Piramal Glass
knowledge action care

Accounts of Subsidiary Companies
2012 - 2013

Contents

Report on the affairs of the Company

To the Shareholders

The Board of Directors have pleasure in presenting the 58th Annual Report and the Audited Financial Statements of the Company for the year ended 31st March 2013.

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-SLR 700M) and Nattandiya (54 acres-SLR 99M) and Leasehold Land at Horana (25 acres-SLR 22.3M) and Nattandiya (9 acres-SLR 1.2M).

CURRENCY

All figures appearing in the Financial Statements are in Sri Lankan Rupees and has been denoted as "SLR".

FINANCIAL RESULTS

	2013 SLR 000'	2013 ₹ in Mio	2012 SLR 000'	2012 ₹ in Mio
Revenue	5,500,908	2,310,381	5,197,424	2,182,918
Cost of Sales	(3,951,963)	(1,659,825)	(3,659,913)	(1,537,164)
Gross Profit	**1,548,945**	**650,557**	**1,537,511**	**645,755**
Other Operating Income	9,817	4,123	8,786	3,690
Selling and Distribution Expenses	(75,968)	(31,907)	(73,098)	(30,701)
Administrative Expenses	(456,670)	(191,801)	(558,602)	(234,613)
Operating Profit	**1,026,124**	**430,972**	**914,597**	**384,131**
Finance Costs	(257,332)	(108,079)	(221,492)	(93,027)
Finance Income	1,334	560	1,885	792
Profit Before Tax	**770,126**	**323,453**	**694,990**	**291,896**
Income Tax Expense	(45,750)	(19,215)	(9,678)	(4,065)
Profit for the Year	**724,376**	**304,238**	**685,312**	**287,831**

SALES HIGHLIGHTS

The total revenue achieved for the year was at SLR 5,501 million (₹ 2,310 million) as against the SLR 5,197 (₹ 2,182 million)of the previous year. The main contributor towards the revenue growth was the export market with a year on year growth of 12%. The export revenue continued to grow for the 4th consecutive year. The company has achieved an export value of SLR 1,370 million ₹ 575 million as against SLR 1,225 million ₹ 515 million in FY12. The domestic market was able to sustain a value growth of 4% mainly due to the new products launched during the year. Yet the volumes in the domestic were showed a decline of 10% as against FY 12.

PRODUCTION HIGHLIGHTS

The company's productivity indicators remained well on track during the year under review. An improvement in the efficiencies and packed glass tonnage was indicators of same. The glass production increased from 70,968 tonnes in F12 to 71,827 tonnes in F13.These production milestones were possible due to the high concentration the management has put on the Initiative of the Manufacturing Excellence programme it has established in the plant. This has helped the manufacturing plant to ensure establishment of standard processes and systems which are in par international norms.

EMPLOYMENT

The Company employed a total of 418 persons as at 31st March 2013. (2012 was 413)

CAPITAL EXPENDITURE AND INVESTMENTS

During the year the Company acquired Property, Plant and Equipment to the aggregate value of SLR 227,547,800/- ₹ 97,845,554 (Year Ended 31 March 2012 - SLR 140,197,603/- ₹ 56,079,041) for cash. The capital commitments as at the balance sheet date are disclosed in Note 21.1 to the Financial Statements.

SHARE CAPITAL

The Stated capital as at the end of the year was SLR 1,526,407,485/- ₹ 611,103,301 consisting of 950,086,080 number of ordinary shares.

SHARE HOLDINGS

There were 14,027 registered shareholders as at 31st March 2013, and the distribution of shares is indicated in page 61.

THE POST BALANCE SHEET EVENTS

The Post Balance Sheet events are disclosed in Note 23 to the Financial Statements. No events have taken place since the Balance Sheet dated which would require any adjustments or disclosures other than the above.

THE BOARD OF DIRECTORS

Vijay Shah – Chairman
Dr. C.T.S.B. Perera
R.M.S. Fernando
Sanjay Tiwari – CEO / Executive Director
Sandeep Arora

APPOINTMENT OF NEW DIRECTOR

None

PERSONS WHO CEASED TO BE DIRECTORS

None

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 interet register during the year under review. The related party disclosures are referred to in Note 20 to the Financial Statements. The share ownership of directors is indicated below.

DIRECTORS' SHAREHOLDINGS

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

	2013	2012
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 20.2.

DONATIONS

The donations made by the company during the year are disclosed in Note 4.4.

AUDITORS

The Financial Statements 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/ provided to Messrs. Ernst & Young for the FY 2013 is SLR 600,000 ₹ 252,000/- (2012 SLR 540,000/- ₹ 226,800) and fees and expenses for taxation services is SLR 221,188/- ₹ 92,899 (2012 SLR 257,936/- ₹ 108,333). As far as the Directors are aware, the auditors do not have any other relationship with the Company or any of its affiliate company.

Sgd. Mr.Sanjay Tiwari
CEO / Executive Director

Sgd. Dr. C.T.S.B. Perera
Director

Sgd. Ms.Sagarika Jayasundera
Company Secretary

17 May 2013

Directors’ Responsibilities for the preparation of Financial Statements

The responsibilities of the Directors, in relation to the Financial Statements of Piramal Glass Ceylon PLC are set out in this Statement. The Auditors’ Report sets out the respective responsibilities of the Directors and the External Auditors relating to the Financial Statements and this statement provides additional information. The responsibilities of the Auditors, in relation to the Financial Statements, are set out in the Auditors’ Report on page 18 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 2012/2013 prepared and presented in this Annual report have been prepared based on new Sri Lanka Accounting Standards comprising of SLFRS & LKAS which came to effect from 01st January 2012, it is in agreement 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. 07 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 and in this regard to give proper consideration to the establishment of appropriate internal control systems with a view of preventing and detecting fraud and other irregularities.

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 confirm that the best of their knowledge, all statutory payments relating to employees and Government and other statutory bodies that were due in respect of the company have been paid where relevant or provided for.

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.

The Directors are of view that they have discharged the responsibilities as set out in this statement.

By order of the Board

SAGARIKA JAYASUNDERA
Company Secretary
Piramal Glass Ceylon PLC

12th May 2013

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 ("Company") which comprise the statement of financial position as at 31 March 2013, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows 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 policies used and significant estimates made by the 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 2013 and the financial statements give a true and fair view of the Company's financial position as at 31 March 2013 and its performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Report on Other Legal and Regulatory Requirements

These financial statements also comply with the requirements of Section 151(2) of the Companies Act No. 07 of 2007.

24 April 2013

Colombo.

Income Statement

Year ended 31 March 2013

	Note	2013 SLR	2013 ₹ *	2012 SLR	2012 ₹ *
Revenue	**3.1**	5,500,908,178	2,310,381,435	5,197,423,873	2,182,918,027
Cost of Sales		(3,951,963,097)	(1,659,824,501)	(3,659,913,158)	(1,537,163,526)
Gross Profit		**1,548,945,081**	**650,556,934**	**1,537,510,715**	**645,754,500**
Other Operating Income	**4.1**	9,817,042	4,123,158	8,786,160	3,690,187
Selling and Distribution Expenses		(75,968,670)	(31,906,841)	(73,098,013)	(30,701,165)
Administrative Expenses		(456,669,878)	(191,801,349)	(558,601,943)	(234,612,816)
Operating Profit		**1,026,123,575**	**430,971,902**	**914,596,919**	**384,130,706**
Finance Costs	**4.3**	(257,331,657)	(108,079,296)	(221,492,397)	(93,026,807)
Finance Income	**4.2**	1,334,192	560,361	1,885,262	791,810
Profit before Tax	**4.4**	**770,126,110**	**323,452,966**	**694,989,784**	**291,895,709**
Income Tax Expense	**5.1**	(45,749,610)	(19,214,836)	(9,677,928)	(4,064,730)
Profit for the Year		**724,376,500**	**304,238,130**	**685,311,856**	**287,830,979**
Earning Per Share - Basic/Diluted	**6**	0.76		0.72	

The accounting policies and notes on pages 7 through 41 form an integral part of the financial statements.

* Rupee equivalent of SLR in audited statement as at March 2013 and as at March 2012 has been done using closing rate of 1 SLR = 0.42 ₹ and 0.42 ₹ as of respective dates.

Statement of Comprehensive Income

Year ended 31 March 2013

	Note	2013 SLR	2013 ₹ *	2012 SLR	2012 ₹ *
Profit for the Year		**724,376,500**	**304,238,130**	**685,311,856**	**287,830,979.40**
Other Comprehensive Income					
Gain on Available for Sale Financial Assets	**4.5**	667,184	280,217	962,908	404,421.36
Income Tax Effect	**5.2**	—		—	
Other Comprehensive Income for the Year Net of Tax		**667,184**	**280,217**	**962,908**	**404,421**
Total Comprehensive Income for the Year Net of Tax		**725,043,684**	**304,518,347**	**686,274,764**	**288,235,401**

The accounting policies and notes on pages 7 through 41 form an integral part of the financial statements.

* Rupee equivalent of SLR in audited statement as at March 2013 and as at March 2012 has been done using closing rate of 1 SLR = 0.42 ₹ and 0.42 ₹ as of respective dates.

