the new standard and accordingly, the revenue from operations for the quarter ended and nine months ended 31st December, 2018 is not comparable with pervious year/periods reported. The adoption of this standard did not have any material impact to the financial statements of the Company.

4 The figures for the corresponding previous period/year have been rearranged/regrouped wherever necessary, to make them comparable.

5 The company is engaged only in the business of manufacture of Flat Glass which is a single segment in terms of Indian Accounting Standard 'Operating Segments (Ind AS-108)'.

6 Revenue from Operations consists of:-

**(Rs. in Lakhs)**

| **Particulars** | **Quarter Ended** | | | **Nine Months Ended** | | **Year Ended** |
|---|---|---|---|---|---|---|
| | **31.12.2018** | **30.09.2018** | **31.12.2017** | **31.12.2018** | **31.12.2017** | **31.03.2018** |
| (a) Within India | 3,506.88 | 4,534.54 | 4,282.13 | 12,100.76 | 11,586.04 | 16,349.10 |
| (b) Outside India | 1,382.18 | 1,113.47 | 996.25 | 3,362.19 | 2,915.60 | 3,632.13 |
| **Total** | **4,889.06** | **5,648.01** | **5,278.38** | **15,462.95** | **14,501.64** | **19,981.23** |

**Place** : **Mumbai**
**Date** : **7th February, 2019**

V Rama Swami

**Ramaswami Velayudhan Pillai**
**Whole-time Director**
**DIN: 00011024**

GUJARAT BOROSIL LTD. MUMBAI

CHATURVEDI & SHAH LLP CHARTERED ACCOUNTANTS MUMBAI

**INDEPENDENT AUDITOR'S REVIEW REPORT**

**To**
**The Board of Directors,**
**Gujarat Borosil Limited**

1. We have reviewed the accompanying Statement of Unaudited Financial Results ("the statement") of **Gujarat Borosil Limited** ("the Company") for the quarter and nine months ended 31st December, 2018, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 Dated 5th July, 2016. This statement is the responsibility of the Company's management and approved by the Board of Directors. Our responsibility is to issue a report on the statement based on our review.

2. We conducted our review of the statement 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 statement is 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, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ("IND AS") prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **CHATURVEDI & SHAH LLP**
Chartered Accountants
Firm Reg. No. 101720W / W100355

CHATURVEDI & SHAH LLP
MUMBAI
CHARTERED ACCOUNTANTS

**R. KORIA**
**Partner**
Membership No. 35629

**Mumbai**
**Date: 7th February, 2019**

**Head Office:** 714-715, Tulsiani Chambers, 212, Nariman Point, Mumbai - 400 021, India. Tel.: +91 22 3021 8500 • Fax :+91 22 3021 8595
**Other Offices:** 44 - 46, 4th Floor, "C" Wing, Mittal Court, Nariman Point, Mumbai - 400 021, India. Tel.: +91 22 4510 9700 • Fax : +91 22 45109722.
URL : www.cas.ind.in
**Branch : Bengaluru**

GUJARAT BOROSIL LIMITED
Registered Office: 1101, Crescenzo, G-Block, Opp. MCA Club,
Bandra Kurla Complex, Bandra (East), Mumbai - 400051 , India
Ph: 022-67406300, Fax: 022-67406514, CIN: L26100MH1988PLC316817
Website: www.gujaratborosil.com, Email: gborosil@borosil.com

## EXTRACT OF STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2018

(Rs. In Lakhs except as stated)

| Sl No. | Particulars | Quarter Ended 31.12.2018 | Nine Months Ended 31.12.2018 | Quarter Ended 31.12.2017 |
|---|---|---|---|---|
| 1 | Total Income from operations | 4,889.06 | 15,462.95 | 5,278.38 |
| 2 | Net Profit for the period (before Tax and Exceptional items) | 224.90 | 1,287.61 | 392.63 |
| 3 | Net Profit for the period before tax (after Exceptional items) | 224.90 | 1,287.61 | 392.63 |
| 4 | Net Profit for the period after tax (after Exceptional items) | 59.16 | 916.45 | 223.76 |
| 5 | Total Comprehensive Income for the period [Comprising Profit for the period (after tax) and Other Comprehensive Income (after tax)] | 60.31 | 919.90 | 220.34 |
| 6 | Equity Share Capital | 3,410.38 | 3,410.38 | 3,410.38 |
| 7 | Other Equity excluding Revaluation Reserve | - | - | - |
| 8 | Earning Per Share (In Rs.) (Face Value of Rs. 5/- each) | | | |
| | Basic (Not annualised)* | 0.09* | 1.34* | 0.33* |
| | Diluted (Not annualised)* | 0.09* | 1.34* | 0.33* |

**Note:**

a) The above is an extract of the detailed format of Financial Results for the quarter and nine months ended 31st December 2018, filed with the Stock Exchange on 7th February, 2019 under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the said quarterly Financial Results are available on the website of BSE Limited (www.bseindia.com) and on the Company's website (www.gujaratborosil.com).

b) The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 7th February, 2019. The Statutory Auditors of the Company have carried out a Limited Review of the above results.

**For Gujarat Borosil Limited**

V Rama Swami

**Ramaswami Velayudhan Pillai**
**Whole-time Director**
**DIN: 00011024**

**Place: Mumbai**
**Date: 7th February, 2019**

GUJARAT BOROSIL LTD. MUMBAI

**GUJARAT BOROSIL LIMITED**
**BALANCE SHEET AS AT 31ST DECEMBER, 2018**

**PROVISIONAL**

(Rs. in Lakhs)

