Piramal Glass
knowledge action care

Accounts of Subsidiary Companies
2009 - 2010

contents

REPORT ON THE AFFAIRS OF THE COMPANY

To the Shareholders

The Board of Directors have pleasure in presenting the 55th Annual Report and the Audited Accounts of the Company for the year ended 31st March 2010.

REVIEW OF YEAR

The Chairman's statement describes in brief of the Company's affairs and the performance during the year and also mentions the events subsequent to the balance sheet date.

PRINCIPAL ACTIVITY

Principal activity of the Company is the manufacture and sale of Glass Containers. The Company owns Freehold Land at Ratmalana (21 acres) and Nattandiya (54 acres) and Leasehold Land at Horana (25 acres) and Nattandiya (9 acres).

CURRENCY

All figures appearing in the accounts are in Sri Lankan Rupees and has been denoted as "LKR".

FINANCIAL RESULTS

	2010 LKR 000'	2010 INR Mio	2009 LKR 000'	2009 INR Mio
Revenue	3,518,763	1,477.88	2,936,155	1,252.76
Cost of Sales	(2,614,981)	(1,100.12)	(2,345,802)	(995.73)
Gross Profit	903,783	377.76	590,354	257.03
Other Operating Income	348	0.15	53,172	22.86
Admin & Distribution Cost	(384,036)	(161.30)	(246,076)	(105.81)
Finance Cost	(581,186)	(244.10)	(658,698)	(281.04)
Loss Before Tax	(61,092)	(27.49)	(261,250)	(106.97)
Income Tax Reversal	-	-	314	0.13
Loss for the year	(61,092)	(27.49)	(260,935)	(106.83)

SALES HIGHLIGHTS

The Total revenue for the year ending 31st March 2010 grew by 19.8% to LKR. 3,518.76 mio (INR 1477.88 mio) as against LKR 2,936.16 mio (INR 1252.76 mio) of the previous year. The above growth is mainly due to threefold increase in Exports sales to LKR 1,166 mio (INR 489.72 mio) as against LKR 424 mio (INR 182.32 mio) in the previous year reflecting a growth of 175%. The domestic Sales for the year was LKR 2352 mio (INR 987.84 mio) as against LKR 2512 mio (INR 1080.16 mio) in the previous year reflecting a decline of 6.8%. Also Exports contributed to 33% of the total annual turnover in the FY -10 as against 14% in the previous year. The growth in exports was very encouraging and endorsed the confidence reposed by the international customers on Piramal Glass Ceylon products.

PRODUCTION HIGHLIGHTS

With the ongoing improvements and stabilization of the new plant, the total production in packed tons for FY-10 was 61859 tons as against 52348 tons in the previous year. The daily production of glass tonnage drawn from the furnace has increased from 191 tonnes in FY-09 to 218 tonnes in FY -10, with efficiency too increasing by over 5%. The new furnace at Horana has a designed capacity of 205 tons per day which can go up to 250 tons per day.

EMPLOYMENT

The Company has employed a total of 384 persons as at 31st March 2010. (Previous Year 369)

CAPITAL EXPENDITURE AND INVESTMENTS

The Company made investments of LKR 48,411,389/- (INR 18,880,442/-) for its new plant at Wagawatte, Horana.

(Previous Year LKR 656,590,656/- INR 295,465,795).

The capital commitments as at the balance sheet date disclosed in Note 4.7 to the Accounts.

STATED CAPITAL

The Stated capital as at the end of the year was LKR 1,526,407,485/- (INR 657,209,013) consisting of 950,086,080 number of ordinary shares.

SHARE HOLDINGS

There were 11,391 registered shareholders as at 31st March 2010.

THE POST BALANCE SHEET EVENTS

The Post Balance Sheet events are disclosed in Note 25 to the Accounts. No events have taken place since the Balance Sheet date which would require any adjustments or disclosures other than the above.

THE BOARD OF DIRECTORS

Vijay Shah – Chairman
Dr.C.T.S.B. Perera
N.Santhanam (upto 07.10.2009)
R.M.S. Fernando
Sanjay Tiwari – CEO / Executive Director
Sandeep Arora (w.e.f. 07.10.2009)

APPOINTMENT OF NEW DIRECTOR

Mr. Sandeep Umesh Arora was appointed as a Director of the Company during this financial year.

PERSONS WHO CEASED TO BE DIRECTORS

Mr. N.Santhanam has resigned from Directorship during this financial year.

DIRECTORS' INTEREST REGISTER

The Directors have made declarations as provided for in section 192 (2) of the Companies Act No. 7 of 2007.

The related entries were made in the interest register during the year under review. The related party disclosures are referred to in Note 26 to the Financial Statements. Mr.Vijay Shah, Chairman of the Company is the Managing Director of Piramal Glass Ltd. The share ownership of directors is indicated below.

DIRECTORS' SHAREHOLDINGS

The Directors' and their spouse's share holdings as at 31st March are :

	2010	2009
Dr.C.T.S.B.Perera	50,000	50,000

DIRECTORS' EMOLUMENTS

The remunerations and other benefits made to the Directors during the year are disclosed in Note 26.3

DONATIONS

The donations made by the Company during the year are disclosed in Note 21.

AUDITORS

The Accounts have been audited by Messrs Ernst & Young, Chartered Accountants of Sri Lanka , who have indicated their willingness to continue in office and a resolution relating to their reappointment, will be proposed at the Annual General Meeting. Audit fees and expenses paid to Messrs Ernst & Young for the FY 10 is LKR 813,653/- INR 341,734/- (2009 LKR 613,931/- INR 263,990) and fees and expenses for taxation services is LKR 177,460 /- INR 74,533/- (2009 LKR 249,888/- INR 107,452).

As far as the Directors are aware, the auditors do not have any other relationship with the Company or any of its subsidiaries.

Sgd. Mr. Sanjay Tiwari	**Sgd. Mr.R.M.S.Fernando**	**Sgd. Ms. Sagarika Jayasundera**
CEO / Executive Director	Director	Company Secretaries

22nd May 2010

Directors' Responsibility for the Preparation of Financial Statements

The Auditors' Report sets out the respective responsibilities of the Directors and Auditors relating to the Financial Statements and this statement provides additional information. The responsibility of the Auditors, in relation to the Financial Statements, is set out in the Auditors' Report on page 5 of the Annual Report.

The external auditors M/s Ernst & Young, appointed in accordance with the resolution passed at the last Annual General Meeting, were provided with every opportunity to undertake whatever inspections they consider appropriate to enable them to form their opinion on the financial statements.

The directors are required by relevant statutory provisions to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the company for that period. The Financial Statement for the year 2009/2010 prepared and presented in this report are consistent with the underlying books of account and are in conformity with the requirements of the Sri Lanka Accounting Standards, Companies Act No. 7 of 2007, Sri Lanka Accounting and Auditing Standards Act No. 15 of 2000 and the New Listing Rules of the Colombo Stock Exchange. The responsibility of the Directors, in relation to the Financial Statements, is set out in the following statement.

Under section 151 (1) of the Companies Act No. 7 of 2007, the Directors of the Company have responsibilities for ensuring that the Company keeps proper books of account of all the transactions and prepares financial statements that give a true and fair view of the state of affairs of the Company and the profit or loss or income and expenditure for the accounting period ending on that balance sheet date.

The Directors consider that these Financial Statements have been prepared using appropriate accounting policies, applied consistently, and supported by reasonable and prudent judgments and estimates and is in compliance with applicable Sri Lanka Accounting Standards and provide the information required by the Companies Act, as relevant. Any change to accounting policies and reasons for such change, is disclosed in the "Notes to the Financial Statements".

The Directors are responsible for keeping proper accounting records, and to take reasonable steps as far as practicable to ensure the accuracy and reliability of accounting records, to enable the preparation of financial statements. The Directors have general responsibilities to take reasonable steps to safeguard the assets of the Company.

In discharging this responsibility the Directors have instituted a system of internal controls and a system for monitoring its effectiveness. The system of controls provide reasonable and not absolute assurance of safeguarding of Company's assets, maintenance of proper accounting records and the reliability of financial information.

The Directors believe, after reviewing the financial position and the cash flow of the Company, that the Company has adequate resources to continue in operation for the foreseeable future and therefore, these Financial Statements are prepared on a going concern basis.

By order of the Board

SAGARIKA JAYASUNDERA
Company Secretary
Piramal Glass Ceylon PLC

28th May 2010.

AUDITORS REPORT

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF

PIRAMAL GLASS CEYLON PLC

Report on the Financial Statements

We have audited the accompanying financial statements of Piramal Glass Ceylon PLC which comprise the balance sheet as at 31 March 2010, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Scope of Audit and Basis of Opinion

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. We therefore believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, so far as appears from our examination, the Company maintained proper accounting records for the year ended 31 March 2010 and the financial statements give a true and fair view of the Company's state of affairs as at 31 March 2010 and its loss and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Report on Other Legal and Regulatory Requirements

In our opinion, these financial statements also comply with the requirements of Section 151(2) of the Companies Act No. 07 of 2007.

21 April 2010
Colombo.

Income Statement for the year ended 31st March, 2010 and 31st March 2009

	Note	2010 SLR	2010 INR*	2009 SLR	2009 INR*
Revenue	3	3,518,763,226	1,477,880,555	2,936,155,203	1,252,759,553
Cost of Sales		(2,614,980,677)	(1,100,124,758)	(2,345,801,702)	(995,733,816)
Gross Profit		903,782,549	377,755,797	590,353,501	257,025,737
Other Operating Income	19	348,023	146,170	53,171,591	22,863,784
Distribution Costs		(101,339,564)	(42,562,617)	(69,336,041)	(29,814,498)
Administrative Expenses		(282,696,893)	(118,732,695)	(176,740,334)	(75,998,344)
Finance Cost	20	(581,185,991)	(244,098,116)	(658,698,253)	(281,044,588)
Loss Before Tax		(61,091,876)	(27,491,461)	(261,249,537)	(106,967,908)
Income Tax (Expense) / Reversal	13	-		314,127	134,027
Loss for the Year		**(61,091,876)**	**(27,491,461)**	**(260,935,410)**	**(106,833,881)**
Loss Per Share - Basic	22	(0.06)		(0.27)	
Dividend Per Share	17	-		0.02	

The accounting policies and notes on pages 6 through 25 form an integral part of the financial statements.

Colombo
21 April 2010

* Rupees Equivalent of SLR in audited statement as at March 31, 2010 and March 31, 2009 has been done using closing rate of 1 SLR = 0.42 INR and 0.43 as of respective dates

Balance Sheet as at 31st March 2010 and 31st March 2009

	Note	2010 SLR	2010 INR*	2009 SLR	2009 INR*
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	4	4,286,090,830	1,671,575,424	4,587,154,987	2,064,219,744
Leasehold Land	5	24,629,990	9,605,696	25,735,070	11,580,782
Investment Property	6	666,130,000	259,790,700	666,130,000	299,758,500
Long Term Investment	7	261,359	101,930	261,359	117,612
		4,977,112,179	**1,941,073,750**	**5,279,281,416**	**2,375,676,637**
Current Assets					
Inventories	8	733,910,651	286,225,154	758,653,163	341,393,923
Trade and Other Receivables	9	1,018,304,343	397,138,694	950,963,885	427,933,748
Income Tax Receivables	13	28,001,636	10,920,638	20,424,232	9,190,904
Cash and Bank Balances	18	44,057,834	17,182,555	17,254,280	7,764,426
		1,824,274,464	**711,467,041**	**1,747,295,561**	**786,283,002**
Total Assets		**6,801,386,643**	**2,652,540,791**	**7,026,576,977**	**3,161,959,640**
EQUITY AND LIABILITIES					
Capital and Reserves					
Stated Capital	10	1,526,407,485	622,629,729	1,526,407,485	657,209,013
Reserves	11	688,535,043	268,528,667	688,535,043	309,840,769
Retained Earnings/(Losses)		23,379	(11,645,949)	61,115,255	15,845,513
Exchange Difference			(15,675,743)		41,330,706
Total Equity		**2,214,965,907**	**863,836,704**	**2,276,057,783**	**1,024,226,001**
Non-Current Liabilities					
Interest Bearing Loans and Borrowings	12	1,773,967,786	691,847,437	1,860,550,719	837,247,823
Deferred Tax Liabilities	14	18,979,577	7,402,035	18,979,577	8,540,809
Retirement Benefit Obligations	15	86,925,218	33,900,835	84,500,270	38,025,121
		1,879,872,581	**733,150,306**	**1,964,030,566**	**883,813,754**
Current Liabilities					
Trade and Other Payables	16	795,077,359	310,080,170	648,777,931	291,950,069
Dividends Payable	17	10,860,992	4,235,787	10,881,132	4,896,509
Interest Bearing Loans and Borrowings	12	1,900,609,805	741,237,824	2,126,829,565	957,073,304
		2,706,548,155	**1,055,553,781**	**2,786,488,629**	**1,253,919,883**
Total Equity and Liabilities		**6,801,386,643**	**2,652,540,791**	**7,026,576,977**	**3,161,959,638**

These Financial Statements are in compliance with the requirements of the Companies Act No: 07 of 2007.

Sgd : Mrs Niloni Boteju
Financial Controller

The board of directors is responsible for the preparation and presentation of these Financial Statements. Signed for and on behalf of the board by:

Sgd : Mr Sanjay Tiwari
CEO & Executive Director

The accounting policies and notes on pages 6 through 25 form an integral part of the financial statements.

* Rupees Equivalent of SLR in audited statement as at March 31, 2010 and March 31, 2009 has been done using closing rate of 1 SLR = 0.39 INR and 0.45 as of respective dates

Colombo
21 April 2010

Statement of Changes in Equity for year ended 31st March, 2010

	Note	Stated Capital SLR	Other Reserves SLR	Revaluation Reserve SLR	Retained Earnings/ Losses SLR	Total SLR
Balance as at 1 April 2008		1,526,407,485	21,502,500	571,175,000	341,052,387	2,460,137,372
Dividend Paid	17	-	-	-	(19,001,722)	(19,001,722)
Surplus on Revaluation of Property Plant & Equipment	11	-	-	95,857,543	-	95,857,543
Net Loss for the Year		-	-	-	(260,935,410)	(260,935,410)
Balance as at 31March 2009		**1,526,407,485**	**21,502,500**	**667,032,543**	**61,115,255**	**2,276,057,783**
Net Loss for the Year		-	-	-	(61,091,876)	(61,091,876)
Balance as at 31 March 2010		**1,526,407,485**	**21,502,500**	**667,032,543**	**23,379**	**2,214,965,907**

The accounting policies and notes on pages 6 through 25 form an integral part of the financial statements.

Colombo
21 April 2010

	Note	Stated Capital INR*	Other Reserves INR*	Revaluation Reserve INR*	Retained Earnings/ Losses INR*	Total INR*
Balance as at 1 April 2008		611,103,301	7,955,925	211,334,750	130,786,795	961,180,771
Dividend Paid	17				(8,107,401)	(8,107,401)
Surplus on Revaluation of Property Plant & Equipment	11			43,135,894		43,135,894
Net Loss for the Year					(106,833,881)	(106,833,881)
Exchange Fluctuation Reserve		46,105,712	1,720,200	45,694,000		93,519,912
Balance as at 31March 2009		657,209,013	9,676,125	300,164,644	15,845,513	982,895,295
Net Loss for the Year					(27,491,461)	(27,491,461)
Exchange Fluctuation Reserve		(34,579,284)	(1,290,150)	(40,021,952)		(75,891,386)
Balance as at 31 March 2010		622,629,729	8,385,975	260,142,692	(11,645,948)	879,512,448

*Rupee equivalent of SLR in audited statement as at March 31, 2009 and as at March 31, 2008 has been done using closing rates of 1 SLR = 0.43 INR and 0.37 INR as of respective dates.

Cash Flow Statement for the year ended 31st March 2010 and 31st March 2009

Cash Flows From / (Used in) Operating Activities	Note	2010 SLR	2010 INR*	2009 SLR	2009 INR*
Cash Flow from Operating Activities					
Net Loss before tax		(61,091,876)	(27,491,461)	(261,249,537)	(106,967,908)
Adjustments for					
Depreciation	4	348,571,119	146,399,870	330,330,106	148,648,547
Work-in-progress / Asset write off		676,950	284,319	12,666,344	5,446,528
Amortisation of Leasehold Property	5	1,105,080	464,134	1,048,257	471,716
Provision for Retirement Benefit Obligations	15	5,581,701	2,344,314	13,888,428	5,972,024
Investment Income	19	(348,023)	(146,170)	(459,423)	(197,552)
Gain on Sale of Fixed Assets		-		(52,712,168)	(22,666,232)
Exchange Difference Adjustment	12	(2,975,387)	(1,249,663)	-	
Finance Cost	20	581,185,991	244,098,116	658,698,253	283,240,249
Operating Profit Loss Before Working Capital Changes		**872,705,555**	**364,703,460**	**702,210,260**	**313,947,372**
(Increase)/Decrease in Inventories		24,742,512	55,168,770	(291,038,969)	(168,376,671)
(Increase)/Decrease in Trade and Other Receivables		(67,340,458)	30,795,054	34,016,879	17,012,637
Increase/(Decrease) in Trade and Other Payables		146,299,428	18,130,101	(47,931,969)	34,167,406
Cash Generated from Operations		**976,407,037**	**468,797,385**	**397,256,201**	**196,750,744**
Income Tax Paid		(7,577,404)	(3,182,510)	(9,229,751)	(3,968,793)
Retirement Benefit Obligations Costs Paid	15	(3,156,752)	(1,325,836)	(7,769,949)	(3,496,477)
Interest Paid	20	(581,185,991)	(244,098,116)	(658,698,253)	(283,240,249)
Cash Flow from Operating Activities		**384,486,889**	**220,190,923**	**(278,441,752)**	**(93,954,775)**
Cash Flow from Investing Activities					
Acquisition of Property, Plant and Equipment	4	(48,411,389)	(20,332,784)	(656,590,656)	(282,333,981)
Proceeds from Sales of Property, Plant and Equipment		227,477	95,540	39,546,854	17,005,147
Interest Received	19	257,863	108,302	369,263	158,783
Dividend Received	19	90,160	37,867	90,160	38,769
Net Cash Flows used in Investing Activities		**(47,835,890)**	**(20,091,074)**	**(616,584,379)**	**(265,131,282)**
Cash Flow from Financing Activities					
Proceeds from Interest Bearing Loans and Borrowings	12	5,543,400,331	2,328,228,139	3,221,270,466	1,385,146,300
Principal Payment under Finance Lease Liability	12	(1,934,201)	(812,364)	(1,839,170)	(790,843)
Dividends Paid	17	(20,141)	(8,459)	(18,721,588)	(8,050,283)
Repayment of Bank Loans	12	(5,806,907,792)	(2,438,901,273)	(2,312,404,787)	(994,334,058)
Net Cash Flows from/(used in) Financing Activities		**(265,461,803)**	**(111,493,957)**	**888,304,922**	**381,971,117**
Net Increase/ (Decrease) in Cash and Cash Equivalents		71,189,197	88,605,893	(6,721,209)	22,885,059
Cash Inflow/ (Outflow) on account of Exchange Difference			(43,978,864)		(47,856,228)
Cash and Cash Equivalent at the beginning of the year	18	(281,054,017)	(126,474,308)	(274,332,808)	(101,503,139)
Cash and Cash Equivalent at the end of the year	18	**(209,864,819)**	**(81,847,280)**	**(281,054,017)**	**(126,474,308)**

The accounting policies and notes on pages 6 through 25 form an integral part of the financial statements.

Colombo

21 April 2010

* Rupees Equivalent of SLR in audited statement as at March 31, 2010 and March 31, 2009 has been done using closing rate of 1 SLR = 0.39 (B/S Items) & 1 SLR = 0.42 (P&L Items) & 1 SLR = 0.45 (B/S Items) & 1 SLR = 0.43 (P&L Items) as of respective dates

Significant Accounting Policies year ended 31st March, 2010

1. CORPORATE INFORMATION

1.1 General

Piramal Glass Ceylon PLC ("Company") is a public limited liability Company incorporated and domiciled in Sri Lanka and listed in the Colombo Stock Exchange. The registered office of the Company and principle place of Business is located at 148, Maligawa Road, Borupana, Ratmalana and the production facility is located in Horana.

1.2 Principal Activities and Nature of Operations

During the year, the principal activity of the Company was the manufacturing and sale of glass bottles.

1.3 Parent Enterprise and Ultimate Parent Enterprise

The Company's parent undertaking is Piramal Glass Limited, which is incorporate in India.

1.4 Date of Authorization for Issue

The Financial Statements of Piramal Glass Ceylon PLC for the year ended 31 March 2010 was authorized for issue in accordance with a resolution of the Board of Directors on 21 April 2010.

2.1 Basis of Preparation

The Financial Statements have been prepared on a historical cost basis, except for certain classes of asset categories that have been measured at fair value. The Financial Statements are presented in Sri Lankan Rupees. The preparation and presentation of these financial statements is in compliance with the Companies Act. No. 07 of 2007.

2.2 Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous audited financial year as described in the annual financial statements for the year ended 31 March 2009.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.3.1 Foreign Currency Translation

The financial statements are presented in Sri Lankan Rupees, which is the Company's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to profit or loss. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

2.3.2 Taxation

Current Taxes

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the Inland Revenue Act.

Pursuant to agreement dated 19 July 2006 entered into with Board of Investment, the imposition, payment and recovery of income tax shall not apply for a period of 5 years from 10 December 2007. This exemption expires on 9 December 2012.

After said tax exemption period, the Company would be liable for income tax at the rate of 10% for a period of 2 years and at the rate of 20% thereon.

Deferred Taxation

Deferred income tax is provided, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

The Inland Revenue Act does not apply as stated above under current taxes w.e.f 10 December 2007. Therefore temporary differences do not arise during the year under review.

Sales Tax

Revenues, expenses and assets are recognised net of the amount of sales tax except where the sales tax incurred on a purchase of assets or service is not recoverable from the taxation authorities in which case the sales tax is recognised as a part of the cost of the asset or part of the expense items as applicable and receivable and payable that are stated with the amount of sales tax included. The amount of sales tax recoverable and payable in respect of taxation authorities is included as a part of receivables and payables in the Balance Sheet.

2.3.3 Borrowing Costs

Borrowing costs are recognised as an expense in the year in which they are incurred, except to the extent where borrowing costs that are directly attributable to the acquisition, construction, or production of an asset that takes a substantial period of time to get ready for its intended use or sale, are capitalized as part of that asset.

2.3.4 Inventories

Inventories are valued at the lower of cost and net realizable value, after making due allowances for obsolete and slow moving items. Net realizable value is the price at which inventories can be sold in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.

The cost incurred in bringing inventories to its present location and conditions are accounted using the following cost formulae:-

Raw Materials	–	At actual cost on weighted average basis
Finished Goods & Work-in-progress	–	At the cost of direct materials, direct labour and an appropriate proportion of fixed production overheads based on normal operating capacity.
Consumables & Spares	–	At actual cost on weighted average basis
Moulds & Necking Equipment	–	At Cost less usage for Production
Goods in Transit	–	At actual cost

2.3.5 Trade and Other Receivables

Trade receivables are stated at the amounts they are estimated to realize net of allowances for bad and doubtful receivables.

Other receivables and dues from Related Parties are recognized at cost less allowances for bad and doubtful receivables.

2.3.6 Cash and Cash Equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits and short term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts. Investments with short maturities i.e. three months or less from the date of acquisition are also treated as cash equivalents.

2.3.7 Property, Plant and Equipment

Cost and Valuation

All items of Property, Plant & Equipment are initially recorded at cost. Where items of Property, Plant and Equipment are subsequently revalued, the entire class of such assets is revalued. Revaluations are made with sufficient regularity to ensure that their carrying amounts do not differ materially from their fair values at the balance sheet date. Subsequent to the initial recognition as an asset at cost, revalued Property, Plant and Equipment are carried at revalued amounts less any subsequent depreciation thereon. All other Property, Plant and Equipment are stated at historical cost less depreciation.

When an asset is revalued, any increase in the carrying amount is credited directly to a revaluation surplus unless it reverses a previous revaluation decrease relating to the same asset, which was previously recognized as an expense. In these circumstances the increase is recognized as income to the extent of the previous write down. When an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognized as an expense unless it reverses a previous increment relating to that asset, in which case it is charged against any related revaluation surplus, to the extent that the decrease does not exceed the amount held in the revaluation surplus in respect of that same asset. Any balance remaining in the revaluation surplus in respect of an asset, is transferred directly to Retained Earnings on retirement or disposal of the asset.