Statement of Financial Position

As at 31 March 2013

	Note	2013 SLR	2013 ₹ *	2012 SLR	2012 ₹ *	2011 SLR	2011 ₹ *
ASSETS							
Non-Current Assets							
Property, Plant and Equipment	7	3,734,373,697	1,605,780,690	3,925,738,457	1,570,295,383	4,182,122,821	1,714,670,356
Leasehold Properties	8	21,314,750	9,165,342	22,419,830	8,967,932	23,524,910	9,645,213
Investment Properties	9	333,130,000	143,245,900	666,130,000	266,452,000	666,130,000	273,113,300
Intangible Assets	10	6,297,282	2,707,831	9,445,923	3,778,369	12,594,564	5,163,771
Available for Sale Investments	11.1	4,727,990	2,033,036	4,060,806	1,624,322	3,097,898	1,270,138
Other Receivables	13	3,869,910	1,664,061	6,344,542	2,537,817	2,978,199	1,221,062
		4,103,713,629	**1,764,596,860**	**4,634,139,558**	**1,853,655,823**	**4,890,448,392**	**2,005,083,841**
Current Assets							
Investment Property Held for Sale	9.1	333,000,000	143,190,000	—	—	—	—
Inventories	12	1,563,622,977	672,357,880	1,149,269,995	459,707,998	806,022,536	330,469,240
Trade and Other Receivables	13	1,044,786,442	449,258,170	941,754,713	376,701,885	770,412,457	315,869,107
Prepayments		5,672,548	2,439,196	3,771,688	1,508,675	3,813,450	1,563,515
Income Tax Recoverable		—	—	25,784,702	10,313,881	23,139,430	9,487,166
Cash and Short Term Deposits	14	59,835,826	25,729,405	99,424,499	39,769,800	205,101,327	84,091,544
		3,006,917,793	**1,292,974,651**	**2,220,005,597**	**888,002,239**	**1,808,489,200**	**741,480,572**
Total Assets		**7,110,631,422**	**3,057,571,512**	**6,854,145,155**	**2,741,658,062**	**6,698,937,592**	**2,746,564,413**
EQUITY AND LIABILITIES							
Capital and Reserves							
Stated Capital	15	1,526,407,485	611,103,301	1,526,407,485	611,103,301	1,526,407,485	625,827,069
Reserves	16	686,487,650	281,352,034	685,820,466	281,071,816	684,857,558	280,791,599
Retained Earnings		1,416,169,023	575,594,656	1,033,823,511	415,009,541	633,537,479	259,750,366
Exchange Gain / Loss			92,447,597		(8,764,074)	—	—
Total Equity		**3,629,064,158**	**1,560,497,588**	**3,246,051,462**	**1,298,420,584**	**2,844,802,522**	**1,166,369,034**
Non-Current Liabilities							
Interest Bearing Loans and Borrowings	11.2	505,582,055	217,400,284	1,138,901,282	455,560,513	1,691,150,877	693,371,860
Deferred Tax Liabilities	5.4	18,979,577	8,161,218	18,979,577	7,591,831	18,979,577	7,781,627
Employee Benefit Liability	17	111,998,832	48,159,498	105,528,939	42,211,576	99,543,230	40,812,724
		636,560,464	**273,720,999**	**1,263,409,798**	**505,363,919**	**1,809,673,684**	**741,966,210**
Current Liabilities							
Trade and Other Payables	18	1,083,355,631	465,842,921	905,265,486	362,106,194	822,962,963	337,414,815
Income Tax Payable		5,184,416	2,229,299	—	—	—	—
Dividends Payable	19	18,538,805	7,971,686	10,068,288	4,027,315	3,952,361	1,620,468
Interest Bearing Loans and Borrowings	11.2	1,737,927,949	747,309,018	1,429,350,121	571,740,048	1,217,546,062	499,193,885
		2,845,006,800	**1,223,352,924**	**2,344,683,895**	**937,873,558**	**2,044,461,386**	**838,229,168**
Total Equity and Liabilities		**7,110,631,422**	**3,057,571,511**	**6,854,145,155**	**2,741,658,062**	**6,698,937,592**	**2,746,564,413**

These financial statements are in compliance with the requirements of the Companies Act No. 07 of 2007.

* Rupee equivalent of SLR in audited statement as at March 2013 and as at March 2012 has been done using closing rate of 1 SLR = 0.43 ₹ and 0.40 ₹ as of respective dates.

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

Sgd. Dr. C.T.S.B. Perera
Director

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

24th April, 2013
Colombo

Statement of Changes in Equity

Year ended 31 March 2013

	Stated Capital SLR	Revaluation Reserve SLR	Retained Earnings SLR	Available for Sale Reserve SLR	Total SLR
As at 01 April 2011	**1,526,407,485**	**682,021,019**	**633,537,479**	**2,836,539**	**2,844,802,522**
Profit for the Year	—	—	685,311,856	—	685,311,856
Other Comprehensive Income	—	—	—	962,908	962,908
Total Comprehensive Income	—	—	685,311,856	962,908	686,274,764
Dividends Paid	—	—	(285,025,824)	—	(285,025,824)
As at 31 March 2012	**1,526,407,485**	**682,021,019**	**1,033,823,511**	**3,799,447**	**3,246,051,462**
Profit for the Year	—	—	724,376,500	—	724,376,500
Other Comprehensive Income	—	—	—	667,184	667,184
Total Comprehensive Income	—	—	724,376,500	667,184	725,043,684
Dividends Paid	—	—	(342,030,988)	—	(342,030,988)
As at 31 March 2013	**1,526,407,485**	**682,021,019**	**1,416,169,023**	**4,466,631**	**3,629,064,158**

The accounting policies and notes on pages 7 through 41 form an integral part of the financial statements.

	Stated Capital ₹	Revaluation Reserve ₹	Retained Earnings ₹	Available for Sale Reserve ₹	Total ₹
As at 01 April 2011	**611,103,301**	**279,628,618**	**246,889,408**	**1,162,981**	**1,138,784,308**
Profit for the Year	—	—	287,830,979		287,830,979
Other Comprehensive Income	—	—	—	280,217	280,217
Total Comprehensive Income	—	—	287,830,979	280,217	288,111,197
Dividends Paid	—	—	(119,710,846)		(119,710,846)
As at 31 March 2012	**611,103,301**	**279,628,618**	**415,009,541**	**1,443,198**	**1,307,184,658**
Profit for the Year	—	—	304,238,130	—	304,238,130
Other Comprehensive Income	—	—	—	280,217	280,217
Total Comprehensive Income	—	—	304,238,130	280,217	304,518,347
Dividends Paid	—	—	(143,653,015)		(143,653,015)
As at 31 March 2013	**611,103,301**	**279,628,618**	**575,594,656**	**1,723,416**	**1,468,049,991**

* Rupee equivalent of SLR in audited statement as at March 2013 and as at March 2012 has been done using closing rate of 1 SLR = 0.42 ₹ and 0.42 ₹ as of respective dates.

Cash Flow Statement

Year ended March 31, 2013

Cash Flows Generated from Operating Activities	Note	2013 SLR	2013 ₹*	2012 SLR	2012 ₹*
Cash Flow from Operating Activities					
Net Profit before Tax		770,793,294	323733183.58	695,952,692	292,300,131
Non-cash Adjustment to Reconcile Profit before Tax to Net Cash Flows:					
Depreciation of Property, Plant Equipment	7	418,844,528	175914701.76	396,558,336	166,554,501
Amortization of Leasehold Property	8	1,105,080	464133.60	1,105,080	(464,134)
Amortization of Intangible Assets	10	3,148,641	1322429.22	3,148,641	1,322,429
Exchange Difference Adjustment	11	(2,714,303)	-1167150.15	162,980,160	65,192,064
Provision for Employee Benefit Liability	17	14,079,914	6054363.02	21,557,928	8,623,171
Other Operating Income	4.1	(9,817,042)	-4123157.55	(8,786,160)	(3,690,187)
Finance Costs	4.3	257,331,657	108079295.99	221,492,397	93,026,807
Finance Income	4.2	(1,334,192)	-560360.60	(1,885,262)	(791,810)
Profit on Sale of Property, Plant & Equipment		(1,750,891)	-735374.22	(2,788,869)	(1,171,325)
Fair Value Adjustment of Available for Sale Investments	4.5	(667,184)	-280217.28	(962,908)	(404,421)
Operating Profit before Working Capital Changes		**1,449,019,503**	**608,701,847**	**1,488,372,035**	**620,497,225**
Working Capital Adjustments:					
(Increase) / Decrease in Inventories		(414,352,982)	-212649882.16	(343,247,459)	(129,238,758)
(Increase) / Decrease in Trade and Other Receivables and Prepayments		(124,917,209)	-53714399.83	(180,951,082)	(72,380,433)
Increase / (Decrease) in Trade and Other Payables		183,274,560	105966025.64	82,302,523	24,691,380
Cash Generated from Operations		**1,093,023,872**	**448,303,591**	**1,046,476,020**	**443,569,416**
Employee Benefit Liability Costs Paid	17	(7,610,021)	-3196208.82	(15,572,219)	(6,540,332)
Interest Paid	4.3	(257,331,657)	-108079295.99	(221,492,397)	(93,026,807)
Net Cash Flows Generated from Operating Activities		**828,082,194**	**337,028,086**	**809,411,403**	**344,002,277**
Cash Flow from Investing Activities					
Acquisition of Property, Plant and Equipment	7	(227,547,800)	-95570076.00	(140,197,603)	(58,882,993)
Proceeds from Sale of Property, Plant and Equipment		1,818,923	782136.89	2,812,499	1,125,000
Sundry Income	4.1	9,672,786	4062570.03	8,451,633	3,549,686
Dividends Received	4.1	144,256	60587.52	334,527	140,501
Loans Granted to Company Officers during the Year		(4,642,914)	-1996453.02	(11,886,000)	(4,754,400)
Repayment of Staff Loans by Company Officers during the Year		7,137,257	3069020.51	5,847,044	2,338,818
Net Cash Flows Used in Investing Activities		**(213,417,492)**	**(89,592,214)**	**(134,637,900)**	**(56,483,389)**
Cash Flow from Financing Activities					
Proceeds from Interest Bearing Loans and Borrowings	11	3,984,777,353	1713454261.79	3,348,688,900	1,339,475,560
Dividends Paid		(333,560,471)	-143431002.50	(278,909,897)	(111,563,959)
Repayment of Bank Loans	11	(4,440,365,109)	-1909356996.72	(3,624,815,363)	(1,449,926,145)
Finance Income	4.2	1,334,192	560360.77	1,885,262	79,181,004
Net Cash Flows Used in Financing Activities		**(787,814,034)**	**(338,773,377)**	**(553,151,098)**	**(142,833,540)**
Net Increase/(Decrease) in Cash and Cash Equivalents		(173,149,332)	(91,337,504)	121,622,405	144,685,348
Net Foreign Exchange Difference		**1,853,800**	**19118615.79**	**(8,946,800)**	**(98,967,747)**
Cash and Cash Equivalent at the Beginning of the Year	**14**	**47,939,677**	**19175870.66**	**(64,735,928)**	**(26,541,730)**
Cash and Cash Equivalent at the End of the Year	14	**(123,355,855)**	**(53,043,018)**	**47,939,677**	**19,175,871**

The accounting policies and notes on pages 7 through 41 form an integral part of the financial statements.

* Rupee equivalent of SLR in audited statement as at March 2013 and as at March 2012 has been done using closing rate of 1 SLR = 0.43 ₹ and 1 SLR = 0.40 (B/S items) and 1 SLR = 0.42 ₹ and 1 SLR = 0.42 ₹ (P&L items-12 months avg.) as of respective dates.

Report on the affairs of the Company

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 No. 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 principle activity of the Company was the manufacturing and sale of glass bottles.