| Particulars | Note No. | As at 31st December, 2018 | As at 31st March, 2018 |
|---|---|---|---|
| **I. ASSETS** | | | |
| **1 Non-Current Assets** | | | |
| (a) Property, Plant and Equipment | 5 | 11,835.81 | 12,582.90 |
| (b) Capital Work-in-Progress | 5 | 2,202.42 | 125.29 |
| (c) Intangible Assets | 6 | 42.26 | 50.29 |
| (d) Intangible Assets under Development | 6 | 2.97 | - |
| (e) Financial Assets | | | |
| (i) Others | 7 | 123.46 | 115.54 |
| (f) Non-Current Tax Assets (Net) | | 102.04 | 0.23 |
| (g) Other Non-Current Assets | 8 | 5,301.71 | 1,440.50 |
| | | **19,610.67** | **14,314.75** |
| **2 Current Assets** | | | |
| (a) Inventories | 9 | 4,900.56 | 2,327.84 |
| (b) Financial Assets | | | |
| (i) Investments | 10 | 9,712.48 | 3,053.89 |
| (ii) Trade Receivables | 11 | 1,936.48 | 2,445.22 |
| (iii) Cash and Cash Equivalents | 12 | 133.40 | 52.38 |
| (iv) Bank Balances other than (iii) above | 13 | 525.21 | 112.56 |
| (v) Loans | 14 | 19.44 | 7.25 |
| (vi) Others | 15 | 26.70 | 18.85 |
| (c) Current Tax Assets (Net) | | 48.96 | 49.09 |
| (d) Other Current Assets | 16 | 561.04 | 351.40 |
| | | **17,864.27** | **8,418.48** |
| **TOTAL ASSETS** | | **37,474.94** | **22,733.23** |
| **II. EQUITY AND LIABILITIES** | | | |
| **EQUITY** | | | |
| (a) Equity Share Capital | 17 | 3,410.38 | 3,410.38 |
| (b) Other Equity | 18 | 4,285.59 | 3,480.76 |
| | | **7,695.97** | **6,891.14** |
| **LIABILITIES** | | | |
| **1 Non-Current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 19 | 24,021.82 | - |
| (b) Provisions | 20 | 100.46 | 91.11 |
| (c) Deferred Tax Liabilities (Net) | 21 | 1,302.87 | 1,847.74 |
| | | **25,425.15** | **1,938.85** |
| **2 Current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 22 | 1,379.88 | 995.47 |
| (ii) Trade Payables | 23 | | |
| - Total outstanding due of mirco enterprises and small enterprises | | - | - |
| - Total outstanding due of creditors other than mirco enterprises and small enterprises | | 1,244.21 | 1,101.48 |
| (iii) Other Financial Liabilities | 24 | 1,394.65 | 11,365.14 |
| (b) Other Current Liabilities | 25 | 308.64 | 422.35 |
| (c) Provisions | 26 | 26.44 | 18.80 |
| | | **4,353.82** | **13,903.24** |
| **TOTAL EQUITY AND LIABILITIES** | | **37,474.94** | **22,733.23** |
| Significant accounting policies and notes to the financial statements | 1 to 35 | | |

For and on behalf of the Board of Directors

GUJARAT BOROSIL LTD. MUMBAI

SkRoongta
**Sunil Kumar Roongta**
Chief Financial Officer

**Kishor Talreja**
Company Secretary
Membership No. F7064

**Ramaswami Velayudhan Pillai**
Whole-time Director
DIN-00011024

Place : Mumbai
Date : 7th February, 2019

GUJARAT BOROSIL LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST DECEMBER, 2018

(Rs. in Lakhs)

| Particulars | Note No. | For the Period Ended 31st December, 2018 | For the Year Ended 31st March, 2018 |
|---|---|---|---|
| I. Revenue From Operations | 27 | 15,462.95 | 19,981.23 |
| Other Income | 28 | 239.69 | 350.49 |
| **Total Income** | | **15,702.64** | **20,331.72** |
| **II. Expenses:** | | | |
| Cost of Materials Consumed | | 4,938.81 | 4,449.74 |
| Purchase of Stock-in-Trade | | 16.81 | - |
| Changes in Inventories of Finished Goods and Work-in-Progress | 29 | (1,751.91) | 784.74 |
| Excise Duty Expenses | | - | 175.37 |
| Employee Benefits Expense | 30 | 1,918.12 | 2,374.16 |
| Finance Costs | 31 | 1,002.65 | 1,376.91 |
| Depreciation and Amortization Expense | 32 | 1,347.26 | 1,667.54 |
| Other Expenses | 33 | 6,943.29 | 8,639.77 |
| **Total Expenses** | | **14,415.03** | **19,468.23** |
| **III. Profit Before Exceptional Items and Tax (I - II)** | | **1,287.61** | **863.49** |
| IV. Exceptional Items | 34 | - | 195.37 |
| **V. Profit Before Tax (III - IV)** | | **1,287.61** | **668.12** |
| **VI. Tax Expense:** | 21 | | |
| (1) Current Tax | | 870.19 | 31.29 |
| (2) Deferred Tax | | (499.03) | (55.10) |
| **VII. Profit For The Period (V-VI)** | | **916.45** | **691.93** |
| **VIII. Other Comprehensive Income** | | | |
| **A** i) Items that will not be reclassified to profit or loss: | | | |
| Re-measurement gains / (losses) on defined benefit plans | | 4.87 | 6.49 |
| ii) Income tax relating to Items that will not be reclassified to profit or loss | | (1.42) | (2.25) |
| **B** i) Items that will be reclassified to profit or loss: | | - | - |
| ii) Income tax relating to Items that will be reclassified to profit or loss | | - | - |
| **Total Other Comprehensive Income** | | **3.45** | **4.24** |
| **IX. Total Comprehensive Income for the period (VII + VIII)** | | **919.90** | **696.17** |
| **X. Earnings per Equity Share of Rs. 5 each (Basic and Diluted)** | 35 | **1.34** | **1.01** |
| Significant accounting policies and notes to the financial statements | 1 to 35 | | |

For and on behalf of the Board of Directors

GUJARAT BOROSIL LTD. MUMBAI

**Sunil Kumar Roongta**
Chief Financial Officer

**Kishor Talreja**
Company Secretary
Membership No. F7064

**Ramaswami Velayudhan Pillai**
Whole-time Director
DIN-00011024

Place : Mumbai
Date : 7th February, 2019

GUJARAT BOROSIL LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31st December, 2018

**A. Equity Share Capital** (Rs. in Lakhs)

| Particulars | Balance as at 1st April, 2017 | Changes during 2017-18 | Balance as at 31st March, 2018 | Changes during 2018-19 | Balance as at 31st, December, 2018 |
|---|---|---|---|---|---|
| Equity Share Capital | 3,410.38 | - | 3,410.38 | - | 3,410.38 |