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to Retained Earnings.

When each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognised.

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

2.3.8 Leases -Company as a lessee

Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the 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 charged reflected in the income statement.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the income statement on a straight line basis over the lease term.

2.3.9 Leasehold Property

Prepaid lease rentals paid to acquire land use rights are amortised over the lease term in accordance with the pattern of benefits provided. Leasehold Property is tested for impairment annually and is written down where applicable.

The impairment loss if any, is recognised in the income statement.

2.3.10 Investments

Long Term Investments

Long term investments are stated at cost. The cost of the investment is the cost of acquisition inclusive of brokerage fees, duties and bank fees.

The carrying amount of long term investments is reduced to recognize a decline other than temporary in the value of investments, determined on an individual investment basis.

2.4.11 Investment Properties

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day to day servicing of an investment property.

After initial recognition the Company measure all of its investment property in according with requirements in SLAS 18 (Revised 2005) Property, Plant and Equipment other than those meets the criteria to be classified as held for sale.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the income statement in the event of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner occupation, commencement of an operating lease to another party or completion of construction or development. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development with a view to sale.

For a transfer from investment property to owner occupied property or inventories, the deemed cost of property for subsequent accounting is its cost at the date of change in use. If the property occupied by the Company as an owner occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

2.3.12 Provisions

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, where 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.

2.3.13 Retirement Benefit Obligations

a) Defined Benefit Plan – Gratuity

The Company measures the present value of the promised retirement benefits of gratuity which is a defined benefit plan with the advice of an actuary every financial year using Projected Unit Cost Method. Actuarial gains and losses are recognized as income or expenses in the period in which it arises. The liability is not funded.

b) Defined Contribution Plans – Employees' Provident Fund & Employees' Trust Fund

All employees who are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund Contributions are covered by relevant contribution funds in line with respective statutes and regulations. The Company contributes 12% and 3% of gross emoluments of employees to Employees' Provident Fund and Employees' Trust Fund respectively.

c) **Non Recurring Cost of Living Allowances and other Lump-sum payments to Employees**

Provision has been made in the accounts for non recurring cost of living allowances payable to employees by the collective agreement and other lump-sum payments as decided by the management

2.3.14 Impairment of Assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount

Impairment losses of continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to equity. In this case the impairment is also recognised in equity up to the amount of any previous revaluation.

For assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the company makes an estimate of recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot ''exceed' the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods. Such reversal is recognised in the income statement unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment losses recognised in relation to goodwill are not reversed for subsequent increases in its recoverable amount.

2.3.15 Income Statements

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable net of trade discounts and sales taxes. The following specific criteria are used for the purpose of recognition of revenue.

a) **Sale of Goods**

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have not passed to buyer; with the Company retaining neither continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold.

b) **Interest**

Interest Income is recognized as the interest accrued unless collectability is in doubt.

c) **Dividends**

Dividend income is recognized on cash basis.

d) **Others**

Other income is recognized on an accrual basis

Net Gains and losses of a revenue nature on the disposal of Property, Plant & Equipment have been accounted for in the income statement, having deducted from proceeds on disposal, the carrying amount of the assets and related selling expenses. On disposal of revalued Property, Plant and Equipment, amount remaining in Revaluation Reserve relating to that asset is transferred directly to Retained Earnings.

Gains and losses arising from incidental activities to main revenue generating activities and those arising from a group of similar transactions which are not material, are aggregated, reported and presented on a net basis.

2.4 FUTURE CHANGES IN ACCOUNTING POLICIES

Standards Issued but not yet Effective:

Effect of Sri Lanka Accounting Standard issued but not yet effective:

The following standards have been issued by the Institute of Chartered Accountants of Sri Lanka and are effective for the accounting periods on the dates specified below.

a) Sri Lanka Accounting Standard 44 - Financial Instruments; Presentation (SLAS 44) and Sri Lanka Accounting Standard 45 - Financial Instruments; Recognition & Measurement (SLAS 45)

SLAS 44 and 45 become effective for financial years beginning on or after 1 January 2011. Accordingly, the financial Statements for the year ending 31 March 2012 will adopt SLAS 44 and 45, for the first time.

These two standards together provide comprehensive guidance on identification, classification, measurement and presentation of financial instruments (including Derivatives) into financial assets, financial liabilities and equity instruments.

In order to comply with the requirements of these standards, the Company is in the process of setting up an implementation plan in assessing the effect of adoption of the aforesaid two standards. Due to the complex nature of the effect of these standards the impact of adoption is not estimable as at the date of publication of these financial statements.

b) Sri Lanka Accounting Standard 39 - Share Based Payments (SLAS 39)

SLAS 39 Share based payments, effective for periods beginning on or after 1st January 2010 will be first adopted in the year ending 31 March 2011. This standard require an expense to be recognized where the Company buys goods or services in exchange for shares or rights over shares (equity –settled transactions), or in exchange for other assets equivalent in value to a given number of shares or rights over shares (cash- settled transactions). For equity-settled share-based payment transactions, the Company is required to apply SLAS 39 to grants of shares, share options or other equity instruments that were granted after 1 January 2010.

The Company is in the process of evaluating to impact of this standard, and the impact of the same is not currently estimable as at the date of the publication of these financial statements.

3.	**REVENUE**		**2010 SLR**	**2010 INR**	**2009 SLR**	**2009 INR**
	3.1	Summary				
		Revenue (3.2)	3,518,763,226	1,477,880,555	2,936,155,203	1,252,759,553
			3,518,763,226	**1,477,880,555**	**2,936,155,203**	**1,252,759,553**
	3.2	Segmental Information				
		Local Sales	2,352,476,608	988,040,175	2,511,908,251	1,071,747,520
		Export Sales	1,166,286,618	489,840,380	424,246,952	181,012,033
			3,518,763,226	**1,477,880,555**	**2,936,155,203**	**1,252,759,553**

4. PROPERTY, PLANT AND EQUIPMENT

4.1

At Cost	Balance as at 01.04.2009 SLR	Additions/ Transfers SLR	Transfers/ Disposals SLR	Written Off SLR	Balance as at 31.03.2010 SLR	Balance as at 01.04.2009 INR	Additions/ Transfers INR	Transfers/ Disposals INR	Written Off INR	Exchange Rate Adjustment INR	Balance as at 31.03.2010 INR
Buildings	1,254,468,987	15,155,109	-	-	1,269,624,096	564,511,044	6,365,146	-	-	(75,722,793)	495,153,398
Plant and Machinery	1,542,468,177	21,433,283	(33,638,074)	(98,363,364)	1,431,900,022	694,110,680	9,001,979	(14,127,991)	(41,312,613)	(89,231,046)	558,441,009
Electrical Power Installation	609,102,859	7,745,817	33,638,074	(4,948,271)	645,538,479	274,096,286	3,253,243	14,127,991	(2,078,274)	(37,639,240)	251,760,007
Furnace	780,349,624	4,511,045	-	-	784,860,669	351,157,331	1,894,639	-	-	(46,956,309)	306,095,661
Motor Vehicles	51,533,907	312,892	(350,000)	-	51,496,799	23,190,258	131,414	(147,000)	-	(3,090,921)	20,083,751
Tools and Implements	8,019,162	1,142,815	-	(954,943)	8,207,034	3,608,623	479,982	-	(401,076)	(486,786)	3,200,743
Office Equipment	128,262,485	1,826,174	(84,000)	(24,695,817)	105,308,842	57,718,118	766,993	(35,280)	(10,372,243)	(7,007,140)	41,070,448
Gas Station	21,116,708	-	-	-	21,116,708	9,502,519	-	-	-	(1,267,002)	8,235,516
	4,395,321,909	**52,127,135**	**(434,000)**	**(128,962,395)**	**4,318,052,648**	**1,977,894,859**	**21,893,397**	**(182,280)**	**(54,164,206)**	**(261,401,237)**	**1,684,040,533**
At Valuation											
Freehold Land	132,870,000	-	-	-	132,870,000	59,791,500	-	-	-	(7,972,200)	51,819,300
Buildings	90,292,720	-	-	-	90,292,720	40,631,724	-	-	-	(5,417,563)	35,214,161
Plant and Machinery	867,280,845	-	-	-	867,280,845	390,276,380	-	-	-	(52,036,851)	338,239,530
Electrical Power Installation	97,186,780	-	-	-	97,186,780	43,734,051	-	-	-	(5,831,207)	37,902,844
	1,187,630,345	**-**	**-**	**-**	**1,187,630,345**	**534,433,655**	**-**	**-**	**-**	**(71,257,821)**	**463,175,835**
Assets on Finance Leases											
Plant and Machinery	14,335,027	-	-	-	14,335,027	6,450,762	-	-	-	(860,102)	5,590,661
	14,335,027	-	-	-	14,335,027	6,450,762	-	-	-	(860,102)	5,590,661
Total Value of Assets	**5,597,287,281**	**52,127,135**	**(434,000)**	**(128,962,395)**	**5,520,018,020**	**2,518,779,276**	**21,893,397**	**(182,280)**	**(54,164, 206)**	**(333,519,159)**	**2,152,807,028**

4.2

In the Course of Construction	Balance as at 01.04.2009 SLR	Incurred During the period SLR	Transfers SLR	Written Off SLR	Balance as at 31.03.2010 SLR	Balance as at 01.04.2009 INR	Incurred During the period INR	Transfers INR	Written Off INR	Exchange Rate Adjustment INR	Balance as at 31.03.2010 INR
Capital Work-in-Progress	5,276,156	12,324,022	(16,039,768)	-	1,560,410	2,374,270	5,176,089	(6,736,703)	-	(205,097)	608,560
	5,276,156	12,324,022	(16,039,768)	-	1,560,410	2,374,270	5,176,089	(6,736,703)	-	(205,097)	608,560
Total Gross Carrying Amount	**5,602,563,437**	**64,451,157**	**(16,473,768)**	**(128,962,395)**	**5,521,578,431**	**2,521,153,547**	**27,069,486**	**(6,918,983)**	**(54,164,206)**	**(333,724,256)**	**2,153,415,588**

4.3

Depreciation	Balance as at 01.04.2009 SLR	Charged for the year SLR	Disposals/ Transfers SLR	Written Off SLR	Balance as at 31.03.2010 SLR	Balance as at 01.04.2009 INR	Charged for the year INR	Disposals/ Transfers INR	Written Off INR	Exchange Rate Adjustments INR	Balance as at 31.03.2010 INR
At Cost											
Buildings	38,754,241	29,038,374	-	-	67,792,615	17,439,409	11,324,966	-	-	(2,325,254)	26,439,120
Plant and Machinery	110,901,609	113,402,742	(17,037,825)	(98,175,624)	109,090,902	49,905,724	44,227,069	(6,644,752)	(38,288,493)	(6,654,097)	42,545,452
Electrical Power Installation	43,804,524	34,330,607	17,037,825	(4,928,279)	90,244,677	19,712,036	13,388,937	6,644,752	(1,922,029)	(2,628,271)	35,195,424
Furnace	116,746,388	89,383,676	-	-	206,130,064	52,535,875	34,859,634	-	-	(7,004,783)	80,390,725
Motor Vehicles	31,342,653	4,590,144	(122,523)	-	35,810,274	14,104,194	1,790,156	(47,784)	-	(1,880,559)	13,966,007
Tools and Implements	4,577,653	737,957	-	(951,288)	4,364,323	2,059,944	287,803	-	(371,002)	(274,659)	1,702,086
Office Equipment	69,412,651	17,826,292	(84,000)	(24,230,254)	62,924,689	31,235,693	6,952,254	(32,760)	(9,449,799)	(4,164,759)	24,540,629
Gas Station	2,689,380	511,174	-	-	3,200,554	1,210,221	199,358	-	-	(161,363)	1,248,216
	418,229,100	**289,820,966**	**(206,523)**	**(128,285,445)**	**579,558,097**	**188,203,095**	**113,030,177**	**(80,544)**	**(50,031,324)**	**(25,093,746)**	**226,027,658**
At Valuation											
Buildings	29,895,287	2,478,172	-	-	32,373,459	13,452,879	966,487	-	-	(1,793,717.23)	12,625,649
Plant and Machinery	507,456,986	51,579,355	-	-	559,036,341	228,355,644	20,115,948	-	-	(30,447,419)	218,024,173
Electrical Power Installation	50,331,038	3,707,094	-	-	54,038,132	22,648,967	1,445,767	-	-	(3,019,862)	21,074,872
	587,683,311	**57,764,621**	**-**	**-**	**645,447,932**	**264,457,490**	**22,528,202**	**-**	**-**	**(35,260,999)**	**251,724,694**
Assets on Finance Leases											
Plant and Machinery	9,496,038	985,533	-	-	10,481,571	4,273,217	384,358	-	-	(569,762)	4,087,813
	9,496,038	985,533	-	-	10,481,571	4,273,217	384,358	-	-	(569,762)	4,087,813
Total Depreciation	**1,015,408,449**	**348,571,119**	**(206,523)**	**(128,285,445)**	**1,235,487,601**	**456,933,802**	**135,942,737**	**(80,544)**	**(50,031,324)**	**(60,924,507)**	**481,840,164**

4.4

Net Book Values	2010 SLR	2010 INR	2009 SLR	2009 INR
At Cost				
Buildings	1,201,831,481	468,714,278	1,215,714,746	547,071,636
Plant and Machinery	1,322,809,120	515,895,557	1,431,566,568	644,204,956
Electrical Power Installation	555,293,801	216,564,583	565,298,335	254,384,251
Furnace	578,730,605	225,704,936	663,603,236	298,621,456
Motor Vehicles	15,686,525	6,117,745	20,191,254	9,086,064
Tools and Implements	3,842,711	1,498,657	3,441,508	1,548,679
Office Equipment	42,384,153	16,529,820	58,849,834	26,482,425
Gas Station	17,916,154	6,987,300	18,427,328	8,292,297
	3,738,494,551	**1,458,012,875**	**3,977,092,809**	**1,789,691,764**
At Valuation/Cost Incurred since Last Revaluation				
Freehold Land	132,870,000	51,819,300	132,870,000	59,791,500
Buildings	57,919,261	22,588,512	60,397,433	27,178,845
Plant and Machinery	308,244,504	120,215,357	359,823,859	161,920,737
Electrical Power Installation	43,148,648	16,827,973	46,855,742	21,085,084
	542,182,413	**211,451,141**	**599,947,034**	**269,976,165**
On Finance Leases				
Plant and Machinery	3,853,456	1,502,848	4,838,989	2,177,545
	3,853,456	1,502,848	4,838,989	2,177,545
	4,284,530,420	**1,670,966,864**	**4,581,878,832**	**2,061,845,474**
In the Course of Construction	1,560,410	608,560	5,276,156	2,374,270
Total Carrying Amount of Property, Plant and Equipment	**4,286,090,830**	**1,671,575,424**	**4,587,154,987**	**2,064,219,744**

4.5 The rates of depreciation is estimated as follows.

	2010	2009
Buildings and Gas Station	2.5% on cost	2.5% on cost
Plant and Machinery	10% on cost	10% on cost
Plant and Machinery - New Project	7.5% on cost	7.5% on cost
New Project – Furnace – Steel	7.5% on cost	7.5% on cost
Electric Power Installation	15% on cost	15% on cost
Electric Power Installation - New Project	05% on cost	05% on cost
Office Equipments		
- Computer Systems	25% on cost	25% on cost
-Others	10% on cost	10% on cost
Tools and Implements	10% on cost	10% on cost
Motor Vehicles	15% on cost	15% on cost

4.6 Lands and Buildings,Plant & Machinery, Electrical Installation were revalued during the financial year ended 31st March 1991 by Messrs Development Finance Corporation of Ceylon. Further, freehold land has been valued during the year 1995 by Mr. D.S.A. Senevirathne (A.I.V) . The resulting surpluses of SLR 93,473,350/-(INR 36,454,506/-) on the revaluation in financial year 90/91 and SLR 97,417,177/- (INR 37,992,699/-) on the revaluation in financial year 94/95 had been transferred to the revaluation reserve, which was fully utilised for subsequent issues of bonus shares.

The freehold lands have been again revalued again by Mr. K.T.D. Tissera (Chartered Valuation Surveyor) in September 2007 and in March 2009. The resulting revaluation surplus reported amounted to SLR 571,175,000/- (INR 222,758,250/-) and SLR 95,857,543/- (INR 37,384,442/-) respectively.

The carrying amount of revalued assets that would have been included in the financial statements had the assets been carried at cost less depreciation is as follows:

Class of Asset	Cost SLR	Cumulative Depreciation If assets were carried at cost 2010 SLR	Net Carrying Amount 2010 SLR	Net Carrying Amount 2009 SLR	Cost INR	Cumulative Depreciation If assets were carried at cost 2010 INR	Net Carrying Amount 2010 INR	Net Carrying Amount 2009 INR
Freehold Land	11,651,585	-	11,651,585	11,651,585	4,544,118	-	4,544,118	5,243,213
Buildings	12,831,883	6,095,144	6,736,739	7,057,535	5,004,434	2,377,106	2,627,328	3,175,891
Plant and Machinery	66,199,323	66,199,323	-	-	25,817,736	25,817,736	-	-
Electrical Power Installation	7,876,358	7,482,539	393,819	787,635	3,071,780	2,918,190	153,589	354,436

4.7 During the year the Company acquired Property, Plant and Equipment to the aggregate value of SLR.48,411,389/- INR 20,332,783/-. (2009 - SLR 656,590,656/- INR 295,465,795/-) for cash.

4.7 Property, Plant and Equipment includes fully depreciated assets having a gross carrying amounts of SLR 83,517,539/- INR 32,571,840/- (2009 SLR 345,638,845/- INR 155,537,480/-)

5. **LEASEHOLD PROPERTY**	2010 SLR	2010 INR	2009 SLR	2009 INR
Balance at the beginning of the year	25,735,070	11,580,782	26,783,327	9,909,831
Amortisation during the year	(1,105,080)	(430,981)	(1,048,257)	(471,716)
Exchange Fluctuation Reserve		(1,544,104)		2,142,666
Balance at the end of the year	**24,629,990**	**9,605,696**	**25,735,070**	**11,580,782**
6. **INVESTMENT PROPERTY**				
Balance at the beginning of the year	666,130,000	299,758,500	703,142,457	260,162,709
Transfers during the year for owner occupation purposes	-	-	(37,012,457)	(16,655,606)
Exchange Fluctuation Reserve		(39,967,800)		56,251,397
Balance at the end of the year	**666,130,000**	**259,790,700**	**666,130,000**	**299,758,500**

6.1 During the year 2007/2008 the Company relocated its production facility from Rathmalana to Horana. Due to the relocation the land previously utilised for the production has been classified under Investment Property as per SLAS 40 as held for "un determined future use". No Management decision had been taken on the future intended utilisation of this land as at the date of the balance sheet.

7. LONG TERM INVESTMENT

7.1 Investments in Equity Securities - Quoted

	No of Shares		2010		2009		2010		2009	
			"Carrying Value"	"Market Value"	"Carrying Value"	"Market Value"	"Carrying Value"	"Market Value"	"Carrying Value"	"Market Value"
	2010	2009	SLR	SLR	SLR	SLR	INR	INR	INR	INR
DFCC Bank	18,032	18,032	261,359	3,259,284	261,359	1,226,176	**101,930**	**1,271,121**	**117,612**	**551,779**

8. INVENTORIES	2010 SLR	2010 INR	2009 SLR	2009 INR
Raw Materials	289,285,900	112,821,501	249,410,127	112,234,557
Work in Progress	15,481,230	6,037,680	6,938,141	3,122,163
Finished Goods	125,367,411	48,893,290	262,985,198	118,343,339
Consumables and Spares	308,588,437	120,349,490	243,471,685	109,562,258
Less: Allowance for obsolete and slow moving inventory	(4,812,327)	(1,876,807)	(4,151,988)	(1,868,395)
	733,910,651	**286,225,154**	**758,653,163**	**341,393,923**

9. TRADE AND OTHER RECEIVABLES

9.1

Summary	2010 SLR	2010 INR	2009 SLR	2009 INR
Trade Debtors	951,999,304	371,279,729	737,788,476	332,004,814
Less : Allowance for Doubtful Debts	(39,424,906)	(15,375,713)	(33,915,474)	(15,261,963)
	912,574,398	355,904,015	703,873,002	316,742,851
Other Debtors	44,088,707	17,194,596	207,122,595	93,205,168
Advances and Prepayments	55,054,186	21,471,132	29,691,156	13,361,020
Loans to Company Officers (9.2)	6,587,052	2,568,950	10,277,132	4,624,709
	1,018,304,343	**397,138,694**	**950,963,885**	**427,933,748**

9.2

Loans to Company Officers				
Balance as at the beginning of the year	10,277,132	4,008,081	16,139,350	7,262,707
Loans granted during the year	2,897,000	1,129,830	2,980,000	1,341,000
	13,174,132	5,137,911	19,119,350	8,603,707
Less: Repayments	(6,587,080)	(2,568,961)	(8,842,218)	(3,978,998)
Balance at the end of the year	**6,587,052**	**2,568,950**	**10,277,132**	**4,624,709**

10.

STATED CAPITAL	2010 Number	2010 Number	2009 Number	2009 Number
Ordinary Shares	950,086,080	950,086,080	950,086,080	950,086,080
	SLR	**INR**	**SLR**	**INR**
Ordinary Shares	**1,526,407,485**	**622,629,729**	**1,526,407,485**	**657,209,013**

10.1 Rights, Preference and Restrictions of Classes of Capital

The holders of ordinary shares confer their right to receive dividends as declared from time to time and are entitled to one vote per share at a meeting of the Company. All shares rank equally with regard to the Company's residual assets.

11.

OTHER RESERVES	2010 SLR	2010 INR	2009 SLR	2009 INR
General Reserve (11.1)	21,502,500	8,385,975	21,502,500	9,676,125
Revaluation Reserve (11.2)	667,032,543	260,142,692	667,032,543	300,164,644
	688,535,043	**268,528,667**	**688,535,043**	**309,840,769**

11.1 General Reserve which is a revenue reserve represents the amounts set aside by the directors for general applications.

11.2

Revaluation Reserve	2010 SLR	2010 INR	2009 SLR	2009 INR
On: Property, Plant and Equipment				
As at 1 April	667,032,543	300,164,644	571,175,000	211,334,750
Revaluation surplus during the year	-	(40,021,952)	95,857,543	43,135,894
Exchange Fluctuation Reserve				45,694,000
As at 31 March	**667,032,543**	**260,142,692**	**667,032,543**	**300,164,644**

The above revaluation surplus consists of net surplus resulting from the revaluation of Property, Plant and Equipment as described in Note 4.6. The unrealised amount cannot be distributed to shareholders.