1.3 Parent Entity and Ultimate Parent Entity

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

1.4 Date of Authorization for Issue

The financial statements of Piramal Glass Ceylon PLC for the year ended 31 March 2013 were authorized for issue in accordance with a resolution of the Board of Directors on 24 April 2013.

2. BASIS OF PREPARATION AND ADOPTION OF SRI LANKA ACCOUNTING STANDARDS (SLFRS AND LKAS) EFFECTIVE FOR THE FINANCIAL PERIODS BEGINNING ON OR AFTER 01 April 2012

The financial statements of the Company have been prepared in accordance with Sri Lanka Accounting Standards comprising of SLFRS and LKAS (hereafter referred as "SLFRS"), as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

For all periods up to and including the year ended 31 March 2012, the Company prepared its financial statements in accordance with SLAS effective up to 31 March 2012.

These financial statements for the year ended 31 March 2013 are the first the Company has prepared in accordance with SLFRS effective for the periods beginning on or after 01 April 2012. (Refer Note 2.5 for explanation of the transition)

Subject to certain transition elections and exceptions disclosed in Note 2.5, the Company has consistently applied the accounting policies used in preparation of its opening SLFRS statement of financial position as at 01 April 2011 through all periods presented, as if these policies had always been in effect.

Note 2.5 discloses the impact of the transition to SLFRS on the Company's reported financial position and financial performance, including the nature and effect of significant changes in accounting policies from those used in the Company's financial statements for the years ended 31 March 2011 and 31 March 2012 prepared under SLAS.

2.1.1 Basis of measurement

The financial statements have been prepared on a historical cost basis, except for available-for-sale financial assets that have been measured at fair value.

The financial statements are presented in Sri Lankan Rupees.

2.1.2 Statement of Compliance

The financial statements of Piramal Glass Ceylon PLC ("Company") have been prepared in accordance with SLFRS.

The preparation and presentation of these financial statements are in compliance with the Companies Act No. 07 of 2007.

2.2 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

2.2.1 Significant Judgments in Applying the Accounting Policies

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which has the most significant effect on the amounts recognized in the financial statements.

(a) Classification of Property

The Company determines whether a property is classified as investment property or an owner occupied property.

Investment property comprises land and buildings which are not occupied substantially for use by, or in the operations of the Company, nor for sale in the ordinary course of business, but are held primarily to earn rental income and for capital appreciation.

The Company determines whether a property qualifies as investment property by considering whether the property generates cash flows largely independently of the other assets held by the entity. Owner occupied properties generate cash flows that are attributable not only to property but also to other assets used in the production or supply process.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions can be sold separately (or leased out separately under a finance lease), the Company accounts for the portions separately. If the portions cannot be sold separately, the property is accounted for as an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as an investment property. The Company considers each property separately in making its judgment.

2.2.2 Significant Accounting Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation of uncertainty at the reporting date, that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below. The respective carrying amounts of assets and liabilities are given in related notes to the financial statements.

(a) Employee Benefit Liability

The cost as well as the present value of defined benefit plans - gratuity is determined using Actuarial Valuations. The Actuarial Valuation involves making assumptions about discount rates, future salary increases and other important related data. Due to the long term nature of employee benefits, such estimates are subject to significant uncertainty. Further details of assumptions together with an analysis of their sensitivity as carried out by the management in relation to the above key assumptions and the results of the sensitivity analysis are given in Note 17.

(b) Deferred Taxation

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax that can be recognised based upon the likely timing and the levels of future taxable profits.

(c) Tax Effect on First Time Adoption of SLFRS

The Company is liable to income taxes and other taxes including VAT. Significant judgement was required to determine the total provision for current, deferred and other taxes pending the issue of tax guidelines on the treatment of the adoption of SLFRS in the financial statements and the taxable profit for the purpose of imposition of taxes. Uncertainties exist, with respect to the interpretation of the applicability of tax laws, at the time of the preparation of these financial statements.

The Company recognized assets and liabilities for current, deferred and other taxes based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income and deferred tax amounts in the period in which the determination is made.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies applied by the Company in preparing its financial statements.

2.3.1 Foreign Currency Translation

The Company's financial statements are presented in Sri Lanka Rupees, which is the Company's functional and presentation currency.

Transactions and Balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rate at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. All differences are recognised in 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 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, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and sales taxes. The following specific recognition 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 passed to the buyer, usually on delivery of the goods; with the Company not retaining neither continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold.

b) Interest Income

Interest Income is recognized as the interest accrued unless collectability is in doubt. Interest income is included in finance income in the income statement.

c) Dividends

Revenue is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

d) Others

Other income is recognized on an accrual basis.

Net gains and losses 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 before the date of transition to SLFRS, 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.

2.3.3 Taxation

Current Income Tax

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 expired on 9 December 2012.

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

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

Current income tax relating to items recognized directly in equity is recognized in equity and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except, when 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 credits and unused tax losses can be utilised, except, when the deferred 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.

The carrying amount of deferred tax assets is reviewed at each reporting 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 tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year 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 reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Sales Tax

Revenues, expenses and assets are recognized 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 recognized 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 net amount of sales tax recoverable from or payable to the taxation authorities is included as a part of receivables or payables in the statement of financial position.

2.3.4 Property, Plant and Equipment

Property, plant and equipment is stated at cost, excluding the costs of day to day servicing, less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of replacing parts of the property, plant and equipment when that cost is incurred, if the recognition criteria are met.

An item of property, plant and equipment is derecognized 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 derecognized.

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

2.3.5 Leasehold Property

Prepaid lease rentals paid to acquire land use rights are amortized over the lease term in accordance with the pattern of benefits derived from the use of such property. Leasehold property is tested for impairment annually and the carrying amount of such property is reduced to its recoverable amount where applicable.

The impairment loss if any is immediately recognized in the income statement.

2.3.6 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

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 capitalized 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 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 reflected in finance costs in the income statement.

Capitalized 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 recognized as an expense in the income statement on a straight line basis over the lease term.

2.3.7 Borrowing Costs

Borrowing costs are recognized 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 necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalized as part of that asset. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The interest capitalized is calculated using Company's weighted average cost of borrowing after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amounts capitalized is the gross interest incurred on those borrowings less any investment income arising on their temporary investments. Interest is capitalized from the commencement of the development work until the date of practical completion. The capitalization of finance costs is suspended if there are prolonged periods when development activity is interrupted. Interest is also capitalized on the purchase cost of a site of property acquired specifically for development, but only where activities necessary to prepare the asset for redevelopments are in progress.

2.3.8 Investment Properties

Investment properties are measured initially at cost. 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 exclude the costs of day to day servicing of an investment property.

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

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property or inventories, the 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.

2.3.9 Intangible Assets

Computer Software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful life of 8 years. Costs associated with maintaining computer software programs are recognized as an expense when incurred.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the income statement in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or infinite.

Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are d as changes in accounting estimates.

The amortization expense on intangible assets with finite lives is recognized in the income statement in the expense category consistent with the function of the intangible assets. Intangible assets with infinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement when the asset is derecognized.

2.3.10 Investments

Computer Software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful life of 8 years. Costs associated with maintaining computer software programs are recognized as an expense when incurred.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the income statement in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or infinite.

Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are d as changes in accounting estimates.

The amortization expense on intangible assets with finite lives is recognized in the income statement in the expense category consistent with the function of the intangible assets. Intangible assets with infinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement when the asset is derecognized.

2.3.10 Financial Instruments - Initial Recognition and Subsequent Measurement

2.3.10.1 Financial Assets

Initial Recognition and Measurement

Financial assets within the scope of LKAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognized initially at fair value plus, in the case of assets not at fair value through profit or loss, directly attributable transaction costs.

Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include trade and other receivables, loans and other receivables and quoted equity instruments.

Subsequent Measurement

The subsequent measurement of financial assets depends on their classification as described below:

a) Financial Assets at Fair Value through Profit or Loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by LKAS 39. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with changes in fair value recognized in finance income or finance costs in the income statement.

The Company has not designated any financial assets upon initial recognition as at fair value through profit or loss.

b) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method (EIR), less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the income statement. The losses arising from impairment are recognized in the income statement in selling and distribution expenses.

c) Held-to-Maturity Investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Company has the positive intention and ability to hold them to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the income statement. The losses arising from impairment are recognized in the income statement in finance costs.

The Company did not have any held-to-maturity investments during the years ended 31 March 2011, 31 March 2012 and 31 March 2013.

d) Available-for-Sale Financial Investments

Available-for-sale financial investments include equity and debt securities. Equity investments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, available-for-sale financial investments are subsequently measured at fair value with unrealized gains or losses recognized as other comprehensive income in the available-for-sale reserve until the investment is derecognized, at which time the cumulative gain or loss is recognized in other operating income, or determined to be impaired, at which time the cumulative loss is reclassified to the income statement in finance costs and removed from the available-for-sale reserve. Interest income on available-for-sale debt securities is calculated using the effective interest method and is recognized in profit or loss.

The Company evaluates its available-for-sale financial assets to determine whether the ability and intention to sell them in the near term is still appropriate. When the Company is unable to trade these financial assets due to inactive markets and management's intention to do so significantly changes in the foreseeable future, the Company may elect to reclassify these financial assets in rare circumstances. Reclassification to loans and receivables is permitted when the financial assets meet the definition of loans and receivables and the Company has the intention and ability to hold these assets for the foreseeable future or until maturity. Reclassification to the held-to-maturity category is permitted only when the entity has the ability and intention to hold the financial asset accordingly.

For a financial asset reclassified out of the available-for-sale category, any previous gain or loss on that asset that has been recognized in equity is amortized to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortized cost and the expected cash flows is also amortized over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the income statement.

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired,
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of it, the asset is recognized to the extent of the Company's continuing involvement in it.

In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

2.3.10.2 Impairment of Financial Assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

a) Financial Assets Carried at Amortised Cost

For financial assets carried at amortized cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows are discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the income statement. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the income statement.

b) Available-for-Sale Financial Investments

For available-for-sale financial investments, the Company assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized in the income statement - is removed from other comprehensive income and recognized in the income statement. Impairment losses on equity investments are not reversed through the income statement; increases in their fair value after impairments are recognized directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortized cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortized cost and the current fair value, less any impairment loss on that investment previously recognized in the income statement.

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in the income statement, the impairment loss is reversed through the income statement.

2.3.10.3 Financial Liabilities

Initial Recognition and Measurement

Financial liabilities within the scope of LKAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, carried at amortized cost. This includes directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, bank overdrafts and loans and borrowings.