**B. Other Equity** (Rs. in Lakhs)

| Particulars | Equity Component of Preference shares issued (Net of Tax) | Reserves and Surplus | | | | Items of Other Comprehensive Income | Total Other Equity |
|---|---|---|---|---|---|---|---|
| | | Capital Reserve | Securities Premium | Surplus arising on giving effect to BIFR Order | Retained Earnings | Remeasurements of defined benefit plans | |
| **Balance as at 1st April, 2017** | **2,504.31** | **32.02** | **57.71** | **1,996.41** | **(1,780.62)** | **(25.24)** | **2,784.59** |
| Total Comprehensive Income for the year | - | - | - | - | 691.93 | 4.24 | 696.17 |
| **Balance as at 31st March, 2018** | **2,504.31** | **32.02** | **57.71** | **1,996.41** | **(1,088.69)** | **(21.00)** | **3,480.76** |
| Transitional impact of Ind AS 115 (net of Tax) | - | - | - | - | (115.07) | - | **(115.07)** |
| Total Comprehensive Income for the period | - | - | - | - | 916.45 | 3.45 | **919.90** |
| **Balance as at 31st December, 2018** | **2,504.31** | **32.02** | **57.71** | **1,996.41** | **(287.31)** | **(17.55)** | **4,285.59** |

For and on behalf of the Board of Directors

Sunil Kumar Roongta
Chief Financial Officer

Kishor Talreja
Company Secretary
Membership No. F7064

Ramaswami Velayudhan Pillai
Whole-time Director
DIN-00011024

Place : Mumbai
Date : 7th February, 2019

## Note - 6 Intangible Assets

(Rs. in Lakhs)

| Particulars | Computer Software* | Intangible Assets under Development |
|---|---|---|
| **Cost** | | |
| As at 1st April, 2017 | 26.94 | 16.62 |
| Additions | 39.95 | 22.33 |
| Disposals / Transfer | - | 38.95 |
| As at 31st March, 2018 | 66.89 | - |
| Additions | - | 2.97 |
| Disposals / Transfer | - | - |
| **As at 31st December, 2018** | **66.89** | **2.97** |
| Amortisation | | |
| As at 1st April, 2017 | 7.59 | |
| Amortisation charge for the Year | 9.01 | |
| As at 31st March, 2018 | 16.60 | - |
| Amortisation charge for the period | 8.03 | |
| **As at 31st December, 2018** | **24.63** | **-** |
| **Net Carrying Amount** | | |
| As at 31st March, 2018 | 50.29 | - |
| **As at 31st December, 2018** | **42.26** | **2.97** |

* Other than self generated

**Note - 7 Non-Current Financial Assets - Others**

(Rs. in Lakhs)

| Particulars | As at 31st December, 2018 | As at 31st March, 2018 |
|---|---|---|
| **Unsecured, Considered Good :** | | |
| Margin Money Deposits-Having maturity more than 12 months | 69.51 | 63.07 |
| Security Deposits with Government and Others | 53.95 | 52.47 |
| **Total** | **123.46** | **115.54** |

**Note - 8 Other Non-Current Assets**

(Rs. in Lakhs)

| Particulars | | As at 31st December, 2018 | As at 31st March, 2018 |
|---|---|---|---|
| **Unsecured, Considered Good:** | | | |
| Capital Advances | | 4,870.87 | 460.40 |
| MAT Credit Entitlement | | | |
| Opening balance | 921.47 | | |
| Less: MAT credit utilization/reverse during the year | 562.54 | 358.93 | 921.47 |
| Prepaid Expenses | | 27.35 | 13.32 |
| Amount paid under protest | | 44.56 | 45.31 |
| **Total** | | **5,301.71** | **1,440.50** |

**Note - 9 Inventories**

(Rs. in Lakhs)

| Particulars | | As at 31st December, 2018 | | As at 31st March, 2018 |
|---|---|---|---|---|
| Raw Materials | | 1,335.78 | | 937.65 |
| Work-in-Progress | | 573.15 | | 186.33 |
| Finished Goods | | | | |
| Goods-in-Transit | 743.49 | | 7.59 | |
| Others | 1,160.25 | 1,903.74 | 96.22 | 103.81 |
| Stores, Spares and Consumables | | 816.77 | | 713.81 |
| Packing Materials | | 150.48 | | 169.97 |
| Scrap(Cullet) | | 120.64 | | 216.27 |
| **Total** | | **4,900.56** | | **2,327.84** |

**Note - 10 Financial Assets - Current Investments**

| Particulars | As at 31st December, 2018 No of units | As at 31st March, 2018 No of units | Face Value (In Rs.) | As at 31st December, 2018 (Rs. in Lakhs) | As at 31st March, 2018 (Rs. in Lakhs) |
|---|---|---|---|---|---|
| **Current Investments (carried at fair value through profit and loss)** | | | | | |
| **Mutual Funds:** | | | | | |
| **Unquoted Fully Paid Up** | | | | | |
| a. ICICI Prudential Flexible Income Plan - Growth | - | 552,795 | 100.00 | - | 1,842.56 |
| b. ICICI Prudential Flexible Income Plan - Direct Growth | 116,697 | 361,505 | 100.00 | 411.99 | 1,211.33 |
| c. Aditya Birla Sun Life Liquid Fund - Growth-Direct Plan | 1,212,711 | - | 100.00 | 3,578.05 | - |
| d. HDFC Liquid Fund - Direct Plan - Growth Option | 158,380 | - | 1,000.00 | 5,722.44 | - |
| **Total** | **1,487,788** | **914,299.48** | | **9,712.48** | **3,053.89** |

**Note - 11 Current Financial Assets - Trade Receivables**

(Rs. in Lakhs)

| Particulars | As at 31st December, 2018 | | As at 31st March, 2018 | |
|---|---|---|---|---|
| **Unsecured :** | | | | |
| Considered Good | 1,936.48 | | 2,445.22 | |
| Considered Doubtful | 13.05 | | 23.61 | |
| | 1,949.53 | | 2,468.83 | |
| Less : Provision for Doubtful Debts | 13.05 | 1,936.48 | 23.61 | 2,445.22 |
| **Total** | | **1,936.48** | | **2,445.22** |

**Note - 12 Cash and Cash Equivalents**

(Rs. in Lakhs)

| Particulars | As at 31st December, 2018 | As at 31st March, 2018 |
|---|---|---|
| Balances with Banks in current accounts | 121.81 | 36.24 |
| Cash on Hand | 11.59 | 16.14 |
| **Total** | **133.40** | **52.38** |