12. INTEREST BEARING LIABILITIES

	2010			2009		
	Amount Repayable Within 1 Year SLR	Amount Repayable After 1 Year SLR	Total SLR	Amount Repayable Within 1 Year SLR	Amount Repayable After 1 Year SLR	Total SLR
Finance Leases (12.1)	1,174,113	-	1,174,113	1,934,202	1,174,112	3,108,314
Syndicated Project Loan (12.2)	690,354,337	1,319,985,457	2,010,339,794	831,000,000	1,269,000,000	2,100,000,000
Project Loan (12.3)	151,474,698	453,982,329	605,457,026	141,648,333	590,376,607	732,024,940
Short Term Loans (12.4)	803,684,005	-	803,684,005	853,938,733	-	853,938,733
Bank Overdrafts (18.2)	253,922,653	-	253,922,653	298,308,297	-	298,308,297
	1,900,609,805	**1,773,967,786**	**3,674,577,591**	**2,126,829,565**	**1,860,550,719**	**3,987,380,284**

	2010			2009		
	Amount Repayable Within 1 Year INR	Amount Repayable After 1 Year INR	Total INR	Amount Repayable Within 1 Year INR	Amount Repayable After 1 Year INR	Total INR
Finance Leases (12.1)	457,904	-	457,904	870,391	528,350	1,398,741
Syndicated Project Loan (12.2)	269,238,191	514,794,328	784,032,520	373,950,000	571,050,000	945,000,000
Project Loan (12.3)	59,075,132	177,053,108	236,128,240	63,741,750	265,669,473	329,411,223
Short Term Loans (12.4)	313,436,762	-	313,436,762	384,272,430	-	384,272,430
Bank Overdrafts (18.2)	99,029,835	-	99,029,835	134,238,734	-	134,238,734
	741,237,824	**691,847,437**	**1,433,085,260**	**957,073,304**	**837,247,823**	**1,794,321,128**

12.1

Finance Lease	**As At 01.04.2009 SLR**	**New Leases Obtained SLR**	**Repayments SLR**	**As At 31.03.2010 SLR**
Finance Leases	3,240,735	-	(2,046,780)	1,193,955
	3,240,735	-	(2,046,780)	1,193,955
Gross Liability	3,240,735			1,193,955
Finance Charge allocated to future period	(132,421)			(19,842)
Net Liability	**3,108,314**			**1,174,113**

Finance Lease	**As At 01.04.2009 INR**	**New Leases Obtained INR**	**Repayments INR**	**Exchange Fluctuation Reserve INR**	**As At 31.03.2010 INR**
Finance Leases	1,458,331	-	(798,244)	(194,444)	465,642
	1,458,331	**-**	**(798,244)**	**(194,444)**	**465,642**
Gross Liability	1,458,331				465,642
Finance Charge allocated to future period	(59,589)				(7,738)
Net Liability	1,398,741				457,904

12.2

Syndicated Project Loan	As At 01.04.2009 SLR	New Loans Obtained SLR	Repayments SLR	Exchange Difference Adjustment SLR	As At 31.03.2010 SLR
DFCC Bank	550,000,000	-	(15,277,788)	-	534,722,212
Bank of Ceylon	500,000,000	-	(16,567,862)	(1,012,883)	482,419,255
Hatton National Bank PLC	525,000,000	-	(28,065,945)	(994,175)	495,939,880
Sampath Bank PLC	525,000,000	-	(26,773,224)	(968,329)	497,258,447
	2,100,000,000	**-**	**(86,684,819)**	**(2,975,387)**	**2,010,339,794**

Syndicated Project Loan	As At 01.04.2009 INR	New Loans Obtained INR	Repayments INR	Exchange Difference Adjustment INR	As At 31.03.2010 INR
DFCC Bank	247,500,000		(5,958,337)	(33,000,000)	208,541,663
Bank of Ceylon	225,000,000		(6,461,466)	(30,395,024)	188,143,509
Hatton National Bank PLC	236,250,000		(10,945,719)	(31,887,728)	193,416,553
Sampath Bank PLC	236,250,000		(10,441,557)	(31,877,648)	193,930,794
	945,000,000	**-**	**(33,807,079)**	**(127,160,401)**	**784,032,520**

Lending Institution	Nature of Facility	Interest Rate	Repayment Terms	Outstanding As At 31.03.2010 USD	Outstanding As At 31.03.2010 LKR	Outstanding As At 31.03.2010 INR
Syndicated Loan						
Upto 3 November 2009						
DFCC Bank	Syndicated Loan in SLR	AWDR + 4%	1st Instalment of SLR 507 Million and the balance is payable in 59 equal instalments after a grace period of 24 months from the date of first disbursement.	-	-	-
Bank of Ceylon	Syndicated Loan in SLR			-	-	-
Hatton National Bank PLC	Syndicated Loan in SLR			-	-	-
Sampath Bank PLC	Syndicated Loan in SLR			-	-	-
After 3 November 2009						
DFCC Bank	Syndicated Loan in SLR	AWDR + 4%	**5 Installments equalent of 1/72 payable from January 2010 Balance Payable in June 2010	-	127,458,332	49,708,749
Bank of Ceylon	Syndicated Loan in SLR			-	90,000,000	35,100,000
Hatton National Bank PLC	Syndicated Loan in SLR			-	121,527,776	47,395,833
Sampath Bank PLC	Syndicated Loan in SLR			-	121,527,776	47,395,833
DFCC Bank	Syndicated Loan in SLR	AWPLR - 0.25%	Repayable by 20 monthly installments of SLR 1,454,514/- commencing from August 2009 to March 2011 and 52 monthly installments of SLR 7,496,341/- commencing from April 2011 to July 2015 thereafter.	-	407,263,880	158,832,913
Bank of Ceylon	Syndicated Loan Granted in USD		Repayable by 2 monthly installments of USD 12,300/- commencing from December 2009 followed by 8 quarterly installments of USD 144,000/- and 12 quarterly installment of USD 200,000/- thereafter.	3,436,366	392,419,255	153,043,509
Hatton National Bank PLC	Syndicated Loan Granted in USD		Repayable by 3 monthly installments of USD 12,131/- commencing from December 2009 followed by 8 quarterly installments of USD 142,528/- and 11 quarterly installments of USD 207,314/- thereafter.	3,278,680	374,412,104	146,020,721
Sampath Bank PLC	Syndicated Loan Granted in USD		Repayable by 8 quarterly installment of US$ 145,000/- and 12 quarterly installment of US$ 193,350/- thereafter.	3,290,226	375,730,671	146,534,962
				10,005,272	2,010,339,794	784,032,520

12.3 Project Loan	As At 01.04.2009 SLR	New Loans Obtained SLR	Repayments SLR	As At 31.03.2010 SLR
DFCC Bank	233,333,332	-	(54,166,671)	179,166,661
Hatton National Bank PLC (HNB)	248,691,608	-	(33,811,885)	214,879,723
Sampath Bank PLC	250,000,000	-	(38,589,358)	211,410,642
	732,024,940	**-**	**(126,567,914)**	**605,457,026**

Project Loan	As At 01.04.2009 INR	New Loans Obtained INR	Repayments INR	Exchange Fluctuation Results INR	As At 31.03.2010 INR
DFCC Bank	105,000,000	-	(2,112,500,169)	2,077,375,167	69,874,998
Hatton National Bank PLC (HNB)	111,911,224	-	(1,318,663,515)	1,290,555,383	83,803,092
Sampath Bank PLC	112,500,000	-	(1,504,984,962)	1,474,935,112	82,450,150
	329,411,223	**-**	**(4,936,148,646)**	**4,842,865,663**	**236,128,240**

Lending Institution	Nature of Facility	Interest Rate	Repayment Terms	Outstanding As At 31.03.2010 USD	Outstanding As At 31.03.2010 LKR	Outstanding As At 31.03.2010 INR
Upto 3 November 2009						
Bank of Ceylon	Project Loan Granted in LKR	AWPLR + 1%	Repayable by 60 monthly installments after a grace period of 12 months from the date of first disbursement.	-	-	-
Hatton National Bank PLC	Project Loan Granted in LKR			-	-	-
Sampath Bank PLC	Project Loan Granted in LKR			-	-	-
After 3 November 2009						
DFCC Bank	Project Loan Granted in LKR	AWPLR + 1%	Repayable by 60 monthly installments after a grace period of 12 months from the date of first disbursement.	-	179,166,661	69,874,998
Sampath Bank PLC	Project Loan Granted in USD	LIBOR + 4.5%, floor Interest rate of 6.5%	52 monthly installments of USD 37,558/- each and a final installment of USD 10,954/-	1,851,296	211,410,642	82,450,150
Hatton National Bank PLC	Project Loan Granted in USD		55 monthly installments of USD 36,186/-.	1,881,675	214,879,723	83,803,092
				3,732,971	605,457,026	236,128,240

12.3 Short Term Loans	As At 01.04.2009 SLR	New Loans Obtained SLR	Repayments SLR	As At 31.03.2010 SLR
DFCC Bank	66,500,000	528,591,017	(480,315,277)	114,775,740
Hatton National Bank PLC	81,763,168	418,795,228	(419,585,017)	80,973,378
Sampath Bank PLC	423,425,565	3,876,832,313	(3,910,257,878)	390,000,001
Standard Chartered Bank	282,250,000	719,181,773	(783,496,887)	217,934,886
	853,938,733	**5,543,400,331**	**(5,593,655,059)**	**803,684,005**

Short Term Loans	As At 01.04.2009 INR	New Loans Obtained INR	Repayments INR	Exchange Fluctuation Results INR	As At 31.03.2010 INR
DFCC Bank	29,925,000	206,150,497	(187,322,958)	(3,990,000)	44,762,539
Hatton National Bank PLC	36,793,425	163,330,139	(163,638,157)	(4,905,790)	31,579,617
Sampath Bank PLC	190,541,504	1,511,964,602	(1,525,000,572)	(25,405,534)	152,100,000
Standard Chartered Bank	127,012,500	280,480,891	(305,563,786)	(16,935,000)	84,994,606
	384,272,430	**2,161,926,129**	**(2,181,525,473)**	**(51,236,324)**	**313,436,762**

		2010 SLR	2010 INR	2009 SLR	2009 INR
13	**INCOME TAX**				
13.1	**Balance (Payable) / Receivable as at Beginning of the year**	20,424,232	7,965,450	10,880,354	4,896,159
	Under/(Over) Provision of current taxes in respect of prior years (13.3)	-	-	1,127,857	507,536
	(Provision) / Reversal Made During the year (13.3)	-	-	(813,730)	(366,179)
	Payments Made During the year	7,577,404	2,955,188	9,229,751	4,153,388
	Balance as at the end of the year	**28,001,636**	**10,920,638**	**20,424,232**	**9,190,904**

13.2 Pursuant to agreement dated 19 July 2006 entered into with Board of Investment, the imposition, payment and recovery of income tax shall not apply for a period of 5 years from 9th December 2007. This exemption expires on 9 December 2012.

After the said exemption period, the Company would be come liable for income tax at the rate of 10% for a period of 2 years and at the rate of 20% thereon.

With the commencement of the tax exemption period the Company is liable to pay income tax on the taxable income derived from other sources excluding from manufacturing operations.

Income tax payments made during the year represents payments made in respect of Economic Services Charge in accordance with the Economic Service Charge Act No. 13 of 2006 and amendments thereon.

		2010 SLR	2010 INR	2009 SLR	2009 INR
13.3	**Current Income Tax**				
	Current Tax Expense on Ordinary Activities for the Year	-	-	-	
	Current Tax Expense on Other Income for the Year	-	-	813,730	347,191
	Under/(Over) Provision of current taxes in respect of prior Years	-	-	(1,127,857)	(481,219)
	Deferred Income Tax				
	Deferred Taxation Charge/(Reversal)	-	-	-	
	Income tax expense reported in the Income Statement	**-**	**-**	**(314,127)**	**(134,028)**

		2010 SLR	2010 INR	2009 SLR	2009 INR
14.	**DEFERRED TAX**				
	Balance as at Beginning of the Year	18,979,577	8,540,810	18,979,577	7,022,443
	Provision / (Reversal) Made During the Year	-		-	
	Exchange Fluctuation Reserve		(1,138,775)		1,518,367
	Balance as at the end of the Year	**18,979,577**	**7,402,035**	**18,979,577**	**8,540,810**

Due to the tax exemption period for 5 years commencing w.e.f 10th December 2007, the Deferred Tax has been computed up to 9th December 2007 and the reversal arising has been recognised in the Income Statement. The deferred tax reversal that arises during the tax exemption period amounting to SLR 71,595,544/-(INR 26,490,351/-) was recognised under Retained Earnings in 2007/08.

15. RETIREMENT BENEFIT OBLIGATIONS

15.1

Expense on Defined Benefit Plan	2010 SLR	2010 INR	2009 SLR	2009 INR
Current Service Cost	7,225,702	3,034,795	8,080,704	3,474,703
Interest Cost on Benefit Obligation	8,450,027	3,549,011	7,054,361	3,033,375
Net Actuarial (Gain) / Loss	(10,094,028)	(4,239,492)	(1,057,758)	(454,836)
Total Expenses	**5,581,701**	**2,344,314**	**14,077,307**	**6,053,242**
Defined Benefit Obligation				
Balance as at the beginning of the year				
Balance as at 1 April	84,500,270	38,025,122	78,381,791	29,001,263
Current Service Cost	7,225,702	3,034,795	8,080,704	3,474,703
Interest Cost on Benefit Obligation	8,450,027	3,549,011	7,054,361	3,033,375
Actuarial Losses / (Gain) on Obligation	(10,094,028)	(4,239,492)	(1,057,758)	(454,836)
Exchange Fluctuation Reserve		(5,142,765)		6,392,913
Benefit Paid	(3,156,752)	(1,325,836)	(7,958,828)	(3,422,296)
Balance as at 31 March	**86,925,218**	**33,900,835**	**84,500,270**	**38,025,122**

15.2 Messrs. K.A.Pandit, Actuaries, carried out an actuarial valuation of the defined benefit plan - gratuity on 31st March 2010. Appropriate and compatible assumptions were used in determining the cost of retirement benefits. The principal assumptions used as at 31.03.2010 are as follows:

	2010	**2009**
Discount rate assumed (%)	10%	9%
Further salary increase (%)	8.5% + salary scales	8% + salary scales
Method of actuarial valuation	Projected Unit Cost method	Projected Unit Cost method

16. TRADE AND OTHER PAYABLES

			2010 SLR	**2010 INR**	**2009 SLR**	**2009 INR**
	Trade Payable - Related Party (16.1)		10,615,304	4,139,969	8,968,261	4,035,718
	- Others		260,039,772	101,415,511	256,044,740	115,220,133
	Other Paybles - Related Party (16.2)		359,217,720	140,094,911	236,495,850	106,423,133
	Sundry Creditors including Accrued Expenses		165,204,563	64,429,780	147,269,079	66,271,086
			795,077,359	**310,080,170**	**648,777,931**	**291,950,069**
16.1	**Trade Dues to Related Party**	**Relationship**				
	Piramal Glass Limited - India	Parent Company	10,615,304	4,139,969	8,968,261	4,035,718
			10,615,304	**4,139,969**	**8,968,261**	**4,035,718**
16.2	**Other Payables - Related Party**	**Relationship**				
	Piramal Glass Limited - India	Parent Company	359,217,720	140,094,911	236,495,850	106,423,133
			359,217,720	**140,094,911**	**236,495,850**	**106,423,133**

17. DIVIDENDS PAYABLE

	2010 SLR	2010 INR	2009 SLR	2009 INR
Unclaimed Dividends	10,860,992	4,235,787	10,881,132	4,896,509
	10,860,992	**4,235,787**	**10,881,132**	**4,896,509**

		2010 SLR	2010 INR	2009 SLR	2009 INR
17.1	**Dividends Paid**				
	Declared and paid during the year				
	Final dividends for 2008 - Rs. 0.02 per share	-	-	19,001,722	8,107,401

18. CASH AND CASH EQUIVALENTS

		2010 tSLR	2010 INR	2009 SLR	2009 INR
18.1	**Favourable Cash and Cash Equivalents Balance**				
	Cash and Bank Balances	44,057,834	17,182,555	17,254,280	7,764,426
		44,057,834	17,182,555	17,254,280	7,764,426
18.2	**Unfavourable Cash and Cash Equivalents Balance**				
	Bank Overdraft (Note 12)	(253,922,653)	(99,029,835)	(298,308,297)	(134,238,734)
	Cash and cash equivalents for the purpose of Cash Flow Statement	**(209,864,819)**	**(81,847,279)**	**(281,054,017)**	**(126,474,308)**

19. OTHER OPERATING INCOME

	2010 SLR	2010 INR	2009 SLR	2009 INR
Income from Investments - Quoted	90,160	37,867	90,160	38,769
Gain on Sales of Fixed Assets	-	-	52,712,168	22,666,232
Interest Income	257,863	108,302	369,263	158,783
	348,023	**146,170**	**53,171,591**	**22,863,784**

20. FINANCE COST

	2010 SLR	2010 INR	2009 SLR	2009 INR
Interest Expense on Overdrafts	42,234,799	17,738,616	55,724,561	23,961,561
Finance Charges on Lease Liabilities	112,578	47,283	207,616	89,275
Interest Expense on Short Term Loans	127,376,761	53,498,240	151,953,405	65,339,964
Interest Expense on Project Loan	411,461,853	172,813,978	450,812,671	191,653,788
	581,185,991	**244,098,116**	**658,698,253**	**281,044,588**

21. LOSS BEFORE TAX

Stated after Charging/(Crediting)	2010 SLR	2010 INR	2009 SLR	2009 INR
Including in Cost of Sales				
Depreciation	343,112,285	144,107,160	324,948,916	139,728,034
Personnel Costs including the following;				
– Defined Benefit Plan Costs -Gratuity	4,622,665	1,941,519	11,114,249	4,779,127
– Defined Contribution Plan Costs - EPF & ETF	14,392,625	6,044,903	12,401,226	5,332,527
Including in Administration Expenses				
Directors' Fees and Emoluments	31,085,545	13,055,929	28,321,427	12,178,214
Auditors' Remuneration - Fees and Expenses	565,325	237,436	613,931	263,990
Technical Fee*	173,629,747	72,924,494	72,773,868	31,292,763
Depreciation	5,458,834	2,292,710	5,381,189	2,313,911
Personnel Costs including the following;				
– Defined Benefit Plan Costs -Gratuity	959,035	402,795	2,774,179	1,192,897
– Defined Contribution Plan Costs - EPF & ETF	1,557,370	654,096	2,242,595	964,316
Donations	128,885	54,131	521,428	224,214
Exchange (Gain) / Loss	4,972,544	2,088,468	(7,900,055)	(3,397,023)
Including in Selling and Distribution Costs				
Advertising Costs	112,201	47,124	252,086	108,397
Allowance for Doubtful Debts	32,024,632	13,450,345	27,918,746	12,005,061

*Technical Fee represents the amount payable to Piramal Glass Limited - India for the technical advises and assistance provided during the period as per the agreement entered into between the two companies. As per the agreement, if Manufactured Profit before Interest, Depreciation and Tax (PBIDT) is 30% or more the amount payable is 5 % of the Manufactured bottle turnover, else 12.5% of the PBIDT for Manufactured Bottles as in 2009.

22. LOSS PER SHARE

22.1 Basic Loss Per Share is calculated by dividing the net loss for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. The weighted average number of ordinary shares outstanding during the year and the previous year are adjusted for events that have changed the number of ordinary shares outstanding, without a corresponding change in the resources such as a bonus issue.

22.2 The following reflects the income and share data used in the basic Loss Per Share computations.

	2010 SLR	2010 INR	2009 SLR	2009 INR
Amount Used as the Numerator:				
Net Loss Attributable to Ordinary Shareholders for basic Loss Per Share	(61,091,876)	(27,491,461)	(260,935,410)	(106,833,881)

	2010 Number	2009 Number
Number of Ordinary Shares Used as Denominator:		
Weighted Average number of Ordinary Shares in issue	950,086,080	950,086,080

23. COMMITMENTS AND CONTINGENCIES

23.1 Capital Expenditure Commitments

The Company does not have significant capital commitments as at the balance sheet date.

23.2 Contingent Liabilities

There are no significant contingent liabilities as at the balance sheet date.

24. ASSETS PLEDGED

The following assets have been pledged as security for liabilities.

Nature of assets	Nature of Liability	Carrying Amount Pledged				Included under
		2010 SLR in Mn	2010 INR in Mn	2009 SLR in Mn	2009 INR in Mn	
Immovable Properties	First / secondary Mortgage for Loans and Borrowings	4,666	1,960	4,461	1,918	Property, Plant & Equipment
		4,666	1,960	4,461	1,918	

25. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There have been no material events occurring after the Balance Sheet date that require adjustments to or disclosure in the financial statements.

26. RELATED PARTY DISCLOSURES

During the year the Company entered into transactions with the following Related Parties.

26.1 Transaction with Group Companies

Name of Company	Relationship
Piramal Glass Limited	Parent Company

Nature of Transactions	2010 SLR	2010 INR	2009 SLR	2009 INR
Purchasing of Bottles	34,608,390	14,535,524	44,392,475	19,088,764
Purchasing of Moulds	5,724,690	2,404,370	-	-
Technical Fees	173,629,747	72,924,494	72,773,868	31,292,763

There have been no material events occurring after the Balance Sheet date that require adjustments to or disclosure in the financial statements.

26.2 The amounts payable to the above related party as at 31 March 2010 and 31 March 2009 are disclosed in Notes 16.1 and 16.2.

26.3 Transactions with Directors/ Key Management Personnel *

	2010 SLR	2010 INR	2009 SLR	2009 INR
Emoluments and Fees Including Other Benefits	31,085,545	13,055,929	28,321,427	12,178,214
Total compensation paid to key management personnel	31,085,545	13,055,929	28,321,427	12,178,214

* Key Management personnel include the Board of Directors and the Managing Director of the Company.

Directors' Report

The Directors of Piramal Glass International Inc. have pleasure in presenting their Report together with the Audited Accounts for the financial year ended March 31, 2010.

PRINCIPAL ACTIVITY

Piramal Glass International Inc. is primarily engaged in marketing of glass products for Piramal Glass Ltd. in USA, Mexico and Canada.

CURRENCY

All figures appearing in the accounts are in US Dollars and are denoted as "USD" or "$". Rupee equivalent of US $ in audited statements as at 31st March 2010 and 31st March 2009 have been done using closing rate of 1 US $ = 44.90 INR (B/S items) and 1 US $ = 47.51 INR (P&L items - 12 Months Avg.) and 1 US $ = 50.72 INR (B/S items) and 1 US $ = 46.11 INR (P&L items - 12 Months Avg.) as of respective dates.

FINANCIAL RESULTS

TURNOVER AND PROFIT / (LOSS)	Year ended 31 March, 2010 USD	Year ended 31 March, 2010 Rs. in Mio	Year ended 31 March, 2009 USD	Year ended 31 March, 2009 Rs. in Mio
Operating Income	448,524	21.31	427,471	19.71
Profit before Income Tax	13,061	(0.14)	13,613	2.33
Profit / (Loss) after Taxation	12,487	(0.17)	10,151	2.17

REVIEW OF OPERATIONS

During the year, the Company has earned an income of USD 448,524 (INR 21.31 mio) as against the previous year income of USD 427,471 (INR 19.71 mio) and the profit after tax is USD 12,487 (Loss in INR 0.17 mio) as against USD 10,151 (INR 2.17 mio) in previous year.

CAPITAL EXPENDITURE AND INVESTMENTS

The Company did not incur any expenditure on Fixed Assets during the year nor there were any investments made by the Company during the year.

SHARE CAPITAL

Share Capital consists of 25,000 shares of USD 1 each issued to parent company Piramal Glass Limited.

DIVIDEND

No dividend has been declared for the year ended March 31, 2010.

POST BALANCE SHEET EVENTS

No events have taken place since the Balance Sheet date, which would require any adjustments or disclosures other than the above.

DIRECTORATE

The Directors of the Company are:

Mr. Vijay Shah	Chairman
Mr. Niraj Tipre	Director & Chief Executive Officer.
Mr. Sandeep Arora	Director

Mr Bharat Kewalramani has ceased to be a director during the year.

DIRECTORS' SHAREHOLDING

None of the directors hold any stock in the Company.

DIRECTORS RESPONSIBILITIES

We hereby state:

(i) that in the preparation of annual accounts, the applicable accounting standards have been followed alongwith proper explanations relating to material departures, if any;

(ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2010 and its profit for the year ended on that date;

(iii) that proper and sufficient care is being taken for the maintenance of adequate accounting records in accordance with the applicable laws so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities; and

(iv) that the Accounts have been prepared on a going concern basis.

AUDITORS

The Accounts have been audited by KNAV P. A., Certified Public Accountants, USA, who offer themselves for re-appointment.

By Order of the Board

Niraj Tipre

Director & Chief Executive Officer.

Date : April 10, 2010.

Report of Independent Accountants

Board of Directors

Piramal Glass International Inc.

We have audited the accompanying balance sheets of Piramal Glass International Inc ('the Company') as at March 31, 2010 and March 31, 2009 and the related statements of income, stockholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America as established by the Auditing Standards Board of the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes, examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of the Company as at March 31, 2010 and March 31, 2009 and the results of its operations for the years then ended, in conformity with the accounting principles generally accepted in the United States of America.