Subsequent Measurement

The measurement of financial liabilities depends on their classification as follows:

a) Financial Liabilities at Fair Value through Profit or Loss

Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held-for-trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by LKAS 39. Separated embedded derivatives are also classified as held-for-trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held-for-trading are recognized in the income statement.

The Company has not designated any financial liabilities upon initial recognition as at fair value through profit or loss.

b) Loans and Borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the income statement when the liabilities are derecognized as well as through the effective interest rate method (EIR) amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that is an integral part of the EIR. The EIR amortization is included in finance costs in the income statement.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the income statement.

2.3.10.4 Offsetting of Financial Instruments

Financial assets and financial liabilities are offset with the net amount reported in the statement of financial position only if there is a current enforceable legal right to offset the recognized amounts and intent to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

2.3.10.5 Fair Value of Financial Instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

- Using recent arm's length market transactions;
- Reference to the current fair value of another instrument that is substantially the same;
- A discounted cash flow analysis or other valuation models.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 11.7.

2.3.11 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 and variable production overheads based on normal operating capacity.
Consumables & Spares	-	At actual cost on weighted average basis
Goods in Transit	-	At actual cost

2.3.12 Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) 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 or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Company bases its impairment calculations on detailed budgets and forecasts which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecasts are generally covering a period of three years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the third year.

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

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the income statement unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

2.3.13 Cash and Short Term Deposits

Cash and short term deposits 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 short term deposits 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.

2.3.14 Dividend Distributions

The Company recognizes a liability to make cash or non-cash distributions to owners of equity when the distribution is authorized and is no longer at the discretion of the Company. A corresponding amount is recognized directly in equity.

2.3.15 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 and a reliable estimate can be made of the amount of the obligation.

2.3.16 Employee Benefit Liability

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) Lump-sum Payments to Employees

Provision has been made in the financial statements for lump-sum allowances payable to employees by the collective agreement decided by the management.

2.4 Effect of Sri Lanka Accounting Standards Issued but not yet Effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Company financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

a) SLFRS 9 - Financial Instruments : Classification and Measurement

SLFRS 9, as issued reflects the first phase of work on replacement of LKAS 39 and applies to classification and measurement of financial assets and liabilities as defined in LKAS 39.

SLFRS 9 was issued in 2012 and become effective for the financial periods beginning on or after 01 January 2015. Accordingly, the financial statements for the year ending 31 March 2016 will adopt the SLFRS 9.

The Company will quantify the effect in due course.

b) SLFRS 13 - Fair Value Measurement

SLFRS 13 establishes a single source of guidance under SLFRS for all fair value measurements. SLFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under SLFRS when fair value is required or permitted.

This standard is effective for annual periods beginning on or after 1 January 2014. Accordingly, the financial statements for the year ending 31 March 2015 will adopt the SLFRS 13.

Pending the full study of this standard, the financial impact is not yet known and reasonably estimable.

2.5 FIRST TIME ADOPTION OF SLFRS

These financial statements, for the year ended 31 March 2013, are the first the Company has prepared in accordance with SLFRS. For periods up to and including the year ended 31 March 2012, the Company prepared its financial statements in accordance with local generally accepted accounting practice (SLAS).

Accordingly, the has prepared its financial statements which comply with SLFRS applicable for periods ending on or after 31 March 2013 and prior periods, together with the comparative period's data as at and for the years ended 31 March 2012, as described in the accounting policies. In preparing these financial statements, the Company's opening statement of financial position was prepared as at 1 April 2011, the Company's date of transition to SLFRS. This note explains the principal adjustments made by the Company in restating its SLAS statement of financial position as at 1 April 2011 and its previously published SLAS financial statements as at and for the year ended 31 March 2012.

The effect of Company's transition to SLFRS described in Note 2 is summarized in this note as follows:

- Transition elections:
- Reconciliation of equity and comprehensive income as previously reported under previous SLAS and SLFRS.
- Adjustments to the statement of cash flows.

2.5.1 Transition Elections

SLFRS 1 – First-time Adoption of Sri Lanaka Financial Reporting Standards allows first-time adopters certain exemptions from the retrospective application of certain SLFRS.

Accordingly the Company has applied the following transition exceptions and exemptions to full retrospective application of SLFRS.

a) Deemed Cost of Property, Plant and Equipment

Certain items of property, plant and equipment have been measured at fair value at the date of transition to SLFRS which were carried in the statement of financial position prepared in accordance with previous SLAS on the basis of acquisition cost. The Company has elected to regard those values as deemed cost at the date of the revaluation since they were broadly comparable to fair value.

b) Employee Benefits - Disclosure Requirements

The Company has elected to disclose the following amounts prospectively from the date of transition regarding the post employment benefit liability. (SLFRS ordinarily requires the amounts for the current and previous four annual periods to be disclosed.)

i. The present value of the defined benefit obligation, the fair value of the plan assets and the surplus or deficit in the plan; and

ii. The experience adjustments arising on the plan liabilities and the plan assets

2.5 FIRST TIME ADOPTION OF SLFRS (Contd.)

2.5.2 Reconciliation of Equity as at 01 April 2011 (Date of Transition to SLFRS)

	Note	SLAS	Remeasurements/ Reclassifications	SLFRS
		SLR	SLR	SLR
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	A,B,C	4,140,343,713	41,779,108	4,182,122,821
Leasehold Properties		23,524,910	—	23,524,910
Investment Properties		666,130,000	—	666,130,000
Intangible Assets	C	—	12,594,564	12,594,564
Available for Sale Investments	D	261,359	2,836,539	3,097,898
Other Receivables	E	—	2,978,199	2,978,199
		4,830,259,982	**60,188,410**	**4,890,448,392**
Current Assets				
Inventories		806,022,536	—	806,022,536
Trade and Other Receivables	E,F,G	783,251,770	(12,839,313)	770,412,457
Prepayments	F	—	3,813,450	3,813,450
Income Tax Recoverable		23,139,430	—	23,139,430
Cash and Short Term Deposits		205,101,327	—	205,101,327
		1,817,515,063	(9,025,863)	1,808,489,200
Total Assets		**6,647,775,045**	**51,162,547**	**6,698,937,592**
EQUITY AND LIABILITIES				
Capital and Reserves				
Stated Capital		1,526,407,485	—	1,526,407,485
Reserves	B,D,H	688,535,043	(3,677,485)	684,857,558
Retained Earnings	A,B,C,G	578,697,447	54,840,032	633,537,479
Total Equity		**2,793,639,975**	**51,162,547**	**2,844,802,522**
Non-Current Liabilities				
Interest Bearing Loans and Borrowings		1,691,150,877	—	1,691,150,877
Deferred Tax Liabilities		18,979,577	—	18,979,577
Employee Benefit Liability		99,543,230	—	99,543,230
		1,809,673,684	**—**	**1,809,673,684**
Current Liabilities				
Trade and Other Payables		822,962,963	—	822,962,963
Dividends Payable		3,952,361	—	3,952,361
Interest Bearing Loans and Borrowings		1,217,546,062	—	1,217,546,062
		2,044,461,386	—	2,044,461,386
Total Equity and Liabilities		**6,647,775,045**	**51,162,547**	**6,698,937,592**

2.5 FIRST TIME ADOPTION OF SLFRS (Contd.)

2.5.2 Reconciliation of Equity as at 01 April 2011 (Date of Transition to SLFRS)

	Note	SLAS	Remeasurements/ Reclassifications	SLFRS
		₹	₹	₹
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	A,B,C	1,697,540,922	17,129,434	1,714,670,356
Leasehold Properties		9,645,213	—	9,645,213
Investment Properties		273,113,300	—	273,113,300
Intangible Assets	C	—	5,163,771	5,163,771
Available for Sale Investments	D	107,157	1,162,981	1,270,138
Other Receivables	E	—	1,221,062	1,221,062
		1,980,406,592	**24,677,248**	**2,005,083,841**
Current Assets				
Inventories		330,469,240	—	330,469,240
Trade and Other Receivables	E,F,G	321,133,226	(5,264,118)	315,869,107
Prepayments	F	—	1,563,515	1,563,515
Income Tax Recoverable		9,487,166	—	9,487,166
Cash and Short Term Deposits		84,091,544	—	84,091,544
		745,181,176	(3,700,604)	741,480,572
Total Assets		**2,725,587,768**	**20,976,644**	**2,746,564,413**
EQUITY AND LIABILITIES				
Capital and Reserves				
Stated Capital		625,827,069	—	625,827,069
Reserves	B,D,H	282,299,368	(1,507,769)	280,791,599
Retained Earnings	A,B,C,G	237,265,953	22,484,413	259,750,366
Total Equity		**1,145,392,390**	**20,976,644**	**1,166,369,034**
Non-Current Liabilities				
Interest Bearing Loans and Borrowings		693,371,860	—	693,371,860
Deferred Tax Liabilities		7,781,627	—	7,781,627
Employee Benefit Liability		40,812,724	—	40,812,724
		741,966,210	**—**	**741,966,210**
Current Liabilities				
Trade and Other Payables		337,414,815	—	337,414,815
Dividends Payable		1,620,468	—	1,620,468
Interest Bearing Loans and Borrowings		499,193,885	—	499,193,885
		838,229,168	—	838,229,168
Total Equity and Liabilities		**2,725,587,768**	**20,976,644**	**2,746,564,413**

2.5 FIRST TIME ADOPTION OF SLFRS (Contd.)

2.5.3 Reconciliation of Equity as at 31 March 2012

	Note	SLAS SLR	Remeasurements/ Reclassifications SLR	SLFRS SLR
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	A,B,C	3,884,325,354	41,413,103	3,925,738,457
Leasehold Properties		22,419,830	—	22,419,830
Investment Properties		666,130,000	—	666,130,000
Intangible Assets	C	—	9,445,923	9,445,923
Available for Sale Investments	D	261,359	3,799,447	4,060,806
Other Receivables	E	—	6,344,542	6,344,542
		4,573,136,543	**61,003,015**	**4,634,139,558**
Current Assets				
Inventories		1,149,269,995	—	1,149,269,995
Trade and Other Receivables	E,F,G	955,536,394	(13,781,681)	941,754,713
Prepayments	F	—	3,771,688	3,771,688
Income Tax Recoverable		25,784,702	—	25,784,702
Cash and Short Term Deposits		99,424,499	—	99,424,499
		2,230,015,590	**(10,009,993)**	**2,220,005,597**
Total Assets		**6,803,152,133**	**50,993,022**	**6,854,145,155**
EQUITY AND LIABILITIES				
Capital and Reserves				
Stated Capital		1,526,407,485	—	1,526,407,485
Reserves	D,H	688,535,043	(2,714,577)	685,820,466
Retained Earnings		980,115,911	53,707,600	1,033,823,511
Total Equity		**3,195,058,439**	**50,993,023**	**3,246,051,462**
Non-Current Liabilities				
Interest Bearing Loans and Borrowings		1,138,901,282	—	1,138,901,282
Deferred Tax Liabilities		18,979,577	—	18,979,577
Employee Benefit Liability		105,528,939	—	105,528,939
		1,263,409,798	**—**	**1,263,409,797**
Current Liabilities				
Trade and Other Payables		905,265,487	—	905,265,487
Dividends Payable		10,068,288	—	10,068,288
Interest Bearing Loans and Borrowings		1,429,350,121	—	1,429,350,121
		2,344,683,896	—	2,344,683,896
Total Equity and Liabilities		**6,803,152,133**	**50,993,023**	**6,854,145,155**