**Note - 13 Bank Balances Other than Cash and Cash Equivalents**

(Rs. in Lakhs)

| Particulars | As at 31st December, 2018 | As at 31st March, 2018 |
|---|---|---|
| **Earmarked Balances with bank :** | | |
| Fixed deposit with Banks - Pledged as Margin Money | 525.21 | 112.56 |
| **Total** | **525.21** | **112.56** |

**Note 14 Current Financial Assets - Loans**

(Rs. in Lakhs)

| Particulars | As at 31st December, 2018 | As at 31st March, 2018 |
|---|---|---|
| **Unsecured, Considered Good :** | | |
| Loan to Employees | 19.44 | 7.25 |
| **Total** | **19.44** | **7.25** |

**Note - 15 Current Financial Assets - Others**

(Rs. in Lakhs)

| Particulars | As at 31st December, 2018 | As at 31st March, 2018 |
|---|---|---|
| **Unsecured, Considered Good :** | | |
| Interest Receivables | 17.12 | 14.03 |
| Security Deposits | 2.58 | 2.72 |
| Others | 7.00 | 2.10 |
| **Total** | **26.70** | **18.85** |

**Note - 16 Other Current Assets**

(Rs. in Lakhs)

| Particulars | As at 31st December, 2018 | As at 31st March, 2018 |
|---|---|---|
| **Unsecured, Considered Good :** | | |
| Export Incentives Receivable | 76.45 | 79.94 |
| Advances against supplies | 267.36 | 148.20 |
| Balance with Government Authorities | 28.01 | 20.21 |
| Prepaid Expenses | 113.79 | 55.31 |
| Others | 75.43 | 47.74 |
| **Total** | **561.04** | **351.40** |

**16.1** Others Includes mainly VAT Refund and other receivables.

**Note - 17 Equity Share Capital**

(Rs. in Lakhs)

| Particulars | As at 31st December, 2018 | As at 31st March, 2018 |
|---|---|---|
| **Authorised** | | |
| 12,00,00,000 (Previous Year :- 12,00,00,000) Equity Shares of Rs. 5/- each | 6,000.00 | 6,000.00 |
| **Preference Share Capital** | | |
| 90,00,000 - 9% Non-Cumulative Non Convertible Redeemable Preference Shares of Rs. 100/- each (Previous Year :- 90,00,000) | 9,000.00 | 9,000.00 |
| **Total** | **15,000.00** | **15,000.00** |
| **Issued, Subscribed & Fully paid-up** | | |
| 6,82,07,500 (Previous Year :- 6,82,07,500) Equity Shares of Rs. 5/- each fully paid up | 3,410.38 | 3,410.38 |
| **Total** | **3,410.38** | **3,410.38** |

**Note - 18 Other Equity**

(Rs. in Lakhs)

| Particulars | As at 31st December, 2018 | | As at 31st March, 2018 | |
|---|---|---|---|---|
| **Equity Component of Preference shares issued (Net of Tax)** | | | | |
| Balance as per last Balance Sheet | | 2,504.31 | | 2,504.31 |
| **Capital Reserve** | | | | |
| Balance as per last Balance Sheet | | 32.02 | | 32.02 |
| **Securities Premium Reserve** | | | | |
| Balance as per last Balance Sheet | | 57.71 | | 57.71 |
| **Surplus arising on giving effect to BIFR Order** | | | | |
| Balance as per last Balance Sheet | | 1,996.41 | | 1,996.41 |
| **Retained Earnings** | | | | |
| Balance as per last Balance Sheet | (1,088.69) | | (1,780.62) | |
| Transitional impact of Ind AS 115 (net of Tax) | (115.07) | | - | |
| Add: Profit for the period | 916.45 | (287.31) | 691.93 | (1,088.69) |
| **Other Comprehensive Income (OCI)** | | | | |
| Balance as per last Balance Sheet | (21.00) | | (25.24) | |
| Add: Movement in OCI (Net) during the period | 3.45 | (17.55) | 4.24 | (21.00) |
| | | **4,285.59** | | **3,480.76** |

**Note - 19 Non Current Financial Liabilities - Borrowings**

(Rs. in Lakhs)

| Particulars | As at 31st December, 2018 | As at 31st March, 2018 |
|---|---|---|
| **Unsecured** | | |
| **Liability component of compound financial instrument** | | |
| 90,00,000 - 9% Non-Cumulative Non Convertible Redeemable Preference Share of Rs. 100 each | 11,521.82 | - |
| **Loans from related parties** | 12,500.00 | - |
| **Total** | **24,021.82** | **-** |

**Note - 20 Non Current Financial Liabilities - Provisions**

(Rs. in Lakhs)

| Particulars | As at 31st December, 2018 | As at 31st March, 2018 |
|---|---|---|
| **Provisions for Employee Benefits** | | |
| Leave Encashment | 100.46 | 91.11 |
| **Total** | **100.46** | **91.11** |

**Note - 21 Income Tax**

**21.1 Current Tax :-**

(Rs. in Lakhs)

| Particulars | For the Period Ended 31st December, 2018 | For the Year Ended 31st March, 2018 |
|---|---|---|
| Current Tax for the year | 780.90 | 235.03 |
| Income tax for the earlier year | 89.29 | 109.14 |
| MAT credit entitlement | - | (312.88) |
| **Total Current Tax** | **870.19** | **31.29** |

**21.2 The major components of Tax Expense for the period/year ended 31st December, 2018 and 31st March, 2018 are as follows:**

(Rs. in Lakhs)

| Particulars | For the Period Ended 31st December, 2018 | For the Year Ended 31st March, 2018 |
|---|---|---|
| **Recognised in Statement of Profit and Loss:** | | |
| Current Tax (Refer note no. 22.1) | 870.19 | 31.29 |
| Deferred Tax:-Relating to origination and reversal of temporary differences | (499.03) | (55.10) |
| **Total Tax Expenses** | **371.16** | **(23.81)** |