Mumbai, India
April 10, 2010

KNAV P.A.
Certified Public Accountants
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With offices in Atlanta, London and Mumbai

Balance Sheet as on March 31, 2010 and March 31, 2009

BALANCE SHEETS	As at March 31, 2010 USD	As at March 31, 2010 INR	As at March 31, 2009 USD	As at March 31, 2009 INR
ASSETS				
Current assets				
Cash and cash equivalents	70,279	3,155,527	87,879	4,457,223
Accounts receivable, net of allowances	894,489	40,162,556	560,044	28,405,432
Inventories, including goods in transit	1,274,114	57,207,719	901,996	45,749,237
Deferred tax asset	4,289	192,576	7,277	369,089
Other current assets	8,408	377,519	13,364	677,822
Total current assets	**2,251,579**	**101,095,897**	**1,570,560**	**79,658,803**
Property and equipment, net	0		0	
Total assets	**2,251,579**	**101,095,897**	**1,570,560**	**79,658,803**
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities				
Accounts payable	2,066,677	92,793,797	1,412,843	71,659,397
Other current liabilities	46,592	2,091,981	31,893	1,617,613
Total current liabilities	**2,113,269**	**94,885,778**	**1,444,736**	**73,277,010**
Total liabilities	**2,113,269**	**94,885,778**	**1,444,736**	**73,277,010**
Stockholders' equity				
Common stock of $ 1 par				
150,000 shares authorized				
25,000 shares issued and outstanding	25,000	1,084,750	25,000	1,084,750
Accumulated earnings	113,310	5,125,369	100,823	5,297,042
Total stockholders' equity	**138,310**	**6,210,119**	**125,823**	**6,381,792**
Total liabilities and stockholders' equity	**2,251,579**	**101,095,897**	**1,570,559**	**79,658,802**

(The accompanying notes are an integral part of these financial statements)

Rupee equivalent of US$ in audited statement as at March 2010 and as at March 2009 has been done using closing rate of 1 US$ = 44.90 INR (B/S items) and 1 US $ = 47.51 INR (P&L items-12 months avg.) and 1 US $ = 50.72 INR (B/S items) and 1 US $ = 46.11 INR (P&L items-12 months avg.) as of respective dates.

KNAV P. A.
Certified Public Accountants
3731 Lake Pass Lane
Suwanee, GA 30024

Mr. Vijay Shah — Chairman
Mr. Niraj Tipre — Director & Chief Executive Officer
Mr. Sandeep Arora — Director

Statement of Income for the year ended March 31, 2010 and March 31, 2009

Statements of income	Year ended March 31, 2010 USD	Year ended March 31, 2010 INR	Year ended March 31, 2009 USD	Year ended March 31, 2009 INR
Revenues				
Operating revenues	448,524	21,309,375	427,471	19,710,688
Other income, net of expenses	-		1,162	53,580
Total revenues	**448,524**	**21,309,375**	**428,633**	**19,764,268**
Cost and expenses				
Selling, general and administrative expenses	435,463	20,688,847	402,519	18,560,151
Depreciation and amortization	-		12,501	634,051
Exchange Fluctuation		764,930		(1,757,867)
Total cost and expenses	**435,463**	**21,453,777**	**415,020**	**17,436,335**
Income before income tax	**13,061**	**(144,402)**	**13,613**	**2,327,933**
Income tax	574	27,271	3,462	159,633
Net income	**12,487**	**(171,673)**	**10,151**	**2,168,300**

(The accompanying notes are an integral part of these financial statements)

Rupee equivalent of US$ in audited statement as at March 2010 and as at March 2009 has been done using closing rate of 1 US$ = 44.90 INR (B/S items) and 1 US $ = 47.51 INR (P&L items-12 months avg.) and 1 US $ = 50.72 INR (B/S items) and 1 US $ = 46.11 INR (P&L items-12 months avg.) as of respective dates.

Statements of stockholders' equity

Particulars	Common Stock				Accumulated earnings	Total stockholders' equity
	Authorized		Issued & Outstanding			
	Shares	USD	Shares	USD	USD	USD
Balance as on April 1, 2008	150,000	150,000	25,000	25,000	90,673	115,673
Net income for the year	-	-	-	-	10,150	10,150
Balance as at March 31, 2009	**150,000**	**150,000**	**25,000**	**25,000**	**100,823**	**125,823**
Balance as on April, 1, 2009	**150,000**	**150,000**	**25,000**	**25,000**	**100,823**	**125,823**
Net income for the year	-	-	-	-	12,487	12,487
Balance as at March 31, 2010	**150,000**	**150,000**	**25,000**	**25,000**	**113,310**	**138,310**

Particulars	Common Stock				Accumulated earnings	Total stockholders' equity
	Authorized		Issued & Outstanding			
	Shares	INR	INR			
Balance as on April 1, 2008	150,000	6,508,500	1,084,750	1,084,750	3,128,742	4,213,492
Net income for the year	-	-	-	0	2,168,300	2,168,300
Balance as at March 31, 2009	**150,000**	**6,508,500**	**1,084,750**	**1,084,750**	**5,297,042**	**6,381,792**
Balance as on April, 1, 2009	**150,000**	**6,508,500**	**1,084,750**	**1,084,750**	**5,297,042**	**6,381,792**
Net income for the year	-	-	-	0	(171,673)	(171,673)
Balance as at March 31, 2010	**150,000**	**6,508,500**	**1,084,750**	**1,084,750**	**5,125,369**	**6,210,119**

KNAV P. A.
Certified Public Accountants
3731 Lake Pass Lane
Suwanee, GA 30024

Mr. Vijay Shah — Chairman
Mr. Niraj Tipre — Director & Chief Executive Officer
Mr. Sandeep Arora — Director

Statement of Cash Flow for the year ended March 31, 2010 and March 31, 2009

Statements of cash flows	Year ended March 31, 2010 USD	Year ended March 31, 2010 INR	Year ended March 31, 2009 USD	Year ended March 31, 2009 INR
Cash flow from operating activities				
Net income after tax	12,487	(171,673)	10,150	2,168,301
Adjustments to reconcile net income to net cash provided by/(used in) operating activities				
Depreciation and amortization	-		12,501	634,051
Deferred tax benefit	-		(1,951)	(89,961)
Changes in assets and liabilities				
Accounts receivable	(334,445)	(11,757,124)	499,110	14,087,833
Inventories	(372,118)	(11,458,481)	22,753	(8,648,323)
Other current assets	4,956	300,303	(9,316)	(841,597)
Deferred tax asset	2,988	176,513	-	
Accounts and notes payable	653,834	21,134,400	(565,612)	7,716,223
Other current liabilities	14,698	474,368	(7,561)	(164,725)
Net cash used by operating activities	**(17,600)**	**(1,301,694)**	**(39,925)**	**14,861,802**
Cash flow from investing activities				
Net cash provided by investing activities	-		-	-
Cash flow from financing activities				
Net cash used in financing activities	-		-	-
Net decrease in cash and cash equivalents	(17,600)	(1,301,694)	(39,925)	14,861,802
Cash at the beginning of the year	87,879	4,457,223	127,804	5,127,496
Cash Inflow/ (Outflow) on account of Exchange Gain/ Loss		(2)		(15,532,075)
Cash and cash equivalents at the end of the year	**70,279**	**3,155,527**	**87,879**	**4,457,223**
Supplemental cash flow information				
Income taxes paid	-	-	6,780	312626

(The accompanying notes are an integral part of these financial statements)

KNAV P. A.	Mr. Vijay Shah	Chairman
Certified Public Accountants	Mr. Niraj Tipre	Director & Chief Executive Officer
3731 Lake Pass Lane	Mr. Sandeep Arora	Director
Suwanee, GA 30024		

Notes to financial statements

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements is as follows:

1. Business

Piramal Glass International Inc. (Formerly GG USA Inc) ("PGI" or "the Company") is a company incorporated in Delaware, USA and authorized to conduct business in the States of New York and New Jersey. PGI is a wholly owned subsidiary of Piramal Glass Limited ("PGL India") (formerly Gujarat Glass Limited); an Indian public listed Company. The Company commenced business operations in October 2002.

PGI is primarily engaged in the marketing of glass products for PGL India in the USA, Mexico and Canada.

The name of the Company has changed from GG USA Inc to Piramal Glass International Inc with effect from November 12, 2008

2. Basis of preparation

a) The accompanying financial statements are prepared under the historical cost convention on the accrual basis of accounting in accordance with the accounting and reporting requirements of generally accepted accounting principles in the United States of America ('US GAAP') to reflect the financial position, results of operation and cash flows of the Company.

b) The financial statements are for the year April 01, 2009 to March 31, 2010 and previous year April 01, 2008 to March 31, 2009.

3. Estimates and assumptions

In preparing the Company's financial statements in conformity with accounting principles generally accepted in the USA, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The important estimates made by the Company in preparing these financial statements include those on the useful life of property and equipment and provision for taxes and actual results could differ from those estimates.

4. Cash and cash equivalents

The Company considers all highly liquid investments and deposits with an original maturity of ninety days or less to be cash equivalents. Cash comprises of cash in hand and balance in checking and saving account with bank.

5. Revenue recognition

The Company derives revenues from conducting marketing activities for its parent, PGL India. The marketing fees are recognized as revenues, as services are rendered.

The Company evaluated the criteria outlined in FASB- ASC 605-45, Reporting Revenue Gross as a Principal Versus Net as an Agent, in determining whether it is appropriate to record the gross amount of product sales and related costs or the net amount of marketing fee earned as commissions. The Company is not the primary obligor, does not take inventory risk and the amounts earned as marketing fee are based on a fixed schedule. The Company records the net amounts of marketing fee as commissions earned.

6. Inventories

Inventories consist of glass products purchased from PGL India, and are stated at the lower of cost or market. The cost of inventory includes the purchase price of the products and expenses incurred on freight, customs duty and other incidental expenses. The cost of the products is determined using the first in, first out method.

7. Income taxes

The Company accounts for deferred taxes under the liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributed to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of income in the period of change. Based on management's judgment, the measurement of deferred tax assets is reduced, if necessary, by a valuation allowance for any tax benefits for which it is more likely than not that some portion or all of such benefits will not be realized.

8. Property and equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is provided over the estimated useful life of the assets using the straight-line method.

The estimated useful lives of assets are as follows:

Furniture	5 years
Office equipment	3 years
Leasehold improvements	62 months
Trade show booth	3 - 5 years

NOTE B – CASH AND CASH EQUIVALENTS

The cash and cash equivalents of the Company comprise of:

	As on March 31, 2010 USD	As on March 31, 2010 INR	As on March 31, 2009 USD	As on March 31, 2009 INR
Checking account with Wachovia	43,930	1,972,457	17,326	878,775
Savings account with Wachovia	26,349	1,183,070	70,553	3,578,448
Total	**70,279**	**3,155,527**	**87,879**	**4,457,223**

NOTE C – ACCOUNTS RECEIVABLE, NET OF ALLOWANCES

Accounts receivable as at March 31, 2010 include due from customers of $ 894,489 INR 40,162,556 (previous year $ 560,044 INR 28,405,432) representing amounts receivable on product sales.

NOTE D – INVENTORIES, INCLUDING GOODS IN TRANSIT

Inventories as at March 31, 2010 consist of glass products that are valued at $ 1,274,114 INR 57,207,719 (previous year $ 901,996 INR 45,749,237) including goods-in-transit of $ 202,412 INR 90,88,298 (previous year $ 386,816 INR 19,619,308).

NOTE E – OTHER CURRENT ASSETS

The other current assets comprise of:

	As on March 31, 2010 USD	As on March 31, 2010 INR	As on March 31, 2009 USD	As on March 31, 2009 INR
Advance taxes	5,766	258,893	10,721	543,769
Security deposit	2,643	118,648	2,643	134,053
Total	**8,409**	**377,542**	**13,364**	**677,822**

NOTE F – PROPERTY AND EQUIPMENT, NET

Property and equipment comprise the following:

	As on March 31, 2010 USD	As on March 31, 2010 INR	As on March 31, 2009 USD	As on March 31, 2009 INR
Office equipment	24,851	1,115,809	24,851	1,260,444
Trade show booth	176,751	7,936,119	176,751	8,964,811
Leasehold improvements	5,265	236,398	5,265	267,040
Less: Accumulated depreciation	(206,867)	(9,288,328)	(206,867)	(10,492,294)
Total	**0**	**0**	**0**	**0**

NOTE G – ACCOUNTS PAYABLE

Accounts payable as at March 31, 2010 include of $ 2,066,677 INR 92,793,797 (previous year $ 1,412,843 INR 71,659,397) representing amounts payable to PGL India.

NOTE H – OTHER CURRENT LIABILITIES

Other current liabilities include:

	As on March 31, 2010 USD	As on March 31, 2010 INR	As on March 31, 2009 USD	As on March 31, 2009 INR
Accrued liabilities	46,592	2,091,980	24,526	1,243,959
Corporation tax liabilities	-	-	7,042	357,119
New Jersey State Tax	-	-	326	16,535
Total	**46,592**	**2,091,981**	**31,894**	**1,617,612**

NOTE I – INCOME TAXES

The provision for income tax expense/ (benefit) is as follows:

	Year ended March 31, 2010 USD	Year ended March 31, 2010 INR	Year ended March 31, 2009 USD	Year ended March 31, 2009 INR
State				
Current	524	24,895	1,472	67,874
Deferred	1,865	88,606	(1,102)	(50,813)
Federal				
Current	1,082	51,405	3,940	181,673
Deferred	1,123	53,353	(849)	(39,147)
Previous year excess provision written back	(4,020)	(190,990)	-	-
Total	**574**	**27,270**	**3,461**	**159,587**

The following is the summary of items giving rise to deferred tax asset:

	As on March 31, 2010 USD	As on March 31, 2010 INR	As on March 31, 2009 USD	As on March 31, 2009 INR
Noncurrent deferred tax asset/ (liability)				
Property and equipment	4,289	192,576	7,277	369,089
Total	**4,289**	**192,576**	**7,277**	**369,089**

Effective April 1, 2009 the Company adopted the accounting standard regarding "Accounting for Uncertain Tax Positions."(FASB ASC 740-10) This standard provides detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in the enterprise's financial statements. It requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. The adoption of this standard had no material effect on the Company's financial position, results of operations, or cash flow.

NOTE J – RELATED PARTY TRANSACTIONS

The Company receives marketing commission from PGL India for the sale of its glass products. The total amount credited to operating revenues towards marketing fee for the year ended March 31, 2010 was $ 448,524 INR 21,309,375 (previous year $ 427,471 INR 19,710,688).

The Company purchased glass products of $ 4,174,787 INR 19,83,44,130 (previous year $3,352,434 INR 15,45,80,732) from the parent and sold these products to third parties on behalf of the parent for $3,802,667 INR 18,06,64,709 (previous year $3,375,187 INR 15,56,29,872.57)

The Company holds inventory including goods in transit purchased from PGL India of $ 1,274,114 INR 57,207,719 (previous year $ 901,996 INR 45,749,237).

The balance payable and transactions during the year are as follows:

	As on March 31, 2010 USD	As on March 31, 2010 INR	As on March 31, 2009 USD	As on March 31, 2009 INR
Accounts payable to PGL India	2,066,677	92,793,797	1,412,843	71,659,397

	For the year ended March 31, 2010 USD	For the year ended March 31, 2010 INR	For the year ended March 31, 2009 USD	For the year ended March 31, 2009 INR
Purchases of glass products from PGL India	4,174,787	198,344,130	3,352,434	154,580,732
Marketing commission	448,524	21,309,375	427,471	19,710,688

The balance receivable is as follows:

	As on March 31, 2010 USD	As on March 31, 2010 INR	As on March 31, 2009 USD	As on March 31, 2009 INR
Accounts receivable from PGL India	79,895	3,587,286	71,369	3,619,836

NOTE K - SEGMENT INFORMATION

The Company's main business is to market glass products for PGL India. The management views the Company's marketing service business as a reportable segment.

NOTE L - CONCENTRATIONS

Financial instruments that have a potential to subject the Company to concentrations of credit risk comprise principally of cash equivalents and accounts receivable. The fair values of these financial instruments approximate their book values.

NOTE M - STOCKHOLDERS' EQUITY

Common stock issued

Consequent to a subscription agreement entered into with PGL India in October 2002, PGI received subscriptions towards common stock amounting to $25,000 during October 2002. Common stock towards this subscription was in October 2002

Voting

Each holder of common stock is entitled to one vote in respect of each share held by him in the records of the company for all matters submitted to a vote.

Liquidation

In the event of liquidation of the company, the holders of common stock shall be entitled to receive all of the remaining assets of the company, after distribution of all preferential amounts, if any. Such amounts will be in proportion to the number of equity shares held by the shareholders.

Directors' Report

The Directors of Piramal Glass USA, Inc. have pleasure in presenting their Report together with the Audited Accounts for the financial year ended March 31, 2010.

PRINCIPAL ACTIVITY

Principal activity of the Company is the manufacture & sale of Glass Containers.

CURRENCY

All figures appearing in the accounts are in US Dollars and are denoted as "USD" or "$". Rupee equivalent of US $ in audited statements as at 31st March 2010 and as at 31st March 2009 have been done using closing rate of 1 US $ = 44.90 INR (B/S items) and 1 US $ = 47.51 INR (P&L items - 12 Months Avg.) and 1 US $ = 50.72 INR (B/S items) and 1 US $ = 46.11 INR (P&L items - 12 Months Avg.) as of respective dates.

FINANCIAL RESULTS

TURNOVER AND PROFIT / (LOSS)	Year ended 31 March, 2010 USD	Year ended 31 March, 2010 INR in Mio	Year ended 31 March, 2009 USD	Year ended 31 March, 2009 INR in Mio
Net Turnover	73,869,417	3,509.54	71,002,233	3,273.91
Profit / (Loss) before Tax	(758,291)	(36.03)	(7,754,161)	(357.54)
Profit / (Loss) after Tax	(786,124)	(37.35)	(7,761,439)	(357.88)

REVIEW OF OPERATIONS & FUTURE OUTLOOK

Piramal Glass USA Inc. is increasing its market share and share of wallet in chosen segments in USA. Customers have also started procuring bottles made in India facilities. The synergy between both the entitites is increasing and will lead to improved size and hence margins. The Company ended the year with sales of US$ 73.86 mio (INR 3,509.54 mio) as against US$ 71.00 mio (INR 3,273.91 mio) in previous period. The net loss after tax for the current year is US$ 7.86 mio (INR 37.35 mio) as against US$ 7.76 mio (INR 357.88 mio) in previous year.

Having regained the customer loyalty, the focus in the future would be to increase market share with aggressive new product development for customers. Turnaround of US operations is being pursued by using US assets for higher-end products, improvement in operations and enhancing decoration activity while migrating production of middle and lower-value products to India.

CAPITAL EXPENDITURE AND INVESTMENTS

The Company spent an amount of US$ 1,174,237 (INR 52.72 mio) on capital expenditure during the year as against US$ 6,277,538 (INR 318.40 mio) in previous period. No other investments have been made by the Company during the year.

SHARE CAPITAL

Share Capital consists of 500,000 Equity Shares of US$ 10 each issued to its parent company, Piramal Glass Limited.

DIVIDEND

No dividend has been declared for the year ended March 31, 2010.

POST BALANCE SHEET EVENTS

No events have taken place since the Balance Sheet date, which would require any adjustments or disclosures other than the above.

DIRECTORATE

The Directors of the Company are:

Mr. Vijay Shah
Mr. Nitin Nohria
Mr. Niraj Tipre – Chief Executive Officer
Mr. Sandeep Arora

DIRECTORS' SHAREHOLDING

None of the directors hold any stock in the Company.

DIRECTORS RESPONSIBILITIES

We hereby state:

(i) that in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;

(ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2010 and its loss for the year ended on that date;

(iii) that proper and sufficient care is being taken for the maintenance of adequate accounting records in accordance with the applicable laws so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities; and

(iv) that the Accounts have been prepared on a going concern basis.

AUDITORS

The Accounts have been audited by KNAV P. A., Certified Public Accountants, USA, who offer themselves for re-appointment.

By Order of the Board

Niraj Tipre
Director & Chief Executive Officer

Date : April 16, 2010

Report of Independent Accountants

Board of Directors

Piramal Glass-USA, Inc

We have audited the accompanying special purpose balance sheets of Piramal Glass-USA, Inc ('the Company') as at March 31, 2010 and March 31, 2009 and the related statements of income, stockholders' equity and cash flow for the periods then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America as established by the Auditing Standards Board of the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying special-purpose financial statements were prepared for the purpose of consolidation of accounts with parent company as discussed in note 2 (a), and are not intended to be a presentation in conformity with generally accepted accounting principles

In our opinion, the special purpose financial statements referred to above present fairly in all material respects, the financial position of the Company as at March 31, 2010 and March 31, 2009 and the results of its operations, stockholders' equity and cash flow for the periods then ended, on the basis of accounting described in Note A.

This report is intended solely for the information and use of the board of directors and management of Piramal Glass-USA, Inc and is not intended to be and should not be used by anyone other than these specified parties.

Atlanta, Georgia
April 16, 2010

KNAV P.A
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Balance Sheet as at March 31, 2010 and March 31, 2009

	As at March 31, 2010 USD	As at March 31, 2010 INR	As at March 31, 2009 USD	As at March 31, 2009 INR
ASSETS				
Current assets				
Cash and cash equivalents	601,858	27,023,424	1,586,360	80,460,179
Accounts receivable, net of allowances	8,456,731	379,707,222	6,122,240	310,520,013
Inventories, including goods-in-transit	20,020,395	898,915,736	23,503,125	1,192,078,500
Prepaid expenses	622,146	27,934,355	560,147	28,410,656
Other current assets	720,993	32,372,586	256,705	13,020,078
Total current assets	**30,422,123**	**1,365,953,323**	**32,028,577**	**1,624,489,426**
Investments	5,739,095	257,685,366	5,739,095	291,086,898
Other non-current assets	1,453,084	65,243,472	1,450,089	73,548,514
Property, plant and equipment, net	7,532,347	338,202,380	8,837,081	448,216,748
Total assets	**45,146,649**	**2,027,084,541**	**48,054,842**	**2,437,341,586**
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities				
Accounts payable	7,737,077	347,394,757	5,587,724	283,409,361
Short term debt	20,000,000	898,000,000	433,763	22,000,459
Current portion of long term debt	14,725,888	661,192,371	12,225,688	620,086,895
Other current liabilities	4,529,615	203,379,714	3,641,587	184,701,293
Total current liabilities	**46,992,580**	**2,109,966,842**	**21,888,762**	**1,110,198,008**
Long term debt	29,937,641	1,344,200,081	57,163,529	2,899,334,191
Total liabilities	**76,930,221**	**3,454,166,923**	**79,052,291**	**4,009,532,199**
Stockholders' (deficit)				
Common stock	5,000,000	226,000,000	5,000,000	226,000,000
Accumulated deficit	(36,783,572)	(1,620,439,802)	(35,997,449)	(1,583,091,099)
Exchange Gain/(Loss)		(32,642,580)		(215,099,515)
Total stockholders' (deficit)	**(31,783,572)**	**(1,427,082,382)**	**(30,997,449)**	**(1,572,190,614)**
Total liabilities and stockholders' (deficit)	**45,146,649**	**2,027,084,541**	**48,054,842**	**2,437,341,585**

(The accompanying notes are an integral part of these financial statements)

Rupee equivalent of US$ in audited statement as at March 2010 and as at March 2009 has been done using closing rate of 1 US$ = 44.90 INR (B/S items) and 1 US $ = 47.51 INR (P&L items-12 months avg.) and 1 US $ = 50.72 INR (B/S items) and 1 US $ = 46.11 INR (P&L items-12 months avg.) as of respective dates.

KNAV P. A.
Certified Public Accountants
3731 Lake Pass Lane,
Suwanee, GA 30024

Mr. Vijay Shah — Director
Mr. Nitin Nohria — Director
Mr. Sandeep Arora — Director
Mr. Niraj Tipre — Director & Chief Executive Officer

Statement of income for the periods ended March 31, 2010 and March 31, 2009

	Year Ended March 31, 2010 USD	Year Ended March 31, 2010 INR	Year Ended March 31, 2009 USD	Year Ended March 31, 2009 INR
Revenues, net of allowances & rebates	73,869,417	3,509,536,002	71,002,233	3,273,912,964
Cost of revenues	65,532,979	3,113,471,832	66,492,988	3,065,991,677
Gross profit	**8,336,438**	**396,064,170**	**4,509,245**	**207,921,287**
Costs and expenses				
Selling, general and administrative expense	4,673,241	222,025,680	7,777,562	358,623,384
Depreciation	323,604	15,374,426	398,954	18,395,769
Interest	4,097,883	194,690,421	4,086,890	188,446,498
Total costs and expenses	**9,094,728**	**432,090,527**	**12,263,406**	**565,465,651**
Net loss from operation	(758,290)	(36,026,357)	(7,754,161)	(357,544,364)
Other income	-	-	-	-
(Loss) before income tax	**(758,290)**	**(36,026,357)**	**(7,754,161)**	**(357,544,364)**
Provision for tax				
Current tax expense	27,833	1,322,346	7,278	335,589
Net (loss)	**(786,123)**	**(37,348,703)**	**(7,761,439)**	**(357,879,953)**

(The accompanying notes are an integral part of these financial statements)

Rupee equivalent of US$ in audited statement as at March 2010 and as at March 2009 has been done using closing rate of 1 US$ = 44.90 INR (B/S items) and 1 US $ = 47.51 INR (P&L items-12 months avg.) and 1 US $ = 50.72 INR (B/S items) and 1 US $ = 46.11 INR (P&L items-12 months avg.) as of respective dates.