2.5 FIRST TIME ADOPTION OF SLFRS (Contd.)

2.5.3 Reconciliation of Equity as at 31 March 2012

	Note	SLAS ₹	Remeasurements/ Reclassifications ₹	SLFRS ₹
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	A,B,C	1,553,730,142	16,565,241	1,570,295,383
Leasehold Properties		8,967,932	—	8,967,932
Investment Properties		266,452,000	—	266,452,000
Intangible Assets	C	—	3,778,369	3,778,369
Available for Sale Investments	D	104,544	1,519,779	1,624,322
Other Receivables	E	—	2,537,817	2,537,817
		1,829,254,617	**24,401,206**	**1,853,655,823**
Current Assets				
Inventories		459,707,998	—	459,707,998
Trade and Other Receivables	E,F,G	382,214,558	(5,512,672)	376,701,885
Prepayments	F	—	1,508,675	1,508,675
Income Tax Recoverable		10,313,881	—	10,313,881
Cash and Short Term Deposits		39,769,800	—	39,769,800
		892,006,236	**(4,003,997)**	**888,002,239**
Total Assets		**2,721,260,853**	**20,397,209**	**2,741,658,062**
EQUITY AND LIABILITIES				
Capital and Reserves				
Stated Capital		610,562,994	—	610,562,994
Reserves	D,H	275,414,017	(1,085,831)	274,328,186
Retained Earnings		392,046,364	21,483,040	413,529,404
Total Equity		**1,278,023,376**	**20,397,209**	**1,298,420,585**
Non-Current Liabilities				
Interest Bearing Loans and Borrowings		455,560,513	—	455,560,513
Deferred Tax Liabilities		7,591,831	—	7,591,831
Employee Benefit Liability		42,211,576	—	42,211,575
		505,363,919	**—**	**505,363,919**
Current Liabilities				
Trade and Other Payables		362,106,195	—	362,106,195
Dividends Payable		4,027,315	—	4,027,315
Interest Bearing Loans and Borrowings		571,740,048	—	571,740,048
		937,873,558	—	937,873,558
Total Equity and Liabilities		**2,721,260,853**	**20,397,209**	**2,741,658,062**

2.5 FIRST TIME ADOPTION OF SLFRS (Contd.)

2.5.4 Reconciliation of Total Comprehensive Income for the Year Ended 31 March 2012

	Note	SLAS	Remeasurements/ Reclassifications	SLFRS
		SLR	SLR	SLR
Revenue	I	5,119,581,926	77,841,947	5,197,423,873
Cost of Sales	A,B,I	(3,625,339,202)	(34,573,956)	(3,659,913,158)
Gross Profit		**1,494,242,724**	**—**	**1,537,510,715**
Other Operating Income	J	10,671,422	(1,885,262)	8,786,160
Selling and Distribution Expenses	G	(75,480,227)	2,382,214	(73,098,013)
Administrative Expenses	A,B,C,I	(511,819,306)	(46,782,637)	(558,601,943)
Operating Profit		**917,614,613**	**(3,017,694)**	**914,596,919**
Finance Costs		(221,492,397)	—	(221,492,397)
Finance Income	J	—	1,885,262	1,885,262
Profit before Tax		**696,122,216**	**(1,132,432)**	**694,989,784**
Income Tax Expense		(9,677,928)	—	(9,677,928)
Profit for the Year		**686,444,288**	**(1,132,432)**	**685,311,856**
Other Comprehensive Income				
Gain on Available for Sale Financial Assets	D	—	962,908	962,908
Income Tax Effect		—	—	—
Other Comprehensive Income for the Year Net of Tax		**—**	**962,908**	**962,908**
Total Comprehensive Income for the Year Net of Tax		**686,444,288**	**(169,524)**	**686,274,764**

	Note	SLAS	Remeasurements/ Reclassifications	SLFRS
		₹	₹	₹
Revenue	I	2,150,224,409	32,693,618	2,182,918,027
Cost of Sales	A,B,I	(1,522,642,465)	(14,521,061)	(1,537,163,526)
Gross Profit		**627,581,944**	**18,172,556**	**645,754,500**
Other Operating Income	J	4,481,997	(791,810)	3,690,187
Selling and Distribution Expenses	G	(31,701,695)	1,000,530	(30,701,165)
Administrative Expenses	A,B,C,I	(214,964,108)	(19,648,708)	(234,612,816)
Operating Profit		**385,398,138**	**(1,267,432)**	**384,130,706**
Finance Costs		(93,026,807)	—	(93,026,807)
Finance Income	J	—	791,810	791,810
Profit before Tax		**292,371,331**	**(475,622)**	**291,895,709**
Income Tax Expense		(4,064,730)	—	(4,064,730)
Profit for the Year		**288,306,601**	**(475,622)**	**287,830,979**
Other Comprehensive Income				
Gain on Available for Sale Financial Assets	D	—	404,421	404,421
Income Tax Effect		—	—	—
Other Comprehensive Income for the Year Net of Tax		**—**	**404,421**	**404,421**
Total Comprehensive Income for the Year Net of Tax		**288,306,601**	**(71,200)**	**288,235,401**

2.5 FIRST TIME ADOPTION OF SLFRS (Contd.)

2.5.5 Notes to the Reconciliation of Equity as at 01 April 2011 and 31 March 2012 and Total Comprehensive Income as at 31 March 2012

A Useful life of Property, Plant & Equipment

The Company has reassessed the useful life time of its certain items of property, plant and equipment at the date of transition to SLFRS. Accordingly at the date of transition to SLFRS, a decrease of SLR 41,779,108/- ₹ 16,711,643 was recognized in accumulated depreciation of property, plant and equipment. Further, depreciation charge for the year ended 31 March 2012 for such property plant and equipment has been remeasured in line with the reassessment of life span.

B Valuation of Motor Vehicles

At the date of transition to SLFRS, Company has revalued it's motor vehicles and such revalued amounts has been considered as deemed cost. Accordingly at 01 April 2011 SLR 14,988,476/- ₹ 5,995,390 has been recognized as a revaluation gain. Further, depreciation charge for the year ended 31 March 2012 for such motor vehicles has been remeasured in line with the revalued amounts.

C Intangible Assets

ERP (SAP) system which was previously recognized as office equipments amounting to SLR25,189,128/- ₹ 10,075,651 has now been reclassified as intangible assets. Annual amortization amounting to SLR 3,148,641/- ₹ 1,259,456 has been recognized as an administrative expense in the income statement for the year ended 31 March 2012.

D Available for Sale Financial Assets

Under SLAS, the Company accounted for investments in quoted equity shares as financial instruments measured at cost. Under SLFRS, the Company has designated such investments as available-for-sale investments. SLFRS requires available-for-sale investments to be measured at fair value. At the date of transition to SLFRS, the fair value of these investments is SLR3,097,898/- ₹ 1,332,096 and their previous carrying amount in line with SLAS was SLR261,359/- ₹ 112,384. The difference of SLR 2,836,539 /- ₹ 1,219,712 between the fair value of the investment and carrying amount in line with SLAS has been recognized as a separate component of equity; in the available-for-sale reserve, net of related taxes.

E Loans given to Company Officers

Loans given to company officers has now been reclassified as "current" and "non-current".

F Prepayments

Prepayments which formed a part of trade and other receivables has now been reclassified separately.

G Impairment of Financial Assets

Under previous SLAS, the provision for bad and doubtful debts was calculated on amounts based on the number of days being due. Under SLFRS, the Company has calculated the provision for bad and doubtful debt based on collective impairment basis. Accordingly at the date of transition to SLFRS, an increase of SLR 6,047,665/- ₹ 2,540,019 has been recognized as provision for impairments.

H General Reserve

The Company has decided to transfer the General Reserves amounting to SLR 21,502,500/- ₹ 9,246,075 to Retained earnings as at the date of transition.

I Gross Revenue

From the date of transition to SLFRS, the revenue has been stated on gross basis. NBT expense amounting to SLR 80,671,131/- ₹ 34,688,586 has been recognized under administrative expenses and factory overheads.

J Interest Income

Interest income which was previously recognized as other operating income has now been reclassified as finance income.

K Statement of Cash Flows

The transition from SLAS to SLFRS has not had a material impact on the statement of cash flows.

3. SEGMENT INFORMATION

For management purposes, the Company is organized into business units based on its customer location and has two reportable segments, namely, local sales and export sales.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. However, financing (including finance costs and finance income) and income taxes are managed on a Company basis and are not allocated to operating segments.