### 21.3 Deferred tax relates to the following:

(Rs. in Lakhs)

| Particulars | Balance Sheet | | Statement of profit and loss | |
|---|---|---|---|---|
| | As at 31st December, 2018 | As at 31st March, 2018 | As at 31st December, 2018 | As at 31st March, 2018 |
| Property, Plant and Equipment, Intangible Assets and Assets Held for Sale | 1,309.87 | 1,556.52 | (246.65) | (224.75) |
| Financial Instruments-Assets | 56.20 | 9.39 | 46.81 | 9.39 |
| Provision for doubtful debts/Ind AS 115 impact | (287.92) | (6.88) | (281.04) | (2.36) |
| Inventories | 211.49 | (5.01) | 216.50 | 0.95 |
| Disallowance Under the Income Tax Act, 1961 | (54.49) | (51.23) | (3.26) | (4.62) |
| Non-Cumulative Non Convertible Redeemable Preference Share | 78.35 | 365.62 | (287.27) | (474.03) |
| Financial Instruments-Liabilities | (10.63) | (20.67) | 10.04 | 50.15 |
| Unabsorbed depreciation utilised | - | - | - | 592.42 |
| **Deferred Tax Liabilities / (Assets)** | **1,302.87** | **1,847.74** | **(544.87)** | **(52.85)** |
| Transitional impact of Ind AS 115 adjusted against Retained Earning | - | - | (47.26) | - |
| | **1,302.87** | **1,847.74** | **(497.61)** | **(52.85)** |

### Note - 22 Current Financial Liabilities - Borrowings

(Rs. in Lakhs)

| Particulars | As at 31st December, 2018 | As at 31st March, 2018 |
|---|---|---|
| **Secured Loan from Bank** | | |
| Buyer's Credit | 576.73 | 947.31 |
| Working Capital Facility | 803.15 | 48.16 |
| **Total** | **1,379.88** | **995.47** |

### Note - 23 Current Financial Liabilities - Trade Payables

(Rs. in Lakhs)

| Particulars | As at 31st December, 2018 | As at 31st March, 2018 |
|---|---|---|
| Micro, Small and Medium Enterprises | - | - |
| Others | 1,244.21 | 1,101.48 |
| **Total** | **1,244.21** | **1,101.48** |

### Note - 24 Current Financial Liabilities - Others

(Rs. in Lakhs)

| Particulars | As at 31st December, 2018 | As at 31st March, 2018 |
|---|---|---|
| **-Liability component of compound financial instrument** | | |
| 90,00,000 - 9% Non-Cumulative Non Convertible Redeemable Preference Share | - | 10,535.30 |
| Interest Accrued but not Due on Borrowing | 355.14 | 0.66 |
| Creditors for Capital Goods | 331.54 | 346.25 |
| Security Deposits | 52.05 | 52.06 |
| Other Payables | 655.92 | 430.87 |
| **Total** | **1,394.65** | **11,365.14** |

**Note - 25 Other Current Liabilities**

(Rs. in Lakhs)

| Particulars | As at 31st December, 2018 | As at 31st March, 2018 |
|---|---|---|
| Advance from Customers | 267.89 | 153.54 |
| Statutory liabilities | 40.75 | 228.84 |
| Export Obligation Liability | - | 39.97 |
| **Total** | **308.64** | **422.35** |

**Note - 26 Current Provisions**

(Rs. in Lakhs)

| Particulars | As at 31st December, 2018 | As at 31st March, 2018 |
|---|---|---|
| **Provisions for Employee Benefits** | | |
| Gratuity (Funded) | 19.83 | 12.81 |
| Leave Encashment | 6.61 | 5.99 |
| **Total** | **26.44** | **18.80** |

**KEYNOTE**

Date: 29th June 2018

The Board of Directors
**Vyline Glass Works Limited**
107, Famous Cine Studio Building,
20, Dr. E. Moses Road,
Mahalaxmi, Mumbai - 400 011
Maharashtra, India

Dear Sir/Madam,

**Ref: Abridged Prospectus of Vyline Glass Works Limited**

**Subject: Due Diligence Certificate for the Abridged Prospectus of Vyline Glass Works Limited**

Composite Scheme of Amalgamation and Arrangement under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 amongst Vyline Glass Works Ltd ("VGWL"), Fennel Investment and Finance Private Limited ("FIFPL"), Gujarat Borosil Limited (GBL), Borosil Glass Works Limited ("BGWL") and Hopewell Tableware Private Limited ("HTPL") and their respective shareholders in terms of requirement specified in SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("SEBI Circular").

This is with reference to our engagement with VGWL for *inter-alia* certifying the accuracy and adequacy of disclosures pertaining to VGWL made in the abridged prospectus dated 29th June 2018, prepared by the Company to be sent to the shareholders and creditors (both secured as well as unsecured) of VGWL, pursuant to the Scheme.

We, as SEBI registered Merchant Banker(s) state and confirm as follows in respect of above proposed Scheme:

(1) We have examined various documents including those relating to outstanding litigation, claims and regulatory actions and other material in connection with the finalization of the Abridged Prospectus as mentioned above;

(2) On the basis of such examination and the discussions with VGWL, its directors and other officers, other agencies, and independent verification of the statements concerning the objects of the Composite Scheme and the contents of the documents and other papers furnished by VGWL, WE CONFIRM that:

(a) the Abridged Prospectus filed with the Board is in conformity with the documents, materials and papers relevant to the Composite Scheme;

(b) all the legal requirements relating to the Composite Scheme as also the regulations guidelines, instructions, etc. framed/issued by the Board, the Central Government and any other competent authority in this behalf have been duly complied with; and



**Keynote Corporate Services Limited**
The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028
Tel.: 91 22 3026 6000 • Fax: 91 22 3026 6088 Email: info@keynoteindia.net • Website: www.keynoteindia.net
CIN-L67120MH1993PLC072407

(c) the disclosures made in the Abridged Prospectus are true, fair and adequate to enable the investors to make a well informed decision as to the proposed Composite Scheme and such disclosures are in accordance with the requirements of the Companies Act, 2013, Securities and Exchange Board of India (the "SEBI") Circular Number CFD/DIL3/CIR/2017/21 dated March 10, 2017, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and other applicable provisions / legal requirements.