KNAV P. A.	Mr. Vijay Shah	Director
Certified Public Accountants	Mr. Nitin Nohria	Director
3731 Lake Pass Lane,	Mr. Sandeep Arora	Director
Suwanee, GA 30024	Mr. Niraj Tipre	Director & Chief Executive Officer

Statement of stockholders' deficit for the year ended March 31, 2010 and March 31, 2009

Particulars	Common Stock				Additional paid in capital	Accumulated (deficit)	Total stockholders (deficit)
	Authorized		Issued & Outstanding				
	Shares	USD	Shares	USD	USD	USD	USD
Balance as at January 1, 2008	500,000	5,000,000	500,000	5,000,000	Nil	(28,236,010)	(23,236,010)
Prior period item							
Net (loss) for the period						(7,761,439)	(7,761,439)
Balance as at March 31, 2009	**500,000**	**5,000,000**	**500,000**	**5,000,000**	**Nil**	**(35,997,449)**	**(30,997,449)**
Balance as at April 1, 2009	500,000	5,000,000	500,000	5,000,000	Nil	(35,997,449)	(30,997,449)
Net (loss) for the year						(786,124)	(786,124)
Balance as at March 31, 2010	**500,000**	**5,000,000**	**500,000**	**5,000,000**	**Nil**	**(36,783,573)**	**(31,783,573)**

(The accompanying notes are an integral part of these financial statements)

Particulars	Common Stock				Additional paid in capital	Accumulated (deficit)	Total stockholders (deficit)
	Authorized		Issued & Outstanding				
	Shares	INR	Shares	INR	INR	INR	INR
Balance as at January 1, 2008	500,000	226,000,000	500,000	226,000,000	Nil	(1,225,211,146)	(999,211,146)
Prior period item							
Net (loss) for the period						(357,879,953)	(357,879,953)
Balance as at March 31, 2009	**500,000**	**226,000,000**	**500,000**	**226,000,000**	**Nil**	**(1,583,091,099)**	**(1,357,091,099)**
Balance as at April 1, 2009	500,000	226,000,000	500,000	226,000,000	Nil	(1,583,091,099)	(1,357,091,099)
Net (loss) for the year						(37,348,703)	(37,348,703)
Balance as at March 31, 2010	**500,000**	**226,000,000**	**500,000**	**226,000,000**	**Nil**	**(1,620,439,802)**	**(1,394,439,802)**

(The accompanying notes are an integral part of these financial statements)

Statement of cash flows for the year ended March 31, 2010 and March 31, 2009

	March 31, 2010 USD	March 31, 2010 INR	March 31, 2009 USD	March 31, 2009 INR
Cash flow from operating activities				
Net (loss)	**(786,124)**	**(37,348,703)**	**(7,761,439)**	**(357,879,953)**
Adjustments to reconcile net loss to net cash				
used in operating activities				
Depreciation & amortization	2,478,970	117,775,865	1,692,162	78,025,590
Current tax expense	27,833	1,322,346	7,278	335,589
Prior period items				
Changes in assets and liabilities				
Accounts receivable, net of allowances	(2,334,491)	(134,082,953)	3,123,108	60,403,389
Inventory, including goods-in-transit	3,482,731	44,029,639	761,509	(218,581,384)
Prepaid expenses and other current assets	(529,282)	(34,600,739)	495,657	(4,143,856)
Accounts payable	2,438,830	134,829,087	(7,590,572)	(233,690,057)
Other current liabilities excluding bank overdraft	900,785	57,142,103	(2,161,234)	(46,350,440)
Bank overdraft				
Net cash used in operating activities	**5,679,252**	**149,066,645**	**(11,433,531)**	**(721,881,122)**
Cash flow from investing activities				
Purchase of fixed assets including down payment	(1,174,237)	(52,723,241)	(6,277,538)	(318,396,727)
Net cash used in investing activities	**(1,174,237)**	**(52,723,241)**	**(6,277,538)**	**(318,396,727)**
Cash flow from financing activities				
Short term debt proceeds/(repayments)	19,236,170	1,038,052,908	6,261,932	372,176,605
Long term debt proceeds	(24,725,688)	(949,200,702)	11,674,313	1,074,306,845
Net cash provided by financing activities	**(5,489,518)**	**88,852,206**	**17,936,245**	**1,446,483,450**
Net increase/(decrease) in cash and cash equivalents	(984,502)	185,195,610	225,176	406,205,601
Cash and cash equivalents at the beginning of the period	1,586,360	54,610,702	1,361,184	54,610,702
Cash Inflow/ (Outflow) on account Foreign Exchange Difference		(212,782,888)		(380,356,124)
Cash and cash equivalents at the end of the period	**601,858**	**27,023,424**	**1,586,360**	**80,460,179**
Supplemental cash flow information				
Interest paid	4,500,774	213,831,773	4,994,750	230,307,923
Income taxes paid	17,024	808,810	16,350	753,899

(The accompanying notes are an integral part of these financial statements)

KNAV P. A.	Mr. Vijay Shah	Director
Certified Public Accountants	Mr. Nitin Nohria	Director
3731 Lake Pass Lane,	Mr. Sandeep Arora	Director
Suwanee, GA 30024	Mr. Niraj Tipre	Director & Chief Executive Officer

Notes to Special Purpose Financial Statements

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying special purpose financial statements are as follows:

1. **Business description**

   Piramal Glass-USA, Inc ("the Company") erstwhile Gujarat Glass International, Inc was incorporated in Delaware on October 17, 2005. On October 25, 2005 ("the acquisition date"), the Company acquired specific assets and assumed specific liabilities associated with the Cosmetics Glass Products Division of "The Glass Group, Inc." The Company manufactures specialty molded glass containers for customers in the cosmetic, personal care, distribution and food and beverage industries among others.

   In October, 2005, the Company formed two wholly-owned subsidiaries, GGI Williamstown, LLC and GGI Flat River, LLC. GGI Williamstown, LLC has acquired the land and building of The Glass Group, Inc. at Williamstown, New Jersey and GGI Flat River, LLC has acquired the land and building of The Glass Group, Inc. at Flat River, Missouri.

   Piramal Glass-USA, Inc erstwhile Gujarat Glass International, Inc is a wholly owned subsidiary of Piramal Glass Limited ("PGL") erstwhile Gujarat Glass Limited ("GGL"), an India company, which manufactures glass packaging for the pharmaceutical and cosmetic industry.

   The name of the company has changed from "Gujarat Glass International Inc." to "Piramal Glass – USA, Inc with effect from April 28, 2008. The change in name has been authorized by the board of directors in the board meeting held on April 8, 2008. The name of the subsidiaries has changed from "GGI Williamstown, LLC." to "Piramal Glass Williamstown, LLC" and of "GGI Flat River, LLC." to "Piramal Glass Flat River, LLC with effect from October 27, 2008.

2. **Basis of presentation**

   a. The financial statements are prepared in accordance with the accounting policies described in these notes. The financial statements have been prepared on a standalone basis for the purpose of consolidation of accounts with parent company. All amounts are stated in U.S. dollars, except as otherwise specified.

   b. The financial statements are for the period from April 1, 2009 to March 31, 2010 and April 1, 2008 March 31, 2009.

3. **Use of estimates**

   In preparing the Company's financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include amounts for inventory valuation, property and equipment and land and building valuation, deferred taxes, sales returns and vacation pay.

4. **Cash and cash equivalents**

   The Company considers all highly liquid investments and deposits with an original maturity of ninety days or less to be cash and cash equivalents. Cash and cash equivalents comprise cash on hand and balance with banks.

5. **Revenue recognition**

   The Company recognizes sales, net of estimated discounts and allowances when the title to the products and risk of loss are transferred to customers. Provisions for rebates to customers are provided in the same period that the sales are recorded.

6. **Shipping and handling costs**

   The Company classifies shipping and handling costs as selling expenses. Amounts billed to a customer in a sales transaction related to shipping and handling are classified as revenue.

7. **Inventories**

   Inventories are valued at the lower of standard cost or market. The Company believes that the standard cost per product approximates the actual inventory cost. Goods-in-transit represents goods purchased from Piramal Glass Limited ("PGL") erstwhile Gujarat Glass Limited ("GGL") but not received at warehouse as at March 31, 2010 and March 31, 2009.

8. **Income taxes**

   The Company accounts for deferred taxes under the liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributed to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of income in the period of change. Based on management's judgment, the measurement of deferred tax assets is reduced, if necessary, by a valuation allowance for any tax benefits for which it is more likely than not that some portion or all of such benefits will not be realized.

9. **Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is provided over the estimated useful life of the assets using the straight-line method. Expenditures for maintenance and repairs are expensed as incurred. When assets are retired or otherwise disposed of, the cost of the asset and related depreciation are eliminated from the financial records. Any gain or loss on disposition is credited or charged to income.

The estimated useful lives of assets are as follows:

Plant & Equipment	6 years
Vehicles	2 years
Computer	3 years
Furniture and fixtures	3 years

The cost of property and equipment not put to use are disclosed under "Capital Work in Progress." Depreciation has not been charged on Capital Work in Progress.

Property, plant and equipment to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Such assets are considered to be impaired if the carrying amount of the assets is higher than the future undiscounted net cash flows expected to be generated from the assets. The impairment amount to be recognized is measured by the amount by which the carrying value of the assets exceeds its fair value.

NOTE B – CASH AND CASH EQUIVALENT

Cash and cash equivalents comprise the following:

Particulars	As at March 31, 2010 USD	As at March 31, 2010 INR	As at March 31, 2009 USD	As at March 31, 2009 INR
Bank balance	601,858	27,023,424	1,586,360	80,460,179
Total	**601,858**	**27,023,424**	**1,586,360**	**80,460,179**

Cash balances on deposit with Wachovia Bank are insured by the Federal Deposit Insurance Corporation up to $ 250,000 INR 1,12,25,000(previous year $250,000 INR 1,26,80,000). There are no cash equivalents at March 31, 2010 and March 31, 2009.

NOTE C – ACCOUNTS RECEIVABLE

Accounts receivable as at March 31, 2010 represents due from customers of $ 9,543,636 INR 428,509,256 (previous year $ 6,992,511 INR 354,660,158), representing amounts receivable on product sales. The Company maintains an allowance for returns on all account receivable, based on present and prospective financial condition of the customer and ageing of accounts receivable after considering historical experience and the current economic environment. Accounts receivables are currently not secured. Also, there has been no factoring of accounts receivable.

The movement in allowance for returns and rebates during the period was as follows

Particulars	As at March 31, 2010 USD	As at March 31, 2010 INR	As at March 31, 2009 USD	As at March 31, 2009 INR
Opening balance	870,271	39,075,168	1,725,595	87,522,178
Add: During the period provision	1,279,145	57,433,611	1,175,771	59,635,105
Less: During the period write off	1,062,511	47,706,744	2,031,095	103,017,138
Closing balance	**1,086,905**	**48,802,035**	**870,271**	**44,140,145**

NOTE D – INVENTORIES

Major classes of inventory are as follows:

Particulars	As at March 31, 2010 USD	As at March 31, 2010 INR	As at March 31, 2009 USD	As at March 31, 2009 INR
Finished goods	16,089,352	722,411,905	20,475,633	1,038,524,106
Raw material	1,395,650	62,664,685	1,199,322	60,829,612
Packaging	765,906	34,389,179	483,540	24,525,149
Moulds	537,651	24,140,530	743,836	37,727,361
Goods-in-transit	1,231,837	55,309,481	600,794	30,472,272
Total	**20,020,396**	**898,915,780**	**23,503,125**	**1,192,078,500**

NOTE E – PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment comprise the following:

Particulars	As at March 31, 2010 USD	As at March 31, 2010 INR	As at March 31, 2009 USD	As at March 31, 2009 INR
Plant and machinery	14,077,039	632,059,051	12,358,900	626,843,408
Furniture and fixture	402,980	18,093,802	402,981	20,439,196
Computer	984,636	44,210,156	984,636	49,940,738
Vehicles	292,030	13,112,147	292,030	14,811,762
CWIP	0	0	543,902	27,586,709
Less : Accumulated depreciation	(8,224,338)	(369,272,776)	(5,745,368)	(291,405,065)
Property, plant and equipment, net	**7,532,347**	**338,202,380**	**8,837,081**	**448,216,748**

Depreciation and amortization expense for the period ended March 31, 2010 was $ 2,478,970 INR 117,775,865 (previous period $ 1,692,161 INR 780,25,590).

NOTE F – SHORT TERM DEBT

The short term loan comprises of the following:

Particulars	As at March 31, 2010 USD	As at March 31, 2010 INR	As at March 31, 2009 USD	As at March 31, 2009 INR
Loan from Flat Iron Premium Finance		0	433,763	22,000,459
Loan from Bank of Baroda	20,000,000	898,000,000		
Total	**20,000,000**	**898,000,000**	**433,763**	**22,000,459**

The Company has obtained working capital loan from Bank of Baroda, New York branch of USD 15,000,000 INR 673,500,000 for providing regular working capital. The loan is secured by Standby Letter of Credit issued by Central Bank of India, Mumbai. This Standby Letter of Credit is secured by counter guarantee of Piramal Glass Ltd and a pari passu first charge on entire fixed assets of Piramal Glass Ltd. The repayment of this working capital loan is in August 2010. The loan carries an interest rate of 2.88 %.

The Company has also obtained working capital loan from Bank of Baroda, New York branch of USD 5,000,000 INR 224,500,000 for providing regular working capital. The loan is secured by Standby Letter of Credit issued by Central Bank of India, Mumbai. This Standby Letter of Credit is secured by counter guarantee of Piramal Glass Ltd and a pari passu first charge on entire fixed assets of Piramal Glass Ltd. The repayment of this working capital loan is in February 2011. The loan carries an interest rate of 2.08 %.

The loan from Flat Iron has been re-paid during the year (previous year rate of interest: 4.4%).

NOTE G – LONG TERM DEBT

The Company has taken long term loans from EXIM Bank of $30,000,000 INR 1347,000,000 carrying interest at “LIBOR (Simple average of 6 month USD LIBOR each day) +285 basis points per annum payable quarterly, and from AXIS Bank of $18,000,000 INR 808,200,000 carrying interest at “LIBOR (Simple average of 6 month USD LIBOR each day) +290 basis points per annum payable monthly and from AXIS Bank of $10,000,000 INR 449,000,000 carrying interest at “LIBOR (Simple average of 3 month USD LIBOR each day) +450 basis points per annum payable monthly, the guarantees for which have been provided by PGL

The details of weighted average rate of interest and interest rate on balance sheet date is as follows.

Particulars	As at March 31, 2010	As at March 31, 2009
EXIM Bank		
Loan amount USD 30 million		
Weighted average rate of interest	4.20%	6.04%
Interest rate	3.54%	6.60%
AXIS BANK		
Loan amount USD 8 million		
Weighted average rate of interest	4.20%	5.82%
Interest rate	3.58%	6.29%
Loan amount USD 10 million		
Weighted average rate of interest	4.10%	5.89%
Interest rate	3.28%	4.68%
Loan amount USD 10 million		
Weighted average rate of interest	5.50%	6.90%
Interest rate	4.75%	6.42%

Loan from PGL

The Company, during the year, had a long-term debt of $4,850,000 INR 217,765,000 (previous year $17,350,000 INR 879,992,900) from PGL, an immediate parent of the Company. The loan from the parent company is repayable on an "ability to pay" basis. PGL charges interest on this loan at a rate based on its average borrowing costs. The weighted average interest rate, for the year ended March 31, 2010, on this debt, was 11.5% (previous year, 13.5%) per annum. The interest rate at the end of the year i.e. on March 31, 2010 was 9.6% (previous year, 13.5% per annum). There being no fixed repayment schedule, details as regards the date and amount of such repayments are not provided.

The non-current portion of long term loan comprises of the following:

Particulars	As at March 31, 2010 USD	As at March 31, 2010 INR	As at March 31, 2009 USD	As at March 31, 2009 INR
Loan from EXIM Bank	10,588,235	475,411,752	17,647,059	895,058,833
Loan from parent company PGL	4,850,000	217,765,000	17,350,000	879,992,000
Loan from AXIS Bank	14,499,406	651,023,329	22,166,470	1,124,283,358
Total	**29,937,641**	**1,344,200,081**	**57,163,529**	**2,899,334,191**

The current portion of long term loan comprises of the following:

Particulars	As at March 31, 2010 USD	As at March 31, 2010 INR	As at March 31, 2009 USD	As at March 31, 2009 INR
Loan from EXIM Bank	7,058,824	316,941,198	7,058,824	358,023,553
Loan from AXIS Bank	7,667,064	344,251,174	5,166,864	262,063,342
Total	**14,725,888**	**661,192,372**	**12,225,688**	**620,086,895**

Future bank loan repayment schedule is as follows

Year Ended March 31,	EXIM Bank USD	EXIM Bank INR	AXIS Bank USD	AXIS Bank INR
2010	5,294,118	237,705,898	5,333,598	239,478,550
2011	7,058,824	316,941,198	9,333,872	419,090,853
2012	5,294,118	237,705,898	4,999,600	224,482,040
2013	0	0	2,499,400	112,223,060

NOTE H– INCOME TAXES

The provision for income tax expense is as follows:

Particulars	Period ended March 31, 2010 USD	Period ended March 31, 2010 INR	Period ended March 31, 2009 USD	Period ended March 31, 2009 INR
State				
Current	27,833	1,322,346	7,278	335,589
Deferred	Nil	Nil	Nil	Nil
Federal				
Current	Nil	Nil	Nil	Nil
Deferred	Nil	Nil	Nil	Nil
Total	**27,833**	**1,322,346**	**7,278**	**335,589**

The following is the summary of items giving rise to deferred tax liabilities:

Particulars	As at March 31, 2010 USD	As at March 31, 2010 INR	As at March 31, 2009 USD	As at March 31, 2009 INR
Current deferred tax asset				
Accounts receivable	438,105	19,670,915	55,808	2,830,582
Inventory	701,545	31,499,371	361,380	18,329,194
Accrued expenses and provisions	1,361,306	61,122,639	712,034	36,114,364
Interest disallwable	1,517,076	68,116,712	1,100,340	55,809,245
Current deferred tax asset	4,018,032	180,409,637	2,229,562	113,083,385
Less valuation allowance	(4,018,032)	(180,409,637)	(2,229,562)	(113,083,385)
Current deferred tax asset, net	**Nil**	**Nil**	**Nil**	**Nil**
Non current deferred tax asset				
Net operating losses	9,199,417	413,053,823	8,896,254	451,218,002
Property, plant and equipment	555,436	24,939,076	353,269	17,917,804
Non current deferred tax asset	9,754,853	437,992,899	9,249,523	469,135,806
Less valuation allowance	(9,754,853)	(437,992,900)	(9,249,523)	(469,135,806)
Non current deferred tax asset, net	**Nil**	**Nil**	**Nil**	**Nil**
Total	**Nil**	**Nil**	**Nil**	**Nil**

As a result of the current operating losses and the uncertainty of future business conditions, generally accepted accounting principles require that the Company establish a tax valuation allowance assessing the realization value of its deferred tax assets. The Company has established an allowance of $13,772,883 (previous year $11,479,085) as at March 31, 2010 an additional allowance has been established of $2,293,798 (previous year $1,151,716). In assessing the realization of deferred tax assets, the likelihood of whether it is more likely than not that some portion or all of the deferred tax assets will not be realized must be considered. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. At March 31, 2010, the Company had federal net operating loss carry forward of approximately $23,028,921 (previous year $23,516,674 expiring over 2025 and 2028) expiring over 2025 and 2029 and state net operating loss of $23,151,031 (previous year $21,332,361 expiring over 2025 and 2028) expiring over 2025 and 2029.

FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes - An Interpretation of FASB Accounting Standard Codification 740 ("FIN 48"), became applicable for all nonpublic companies for fiscal years beginning after December 15, 2008. Effective January 1, 2009, the Company adopted the provisions of FIN 48. FIN 48 provides detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in the financial statements in accordance with SFAS ASC 740. Tax positions must meet a "more-likely-than-not" recognition threshold at the effective date to be recognized upon the adoption of FIN 48 and in subsequent periods. As at the effective date and during the year ended December 31, 2009, the Company recognized no uncertain tax positions..

NOTE I – RELATED PARTY TRANSACTIONS

During the period, the Company had the following transactions with its parent, PGL and subsidiaries, Piramal Glass Flat River LLC and Piramal Glass Williamstown LLC.

Particulars	As at March 31, 2010 USD	As at March 31, 2010 INR	As at March 31, 2009 USD	As at March 31, 2009 INR
Piramal Glass Limited				
Purchases from PGL, including goods-in-transit	8,745,138	415,481,506	4,261,317	196,489,327
Intercompany trade payables, including goods-in-transit	5,146,307	231,069,184	3,843,209	194,927,560
Intercompany payable for interest	260,136	11,680,106	644,547	32,691,424
Intercompany payable for acquisition expenses	Nil	Nil	Nil	Nil
Intercompany payable for other expenses	496,245	22,281,401	241,040	12,225,549
Intercompany receivables	0	0	67,088	3,402,703
Loan to PGUI	4,850,000	217,765,000	17,350,000	879,992,000
Interest accrued on loan from PGL during the period	1,218,362	57,884,379	727,389	33,539,907
PG Williamstown, LLC				
Lease rental expense during the period end	184,664	8,773,387	184,664	8,514,857
Property taxes incurred during the year	64,908	3,083,779	65,201	3,006,418
Payable at year end	154,162	6,921,874	34,406	1,745,072
PG Flat River, LLC				
Lease rental expense during the period end	257,960	12,255,680	257,960	11,894,536
Property taxes incurred during the year	66,000	3,135,660	71,207	3,283,355
Payable at year end	760,729	34,156,732	568,769	28,847,964

The weighted average interest rate, for the year ended March 31, 2010, on the long term loan from PGL, was 11.5% (previous year, 13.5%) per annum. The interest rate at the end of the year i.e. on March 31, 2010 was 9.6% (previous year, 13.5% per annum).

NOTE J – SHIPPING AND HANDLING COST

The amount of shipping and handling costs for the year ended March 31, 2010 was $ 1,248,393 INR 59,311,151 (previous year $3,055,012 INR 140,866,603).

NOTE K – COMMITMENT AND CONTINGENCIES

a) **Operating lease**

The Company has a manufacturing facility located on leased premises in Mays Landing, NJ. The Company has leased office machines, motor vehicles, warehouse and forklifts under non cancelable operating leases. Rental expense for the year ended March 31, 2010 was $1,039,738 INR 49,397,952 (previous year $1,477,739 INR 68,138,545).

At March 31, 2010, future rental commitments for the non cancelable leases are as follows:

Year	Rental Commitments USD	Rental Commitments INR
2011	715,069	32,106,598
2012	637,471	28,622,448
Total	**1,352,540**	**60,729,046**

b) **Employment contracts**

The Company has employment agreements with key executive officers. These agreements provide for base salaries, perquisites and fringe benefits as approved by the Board of Directors.

c) **Environmental issues**

The Company is subject to various federal, state and local environmental laws and regulations, including those regulating the discharge storage, handling and disposal of a variety of substances. These laws and regulations include, among others, the Comprehensive Environmental Response, Compensation and Liability Act, the Clean Air Act, the Resource Conservation and Recovery Act and the Toxic Substances Control Act. These environmental regulatory programs are primarily administered by the U.S. Environmental Protection Agency.