		2013 SLR	2012 SLR	2013 ₹	2012 ₹
3.1	**Revenue**				
	Net Revenue	5,420,237,047	5,119,581,926	2,276,499,560	2,150,224,409
	Add : NBT on Sales	80,671,131	77,841,947	33,881,875	32,693,618
	Gross Revenue	**5,500,908,178**	**5,197,423,873**	**2,310,381,435**	**2,182,918,027**
3.2	**Sale of Goods**				
	Local Sales				
	– In House Production	3,806,013,518	3,525,984,080	1,598,525,677	1,480,913,314
	– Trading	244,426,438	368,225,000	102,659,104	154,654,500
	Total Local Sales	4,050,439,956	3,894,209,080	1,701,184,782	1,635,567,814
	Export Sales	1,369,797,091	1,225,372,846	575,314,778	514,656,595
		5,420,237,047	**5,119,581,926**	**2,276,499,560**	**2,150,224,409**

4. OTHER INCOME/EXPENSES

		2013 SLR	2012 SLR	2013 ₹	2012 ₹
4.1	**Other Operating Income**				
	Income from Investments - Quoted	144,256	334,527	60,588	140,501
	Sundry Income	9,672,786	8,451,633	4,062,570	3,549,686
		9,817,042	**8,786,160**	**4,123,158**	**3,690,187**
4.2	**Finance Income**				
	Interest Income	710,155	1,751,235	298,265	735,519
	Interest Income on Loans Given to Company Officers	624,037	134,027	262,096	56,291
		1,334,192	**1,885,262**	**560,361**	**791,810**
4.3	**Finance Costs**				
	Interest Expense on Overdrafts	25,566,275	12,049,320	10,737,836	5,060,714
	Interest Expense on Short Term Loans	117,490,143	66,690,672	49,345,860	28,010,082
	Interest Expense on Project Loans	114,275,239	142,752,405	47,995,600	59,956,010
		257,331,657	**221,492,397**	**108,079,296**	**93,026,807**

4. OTHER INCOME/EXPENSES (Contd.)

4.4 Profit Before Tax

	2013 SLR	2012 SLR	2013 ₹	2012 ₹
Stated after Charging/(Crediting)				
Included in Cost of Sales				
Depreciation of Property, Plant & Equipments	416,079,710	395,532,789	174,753,478.20	166,123,771.32
Personnel Costs including the following;				
– Employee Benefit Plan Costs - Gratuity	12,156,468	9,086,842	5,105,716.70	3,816,473.64
– Defined Contribution Plan Costs - EPF & ETF	21,039,529	10,703,229	8,836,602.17	4,495,356.34
Included in Administration Expenses				
Directors' Fees and Emoluments	53,929,605	42,478,290	22,650,433.97	17,840,881.74
Auditors' Remuneration - Fees	600,000	600,000	252,000.00	252,000.00
– Over Provision in respect of Previous Year	—	(60,000)	—	(25,200.00)
Technical Fee*	258,516,301	235,317,114	108,576,846.42	98,833,187.89
Depreciation of Property, Plant & Equipments	2,764,818	1,025,547	1,161,223.56	430,729.74
Amortization of Intangible Assets	3,148,641	3,148,641	1,322,429.22	1,322,429.22
Personnel Costs including the following;				
– Employee Benefit Plan Costs - Gratuity	1,923,446	2,556,398	807,847.14	1,073,687.25
– Defined Contribution Plan Costs - EPF & ETF	2,513,897	2,192,013	1,055,836.91	920,645.26
Donations	727,740	889,594	305,650.80	373,629.41
Exchange (Gain)/Loss	(9,992,503)	134,368,786	(4,196,851.37)	56,434,890.33
Profit on Sale of Property, Plant & Equipment	(1,750,891)	(2,788,869)	(735,374.22)	(1,171,325.06)
Included in Selling and Distribution Costs				
Advertising Costs	255,681	259,907	107,386.19	109,160.73
Provision for Impairments	**4,362,169**	**18,082,050**	**1,832,111**	**7,594,461**

* 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.

4.5 Components of Other Comprehensive Income

	2013 SLR	2012 SLR	2013 ₹	2012 ₹
Available for Sale Financial Assets:				
Gains/(Losses) arising during the Year	**667,184**	**962,908**	**280,217**	**404,421**

5. INCOME TAX

The major components of income tax expense for the years ended 31 March 2013 and 31 March 2012 are:

		2013 SLR	2012 SLR	2013 ₹	2012 ₹
5.1	**Income Statement**				
	Current income tax:				
	Current Tax Expense on Ordinary Activities for the Year	38,817,606	—	16,303,394.61	—
	Current Tax Expense on Other Income and Trading Profit for the Year	5,018,365	9,677,928	2,107,713.35	4,064,730
	Under/(Over) Provision of Current Taxes in respect of Prior Year	1,913,639	—	803,728.38	—
	Deferred tax:				
	Deferred Taxation Charge/(Reversal)	—	—	—	—
	Income Tax Expense Reported in the Income Statement	**45,749,610**	**9,677,928**	**19,214,836**	**4,064,730**
5.2	**Statement of Other Comprehensive Income**				
	Deferred Tax related to Items Charged or Credited Directly to Equity during the Year:	—	—	—	—
	Unrealized Gain/(Loss) on Available for Sale Financial Assets	—	—	—	—
	Income Tax Charged Directly to Other Comprehensive Income	—	—	—	—

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 09 December 2007. This exemption has expired on 09 December 2012.

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

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

5.3 A Reconciliation between Tax Expense and the Product of Accounting Profit Multiplied by the Statutory Tax Rate for the Years Ended 31 March 2013 and 31 March 2012 are as follows:

	2013 SLR	2012 SLR	2013 ₹	2012 ₹
Accounting Profit before Income Tax	770,126,110	694,989,784	323,452,966.31	291,895,709
Exempted Profit	(875,118,337)	(660,425,755)	(367,549,701.53)	(277,378,817)
Aggregate Disallowed Items	742,004,601	—	311,641,932.22	—
Aggregate Allowable Expenses	(230,913,579)	—	(96,983,703.21)	—
Trading Profit and Other Sources of Income	(17,922,733)	(34,564,029)	(7,527,547.67)	(14,516,892)
Taxable Profits Liable @ 10%	388,176,062	—	163,033,946	—
Taxable Other Sources of Income Liable @ 28%	17,922,733	34,564,029	7,527,548	14,516,892
Statutory Tax Rate - Business Profit	10%	—	10%	—
- Trading Profit and Other Sources of Income	28%	28%	28%	28%
Current Income Tax Expense	43,835,971	9,677,928	18,411,108	4,064,730

5. **INCOME TAX (Contd.)**

		2013 SLR	2012 SLR	2011 SLR
5.4	**Deferred Tax**			
	Balance as at the Beginning of the Year	18,979,577	18,979,577	18,979,577
	Provision/(Reversal) Made during the Year	—	—	—
	Balance as at the End of the Year	**18,979,577**	**18,979,577**	**18,979,577**

	2013 ₹	2012 ₹	2011 ₹
Balance as at the Beginning of the Year	7,781,627	7,971,422	7,971,422
Provision/(Reversal) Made during the Year	—	—	—
Balance as at the End of the Year	**7,781,627**	**7,971,422**	**7,971,422**

Due to the tax exemption period for 5 years commencing w.e.f 10 December 2007, the Deferred Tax has been computed up to 09 December 2007 and the reversal arising has been recognized in the Income Statement. The deferred tax reversal that arises during the tax exemption period amounting to SLR 71,595,544/- ₹ 30,070,128 was recognized under Retained Earnings in 2007/08.

6. **EARNINGS PER SHARE**

Basic/Diluted Earnings Per Share is calculated by dividing the net profit/loss for the period attributable to equity holders by the weighted average number of ordinary shares outstanding during the year. The weighted average number of ordinary shares outstanding during the period and the previous period 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.

The following reflects the income and share data used in the Basic Earnings Per Share computations:

Amount Used as the Numerator:	2013 SLR	2013 SLR	2012 ₹	2011 ₹
Net Earnings Attributable to Equity Shareholders	724,376,500	685,311,856	296,994,365	287,830,979

Number of Ordinary Shares Used as the Denominator:	Number	Number
Net Earnings Attributable to Equity Shareholders	950,086,080	950,086,080

7. PROPERTY, PLANT AND EQUIPMENT

7.1 At Cost	Balance as at 01.04.2011 SLR	Additions/ Incurred during the Year SLR	Disposals SLR	Transfer In/(Out) SLR	Balance as at 31.03.2012 SLR	Additions/ Incurred during the Year SLR	Disposals SLR	Transfer In/(Out) SLR	Balance as at 31.03.2013 SLR
Freehold Land	132870000	—	—	—	132870000	—	—	—	132870000
Buildings	1,373,732,815	32,919,821	—	—	1,406,652,636	28,289,302	—	—	1,434,941,938
Plant and Machinery	2,332,852,520	36,187,915	—	14,335,027	2,383,375,462	114,570,464	—	—	2,497,945,926
Electrical Power Installation	752,845,137	2,595,897	—	—	755,441,034	3,965,749	—	—	759,406,783
Furnace	784,860,669	—	—	—	784,860,669	13,936,766	—	—	798,797,435
Motor Vehicles	31,622,556	88,000	(2,441,304)	—	29,269,252	560,000	(788,750)	—	29,040,502
Tools and Implements	13,687,141	688,072	—	—	14,375,213	6,406,665	—	—	20,781,878
Office Equipments	94,632,647	5,484,642	—	—	100,117,289	11,741,284	(99,000)	—	111,759,573
Gas Station	21,116,708	—	—	—	21,116,708	—	—	—	21,116,708
Moulds and Neckring Equipment	416,741,266	42,209,548	—	—	458,950,814	82,031,949	—	—	540,982,763
	5,954,961,460	**120,173,895**	**(2,441,304)**	**14,335,027**	**6,087,029,078**	**261,502,179**	**(887,750)**	**—**	**6,347,643,506**
Assets on Finance Leases									
Plant and Machinery	14,335,027	—	—	(14,335,027)	—	—	—	—	—
	14,335,027	—	—	(14,335,027)	—				
Total Value of Assets	**5,969,296,487**	**120,173,895**	**(2,441,304)**	**—**	**6,087,029,078**	**261,502,179**	**(887,750)**	**—**	**6,347,643,506**
In the Course of Construction									
Capital Work-in-Progress	17,358,596	97,988,054	—	(77,964,347)	37,382,303	145,515,850	—	(179,470,229)	3,427,924
	17,358,596	97,988,054	—	(77,964,347)	37,382,303	145,515,850	—	(179,470,229)	3,427,924
Total Gross Carrying Amount	**5,986,655,083**	**218,161,949**	**(2,441,304)**	**(77,964,347)**	**6,124,411,381**	**407,018,029**	**(887,750)**	(179,470,229)	**6,351,071,430**