The above confirmation is based on the information furnished and explanations provided to us by the management of VGWL assuming the same is complete and accurate in all material aspects on an as is basis. We have relied upon financials, information and representations furnished to us on an as is basis and have not carried out an audit of such information. Our scope of work does not constitute an audit of financial information and accordingly we are unable to and do not express an opinion on the fairness of any such financial information referred to in the Abridged Prospectus. This certificate is based on the information as at June 29th, 2018. This certificate is a specific purpose certificate issued in terms of the SEBI Circular and hence, it should not be used for any other purpose or transaction. The certificate is not, nor should it be construed to be, a certification of compliance of the Composite Scheme with the provisions of the applicable Law including company, taxation and securities markets related laws or as regards to any legal implications or issues arising thereon, except for the purpose expressly mentioned herein.

We express no opinion whatsoever and make no recommendation at all as to the Company's underlying decision to effect the Composite Scheme or as to how the holders of equity shares are secured or unsecured creditors of Company should vote at their respective meetings held in connection with the Proposed Composite Scheme. We do not express and should not be deemed to have expressed any views on any other terms of the Scheme or its success. We also express no opinion, and accordingly, accept no responsibility for or as to the price at which the equity shares of Company will trade following the Composite Scheme or as to the financial performance of VGWL following the consummation of the Composite Scheme. We express no opinion whatsoever and make no recommendations at all (and accordingly take no responsibility) as to whether shareholders/ investors should buy, sell or hold any stake in the Company or any of its related parties (holding company/ subsidiaries/ associates etc.)

For **Keynote Corporate Services Limited**

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**Name: Mr. Uday Patil**
**Designation: Director – Investment Banking**
**SEBI Registration Number: INM000003606**



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**KEYNOTE**

Date: 29th June 2018

The Board of Directors
**Fennel Investment and Finance Private Limited**
1101, Crescenzo, G-Block,
Opp. MCA Club, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051
Maharashtra, India

Dear Sir/Madam,

**Ref: Abridged Prospectus of Fennel Investment and Finance Private Limited**

**Subject: Due Diligence Certificate for the Abridged Prospectus of Fennel Investment and Finance Private Limited**

Composite Scheme of Amalgamation and Arrangement under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 amongst Vyline Glass Works Ltd ("VGWL"), Fennel Investment and Finance Private Limited ("FIFPL"), Gujarat Borosil Limited (GBL), Borosil Glass Works Limited ("BGWL") and Hopewell Tableware Private Limited ("HTPL") and their respective shareholders in terms of requirement specified in SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("SEBI Circular").

This is with reference to our engagement with FIFPL for *inter-alia* certifying the accuracy and adequacy of disclosures pertaining to FIFPL made in the abridged prospectus dated 29th June 2018, prepared by the Company to be sent to the shareholders and creditors (both secured as well as unsecured) of FIFPL, pursuant to the Composite Scheme.

We, as SEBI registered Merchant Banker(s) state and confirm as follows in respect of above proposed Scheme:

(1) We have examined various documents including those relating to outstanding litigation, claims and regulatory actions and other material in connection with the finalization of the Abridged Prospectus as mentioned above;

(2) On the basis of such examination and the discussions with FIFPL, its directors and other officers, other agencies, and independent verification of the statements concerning the objects of the Composite Scheme and the contents of the documents and other papers furnished by FIFPL, WE CONFIRM that:

   (a) the Abridged Prospectus filed with the Board is in conformity with the documents, materials and papers relevant to the Composite Scheme;

   (b) all the legal requirements relating to the Composite Scheme as also the regulations guidelines, instructions, etc. framed/issued by the Board, the Central Government and any other competent authority in this behalf have been duly complied with; and



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(c) the disclosures made in the Abridged Prospectus are true, fair and adequate to enable the investors to make a well informed decision as to the proposed Composite Scheme and such disclosures are in accordance with the requirements of the Companies Act, 2013, Securities and Exchange Board of India (the "SEBI") Circular Number CFD/DIL3/CIR/2017/21 dated March 10, 2017, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and other applicable provisions / legal requirements.

The above confirmation is based on the information furnished and explanations provided to us by the management of FIFPL assuming the same is complete and accurate in all material aspects on an as is basis. We have relied upon financials, information and representations furnished to us on an as is basis and have not carried out an audit of such information. Our scope of work does not constitute an audit of financial information and accordingly we are unable to and do not express an opinion on the fairness of any such financial information referred to in the Abridged Prospectus. This certificate is based on the information as at June 29$^{th}$, 2018. This certificate is a specific purpose certificate issued in terms of the SEBI Circular and hence, it should not be used for any other purpose or transaction. The certificate is not, nor should it be construed to be, a certification of compliance of the Composite Scheme with the provisions of the applicable Law including company, taxation and securities markets related laws or as regards to any legal implications or issues arising thereon, except for the purpose expressly mentioned herein.

We express no opinion whatsoever and make no recommendation at all as to the Company's underlying decision to effect the Composite Scheme or as to how the holders of equity shares are secured or unsecured creditors of Company should vote at their respective meetings held in connection with the Proposed Composite Scheme. We do not express and should not be deemed to have expressed any views on any other terms of the Scheme or its success. We also express no opinion, and accordingly, accept no responsibility for or as to the price at which the equity shares of Company will trade following the Composite Scheme or as to the financial performance of FIFPL following the consummation of the Composite Scheme. We express no opinion whatsoever and make no recommendations at all (and accordingly take no responsibility) as to whether shareholders/ investors should buy, sell or hold any stake in the Company or any of its related parties (holding company/ subsidiaries/ associates etc.)

For **Keynote Corporate Services Limited**

KEYNOTE CORPORATE SERVICES LTD. MUMBAI

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**Name: Mr. Uday Patil**
**Designation: Director – Investment Banking**
**SEBI Registration Number: INM000003606**



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*Private and Confidential*

# KEYNOTE

Date: 29th June 2018

The Board of Directors
**Hopewell Tableware Private Limited**
1101, Crescenzo, G-Block,
Opp. MCA Club, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051
Maharashtra, India

Dear Sir/Madam,

**Ref: Abridged Prospectus of Hopewell Tableware Private Limited**

**Subject: Due Diligence Certificate for the Abridged Prospectus of Hopewell Tableware Private Limited**

Composite Scheme of Amalgamation and Arrangement under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 amongst Vyline Glass Works Ltd ("VGWL"), Fennel Investment and Finance Private Limited ("FIFPL"), Gujarat Borosil Limited (GBL), Borosil Glass Works Limited ("BGWL") and Hopewell Tableware Private Limited ("HTPL") and their respective shareholders in terms of requirement specified in SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("SEBI Circular").