The Company does not believe that future compliance with these environmental laws and regulations will have a material adverse effect on its results of operations, financial condition or cash flows. However, environmental laws and regulations are becoming increasingly stringent. Consequently, the Company's compliance and remediation costs could be material. In addition, the Company cannot currently assess with certainty the impact that the future emission standards and enforcement practices under the 1990 amendments to the Clean Air Act will have on its operations or capital expenditure requirements. However, the Company believes that any such impact or capital expenditures will not have a material adverse effect on its results of operations, financial condition or cash flows.

d) Severance provisions

The Company's collective bargaining agreement contains provisions for severance payments to covered union employees. No amounts have been accrued under these agreements.

NOTE L – RETIREMENT PLANS

The Company has two defined contribution plans, a plan for salaried employees and a plan for eligible union employees, to which it contributes 3.5% of employees' compensation. The contributions for the year ended March 31, 2010 was $652,458 INR 30,998,280 (previous year $795,290 INR 36,670,822). At March 31, 2010, accrued pension – hourly includes $8,007 INR 359,514 (previous year $6,672 INR 338,404), and accrued pension – salaries includes $10,184 INR 457,261 (previous year $10,237 INR 519,221), due under these plans.

The Company also contributes to two 401(k) plans for salaried and eligible union personnel. The contributions for the year ended March 31, 2010 was $104,655 INR 4,972,159 (previous year $116,701 INR 5,381,083). At March 31, 2010, 401k savings – employer includes $28,691 INR 1,363,109 (previous year $ 28,093 INR 1,295,368) due under these plans.

NOTE M – RISKS AND UNCERTAINTIES

The Company's future results of operations involve a number of risks and uncertainties. Factors that could affect the Company's future operating results and cause actual results to vary materially from expectations include, but are not limited to: deterioration in general economic conditions; the Company's ability to effectively manage operating costs and increase operating efficiencies; declines in sales; insufficient, excess or obsolete inventory; competitive factors, including but not limited to pricing pressures; technological and market changes; the ability to attract and retain qualified employees and the Company's ability to execute on its business plan.

NOTE N – CONCENTRATION RISK

The Company's principal market is in North America. Company's five largest customers accounted for approximately 32.17% (previous year 23.98%) of total sales.

The Company buys certain raw materials from a limited number of suppliers. Management believes that other suppliers could provide these materials on comparable terms.

NOTE O - STOCKHOLDERS' EQUITY

Common stock issued

The authorized share capital of the company is $ 5,000,000 INR 226,000,000 (previous period $ 5,000,000 INR 226,000,000) comprising of 500,000 (previous period 500,000) shares of $ 10 (previous period $ 10) each and the issued capital is $ 5,000,000 (previous period $ 5,000,000) comprising of 500,000 (previous period 500,000) shares of $ 10 (previous period $ 10) each.

Voting

Each holder of common stock is entitled to one vote in respect of each share held by him in the records of the company for all matters submitted to a vote.

Liquidation

In the event of liquidation of the company, the holders of common stock shall be entitled to receive all of the remaining assets of the company, after distribution of all preferential amounts, if any. Such amounts will be in proportion to the number of equity shares held by the shareholders.

NOTE P

Previous year's figures have been regrouped, reworked or reclassified wherever required.

Directors' Report

The Directors of Piramal Glass Flat River, LLC have pleasure in presenting their Report together with the Audited Accounts for the financial year ended March 31, 2010.

CURRENCY

All figures appearing in the accounts are in US Dollars and are denoted as "USD" or "$". Rupee equivalent of US $ in audited statements as at 31st March 2010 and as at 31st March 2009 have been done using closing rate of 1 US $ = 44.90 INR (B/S items) and 1 US $ = 47.51 INR (P&L items - 12 Months Avg.) and 1 US $ = 50.72 INR (B/S items) and 1 US $ = 46.11 INR (P&L items - 12 Months Avg.) as of respective dates.

FINANCIAL RESULTS

TURNOVER AND PROFIT / (LOSS)	Year ended 31 March, 2010 USD	Year ended 31 March, 2010 INR in Mio	Year ended 31 March, 2009 USD	Year ended 31 March, 2009 INR in Mio
Operating Income	257,960	12.26	257,960	11.89
Profit before Income Tax	88,617	4.21	81,615	3.76
Profit / (Loss) after Taxation	88,617	4.21	80,600	3.72

REVIEW OF OPERATIONS

Piramal Glass Flat River, LLC is the wholly owned subsidiary of Piramal Glass – USA Inc. During the year, the Company has earned an income of USD 257,960 (INR 12.26 mio) as against USD 257,960 (INR 11.89 mio) in previous period from the lease of its land and building at Flat River to its parent company. The profit after tax for current year is USD 88,617 (INR 4.21 mio) as against USD 80,600 (INR 3.72 mio) in the previous period.

CAPITAL EXPENDITURE AND INVESTMENTS

The Company did not incur any expenditure on Fixed Assets during the year nor were there any investments made by the Company during the year.

SHARE CAPITAL

Share Capital consists of 3,459,716 shares of USD 1 each issued to parent company, Piramal Glass – USA Inc.

DIVIDEND

No dividend has been declared for the year ended March 31, 2010.

POST BALANCE SHEET EVENTS

No events have taken place since the Balance Sheet date, which would require any adjustments or disclosures other than the above.

DIRECTORATE

The Directors of the Company are:

Mr. Vijay Shah
Mr. Nitin Nohria
Mr. Niraj Tipre – Chief Executive Officer
Mr. Sandeep Arora

DIRECTORS' SHAREHOLDING

None of the directors hold any stock in the Company.

DIRECTORS RESPONSIBILITIES

We hereby state:

(i) that in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;

(ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2010 and its profit for the year ended on that date;

(iii) that proper and sufficient care is being taken for the maintenance of adequate accounting records in accordance with the applicable laws so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities; and

(iv) that the Accounts have been prepared on a going concern basis.

AUDITORS

The Accounts have been audited by KNAV P. A., Certified Public Accountants, USA, who offer themselves for re-appointment.

By Order of the Board

Niraj Tipre
Director & Chief Executive Officer.

Date : April 15, 2010.

Report of Independent Accountants

To the Managing Member of

Piramal Glass Flat River, LLC

We have audited the accompanying balance sheets of Piramal Glass Flat River, LLC erstwhile GGI Flat River, LLC ('the Company') as at March 31, 2010 and March 31, 2009 and the related statements of income, member's equity and cash flow for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. .

We conducted our audit in accordance with auditing standards generally accepted in the United States of America as established by the Auditing Standards Board of the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of the Company as at March 31, 2010 and March 31, 2009 and the results of its operations, member's equity and cash flow for the years then ended, in conformity with the accounting principles generally accepted in the United States of America.

Atlanta, Georgia
April 15, 2010

KNAV P. A.
Certified Public Accountants
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W http://www.knavcpa.com
With offices in Atlanta, London and Mumbai

Balance Sheet as at March 31, 2010 and March 31, 2009

	As at March 31, 2010 USD	As at March 31, 2010 INR	As at March 31, 2009 USD	As at March 31, 2009 INR
ASSETS				
Current Assets				
Cash & cash equivalents	500	22,450	500	25,360
Receivable from Piramal Glass – USA, Inc, net	760,729	34,156,732	568,769	28,847,964
Total Current Assets	**761,229**	**34,179,182**	**569,269**	**28,873,324**
Property & Equipments net	3,080,094	138,296,221	3,183,437	161,463,925
Total Assets	**3,841,323**	**172,475,403**	**3,752,706**	**190,337,249**
Members' Equity				
Members' Equity	3,459,716	156,379,163	3,459,716	156,379,163
Accumulated Surplus	381,607	17,225,494	292,990	13,015,300
Exchange Gain/ (Loss)		(1,129,254)		20,942,785
Total Members' Equity	**3,841,323**	**172,475,403**	**3,752,706**	**190,337,248**

Rupee equivalent of US$ in audited statement as at March 2010 and as at March 2009 has been done using closing rate of 1 US$ = 44.90 INR (B/S items) and 1 US $ = 47.51 INR (P&L items-12 months avg.) and 1 US $ = 50.72 INR (B/S items) and 1 US $ = 46.11 INR (P&L items-12 months avg.) as of respective dates.

KNAV P. A.
Certified Public Accountants
3731 Lake Pass Lane,
Suwanee, GA 30024

Mr. Niraj Tipre — Director & Chief Executive Officer

Statement of income for the periods ended March 31, 2010 and March 31, 2009

Particulars	Year ended March 31, 2010 USD	Year ended March 31, 2010 INR	Year ended March 31, 2009 USD	Year ended March 31, 2009 INR
Revenue	257,960	12,255,680	257,960	11,894,536
Cost of Revenue	103,343	4,909,826	105,138	4,847,913
Gross Profit	**154,617**	**7,345,854**	**152,822**	**7,046,623**
Costs & Expenses				
General & Administrative	66,000	3,135,660	71,207	3,283,355
Total Costs & Expenses	**66,000**	**3,135,660**	**71,207**	**3,283,355**
Income before Income Tax	**88,617**	**4,210,194**	**81,615**	**3,763,268**
Provision for tax				
Current tax	-	-	1,015	46,802
Net Income	**88,617**	**4,210,194**	**80,600**	**3,716,466**

(The accompanying notes are an integral part of these financial statements)

Rupee equivalent of US$ in audited statement as at March 2010 and as at March 2009 has been done using closing rate of 1 US$ = 44.90 INR (B/S items) and 1 US $ = 47.51 INR (P&L items-12 months avg.) and 1 US $ = 50.72 INR (B/S items) and 1 US $ = 46.11 INR (P&L items-12 months avg.) as of respective dates.

KNAV P. A.
Certified Public Accountants
3731 Lake Pass Lane,
Suwanee, GA 30024

Mr. Niraj Tipre — Director & Chief Executive Officer

Statements of changes in members' equity for the year ended March 31, 2010 and March 31, 2009

Particulars	Members' equity USD	Accumulated surplus USD	Total members' equity USD
Balance as at April 1, 2008	**3,459,716**	**212,390**	**3,672,106**
Net Income during the period	-	80,600	80,600
Balance as at March 31, 2009	**3,459,716**	**292,990**	**3,752,706**
Balance as at April 1, 2009	**3,459,716**	**292,990**	**3,752,706**
Net Income during the year	-	88,617	88,617
Balance as at March 31, 2010	**3,459,716**	**381,607**	**3,841,323**

(The accompanying notes are an integral part of these financial statements)

Particulars	Members' equity INR	Accumulated surplus INR	Total members' equity INR
Balance as at April 1, 2008	**156,379,163**	**9,298,834**	**165,677,997**
Net Income during the period	-	3,716,466	3,716,466
Balance as at March 31, 2009	**156,379,163**	**13,015,300**	**169,394,463**
Balance as at April 1, 2009	**156,379,163**	**13,015,300**	**169,394,463**
Net Income during the year	-	4,210,194	4,210,194
Balance as at March 31, 2010	**156,379,163**	**17,225,494**	**173,604,657**

(The accompanying notes are an integral part of these financial statements)

Statements of cash flows for the year ended March 31, 2010 and March 31, 2009

	March 31, 2010 USD	March 31, 2010 INR	March 31, 2009 USD	March 31, 2009 INR
Cashflow from operating activities				
Net Income	**88,617**	**4,210,194**	**80,600**	**3,716,466**
Adjustments to reconcile net loss to net cash provided by operating activities				
Depreciation	103,343	4,909,826	105,138	4,847,913
Current Tax	-	-	1,015	46,802
Changes in Assets				
Receivable from Piramal Glass-USA Inc.	(191,960)	(5,308,769)	(137,166)	(11,552,574)
Net Cash provided by Operating Activities	**-**	**3,811,251**	**49,587**	**(2,941,393)**
Cash flow from investing activities				
Purchase of Fixed Assets		-	(49,587)	(2,515,053)
Net cash used in investing activities	**-**		**(49,587)**	**(2,515,053)**
Cash flow from financing activities				
Net cash provided by financing activities	-	-	-	-
Net increase in cash & cash equivalents		3,811,251	-	(5,456,446)
Cash Inflow/ (Outflow) on account of Exchange Gain/ Loss	-	(3,814,161)	-	5,461,746
Cash & cash equivalents at the beginning of the period	500	25,360	500	20,060
Cash & cash equivalents at the end of the period	**558**	**22,450**	**500**	**25,360**
Supplemental cash flow information				
Interest paid	$ Nil	INR Nil	$ Nil	INR Nil
Income taxes paid	$ Nil	INR Nil	$ Nil	INR Nil

(The accompanying notes are an integral part of these financial statements)

KNAV P. A.
Certified Public Accountants
3731 Lake Pass Lane,
Suwanee, GA 30024

Mr. Niraj Tipre — Director & Chief Executive Officer

Notes to Financial Statements

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements are as follows:

1. **Business description**

   Piramal Glass Flat River, LLC erstwhile GGI Flat River, LLC (the "Company"), a Delaware limited liability company, was formed in October, 2005. The company is a wholly owned subsidiary of Piramal Glass – USA Inc. erstwhile Gujarat Glass International, Inc (GGI Inc), also a Delaware company. The Company has acquired the land and building of the "The Glass Group, Inc" at Flat River, Missouri.

2. **Basis of presentation**

   a. The financial statements are prepared as per the generally accepted accounting principles of United States of America. All amounts are stated in US dollars, except as otherwise specified.

   b. The financial statements are for the years ended March 31, 2010 and March 31, 2009.

3. **Use of estimates**

   In preparing the Company's financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include amounts for property and equipment and land and building valuation and deferred taxes.

4. **Revenue recognition**

   The Company recognizes rental income from the lease of the property on a straight line basis over the term of the lease.

5. **Income taxes**

   For federal and state income tax purposes, the Company is treated as a disregarded entity. Accordingly, as a flow through entity, federal and state income taxes are not provided as the income or loss will be included in the parent's income tax returns. The Company is therefore not required to accrue income taxes.

6. **Property and equipment**

   Property and equipment are stated at cost less accumulated depreciation. Depreciation is provided over the estimated useful life of the assets using the straight-line method. Expenditures for maintenance and repairs are expensed as incurred. When assets are retired or otherwise disposed of, the cost of the asset and related depreciation are eliminated from the financial records. Any gain or loss on disposition is credited or charged to income.

   The estimated useful lives of assets are as follows:

   Buildings 40 years

   The cost of property and equipment not put to use are disclosed under "Capital Work in Progress." Depreciation has not been charged on Capital Work in Progress.

NOTE B – PROPERTY AND EQUIPMENT

Property and equipment comprise the following :

Particulars	As at March 31, 2010 USD	As at March 31, 2010 INR	As at March 31, 2009 USD	As at March 31, 2009 INR
Flat River Land	415,165	18,640,909	415,165	21,057,169
Flat River Building	3,094,138	138,926,796	3,094,138	156,934,679
Less: Accumulated Depreciation	(429,209)	(19,271,484)	(325,866)	(16,527,924)
Property & Equipement, net	**3,080,094**	**138,296,221**	**3,183,437**	**161,463,924**

Depreciation expense for the year ended March 31, 2010 was $ 103,343 INR 4,909,826 (previous year $105,138 INR 4,847,913).

NOTE C – INCOME TAXES

From the current year, for federal and state income tax purposes, the Company is treated as a disregarded entity. Accordingly, as a flow through entity, federal and state income taxes are not provided as the income or loss will be included in the parent's income tax returns. The Company is therefore not required to accrue income taxes. The provision for current tax is $ Nil (previous year $1,015 INR 46,802).

NOTE D – RELATED PARTY TRANSACTIONS

During the year, the Company had the following transactions with its parent Piramal Glass – USA Inc.

Particulars	As at March 31, 2010 USD	As at March 31, 2010 INR	As at March 31, 2009 USD	As at March 31, 2009 INR
Lease rental income during the year	257,960	12,255,680	257,960	11,894,536
Property taxes paid during the year	66,000	3,135,660	71,207	3,283,355
Receivable as at year end, net	760,729	34,156,732	568,769	28,847,964

NOTE E –

Previous year's figures have been regrouped, reworked or reclassified wherever required..

KNAV P. A.
Certified Public Accountants
3731 Lake Pass Lane,
Suwanee, GA 30024

Mr. Niraj Tipre — Director & Chief Executive Officer

Directors' Report

The Directors of Piramal Glass Williamstown, LLC have pleasure in presenting their Report together with the Audited Accounts for the financial year ended March 31, 2010.

CURRENCY

All figures appearing in the accounts are in US Dollars and are denoted as "USD" or "$". Rupee equivalent of US $ in audited statements as at 31st March 2010 and as at 31st March 2009 have been done using closing rate of 1 US $ = 44.90 INR (B/S items) and 1 US $ = 47.51 INR (P&L items - 12 Months Avg.) and 1 US $ = 50.72 INR (B/S items) and 1 US $ = 46.11 INR (P&L items – 12 Months Avg.) as of respective dates.

FINANCIAL RESULTS

TURNOVER AND PROFIT / (LOSS)	Year ended 31 March, 2010 USD	Year ended 31 March, 2010 INR in Mio	Year ended 31 March, 2009 USD	Year ended 31 March, 2009 INR in Mio
Operating Income	184,664	8.77	184,664	8.51
Profit before Income Tax	39,428	1.87	39,135	1.80
Profit / (Loss) after Taxation	39,428	1.87	33,274	1.53

REVIEW OF OPERATIONS

Piramal Glass Williamstown, LLC is the wholly owned subsidiary of Piramal Glass – USA Inc. During the year, the Company has earned an income of USD 184,664 (INR 8.77 mio) as against USD 184,664 (INR 8.51 mio) in previous period from the lease of its land and building at Williamstown to its parent company. The profit after tax is USD 39,428 (INR 1.87 mio) as against USD 33,274 (INR 1.53 mio) in previous period.

CAPITAL EXPENDITURE AND INVESTMENTS

The Company did not incur any expenditure on Fixed Assets during the year nor there were any investments made by the Company during the year.

SHARE CAPITAL

Share Capital consists of 2,279,379 shares of USD 1 each issued to parent company, Piramal Glass – USA Inc.

DIVIDEND

No dividend has been declared for the year ended March 31, 2010.

POST BALANCE SHEET EVENTS

No events have taken place since the Balance Sheet date, which would require any adjustments or disclosures other than the above.

DIRECTORATE

The Directors of the Company are:

Mr. Vijay Shah	Mr. Niraj Tipre – Chief Executive Officer
Mr. Nitin Nohria	Mr. Sandeep Arora

DIRECTORS' SHAREHOLDING

None of the directors hold any stock in the Company.

DIRECTORS RESPONSIBILITIES

We hereby state:

(i) that in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;

(ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2010 and its profit for the year ended on that date;

(iii) that proper and sufficient care is being taken for the maintenance of adequate accounting records in accordance with the applicable laws so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities; and

(iv) that the Accounts have been prepared on a going concern basis.

AUDITORS

The Accounts have been audited by KNAV P. A., Certified Public Accountants, USA, who offer themselves for re-appointment.

By Order of the Board

Niraj Tipre
Director & Chief Executive Officer.

Date : April 15, 2010.

Report of Independent Accountants

To the Managing Member of

Piramal Glass Williamstown, LLC

We have audited the accompanying balance sheets of Piramal Glass Williamstown, LLC erstwhile GGI Williamstown, LLC ('the Company') as at March 31, 2010 and March 31, 2009 and the related statements of income, member's equity and cash flow for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America as established by the Auditing Standards Board of the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of the Company as at March 31, 2010 and March 31, 2009 and the results of its operations, members equity and cash flow for the years then ended, in conformity with the accounting principles generally accepted in the United States of America.

Atlanta, Georgia
April 15, 2010

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Balance Sheet as at March 31, 2010 and March 31, 2009

	As at March 31, 2010 USD	As at March 31, 2010 INR	As at March 31, 2009 USD	As at March 31, 2009 INR
ASSETS				
Current assets				
Cash	500	22,450	500	25,360
Receivable from Piramal Glass – USA, Inc, net	154,162	6,921,874	34,406	1,745,072
Total current assets	**154,662**	**6,944,324**	**34,906**	**1,770,432**
Property and equipment, net	2,348,742	105,458,516	2,429,070	123,202,430
Total assets	**2,503,404**	**112,402,840**	**2,463,976**	**124,972,862**
Member's equity				
Members' capital	2,279,379	103,027,931	2,279,379	103,027,931
Accumulated surplus	224,025	10,025,704	184,597	8,152,480
Exchange Gain/(Loss)		(650,796)		13,792,451
Total member's equity	**2,503,404**	**112,402,839**	**2,463,976**	**124,972,862**

(The accompanying notes are an integral part of these financial statements)

Rupee equivalent of US$ in audited statement as at March 2010 and as at March 2009 has been done using closing rate of 1 US$ = 44.90 INR (B/S items) and 1 US $ = 47.51 INR (P&L items-12 months avg.) and 1 US $ = 50.72 INR (B/S items) and 1 US $ = 46.11 INR (P&L items-12 months avg.) as of respective dates.

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3731 Lake Pass Lane,
Suwanee, GA 30024

Mr. Niraj Tipre — Director & Chief Executive Officer

Statement of income for the periods ended March 31, 2010 and March 31, 2009

Particulars	Year ended March 31, 2010 USD	Year ended March 31, 2010 INR	Year ended March 31, 2009 USD	Year ended March 31, 2009 INR
Revenues	184,664	8,773,387	184,664	8,514,857
Cost of revenues	80,328	3,816,383	80,328	3,703,924
Gross profit	**104,336**	**4,957,003**	**104,336**	**4,810,933**
Costs and expenses				
General and administrative	64,908	3,083,779	65,201	3,006,418
Total cost and expenses	**64,908**	**3,083,779**	**65,201**	**3,006,418**
Income before income tax	39,428	1,873,224	39,135	1,804,515
Provision for tax				
Current tax expense	0		5,861	270,251
Net income	**39,428**	**1,873,224**	**33,274**	**1,534,264**

(The accompanying notes are an integral part of these financial statements)

Rupee equivalent of US$ in audited statement as at March 2010 and as at March 2009 has been done using closing rate of 1 US$ = 44.90 INR (B/S items) and 1 US $ = 47.51 INR (P&L items-12 months avg.) and 1 US $ = 50.72 INR (B/S items) and 1 US $ = 46.11 INR (P&L items-12 months avg.) as of respective dates.

KNAV P. A.
Certified Public Accountants
3731 Lake Pass Lane,
Suwanee, GA 30024

Mr. Niraj Tipre — Director & Chief Executive Officer

Statements of changes in member's equity for the year ended March 31, 2010 and March 31, 2009

Particulars	Members' equity USD	Accumulated surplus USD	Total members' equity USD
Balance as at April 1, 2008	**2,279,379**	**151,323**	**2,430,702**
Net income during the year		33,274	33,274
Balance as at March 31, 2009	**2,279,379**	**184,597**	**2,463,976**
Balance as at April 1, 2009	**2,279,379**	**184,597**	**2,463,976**
Net income during the year		39,428	39,428
Balance as at March 31, 2010	**2,279,379**	**224,025**	**2,503,404**

(The accompanying notes are an integral part of these financial statements)

	Members' equity INR	Accumulated surplus INR	Total members' equity INR
Balance as at April 1, 2008	**103,027,931**	**6,618,216**	**109,646,147**
Net income during the year		1,534,264	1,534,264
Balance as at March 31, 2009	103,027,931	8,152,480	111,180,411
Balance as at April 1, 2009	**103,027,931**	**8,152,480**	**111,180,411**
Net income during the year		1,873,224	1,873,224
Balance as at March 31, 2010	**103,027,931**	**10,025,704**	**113,053,635**

(The accompanying notes are an integral part of these financial statements)

Statements of cash flows for the year ended March 31, 2010 and March 31, 2009

	March 31, 2010 USD	March 31, 2010 INR	March 31, 2009 USD	March 31, 2009 INR
Cash flow from operating activities				
Net income	**39,428**	**1,873,224**	**33,274**	**1,534,264**
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation & amortization	80,328	3,816,383	80,328	3,703,924
Current tax expense	0	0	5,861	270,251
Changes in assets and liabilities				
Receivable from Piramal Glass –USA Inc, net	(119,756)	(5,078,462)	(119,463)	(5,672,917)
Net cash provided by operating activities	**0**	**611,146**	**0**	**(164,478)**
Cash flow from investing activities				
Net cash used in investing activities	**-**		**-**	
Cash flow from financing activities	**-**		**-**	
Net cash provided by financing activities	**-**		**-**	
Net increase in cash and cash equivalents	-	611,146	-	(164,478)
Cash Inflow/(Outflow) on account of Exchange Gain/(Loss)		(614,056)		169,778
Cash and cash equivalents at the beginning of the year	500	25,360	500	20,060
Cash and cash equivalents at the end of the year	**500**	**22,450**	**500**	**25,360**
Supplemental cash flow information				
Interest paid	Nil	Nil	Nil	Nil
Income taxes paid	Nil	Nil	Nil	Nil
Supplemental disclosure of non cash investing and financing activities				

(The accompanying notes are an integral part of these financial statements)

KNAV P. A.
Certified Public Accountants
3731 Lake Pass Lane,
Suwanee, GA 30024

Mr. Niraj Tipre

Director & Chief Executive Officer

Notes to Financial Statements

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements are as follows:

1. **Business description**
   Piramal Glass Williamstown, LLC erstwhile GGI Williamstown, LLC (the "Company"), a Delaware limited liability company was formed in October, 2005. The company is a wholly owned subsidiary of Piramal Glass – USA Inc. erstwhile Gujarat Glass International, Inc (GGI Inc), also a Delaware company. The Company has acquired the land and building of the "The Glass Group, Inc" at Williamstown, New Jersey.