7. PROPERTY, PLANT AND EQUIPMENT (Contd.)

7.1 At Cost

At Cost	Balance as at 01.04.2011 ₹	Additions/ Incurred during the Year ₹	Disposals ₹	Transfer In/(Out) ₹	Exchange Rate Adjustment ₹	Balance as at 31.03.2012 ₹	Additions/ Incurred during the Year ₹	Disposals ₹	Transfer In/(Out) ₹	Exchange Rate Adjustment ₹	Balance as at 31.03.2013 ₹
Freehold Land	54,476,700.00	—	—	—	-1328700	53148000	—	—	—	3,986,100.00	57134100
Buildings	563,230,454.15	13,826,324.82	—	—	-14395724.57	562661054.4	11881506.84	—	—	42,482,472.10	617025033.3
Plant and Machinery	956,469,533.20	15,198,924.48	—	6,020,711.34	-24338984.05	953350185	48119594.88	—	—	72,646,968.51	1074116748
Electrical Power Installation	308,666,506.17	1,090,276.56	—	—	-7580369.302	302176413.4	1665614.58	—	—	22,702,888.50	326544916.5
Furnace	321,792,874.29	—	—	—	-7848606.69	313944267.6	5853441.72	—	—	23,685,187.73	343482897.1
Motor Vehicles	12,965,247.76	36,960.00	-1025347.68	—	-269159.475	11707700.6	235200	-331275	—	875,790.04	12487415.65
Tools and Implements	5,611,727.81	288,990.33	—	—	-150632.8544	5750085.288	2690799.3	—	—	495,323.05	8936207.635
Office Equipments	38,799,385.27	2,303,549.53	—	—	-1056019.305	40046915.49	4931339.28	-41580	—	3,119,941.50	48056616.27
Gas Station	8,657,850.28	—	—	—	-211167.08	8446683.2	—	—	—	633,501.24	9080184.44
Moulds and Neckring Equipment	170,863,919.06	17,728,010.29	—	—	-5011603.626	183580325.7	34453418.58	—	—	14,588,843.92	232622588.2
	2,441,534,197.99	**50,473,036.01**	**(1,025,348)**	**6,020,711**	**(62,190,967)**	**2434811631**	**109,830,915**	**(372,855)**	**—**	**185,217,016.59**	**2,729,486,707**
Assets on Finance Leases											
Plant and Machinery	5,877,361.07	—	—	-6020711.34	143350.27	—	—	—	—	—	—
	5,877,361	—	—	(6,020,711)	143,350	—	—	—	—	—	—
Total Value of Assets	**2,447,411,559**	**50,473,036**	**(1,025,348)**	**—**	**(62,047,617)**	**2,434,811,631**	**109,830,915**	**(372,855)**	**—**	**185,217,017**	**2,729,486,707**
In the Course of Construction											
Capital Work-in-Progress	7,117,024.36	41154982.86	—	-32745025.6	-574060.4234	14952921.2	61116657	—	(75,377,496)	**781,925.30**	**1474007.32**
	7,117,024	41,154,983	—	(32,745,026)	(574,060)	14,952,921	61,116,657	—	(75,377,496)	**781,925.30**	**1,474,007**
Total Gross Carrying Amount	**2,454,528,583**	**91,628,019**	**(1,025,348)**	**(32,745,026)**	**(62,621,677)**	**2,449,764,552**	**170,947,572**	**(372,855)**	**(75,377,496)**	**185,998,941.89**	**2,730,960,715**

7. PROPERTY, PLANT AND EQUIPMENT (Contd.)

7.2

Depreciation	Balance as at 01.04.2011 SLR	Charged for the Year SLR	Disposals/ Transfers SLR	Transfer In/(Out) SLR	Balance as at 31.03.2012 SLR	Charged for the Year SLR	Disposals/ Transfers SLR	Transfer In/(Out) SLR	Balance as at 31.03.2013 SLR
Buildings	134,228,752.00	34,622,923.00	—	—	168,851,675.00	35,469,022.00	—	—	204,320,697.00
Plant and Machinery	819,299,672.00	174,525,872.00	—	11,521,306.00	1,005,346,850.00	179,627,896.00	—	—	1,184,974,746.00
Electrical Power Installation	180,159,625.00	37,424,048.00	—	—	217,583,673.00	37,410,963.00	—	—	254,994,636.00
Furnace	296,028,185.00	89,898,121.00	—	—	385,926,306.00	90,701,497.00	—	—	476,627,803.00
Motor Vehicles	5,851,079.00	3,251,423.90	(2,417,674.00)	—	6,684,828.90	3,221,688.00	(736,070.00)	—	9,170,446.90
Tools and Implements	5,320,451.00	1,262,941.36	—	—	6,583,392.36	1,377,393.00	—	—	7,960,785.36
Office Equipment	48,358,207.00	10,304,457.77	—	—	58,662,664.77	11,703,409.00	(83,648.00)	—	70,282,425.77
Gas Station	3,728,472.00	527,918.00	—	—	4,256,390.00	527,918.00	—	—	4,784,308.00
Moulds and Neckring Equipment	300,036,512.00	44,740,631.06	—	—	344,777,143.06	58,804,742.00	—	—	403,581,885.06
	1,793,010,955.00	**396,558,336.09**	**(2,417,674.00)**	**11,521,306.00**	**2,198,672,923.09**	**418,844,528.00**	**(819,718.00)**	**—**	**2,616,697,733.09**
Assets on Finance Leases									
Plant and Machinery	11,521,306	—	—	(11,521,306)	—	—	—	—	—
	11,521,306	—	—	(11,521,306)	—	—	—	—	—
Total Depreciation	**1,804,532,261**	**396,558,336**	**(2,417,674)**	**—**	**2,198,672,923**	**418,844,528**	**(819,718)**	**—**	**2,616,697,733**

7. PROPERTY, PLANT AND EQUIPMENT (Contd.)

7.2

Depreciation	Balance as at 01.04.2011 ₹	Charged for the Year ₹	Disposals/ Transfers ₹	Transfer In/(Out) ₹	Exchange Rate Adjustment ₹	Balance as at 31.03.2012 ₹	Charged for the Year ₹	Disposals/ Transfers ₹	Transfer In/(Out) ₹	Exchange Rate Adjustment ₹	Balance as at 31.03.2013 ₹
Buildings	55,033,788	14,541,628	—	—	(2,034,746)	67,540,670	14,896,989	—	—	5,420,240	87,857,900
Plant and Machinery	335,912,866	73,300,866	—	4,838,949	(11,913,940)	402,138,740	75,443,716	—	—	31,956,684	509,539,141
Electrical Power Installation	73,865,446	15,718,100	—	—	(2,550,077)	87,033,469	15,712,604	—	—	6,901,620	109,647,693
Furnace	121,371,556	37,757,211	—	—	(4,758,244)	154,370,522	38,094,629	—	—	12,484,804	204,949,955
Motor Vehicles	2,398,942	1,365,598	(1,015,423)	—	(75,186)	2,673,932	1,353,109	(309,149)	—	225,401	3,943,292
Tools and Implements	2,181,385	530,435	—	—	(78,463)	2,633,357	578,505	—	—	211,276	3,423,138
Office Equipment	19,826,865	4,327,872	—	—	(689,671)	23,465,066	4,915,432	(35,132)	—	1,876,078	30,221,443
Gas Station	1,528,674	221,726	—	—	(47,843)	1,702,556	221,726	—	—	132,971	2,057,252
Moulds and Neckring Equipment	123,014,970	18,791,065	—	—	(3,895,178)	137,910,857	24,697,992	—	—	10,931,362	173,540,211
	735,134,492	**166,554,501**	**(1,015,423)**	**4,838,949**	**(26,043,349)**	**879,469,169**	**175,914,702**	**(344,282)**	**—**	**70,140,436**	**1,125,180,025**
Assets on Finance Leases											
Plant and Machinery	4,723,735	—	—	(4,838,949)	115,213	—	—	—	—	—	—
	4,723,735	—	—	(4,838,949)	115,213	—	—	—	—	—	—
Total Depreciation	**739,858,227**	**166,554,501**	**(1,015,423)**	**—**	**(25,928,136)**	**879,469,169**	**175,914,702**	**(344,282)**	**—**	**70,140,436**	**1,125,180,025**

7. PROPERTY, PLANT AND EQUIPMENT (Contd.)

7.3 Net Book Values

Net Book Values	31.03.2013 SLR	31.03.2012 SLR	31.03.2011 SLR
At Cost			
Freehold Land	132,870,000	132,870,000	132,870,000
Buildings	1,230,621,241	1,237,800,961	1,239,504,063
Plant and Machinery	1,312,971,180	1,378,028,612	1,513,552,848
Electrical Power Installation	504,412,147	537,857,361	572,685,512
Furnace	322,169,632	398,934,363	488,832,484
Motor Vehicles	19,870,055	22,584,423	25,771,477
Tools and Implements	12,821,093	7,791,821	8,366,690
Office Equipment	41,477,147	41,454,624	46,274,440
Gas Station	16,332,400	16,860,318	17,388,236
Moulds and Neckring Equipment	137,400,878	114,173,671	116,704,754
	3,730,945,773	**3,888,356,154**	**4,161,950,504**
Assets on Finance Leases			
Plant and Machinery	—	—	2,813,721
	—	**—**	**2,813,721**
In the Course of Construction			
Capital Work-in-Progress	3,427,924	37,382,304	17,358,596
Total Carrying Amount of Property, Plant and Equipment	**3,734,373,697**	**3,925,738,457**	**4,182,122,821**

	31.03.2013 ₹	31.03.2012 ₹	31.03.2011 ₹
At Cost			
Freehold Land	57,134,100	53,148,000	54,476,700
Buildings	529,167,134	495,120,384	508,196,666
Plant and Machinery	564,577,608	551,211,445	620,556,668
Electrical Power Installation	216,897,223	215,142,944	234,801,060
Furnace	138,532,942	159,573,745	200,421,318
Motor Vehicles	8,544,123	9,033,769	10,566,305
Tools and Implements	5,513,070	3,116,728	3,430,343
Office Equipment	17,835,173	16,581,850	18,972,520
Gas Station	7,022,932	6,744,127	7,129,177
Moulds and Neckring Equipment	59,082,378	45,669,469	47,848,949
	1,604,306,682	**1,555,342,461**	**1,706,399,706**
Assets on Finance Leases			
Plant and Machinery	—	—	1,153,626
	—	**—**	**1,153,626**
In the Course of Construction			
Capital Work-in-Progress	1,474,007	14,952,922	7,117,024
Total Carrying Amount of Property, Plant and Equipment	**1,605,780,690**	**1,570,295,383**	**1,714,670,356**

7. PROPERTY, PLANT AND EQUIPMENT (Contd.)

7.4

The Rates of Depreciation is Estimated as follows	2013	2012	2011
Buildings	2.5% on cost	2.5% on cost	2.5% on cost
Plant and Machinery	5.6% & 7.5% on cost	5.6% & 7.5% on cost	7.5% & 10% on cost
Electrical Power Installation	4% & 5% on cost	4% & 5% on cost	5% & 15% on cost
Furnace - Steel	7.5% on cost	7.5% on cost	7.5% on cost
- Refectories	12.5% on cost	12.5% on cost	12.5% on cost
Motor Vehicles	7.7% & 15% on cost	7.7% & 15% on cost	15% on cost
Tools and Implements	10% on cost	10% on cost	10% on cost
Office Equipment	10%, 12.5% & 25% on cost	10%, 12.5% & 25% on cost	10% & 25% on cost
Gas Station	2.5% on cost	2.5% on cost	2.5% on cost
Moulds and Neckring Equipment	Based on usage for production	Based on usage for production	Based on usage for production

7.5 During the year the Company acquired Property, Plant and Equipment to the aggregate value of SLR 227,547,800/- ₹ 97,845,554 (Year Ended 31 March 2012 - SLR140,197,603 /- ₹ 56,079,041) for cash.