This is with reference to our engagement with HTPL for *inter-alia* certifying the accuracy and adequacy of disclosures pertaining to HTPL made in the abridged prospectus dated 29th June 2018, prepared by the Company to be sent to the shareholders and creditors (both secured as well as unsecured) of the Company pursuant to the Composite Scheme.

We, as SEBI registered Merchant Banker(s) state and confirm as follows in respect of above proposed Composite Scheme:

(1) We have examined various documents including those relating to outstanding litigation, claims and regulatory actions and other material in connection with the finalization of the Abridged Prospectus as mentioned above;

(2) On the basis of such examination and the discussions with HTPL, its directors and other officers, other agencies, and independent verification of the statements concerning the objects of the Scheme and the contents of the documents and other papers furnished by HTPL, WE CONFIRM that:

  (a) the Abridged Prospectus filed with the Board is in conformity with the documents, materials and papers relevant to the Composite Scheme;
  (b) all the legal requirements relating to the Composite Scheme as also the regulations guidelines, instructions, etc. framed/issued by the Board, the Central Government and any other competent authority in this behalf have been duly complied with; and


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CIN-L67120MH1993PLC072407

(c) the disclosures made in the Abridged Prospectus are true, fair and adequate to enable the investors to make a well informed decision as to the proposed Scheme and such disclosures are in accordance with the requirements of the Companies Act, 2013, Securities and Exchange Board of India (the "SEBI") Circular Number CFD/DIL3/CIR/2017/21 dated March 10, 2017, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and other applicable provisions / legal requirements.

The above confirmation is based on the information furnished and explanations provided to us by the management of HTPL assuming the same is complete and accurate in all material aspects on an as is basis. We have relied upon financials, information and representations furnished to us on an as is basis and have not carried out an audit of such information. Our scope of work does not constitute an audit of financial information and accordingly we are unable to and do not express an opinion on the fairness of any such financial information referred to in the Abridged Prospectus. This certificate is based on the information as at June 29th, 2018. This certificate is a specific purpose certificate issued in terms of the SEBI Circular and hence, it should not be used for any other purpose or transaction. The certificate is not, nor should it be construed to be, a certification of compliance of the Composite Scheme with the provisions of the applicable Law including company, taxation and securities markets related laws or as regards to any legal implications or issues arising thereon, except for the purpose expressly mentioned herein.

We express no opinion whatsoever and make no recommendation at all as to the Company's underlying decision to effect the Composite Scheme or as to how the holders of equity shares are secured or unsecured creditors of Company should vote at their respective meetings held in connection with the Proposed Composite Scheme. We do not express and should not be deemed to have expressed any views on any other terms of the Scheme or its success. We also express no opinion, and accordingly, accept no responsibility for or as to the price at which the equity shares of Company will trade following the Composite Scheme or as to the financial performance of HTPL following the consummation of the Composite Scheme. We express no opinion whatsoever and make no recommendations at all (and accordingly take no responsibility) as to whether shareholders/ investors should buy, sell or hold any stake in the Company or any of its related parties (holding company/ subsidiaries/ associates etc.)

For **Keynote Corporate Services Limited**

KEYNOTE CORPORATE SERVICES LTD. MUMBAI

---------------------------------------------

**Name: Mr. Uday Patil**
**Designation: Director – Investment Banking**
**SEBI Registration Number: INM000003606**



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CIN-L67120MH1993PLC072407

**PROXY FORM**

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

## Borosil Glass Works Limited

CIN: L99999MH1962PLC012538

**Registered Office:** 1101, Crescenzo, G-Block, Opp. MCA Club, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra

**Tel. No.** (022) 67406300 **Fax No.** (022) 67406514 **Website:** www.borosil.com **Email:** borosil@borosil.com

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH**
**COMPANY SCHEME APPLICATION NO 1524 OF 2018**

**In the matter of Companies Act, 2013;**

**AND**

**In the matter of Sections 230 to 232 of the Companies Act, 2013 and other applicable Provisions of the Companies Act, 2013;**

**AND**

**In the matter of Composite Scheme of Amalgamation and Arrangement amongst Vyline Glass Works Limited ('the Transferor Company 1' or 'VGWL'), Fennel Investment and Finance Private Limited ('the Transferor Company 2' or 'FIFPL') and Gujarat Borosil Limited ('the Transferor Company 3' or 'GBL') and Borosil Glass Works Limited ('the Transferee Company' or 'the Demerged Company' or 'BGWL') and Borosil Limited ('the Resulting Company' or 'BL') and their respective shareholders**

**AND**

**BOROSIL GLASS WORKS LIMITED** ....... **Applicant Company**

Name of the Secured Creditor(s): ____________________

Address: ____________________

E-mail ID: ____________________

Principal amount due as on February 28, 2019: ____________________

I / We being the Secured Creditor of Borosil Glass Works Limited, hereby appoint -

1) Name ____________________

Address ____________________

Email id ____________ Signature: ____________ Or failing him/ her ____________

2) Name ____________________

Address ____________________

Email id ____________ Signature: ____________ Or failing him/ her ____________

3) Name ____________________

Address ____________________

Email id ____________ Signature: ____________

as my / our proxy and whose signature(s) are appended above to attend and vote (on Poll) for me/ us and on my/ our behalf at the Meeting of the Company to be held at 1101, Crescenzo, G-Block, Opp. MCA Club, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra on Wednesday, May 15, 2019 at 10:00 a.m. and at any adjournment or adjournments thereof in respect of such resolutions and in such manner as are indicated below:

** I wish my above Proxy to vote in the manner as indicated in the box below:

| Sr. No. | Resolution | For | Against |
|---|---|---|---|
| 1 | Approval of Composite Scheme of Amalgamation and Arrangement amongst Vyline Glass Works Limited and Fennel Investment and Finance Private Limited and Gujarat Borosil Limited and Borosil Glass Works Limited and Borosil Limited and their respective shareholders (the "Scheme") | | |

Signed this ____________ day of __________ 2019.