2. **Basis of presentation**
   a. The financial statements are prepared as per the generally accepted accounting principles of United States of America. All amounts are stated in US dollars, except as otherwise specified.

   b. The financial statements are for the year ended on March 31, 2010 and March 31, 2009.

3. **Use of estimates**
   In preparing the Company's financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include amounts for property and equipment and land and building valuation and deferred taxes.

4. **Revenue recognition**
   The Company recognizes rental income from the lease of the property on a straight line basis over the term of the lease.

5. **Income taxes**
   For federal and state income tax purposes, the Company is treated as a disregarded entity. Accordingly, as a flow through entity, federal and state income taxes are not provided as the income or loss will be included in the parent's income tax returns. The Company is therefore not required to accrue income taxes.

6. **Property and equipment**
   Property and equipment are stated at cost less accumulated depreciation. Depreciation is provided over the estimated useful life of the assets using the straight-line method. Expenditures for maintenance and repairs are expensed as incurred. When assets are retired or otherwise disposed of, the cost of the asset and related depreciation are eliminated from the financial records. Any gain or loss on disposition is credited or charged to income.

   The estimated useful lives of assets are as follows:

   Buildings 40 years

   The cost of property and equipment not put to use are disclosed under "Capital Work in Progress." Depreciation has not been charged on Capital Work in Progress.

NOTE B – PROPERTY AND EQUIPMENT

Property and equipment comprise the following:

Particulars	As at March 31, 2010 USD	As at March 31, 2010 INR	As at March 31, 2009 USD	As at March 31, 2009 INR
Williamstown land	273,525	12,281,273	273,525	13,873,188
Williamstown building	2,404,991	107,984,096	2,404,991	121,981,144
Less: accumulated depreciation	(329,774)	(14,806,853)	(249,446)	(12,651,901)
Property and equipment, net	**2,348,742**	**105,458,516**	**2,429,070**	**123,202,431**

Depreciation expense for the year ended March 31, 2010 was $ 80,328 INR 3,816,383 (previous year $ 80,328 INR 3,703,924).

NOTE C – INCOME TAXES

From current year for federal and state income tax purposes, the Company is treated as a disregarded entity. Accordingly, as a flow through entity, federal and state income taxes are not provided as the income or loss will be included in the parent's income tax returns. The Company is therefore not required to accrue income taxes. The provision for current tax is Nil (previous year $ 5,861 INR 270,251)

NOTE D – RELATED PARTY TRANSACTIONS

During the year, the Company had the following transactions with its parent Piramal Glass – USA Inc:

Particulars	As at March 31, 2010 USD	As at March 31, 2010 INR	As at March 31, 2009 USD	As at March 31, 2009 INR
Lease rental income during the year	184,664	8,773,387	184,664	8,514,857
Property taxes paid during the year	64,908	3,083,779	65,201	3,006,418
Receivable as at year end, net	154,162	6,921,874	34,406	1,745,072

NOTE E – RISKS AND UNCERTAINTIES

Previous year's figures have been regrouped, reworked or reclassified wherever required.

KNAV P. A.
Certified Public Accountants
3731 Lake Pass Lane,
Suwanee, GA 30024

Mr. Niraj Tipre Director & Chief Executive Officer

Report of Independent Accountants

Board of Directors

Piramal Glass-USA, Inc and Subsidiaries

We have audited the accompanying consolidated balance sheets of Piramal Glass-USA, Inc and its Subsidiaries ('the Company') as at March 31, 2010 and March 31, 2009 and the related statements of income, stockholder's deficit and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America as established by the Auditing Standards Board of the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly in all material respects, the financial position of Piramal Glass-USA, Inc and its Subsidiaries as at March 31, 2010 and March 31, 2009 and the results of its operations and cash flows for the years then ended, in conformity with the accounting principles generally accepted in the United States of America.

Atlanta, Georgia
April 16, 2010

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Consolidated Balance Sheet as at March 31, 2010 and March 31, 2009

	As at March 31, 2010 USD	As at March 31, 2010 INR	As at March 31, 2009 USD	As at March 31, 2009 INR
ASSETS				
Current assets				
Cash and cash equivalents	602,858	27,068,324	1,587,360	80,510,899
Accounts receivable, net of allowances	8,456,731	379,707,222	6,122,240	310,520,013
Inventories, including goods-in-transit	20,020,395	898,915,736	23,503,125	1,192,078,500
Prepaid expenses	622,146	27,934,355	560,147	28,410,656
Other current assets	720,992	32,372,541	256,705	13,020,078
Total current assets	**30,423,122**	**1,365,998,178**	**32,029,577**	**1,624,540,145**
Other non-current assets	1,453,084	65,243,472	1,450,089	73,548,514
Property, plant and equipment, net	12,961,183	581,957,117	14,449,589	732,883,154
Total assets	**44,837,389**	**2,013,198,765**	**47,929,255**	**2,430,971,813**
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities				
Accounts payable	6,822,186	306,316,151	4,984,549	252,816,325
Short term debt	20,000,000	898,000,000	433,764	22,000,510
Current Portion of Long term debt	14,725,888	661,192,371	12,225,688	620,086,895
Other current liabilities	4,529,615	203,379,714	3,641,587	184,701,293
Total current liabilities	**46,077,689**	**2,068,888,236**	**21,285,588**	**1,079,605,023**
Long term debt	29,937,641	1,344,200,081	57,163,528	2,899,334,140
Total Liabilities	**76,015,330**	**3,413,088,317**	**78,449,116**	**3,978,939,164**
Stockholders' (deficit)				
Common stock	5,000,000	226,000,000	5,000,000	226,000,000
Accumulated deficit	(36,177,941)	(1,520,522,165)	(35,519,861)	(1,489,256,832)
Exchange Gain / (Loss)		(105,367,387)		(284,710,518)
Total stockholders' (deficit)	**(31,177,941)**	**(1,399,889,552)**	**(30,519,861)**	**(1,547,967,350)**
Total liabilities and stockholders' (deficit)	**44,837,389**	**2,013,198,765**	**47,929,255**	**2,430,971,813**

(The accompanying notes are an integral part of these consolidated financial statements)

Rupee equivalent of US$ in audited statement as at March 2010 and as at March 2009 has been done using closing rate of 1 US$ = 44.90 INR (B/S items) and 1 US $ = 47.51 INR (P&L items-12 months avg.) and 1 US $ = 50.72 INR (B/S items) and 1 US $ = 46.11 INR (P&L items-12 months avg.) as of respective dates.

KNAV P. A.	Mr. Vijay Shah	Director
Certified Public Accountants	Mr. Nitin Nohria	Director
3731 Lake Pass Lane,	Mr. Sandeep Arora	Director
Suwanee, GA 30024	Mr. Niraj Tipre	Director & Chief Executive Officer

Consolidated statements of income for the periods ended March 31, 2010 and March 31, 2009

	Year ended March 31, 2010 USD	Year ended March 31, 2010 INR	Year ended March 31, 2009 USD	Year ended March 31, 2009 INR
Revenues, net of allowances & rebates	73,869,417	3,509,536,002	71,002,233	3,273,912,964
Cost of revenues	65,716,651	3,122,198,089	66,678,453	3,074,543,468
Gross profit (loss)	**8,152,766**	**387,337,913**	**4,323,780**	**199,369,496**
Costs and expenses				
Selling, general and administrative	4,361,525	207,216,053	7,471,347	344,503,810
Depreciation	323,604	15,374,426	398,954	18,395,769
Interest	4,097,883	194,690,421	4,086,890	188,446,498
Total costs and expenses	**8,783,012**	**417,280,900**	**11,957,191**	**551,346,077**
Other income	-		-	
(Loss) before income tax	**(630,246)**	**(29,942,987)**	**(7,633,411)**	**(351,976,581)**
Provision for tax				
Current tax expense	27,833	1,322,346	14,154	652,641
Net (loss)	**(658,079)**	**(31,265,333)**	**(7,647,565)**	**(352,629,222)**

(The accompanying notes are an integral part of these consolidated financial statements)

Rupee equivalent of US$ in audited statement as at March 2010 and as at March 2009 has been done using closing rate of 1 US$ = 44.90 INR (B/S items) and 1 US $ = 47.51 INR (P&L items-12 months avg.) and 1 US $ = 50.72 INR (B/S items) and 1 US $ = 46.11 INR (P&L items-12 months avg. as of respective dates.

KNAV P. A.	Mr. Vijay Shah	Director
Certified Public Accountants	Mr. Nitin Nohria	Director
2082 Tallapoosa Dr	Mr. Sandeep Arora	Director
Duluth, GA 30097, USA	Mr. Niraj Tipre	Director & Chief Executive Officer

Statement of stockholders' deficit for the periods ended March 31, 2010 and March 31, 2009

Particulars	Common Stock				Accumulated (deficit) USD	Accumulated (deficit) USD
	Authorized		Issued & Outstanding			
	Shares	USD	Shares	USD		
Balance as at April 1, 2008	500,000	5,000,000	500,000	5,000,000	(27,872,296)	(22,872,296)
Net (loss) for the period					(7,647,565)	(7,647,565)
Balance as at March 31, 2009	**500,000**	**5,000,000**	**500,000**	**5,000,000**	**(35,519,861)**	**(30,519,861)**
Balance as at April 1, 2009	500,000	5,000,000	500,000	5,000,000	(35,519,861)	(30,519,861)
Net (loss) for the year					(658,079)	(658,079)
Balance as at March 31, 2010	**500,000**	**5,000,000**	**500,000**	**5,000,000**	**(36,177,940)**	**(31,177,940)**

(The accompanying notes are an integral part of these consolidated financial statements)

Particulars	Common Stock				Accumulated (deficit) INR	Accumulated (deficit) INR
	Authorized		Issued & Outstanding			
	Shares	INR	Shares	INR		
Balance as at April 1, 2008	500,000	226,000,000	500,000	226,000,000	(1,136,627,610)	(910,627,610)
Net (loss) for the period					(352,629,222)	(352,629,222)
Balance as at March 31, 2009	**500,000**	**226,000,000**	**500,000**	**226,000,000**	**(1,489,256,832)**	**(1,263,256,832)**
Balance as at April 1, 2009	500,000	226,000,000	500,000	226,000,000	(1,489,256,832)	(1,263,256,832)
Net (loss) for the year					(31,265,333)	(31,265,333)
Balance as at March 31, 2010	**500,000**	**226,000,000**	**500,000**	**226,000,000**	**(1,520,522,165)**	**(1,294,522,165)**

(The accompanying notes are an integral part of these financial statements)

KNAV P. A.
Certified Public Accountants
2082 Tallapoosa Dr
Duluth, GA 30097, USA

Mr. Vijay Shah — Director
Mr. Nitin Nohria — Director
Mr. Sandeep Arora — Director
Mr. Niraj Tipre — Director & Chief Executive Officer

Consolidated statements of cash flow for the periods ended March 31, 2010 and March 31, 2009

	March 31, 2010 USD	March 31, 2010 INR	March 31, 2009 USD	March 31, 2009 INR
Cash flow from operating activities				
Net (loss) after tax	**(658,079)**	**(31,265,333)**	**(7,647,565)**	**(352,629,222)**
Adjustments to reconcile net loss to net cash used in operating activities				
Depreciation & amortization	2,662,642	119,552,626	1,877,628	95,233,292
Current tax expense	27,833	1,322,346	14,154	652,641
Changes in assets and liabilities				
Accounts receivable, net of allowances	(2,334,491)	(69,187,209)	3,123,108	60,403,349
Inventory, including goods-in-transit	3,482,731	293,162,765	761,509	(218,581,384)
Prepaid expenses and other current assets	(529,281)	(10,571,120)	495,657	(4,143,816)
Accounts payable	1,837,637	53,499,826	(7,702,258)	(256,178,372)
Other current liabilities excluding bank overdraft	860,195	18,678,421	(2,192,721)	(48,803,246)
Net Cash provided by Operating Activities	**5,349,187**	**375,192,320**	**(11,270,488)**	**(724,046,757)**
Cash flow from investing activities				
Purchase of fixed assets including down payment	(1,174,236)	(52,723,196)	(6,327,125)	(320,911,780)
Net cash used in investing activities	**(1,174,236)**	**(52,723,196)**	**(6,327,125)**	**(320,911,780)**
Cash flow from financing activities				
Short term debt	20,000,000	898,000,000		
– Repayments	(433,764)	(22,000,510)	(116,427)	(73,153)
Long term debt				
– Receipts	7,500,000	459,247,661	23,900,000	1,938,791,759
– Repayments	(32,225,688)	(1,973,276,244)	(5,960,784)	(483,544,724)
Net cash provided by financiing activities	**(5,159,452)**	**(638,029,094)**	**17,822,789**	**1,455,173,883**
Net increase/(decrease) in cash and cash equivalents	(984,501)	(315,559,969)	225,176	410,215,346
Cash and cash equivalents at the beginning of the period	1,587,360	80,510,899	1,362,184	54,650,822
Cash Inflow/ (Outflow) on account Exchange Difference	-	262,117,394	-	(384,355,268)
Cash and cash equivalents at the end of the period	**602,859**	**27,068,324**	**1,587,360**	**80,510,899**
Supplemental cash flow information				
Interest paid	4,500,774	213,831,773	4,994,750	230,307,923
Income taxes paid	17,024	808,810	16,350	753,899

(The accompanying notes are an integral part of these consolidated financial statements)

KNAV P. A.	Mr. Vijay Shah	Director
Certified Public Accountants	Mr. Nitin Nohria	Director
3731 Lake Pass Lane,	Mr. Sandeep Arora	Director
Suwanee, GA 30024	Mr. Niraj Tipre	Director & Chief Executive Officer

Notes to Consolidated Financial Statements

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying consolidated financial statements are as follows:

1. Business description

Piramal Glass-USA, Inc ("the Company") erstwhile Gujarat Glass International, Inc was incorporated in Delaware on October 17, 2005. On October 25, 2005 ("the acquisition date"), the Company acquired specific assets and assumed specific liabilities associated with the Cosmetics Glass Products Division of "The Glass Group, Inc." The Company manufactures specialty molded glass containers for customers in the cosmetic, personal care, distribution and food and beverage industries among others.

In October, 2005, the Company formed two wholly-owned subsidiaries, GGI Williamstown, LLC and GGI Flat River, LLC. GGI Williamstown, LLC has acquired the land and building of The Glass Group, Inc. at Williamstown, New Jersey and GGI Flat River, LLC has acquired the land and building of The Glass Group, Inc. at Flat River, Missouri.

Piramal Glass – USA, Inc erstwhile Gujarat Glass International, Inc is a wholly owned subsidiary of Piramal Glass Limited ("PGL") erstwhile Gujarat Glass Limited ("GGL"), an India company, which manufactures glass packaging for the pharmaceutical and cosmetic industry.

The name of the company has changed from "Gujarat Glass International Inc." to "Piramal Glass – USA, Inc" with effect from April 28, 2008. The change in name has been authorized by the board of directors in the board meeting held on April 8, 2008. The name of the subsidiaries has changed from "GGI Williamstown, LLC" to "Piramal Glass Williamstown, LLC" and of "GGI Flat River, LLC" to "Piramal Glass Flat River, LLC" with effect from October 27, 2008.

2. Financial statements

a) Basis of preparation

The accompanying consolidated financial statements are prepared under the historical cost convention on accrual basis of accounting in accordance with the accounting and reporting requirements of generally accepted accounting principles in the United States of America ('US GAAP') to reflect the financial position, results of operation and cash flow.

All amounts are stated in US dollars, except as otherwise specified.

b) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its two wholly owned subsidiaries – Piramal Glass Williamstown, LLC and Piramal Glass Flat River, LLC.

The consolidated financial statements of the Company and its Subsidiaries are for the years April 1, 2009 through March 31, 2010 and from April 1, 2008 through March 31, 2009. All material inter-company transactions and balances between the Company and its Subsidiaries have been eliminated. The Company and its Subsidiaries are collectively referred as the Group and these consolidated financial statements are referred to as the consolidated financial statements of the Group.

c) Estimates and assumptions

In preparing the Group's consolidated financial statements in conformity with accounting principles generally accepted in the USA, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The important estimates made by the Group in preparing these consolidated financial statements include those on the useful life of property and equipment, the valuation of provisions for customer rebates and returns, inventory reserve and deferred taxes. Actual results could differ from those estimates.

d) Going concern issue

The consolidated financial statements of the Company have been prepared on the assumption that it remains a going concern. The management considers that the parent company will continue to provide financial support and honor the Company's obligations as they arise.

The management has reviewed the Company's budget and outline projections including working capital requirements. Following the review and at the time of approving these financial statements, the management considers that the Company has sufficient resources available from its parent company to continue operating for the foreseeable future. For these reasons the management continues to prepare the financial statements on a going concern basis.

3. Cash and cash equivalents

The company considers all highly liquid investments and deposits with an original maturity of ninety days or less to be cash and cash equivalents. Cash and cash equivalents comprise cash on hand and balance with banks.

4. **Revenue recognition**
The Company recognizes sales, net of estimated discounts and allowances when the title to the products and risk of loss are transferred to customers. Provisions for rebates to customers are provided in the same period that the sales are recorded.

5. **Inventories**
Inventories are valued at the lower of standard cost or market. The Company believes that the standard cost per product approximates the actual inventory cost. Goods-in-transit represents goods purchased from PGL but not received at warehouse as at March 31, 2010 and March 31, 2009.

6. **Shipping and handling costs**
The Company classifies shipping and handling costs as selling expenses.

7. **Income taxes**
The Company accounts for deferred taxes under the liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributed to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of income in the period of change. Based on management's judgment, the measurement of deferred tax assets is reduced, if necessary, by a valuation allowance for any tax benefits for which it is more likely than not that some portion or all of such benefits will not be realized.

8. **Property, plant and equipment**
Property and equipment are stated at cost less accumulated depreciation. Depreciation is provided over the estimated useful life of the assets using the straight-line method. Expenditures for maintenance and repairs are expensed as incurred. When assets are retired or otherwise disposed of, the cost of the asset and related depreciation are eliminated from the financial records. Any gain or loss on disposition is credited or charged to income.

The estimated useful lives of assets are as follows:

Buildings	40 years
Plant and equipment	6 -3 years
Vehicles	2 years
Computer	3 years
Furniture and fixtures	3 years

The cost of property and equipment not put to use are disclosed under "Capital Work in Progress." Depreciation has not been charged on Capital Work in Progress.

Property, plant and equipment to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Such assets are considered to be impaired if the carrying amount of the assets is higher than the future undiscounted net cash flows expected to be generated from the assets. The impairment amount to be recognized is measured by the amount by which the carrying value of the assets exceeds its fair value

NOTE B – CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

Particulars	As at March 31, 2010 USD	As at March 31, 2010 INR	As at March 31, 2009 USD	As at March 31, 2009 INR
Bank balance	602,858	27,068,324	1,587,360	80,510,899
Total	**602,858**	**27,068,324**	**1,587,360**	**80,510,899**

Cash balances on deposit with Wachovia Bank are insured by the Federal Deposit Insurance Corporation up to $ 250,000 INR 11,225,000 (previous year $250,000 INR 12,680,000). There are no cash equivalents at March 31, 2010 and March 31, 2009.

NOTE C – ACCOUNTS RECEIVABLE

Accounts receivable as at March 31, 2010 represents due from customers of $9,543,636 INR 428,509,256 (previous year $6,992,511 INR 354,660,158) , representing amounts receivable on product sales. The Company maintains an allowance for returns on all account receivable, based on present and prospective financial condition of the customer and ageing of accounts receivable after considering historical experience and the current economic environment. Accounts receivables are currently not secured. Also, there has been no factoring of accounts receivable.

The movement in allowance for returns during the period was as follows

Particulars	As at March 31, 2010 USD	As at March 31, 2010 INR	As at March 31, 2009 USD	As at March 31, 2009 INR
Opening balance	870,271	39,075,168	1,725,595	87,522,178
Add : During the period provision	1,279,145	57,433,611	1,175,771	59,635,105
Less : During the period write off	1,062,511	47,706,744	2,031,095	103,017,138
Closing balance	**1,086,905**	**48,802,035**	**870,271**	**44,140,145**

NOTE D – INVENTORIES

Major classes of inventory are as follows:

Particulars	As at March 31, 2010 USD	As at March 31, 2010 INR	As at March 31, 2009 USD	As at March 31, 2009 INR
Finished goods	16,089,352	722,411,905	20,475,633	1,038,524,106
Raw material	1,395,650	62,664,685	1,199,322	60,829,612
Packaging	765,906	34,389,179	483,540	24,525,149
Moulds	537,651	24,140,530	743,836	37,727,362
Goods-in-transit	1,231,837	55,309,481	600,794	30,472,272
Total	**20,020,396**	**898,915,780**	**23,503,125**	**1,192,078,500**

NOTE E – PROPERTY AND EQUIPMENT

Property and equipment comprise the following:

Particulars	As at March 31, 2010 USD	As at March 31, 2010 INR	As at March 31, 2009 USD	As at March 31, 2009 INR
Land	688,691	30,922,226	688,691	34,930,408
Building	5,499,129	246,910,892	5,499,129	278,915,823
Computer	984,636	44,210,156	984,636	49,940,738
Furniture and fixture	402,981	18,093,847	402,981	20,439,196
Plant and Machinery	14,077,039	632,059,051	12,358,900	626,843,408
Vehicles	292,029	13,112,102	292,030	14,811,762
Capital work in progress	-	-	543,902	27,586,709
Less: accumulated depreciation	(8,983,322)	(403,351,158)	(6,320,680)	(320,584,890)
Property, plant and equipment, net	**12,961,183**	**581,957,117**	**14,449,589**	**732,883,154**

Depreciation and amortization expense for the year ended March 31, 2010 was $2,662,642 INR 119,552,625 (previous year $1,877,628 INR 95,233,292).

NOTE F – SHORT TERM DEBT

The short term loan comprises of the following:

Particulars	As at March 31, 2010 USD	As at March 31, 2010 INR	As at March 31, 2009 USD	As at March 31, 2009 INR
Loan from Bank of Baroda	20,000,000	898,000,000		
Loan from Flat Iron Premium Finance		-	433,764	22,000,510
Total	**20,000,000**	**898,000,000**	**433,764**	**22,000,510**

The Company has obtained working capital loan from Bank of Baroda, New York branch of USD 15,000,000 INR 673,500,000 for providing regular working capital. The loan is secured by Standby Letter of Credit issued by Central Bank of India, Mumbai. This Standby Letter of Credit is secured by counter guarantee of Piramal Glass Ltd and a pari passu first charge on entire fixed assets of Piramal Glass Ltd. The repayment of this working capital loan is in August 2010. The loan carries an interest rate of 2.88%.

The Company has also obtained working capital loan from Bank of Baroda, New York branch of USD 5,000,000 INR 224,500,000 for providing regular working capital. The loan is secured by Standby Letter of Credit issued by Central Bank of India, Mumbai. This Standby Letter of Credit is secured by counter guarantee of Piramal Glass Ltd and a pari passu first charge on entire fixed assets of Piramal Glass Ltd. The repayment of this working capital loan is in February 2011. The loan carries an interest rate of 2.08%.

The loan from Flat Iron Premium Finance has been re-paid during the year (previous year rate of interest: 4.4%).