Signature of Secured Creditor ________________________________________________________

Signature of Proxy holder(s) ______________________________________________________

(Signature across the stamp)

Please affix Revenue Stamp of ₹ 1

**NOTES:**

1. This form in order to be effective should be duly completed and deposited at the Registered Office of the Company at *1101, Crescenzo, G-Block, Opp. MCA Club, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra*, not less than 48 hours before the commencement of the Meeting.
2. Please affix revenue stamp before putting signature.
3. Alterations, if any, made in the Form of Proxy should be initialed.
4. In case of multiple proxies, the proxy later in time shall be accepted.
5. Body Corporate would be required to deposit certified copies of Board/ Custodial Resolutions/Power of Attorney in original, as the case may be, authorizing the individuals named therein, to attend and vote at the meeting on its behalf. These documents must be deposited at the Registered Office of Company at *1101, Crescenzo, G-Block, Opp. MCA Club, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra* at least 48 hours before the time of holding the meeting.

**6. This is only optional, please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

# Borosil Glass Works Limited

(**CIN:** L99999MH1962PLC012538)

**Registered office:** 1101, Crescenzo, G-Block, Opp. MCA Club, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra, **Tel.** No. +91 22 6740 6300, **Fax No.** +91 22 6740 6514

**Website:** www.borosil.com **Email:** borosil@borosil.com

## ATTENDANCE SLIP

**MEETING OF THE SECURED CREDITORS ON WEDNESDAY, MAY 15, 2019 AT 10:00 A.M.**

**PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL**

I/We hereby record my/our presence at the NCLT Convened Meeting of the Secured Creditors of Borosil Glass Works Limited, the Applicant Company, convened at 1101, Crescenzo, G-Block, Opp. MCA Club, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra on Wednesday, May 15, 2019 at 10:00 a.m. pursuant to the Order dated March 29, 2019 of the Hon'ble Tribunal.

Name and Address of the Secured Creditor (in block letters) :

______________________________________________________________________

______________________________________________________________________

______________________________________________________________________

---------------------------------------------------------------

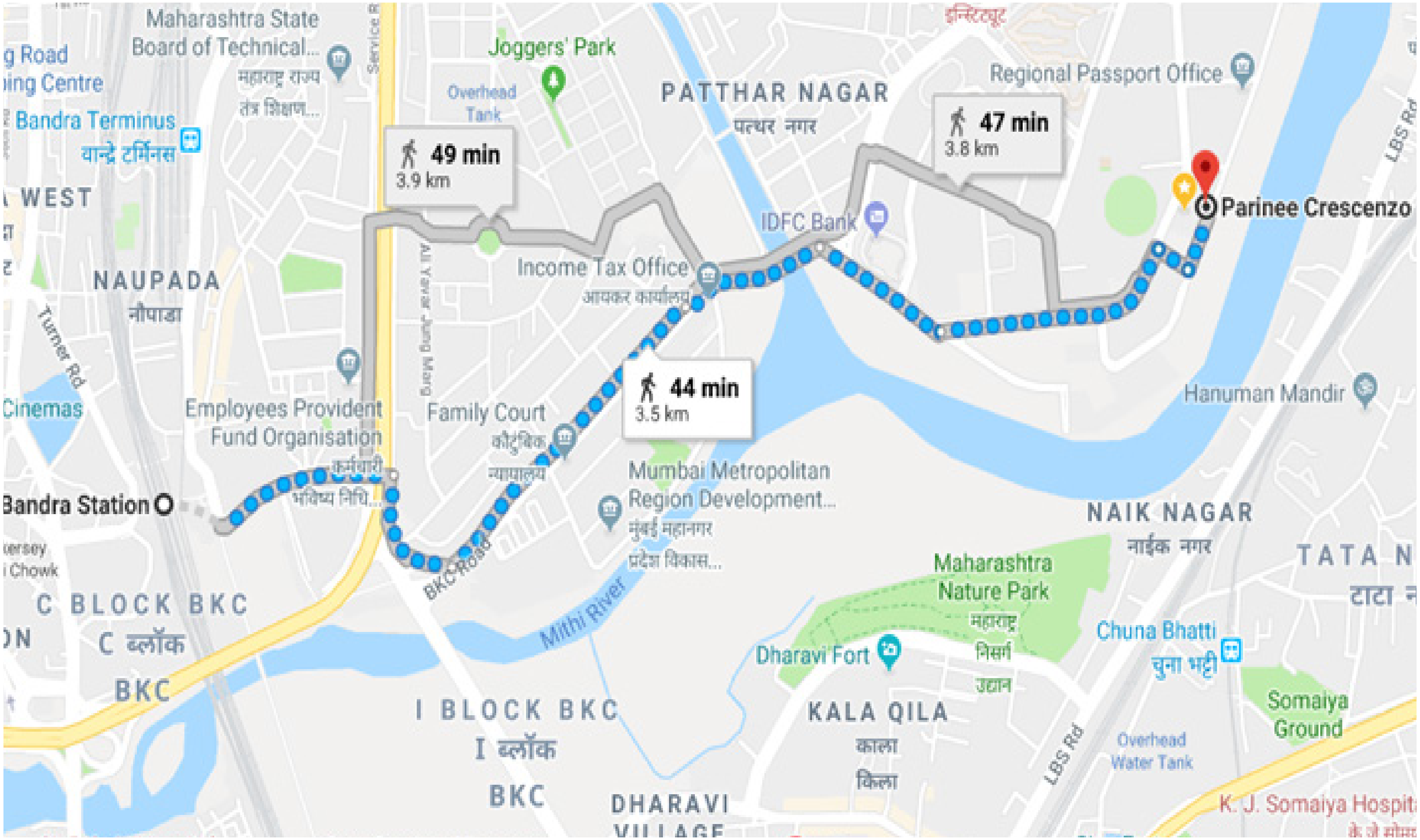
Signature of Secured Creditor / Proxy / Authorised Representative

**NOTE:**

(1) Secured Creditors attending the meeting in person or by proxy or through authorized representative are requested to complete and bring the attendance slip with them and hand it over at the entrance of the meeting hall.

(2) Secured Creditor/proxy holder who desire to attend the meeting should bring his / her copy of the Notice for reference at the meeting.

# ROUTE MAP TO THE MEETING VENUE



If, undelivered return to:
**BOROSIL GLASS WORKS LIMITED**
Registered Office:
1101, Crescenzo, G-Block,
Opp. MCA Club, Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051