NOTE G – LONG TERM DEBT

The Company has taken long term loans from EXIM Bank of $30,000,000 INR 1347,000,000 carrying interest at "LIBOR (Simple average of 6 month USD LIBOR each day) +285 basis points per annum payable quarterly, and from AXIS Bank of $18,000,000 INR 808,200,000 carrying interest at "LIBOR (Simple average of 6 month USD LIBOR each day) +290 basis points per annum payable monthly and from AXIS Bank of $10,000,000 INR 449,000,000 carrying interest at "LIBOR (Simple average of 3 month USD LIBOR each day) +450 basis points per annum payable monthly, the guarantees for which have been provided by PGL.

The details of weighted average rate of interest and interest rate on balance sheet date is as follows:

Particulars	As at March 31, 2010	As at March 31, 2009
EXIM Bank		
Loan amount USD 30 million		
Weighted average rate of interest	4.20%	6.04%
Interest rate as at	3.54%	6.60%
AXIS BANK		
Loan amount USD 8 million		
Weighted average rate of interest	4.20%	5.82%
Interest rate as at	3.58%	6.29%
Loan amount USD 10 million		
Weighted average rate of interest	4.10%	5.89%
Interest rate as at	3.28%	4.68%
Loan amount USD 10 million		
Weighted average rate of interest	5.50%	6.90%
Interest rate as at	4.75%	6.42%

Loan from PGL

The Company, at the end of the year, had a long-term debt of $4,850,000 INR 217,765,000 (previous year $17,350,000 INR 879,992,000) from PGL. The loan from the parent company is repayable on an "ability to pay" basis. PGL charges interest on this loan at a rate based on its average borrowing costs. The weighted average interest rate, for the year ended March 31, 2010, on this debt, was 11.5% (previous year, 13.5%) per annum. The interest rate at the end of the year i.e. on March 31, 2010 was 9.6% (previous year, 13.5% per annum). There being no fixed repayment schedule, details as regards the date and amount of such repayments are not provided.

The non-current portion of long term loan comprises of the following:

Particulars	As at March 31, 2010 USD	As at March 31, 2010 INR	As at March 31, 2009 USD	As at March 31, 2009 INR
Loan from EXIM Bank	10,588,235	475,411,752	17,647,058	895,058,782
Loan from parent company PGL	4,850,000	217,765,000	17,350,000	879,992,000
Loan from AXIS Bank	14,499,406	651,023,329	22,166,470	1,124,283,358
Total	**29,937,641**	**1,344,200,081**	**57,163,528**	**2,899,334,140**

The current portion of long term loan comprises of the following:

Particulars	As at March 31, 2010 USD	As at March 31, 2010 INR	As at March 31, 2009 USD	As at March 31, 2009 INR
Loan from EXIM Bank	7,058,824	316,941,198	7,058,824	358,023,553
Loan from AXIS Bank	7,667,064	344,251,174	5,166,864	262,063,342
Total	**14,725,888**	**661,192,371**	**12,225,688**	**620,086,895**

Future bank loan repayment schedule is as follows:

Particulars	EXIM Bank USD	EXIM Bank INR	AXIS Bank USD	AXIS Bank INR
2010	5,294,118	251,523,546	5,333,598	253,399,241
2011	7,058,824	335,364,728	9,333,872	443,452,259
2012	5,294,118	251,523,546	4,999,600	237,530,996
2013			2,499,400	118,746,494

NOTE H – INCOME TAXES

The provision for income tax expense is as follows:

Particulars	Period Ended March 31, 2010 USD	Period Ended March 31, 2010 INR	Period Ended March 31, 2009 USD	Period Ended March 31, 2009 INR
State				
Current	27,833	1,322,346	14,154	652,641
Deferred	Nil		Nil	
Federal				
Current	Nil		Nil	
Deferred	Nil		Nil	
Total	**27,833**	**1,322,346**	**14,154**	**652,641**

The following is the summary of items giving rise to deferred tax liabilities:

Particulars	As at March 31, 2010 USD	As at March 31, 2010 INR	As at March 31, 2009 USD	As at March 31, 2009 INR
Current deferred tax asset				
Accounts receivable	438,105	19,670,915	55,808	2,830,582
Inventory	701,545	31,499,371	361,380	18,329,194
Accrued expenses and provisions	1,361,305	61,122,595	712,034	36,114,364
Interest Disallowance	1,517,075	68,116,668	1,100,340	55,809,245
Current deferred tax asset	4,018,030	180,409,547	2,229,562	113,083,385
Less valuation allowance	(4,018,030)	(180,409,547)	(2,229,562)	(113,083,385)
Current deferred tax asset, net	**Nil**		**Nil**	
Non current deferred tax asset				
Net operating losses	9,199,417	413,053,823	8,896,254	451,218,003
Property, plant and equipment	555,436	24,939,076	353,269	17,917,804
Non current deferred tax asset	9,754,853	437,992,900	9,249,523	469,135,807
Less valuation allowance	(9,754,853)	(437,992,900)	(9,249,523)	(469,135,807)
Non current deferred tax asset, net	**Nil**		**Nil**	
Total	**Nil**		**Nil**	

As a result of the current operating losses and the uncertainty of future business conditions, generally accepted accounting principles require that the Company establish a tax valuation allowance after assessing the realization value of its deferred tax assets. The Company has established an allowance of $13,772,883 (previous year $11,479,085) as at March 31, 2010. An additional allowance of $2,293,798 (previous year $1,151,716) has been established during the year. In assessing the realization of deferred tax assets, the likelihood of whether it is more likely than not that some portion or all of the deferred tax assets will not be realized must be considered. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. At March 31, 2010, the Company had federal net operating loss carry forward of approximately $23,028,921 (previous year $23,516,674 expiring over 2025 and 2028) expiring over 2025 and 2029 and state net operating loss of $23,151,031 (previous year $21,332,361 expiring over 2025 and 2028) expiring over 2025 and 2029.

FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes - An interpretation of FASB Accounting Standard Codification (“ASC”) 740 (“FIN 48”), became applicable for all nonpublic companies for fiscal years beginning after December 15, 2008. Effective April 1, 2009, the Company adopted the provisions of FIN 48. FIN 48 provides detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in the financial statements in accordance with ASC 740. Tax positions must meet a “more-likely-than-not” recognition threshold at the effective date to be recognized upon the adoption of FIN 48 and in subsequent periods. As at the effective date and during the year ended March 31, 2010, the Company recognized no uncertain tax positions.

NOTE I – COMMITMENTS AND CONTINGENCIES

a) Operating lease

The Company has a warehousing facility located on leased premises in Mays Landing, NJ. The Company has leased office machines, motor vehicles, warehouse and forklifts under non cancelable operating leases. Rental expense for the year ended March 31, 2010 was $1,039,738 INR 49,397,952 (previous year $1,477,739 INR 68,138,545).

At March 31, 2010, future rental commitments for the non cancelable leases are as follows:

Year	Rental Commitments USD	Rental Commitments INR
2011	715,069	33,972,928
2012	637,471	30,286,247
Total	**1,352,540**	**64,259,175**

b) Employment contracts

The Company has employment agreements with key executive officers. These agreements provide for base salaries, perquisites and fringe benefits as approved by the Board of Directors.

c) Environmental issues

The Company is subject to various federal, state and local environmental laws and regulations, including those regulating the discharge storage, handling and disposal of a variety of substances. These laws and regulations include, among others, the Comprehensive Environmental Response, Compensation and Liability Act, the Clean Air Act, the Resource Conservation and Recovery Act and the Toxic Substances Control Act. These environmental regulatory programs are primarily administered by the U.S. Environmental Protection Agency.

The Company does not believe that future compliance with these environmental laws and regulations will have a material adverse effect on its results of operations, financial condition or cash flows. However, environmental laws and regulations are becoming increasingly stringent. Consequently, the Company’s compliance and remediation costs could be material. In addition, the Company cannot currently assess with certainty the impact that the future emission standards and enforcement practices under the 1990 amendments to the Clean Air Act will have on its operations or capital expenditure requirements. However, the Company believes that any such impact or capital expenditures will not have a material adverse effect on its results of operations, financial condition or cash flows.

d) Severance provisions

The Company’s collective bargaining agreement contains provisions for severance payments to covered union employees. No amounts have been accrued under these agreements.

NOTE J – RELATED PARTY TRANSACTIONS

The Company had the following transactions with its parent, Piramal Glass Limited (“PGL”)

Particulars	As at March 31, 2010 USD	As at March 31, 2010 INR	As at March 31, 2009 USD	As at March 31, 2009 INR
Purchases during the year, including goods-in-transit	8,745,138	415,481,506	4,261,317	196,489,327
Goods in transit	1,231,837	55,309,481	600,794	30,472,272
Interest accrued on loan during the period	1,218,362	54,704,454	727,389	36,893,170
Trade payables, including goods-in-transit	5,146,307	231,069,184	3,843,209	194,927,560
Payable for interest	260,136	11,680,106	644,547	32,691,424
Payable for other expenses	496,245	22,281,401	241,040	12,225,549
Receivables	-	-	67,088	3,402,703
Outstanding long term loan	4,850,000	217,765,000	17,350,000	879,992,000

The weighted average interest rate, for the year ended March 31, 2010, on the long term loan from PGL, was 11.5% (previous year, 13.5%) per annum. The interest rate at the end of the year i.e. on March 31, 2010 was 9.6% (previous year, 13.5% per annum).

NOTE K – RETIREMENT PLANS

The Company has two defined contribution plans, a plan for salaried employees and a plan for eligible union employees, to which it contributes 3.5% of employees' compensation. The contributions for the year ended March 31, 2010 was $652,458 INR 30,998,280 (previous year $795,290 INR). At March 31, 2010, accrued pension – hourly includes $8,007 (previous year $6,672), and accrued pension – salaries includes $10,184 (previous year $10,237), due under these plans.

The Company also contributes to two 401(k) plans for salaried and eligible union personnel. The contributions for the year ended March 31, 2010 was $104,655 (previous year $116,701). At March 31, 2010, 401k savings – employer includes $28,691 (previous year $ 28,093) due under these plans.

NOTE L – SHIPPING AND HANDLING COSTS

The amount of shipping and handling costs for the year ended March 31, 2010 was $ 1,248,393 INR 59,311,151 (previous year $1,345,044 INR 62,019,979).

NOTE M - RISKS AND UNCERTAINTIES

The Company has two defined contribution plans, a plan for salaried employees and a plan for eligible union employees, to which it contributes 3.5% of employees' compensation. The contributions for the year ended March 31, 2010 was $652,458 INR 30,998,280 (previous year $795,290 INR 36,670,822). At March 31, 2010, accrued pension – hourly includes $8,007 INR 359,514 (previous year $6,672 INR 338,404), and accrued pension – salaries includes $10,184 INR 457,261 (previous year $10,237 INR 519,221), due under these plans.

NOTE N – CONCENTRATION RISK

The Company's principal market is in North America. Company's five largest customers accounted for approximately 32.17% (previous year 23.98%) of total sales.

The Company buys certain raw materials from a limited number of suppliers. Management believes that other suppliers could provide these materials on comparable terms.

NOTE O - STOCKHOLDERS' EQUITY

Common stock issued

The authorized share capital of the Company is $5,000,000 INR 226,000,000 (previous year $5,000,000 INR 226,000,000) comprising of 500,000 (previous year 500,000) shares of $10 (previous year $10) each and the issued capital is $5,000,000 (previous year $5,000,000) comprising of 500,000 (previous year 500,000) shares of $10 (previous year $10) each.

Voting

Each holder of common stock is entitled to one vote in respect of each share held by him in the records of the Company for all matters submitted to a vote.

Liquidation

In the event of liquidation of the Company, the holders of common stock shall be entitled to receive all of the remaining assets of the company, after distribution of all preferential amounts, if any. Such amounts will be in proportion to the number of equity shares held by the shareholders.

NOTE P

Previous year's figures have been regrouped, reworked or reclassified wherever required.

KNAV P. A.	Mr. Vijay Shah	Director
Certified Public Accountants	Mr. Nitin Nohria	Director
2082 Tallapoosa Dr	Mr. Sandeep Arora	Director
Duluth, GA 30097, USA	Mr. Niraj Tipre	Director & Chief Executive Officer

DIRECTORS' REPORT

The directors present their report and the financial statements of the company for the year ended 31 March 2010.

PRINCIPAL ACTIVITIES

The principal activity of the Company during the year was that of wholesaling of glass bottles.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

During the year ended March 2010, the business has improved with the turnover increasing by 16% and both the gross and operating margins have improved. Management is satisfied with growth in business. The Company has added new customers during the year as well as expanded its geographical reach; both on its own strength and via its overseas holding company. The company anticipates to maintain its gross profit margins and continue improving its operating profits and cash flows. In addition, the ultimate parent undertaking has confirmed to provide their ongoing support for meeting any shortfalls in the working capital and assist with any cash requirements of the business, during this period of growth.

RESULTS AND DIVIDENDS

The loss for the year amounted to £76,620 (INR 58,07,030) as against loss of £148,014 (INR 1,17,89,538) in the previous year. The directors have not recommended any dividend.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The directors make use of the parent company's risk management team to monitor and where possible mitigate the risks faced by the business. This includes credit risk, foreign exchange risk and interest rate risks.

DIRECTORS

The directors who served the company during the Year were as follows:
Mr Vijay Shah
Mr Sandeep Arora

DIRECTORS' SHAREHOLDING

None of the directors hold any stock in the Company.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR

Kajaine Limited are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Registered office:

1st Floor, Alpine House Unit 2
Honeypot Lane
London, NW9 9RX

Signed by order of the directors

Sandeep Arora
Company Secretary

Approved by the directors on 15 April 2010.

Independent Auditor's Report to the Shareholder of Piramal Glass (Uk) Limited

YEAR ENDED 31 MARCH 2010

We have audited the financial statements of Piramal Glass (UK) Limited for the year ended 31 March 2010. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 to 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by directors; and the overall presentation of the financial statements.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

EMPHASIS OF MATTER - GOING CONCERN

The company incurred a net loss of £76,620 during the year ended 31 March 2010 and, at that date the company's total liabilities exceeds its total net assets by £683,526. The financial statements have been prepared on a going concern basis which assumes adequate financial support will be made available by the company's parent undertaking for a period of not less than 12 months from the date of signing of the financial statements in order for it to meet it's obligations as they fall due (see note 1). The financial statements do not include any adjustments that would result if the company's parent undertaking did not support the company as indicated and consequently the company was unable to continue as a going concern. Our opinion is not qualified in the respect.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial Year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime.

Amanjit Singh
(Senior Statutory Auditor)

For and on behalf of
KAJAINE LIMITED
Chartered Accountants & Statutory Auditor

1st Floor, Alpine House Unit 2
Honeypot Lane
London, NW9 9RX

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2010 and 31 MARCH 2009

	Note	Year ended March 2010 GBP	Year ended March 2010 INR	Year ended March 2009 GBP	Year ended March 2009 INR
TURNOVER	2	345,373	26,175,819	297,520	23,430,196
Cost of sales		302,518	22,927,839	270,633	21,445,989
GROSS PROFIT		**42,855**	**3,247,980**	**26,887**	**1,984,207**
Administrative expenses		119,710	9,072,820	175,825	13,846,512
OPERATING LOSS	3	**(76,855.0)**	**(5,824,840)**	**(148,938.0)**	**(11,862,305)**
Interest receivable and similar income		236	17,886	924	72,767
Interest payable and similar charges	4	(1)	(76)	–	–
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(76,620)	(5,807,030)	(148,014)	(11,789,538)
Tax on loss on ordinary activities		–	–	–	–
LOSS FOR THE FINANCIAL YEAR		**(76,620)**	**(5,807,030)**	**(148,014)**	**(11,789,538)**
Balance brought forward		**(756,906.0)**	**(60,244,227)**	**(608,892)**	**(50,117,798)**
Balance carried forward		**(833,526.0)**	**(66,988,880)**	**(756,906)**	**(60,244,227)**

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

Rupee Equivalent to GBP in audited Profit & Loss Account as at March 31, 2010 has been done using average rate of 1 GBP = 75.79 INR

KAJAINE LIMITED
Chartered Accountants
& Registered Auditors

Vijay Shah — Director
Sandeep Arora — Director & Company Secretary

BALANCE SHEET

AS AT 31 MARCH 2010 AND 31 MARCH 2009

	Note	31 March 2010 GBP	31 March 2010 INR*	31 March 2009 GBP	31 March 2009 INR*
FIXED ASSETS					
Tangible assets	5	73	4,968	3,175	230,473
CURRENT ASSETS					
Stocks	6	259,261	17,645,304	318,029	23,085,725
Debtors	7	37,990	2,585,599	107,942	7,835,510
Cash at bank and in hand		93,562	6,367,830	61,331	4,452,017
		390,813	26,598,733	487,302	35,373,252
CREDITORS: Amounts falling due within one year	8	382,508	26,033,494	405,479	29,433,721
NET CURRENT ASSETS		8,305	565,238	81,823	5,939,531
TOTAL ASSETS LESS CURRENT LIABILITIES		8,378	570,207	84,998	6,170,004
CREDITORS: Amounts falling due after more than one year	9	691,904	47,090,986	691,904	50,225,311
		(683,526)	**(46,520,780)**	**(606,906)**	**(44,055,307)**
CAPITAL AND RESERVES					
Called-up equity share capital	12	150,000	11,665,500	150,000	11,665,500
Profit and loss account		(833,526)	(66,988,880)	(756,906)	(60,244,227)
Foreign Exchange Reserve			8,802,600		4,523,421
DEFICIT		**(683,526)**	**(46,520,780)**	**(606,906)**	**(44,055,306)**

These financial statements were approved by the directors and authorised for issue on 15 April 2010, and are signed on their behalf by:

*Rupees Equivalent to GBP in audited statement as at March 31, 2010 and March 31, 2009 has been done using closing rate of 1 GBP = 68.06 INR (B/S Items) & 1 GBP = 75.79 INR (P&L Items-12 months avg.) & 1 GBP = 72.59 INR (B/S Items) & 1 GBP = 78.75 INR (P&L Items-12 months avg.) as of respective dates.

KAJAINE LIMITED Chartered Accountants & Registered Auditors	Vijay Shah Sandeep Arora	Director Director & Company Secretary

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No.1 from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

Fundamental accounting concept

The group is dependent on continuing finance being made available by its parent company to enable it to continue operating and to meet its debts as they fall due. The parent company has agreed to provide sufficient funds for these purposes. The directors believe that it is therefore appropriate to prepare the financial statements on a going concern basis.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the Year, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property - over a period of 15 years

Furniture & Fixtures - 10% Straight line basis

Office Equipment - 33.33% Straight line basis

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	Year ended 1 Apr 09 to 31 Mar 10 GBP	Year ended 1 Apr 09 to 31 Mar 10 INR	Year ended 1 Apr 08 to 31 Mar 09 GBP	Year ended 1 Apr 08 to 31 Mar 09 INR
United Kingdom	345,373	26,175,819	297,520	23,430,196

3. OPERATING LOSS

Operating loss is stated after charging:

	Year ended 1 Apr 09 to 31 Mar 10 GBP	Year ended 1 Apr 09 to 31 Mar 10 INR	Year ended 1 Apr 08 to 31 Mar 09 GBP	Year ended 1 Apr 08 to 31 Mar 09 INR
Directors' emoluments			-	
Amortisation			-	
Depreciation of owned fixed assets	551	41,760	2,277	165,287
Loss on disposal of fixed assets	1,827	138,468	4,223	332,568
Auditor's remuneration	3,000	227,370	3,500	275,631

4. INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 1 Apr 09 to 31 Mar 10 GBP	Year ended 1 Apr 09 to 31 Mar 10 INR	Year ended 1 Apr 08 to 31 Mar 09 GBP	Year ended 1 Apr 08 to 31 Mar 09 INR
Other similar charges payable	(1)	(76)	-	-
	(1)	(76)	-	-

5. TANGIBLE FIXED ASSETS

	Fixtures & Fittings GBP	Office Equipment GBP	Total GBP
COST			
At 1 April 2009	3,841	7,971	11,812
Disposals	3,841	2,667	(6,508)
At 31 March 2010	**-**	**5,304**	**5,304**
DEPRECIATION			
At 1 April 2009	1,274	7,363	8,637
Charge for the year	96	455	551
On disposals	(1,370)	(2,587)	(3,957)
At 31 March 2010	**0**	**5,231**	**5,231**
NET BOOK VALUE			
At 31 March 2010	**-**	**73**	**73**
At 31 March 2009	2,567	608	3,175

	Fixtures & Fittings GBP	Office Equipment GBP	Total GBP
COST			
At 1 April 2009	278,818	578,615	857,433
Disposals	(261,423)	(181,536)	(442,959)
Adjustments	(17,396)	(36,089)	(53,485)
At 31 March 2010	**0**	**360,990**	**360,990**
DEPRECIATION			
At 1 April 2009	92,480	534,480	626,960
Charge for the year	6,536	30,948	37,483
On disposals	(93,242)	(176,051)	(269,293)
Adjustments	(5,773)	(33,329)	(39,102)
At 31 March 2010	**0**	**356,048**	**356,049**
NET BOOK VALUE			
At 31 March 2010	**(0)**	**4,941**	**4,941**
At 31 March 2009	186,339	44,135	230,473

6. **STOCKS**

	31-Mar-10 GBP	31-Mar-10 INR	31-Mar-09 GBP	31-Mar-09 INR
Finished goods	259,261	17645278	318,029	23085725.11

7. **DEBTORS**

Particulars	31-Mar-10 GBP	31-Mar-10 INR	31-Mar-09 GBP	31-Mar-09 INR
Trade debtors	35,183	2,394,522	90,504	6,569,685
VAT recoverable			7,073	513,429
Prepayments and accrued income	2,807	191,017	10,365	752,395
Payment made on account			-	-
	37,989	**2,585,539**	**107,942**	**7,835,510**

8. **CREDITORS: Amounts falling due within one year**

	31-Mar-10 GBP	31-Mar-10 INR	31-Mar-09 GBP	31-Mar-09 INR
Payments received on account	30,407	2,069,500	-	-
Trade creditors	23,178	1,577,495	28,169	2,044,788
Amounts owed to group undertakings	305,411	20,786,273	350,448	25,439,020
Other creditors including taxation and social security:				
PAYE and social security			1,943	141,042
VAT	3,788	257,811	-	-
Other creditors	13,184	897,303	13,184	957,027
Accruals and deferred income	6,540	445,112	11,735	851,844
	348,313	**23,963,994**	**405,479**	**29,433,721**

9. CREDITORS: Amounts falling due after more than one year

	31-Mar-10 GBP	31-Mar-10 INR	31-Mar-09 GBP	31-Mar-09 INR
Amounts owed to group undertakings	691,904	47,091,005	691,904	50,225,311

10. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2010 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	Land & Buildings			
	31-Mar-10 GBP	31-Mar-10 INR	31-Mar-09 GBP	31-Mar-09 INR
Operating leases which expire:				
Within 2 to 5 years	-	-	12,000	871,080

11. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption allowed by Financial Reporting Standard No 8 "Related party disclosures", not to disclose any transactions with group companies on the basis that its ultimate parent company prepares consolidated financial statements which are publicly available.

12. SHARE CAPITAL

Authorised share capital:

	31-Mar-10 GBP	31-Mar-10 INR	31-Mar-09 GBP	31-Mar-09 INR
5,000,000 Ordinary shares of GBP 1 each	5,000,000	386,750,000	5,000,000	386,750,000

Allotted, called up and fully paid:

	31-Mar-10 No.	31-Mar-10 GBP	31-Mar-09 No,	31-Mar-09 GBP
Ordinary shares of GBP 1 each	150,000	150,000	150,000	150,000

Allotted, called up and fully paid:

	31-Mar-10 No.	31-Mar-10 INR	31-Mar-09 No,	31-Mar-09 INR
Ordinary shares of GBP 1 each	150,000	11,665,500	150,000	11,665,500

16. ULTIMATE PARENT COMPANY

The immediate and ultimate parent undertaking and controlling party is Piramal Glass Limited, a company registered in India.

A copy of the group financial statements prepared by Piramal Glass Limited can be obtained from:

Piramal Tower,
Ganapatrao Kadam Marg,
Lower Parel, Mumbai - 400013,
INDIA

KAJAINE LIMITED
Chartered Accountants
& Registered Auditors

Vijay Shah — Director
Sandeep Arora — Director & Company Secretary

Piramal Glass

knowledge action care

Piramal Glass Limited, Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013, India
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