7.6 Property, Plant and Equipment includes fully depreciated assets having a gross carrying amount of SLR 71,839,061/- ₹ 30,890,796 (Year Ended 31 March 2012 SLR 123,124,083/- ₹ 49,249,633).

7.7 The cost and accumulated depreciation of Plant & Machinery previously reported under finance lease being transferred to freehold assets category during the year 2012, since, lease liability was expired during year 2011.

8.

LEASEHOLD PROPERTY	2013 SLR	2012 SLR	2011 SLR
Balance at the Beginning of the Year	22,419,830	23,524,910	24,629,990
Amortization during the Year	(1,105,080)	(1,105,080)	(1,105,080)
Balance at the End of the Year	**21,314,750**	**22,419,830**	**23,524,910**

	2013 ₹	2012 ₹	2011 ₹
Balance at the Beginning of the Year	8,967,932	9,645,213	9,605,696
Amortization during the Year	(464,134)	(464,134)	(453,083)
Exchange Fluctuation Reserve	661,544	(213,147)	492,600
Balance at the End of the Year	**9,165,342**	**8,967,932**	**9,645,213**

9.

INVESTMENT PROPERTY	2013 SLR	2012 SLR	2011 SLR
Balance at the Beginning of the Year	666,130,000	666,130,000	666,130,000
Classified as held for Sale during the Year	(333,000,000)	—	—
Balance at the End of the Year	**333,130,000**	**666,130,000**	**666,130,000**

	2013 ₹	2012 ₹	2011 ₹
Balance at the Beginning of the Year	266,452,000	273,113,300	259,790,700
Classified as held for Sale during the Year	(143,190,000)	—	—
Exchange Fluctuation Reserve	19,983,900	(6,661,300)	13,322,600
Balance at the End of the Year	**143,245,900**	**266,452,000**	**273,113,300**

During the year 2007/2008 the Company relocated its production facility from Rathmalana to Horana. Due to the relocation, the land previously utilized for the production facility has now been classified under Investment Property as per LKAS 40 and the Company has chosen the Cost Model for measurement after initial recognition. No Management decision had been taken on the future intended utilization of this land as at the date of the statement of financial position.

Fair value of the Investment Property as at 31 March 2012 was assessed at SLR700,000,000/- ₹ 280,000,000by Mr. K.T.D. Tissera (Chartered Valuation Surveyor).

9.1 Investment Property Held for Sale	2013 SLR	2012 SLR	2011 SLR
Classified as Held for Sale during the Year*	333,000,000	—	—
	333,000,000	**—**	**—**

	2013 ₹	2012 ₹	2011 ₹
Classified as Held for Sale during the Year*	143,190,000	—	—
	143,190,000	**—**	**—**

* The Company has classified a part of it's land at Rathmalana as held for sale following the subsequent decision to sell it for a Consideration of SLR 355 Mn ₹ 153 Mn to M/S Prime Land (Pvt) Limited

INTANGIBLE ASSETS	2013 SLR	2012 SLR	2011 SLR
Cost			
Balance at the Beginning of the Year	25,189,128	25,189,128	25,189,128
Addition during the Year	—	—	—
Balance at the End of the Year	**25,189,128**	**25,189,128**	**25,189,128**
Amortization and Impairment			
Balance at the Beginning of the Year	15,743,205	12,594,564	9,445,923
Amortization during the Year	3,148,641	3,148,641	3,148,641
Balance at the End of the Year	18,891,846	15,743,205	12,594,564
Net Book Value	**6,297,282**	**9,445,923**	**12,594,564**

	2013 ₹	2012 ₹	2011 ₹
Cost			
Balance at the Beginning of the Year	10,075,651	10,327,542	9,823,760
Addition during the Year	—	—	—
Exchange Fluctuation Reserve	755,674	(251,891)	503,783
Balance at the End of the Year	**10,831,325**	**10,075,651**	**10,327,542**
Amortization and Impairment			
Balance at the Beginning of the Year	6,297,282	5,163,771	3,683,910
Amortization during the Year	1,322,429	1,322,429	1,290,943
Exchange Fluctuation Reserve	503,783	(188,918)	188,918
Balance at the End of the Year	8,123,494	6,297,282	5,163,771
Net Book Value	**2,707,831**	**3,778,369**	**5,163,771**

11. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES

11.1 Available for Sale Investments

	2013		2012		2011	
	No. of Shares	₹	No. of Shares	₹	No. of Shares	₹
Quoted Equity Shares	36,064	4,727,990	**36,064**	**4,060,806**	18,032	3,097,898
Total Available for Sale Investments	36,064	4,727,990	**36,064**	**4,060,806**	18,032	3,097,898

11.2 Interest Bearing Loans and Borrowings

	2013 SLR	2012 SLR	2011 SLR
Syndicated Project Loan (11.3)	946,181,101	1,419,818,185	1,682,464,307
Project Loan (11.4)	165,907,998	330,759,496	443,895,377
Short Term Loans (11.5)	948,229,225	766,188,900	512,500,000
Bank Overdrafts (14.2)	183,191,681	51,484,822	269,837,255
	2,243,510,004	**2,568,251,404**	**2,908,696,939**
Total Current	1,737,927,949	1,429,350,121	1,217,546,562
Total Non-Current	**505,582,055**	**1,138,901,282**	**1,691,150,877**

	2013 ₹	2012 ₹	2011 ₹
Syndicated Project Loan (11.3)	406,857,873	567,927,274	689,810,366
Project Loan (11.4)	71,340,439	132,303,799	181,997,105
Short Term Loans (11.5)	407,738,567	306,475,560	210,125,000
Bank Overdrafts (14.2)	78,772,423	20,593,929	110,633,275
	964,709,302	**1,027,300,562**	**1,192,565,745**
Total Current	747,309,018	571,740,048	499,194,090
Total Non-Current	**217,400,284**	**455,560,513**	**693,371,860**

11.3 Syndicated Project Loan

	DFCC Bank SLR	Bank of Ceylon SLR	Hatton National Bank PLC SLR	Sampath Bank PLC SLR	Total SLR
As at 01 April 2011	**495,418,024**	**387,356,842**	**399,496,041**	**400,193,400**	**1,682,464,307**
New Loans Obtained	—	—	—	—	—
Repayments	(111,806,111)	(84,375,949)	(93,082,352)	(90,681,938)	(379,946,350)
Exchange Differences	—	39,676,305	40,461,069	37,162,854	117,300,228
As at 31 March 2012	**383,611,913**	**342,657,198**	**346,874,758**	**346,674,316**	**1,419,818,185**
New Loans Obtained	—	—	—	—	—
Repayments	(111,806,112)	(119,794,032)	(119,792,813)	(121,174,647)	(472,567,604)
Exchange Differences		(638,959)	93,935	(524,457)	(1,069,481)
As at 31 March 2013	**271,805,801**	**222,224,207**	**227,175,880**	**224,975,213**	**946,181,101**

11. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES (Contd.)

	DFCC Bank ₹	Bank of Ceylon ₹	Hatton National Bank PLC ₹	Sampath Bank PLC ₹	Total ₹
As at 01 April 2011	**203,121,390**	**158,816,305**	**163,793,377**	**164,079,294**	**689,810,366**
New Loans Obtained	—	—	—	—	—
Repayments	(46,958,567)	(35,437,899)	(39,094,588)	(38,086,414)	(159,577,467)
Exchange Differences	(2,718,058)	13,684,473	14,051,114	12,676,846	37,694,375
As at 31 March 2012	**153,444,765**	**137,062,879**	**138,749,903**	**138,669,726**	**567,927,274**
New Loans Obtained	—	—	—	—	—
Repayments	(46,958,567)	(50,313,493)	(50,312,981)	(50,893,352)	(198,478,393)
Exchange Differences	10,390,296	8,807,023	9,248,706	8,962,967	37,408,993
As at 31 March 2013	**116,876,494**	**95,556,409**	**97,685,628**	**96,739,341**	**406,857,873**

Lending Institution	Nature of Facility	Interest Rate	Repayment Terms	Maturity	Outstanding As at 31.03.2013		
					USD	SLR	₹
DFCC Bank	Syndicated Loan in SLR	AWDR + 4% & w.e.f. 01 August 2011 AWDR + 3%	72 equivalent installments effect from January 2010.	December 2016	—	271,805,801	116,876,494
Bank of Ceylon	Syndicated Loan in SLR				—	42,702,025	18,361,871
Hatton National Bank PLC	Syndicated Loan in SLR				—	59,027,745	25,381,930
Sampath Bank PLC	Syndicated Loan in SLR				—	59,027,744	25,381,930
Bank of Ceylon	Syndicated Loan Granted in USD	LIBOR + 4.%, floor Interest Rate of 6.5% & w.e.f. 01 August 2011 LIBOR + 4%,floor interest rate of 5%	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.	December 2014	1,415,511	179,522,182	77,194,538
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.	November 2014	1,325,828	168,148,135	72,303,698
Sampath Bank PLC	Syndicated Loan Granted in USD		Repayable by 8 quarterly installments of US$ 145,000/- and 12 quarterly installment of US$ 193,350/- thereafter.	December 2014	1,308,476	165,947,468	71,357,411
					4,049,815	946,181,101	406,857,873

11. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES (Contd.)

11.4 Project Loans

	DFCC Bank SLR	Hatton National Bank PLC SLR	Sampath Bank PLC SLR	Total SLR
As at 01 April 2011	**129,166,681**	**159,952,549**	**154,776,147**	**443,895,377**
New Loans Obtained	—	—	—	—
Repayments	(50,000,004)	(48,854,429)	(51,014,580)	(149,869,013)
Exchange Differences	—	18,755,002	17,978,130	36,733,132
As at 31 March 2012	**79,166,677**	**129,853,122**	**121,739,697**	**330,759,496**
New Loans Obtained	—	—	—	—
Repayments	(50,000,000)	(56,459,894)	(58,600,583)	(165,060,477)
Exchange Differences	—	36,038	172,941	208,979
As at 31 March 2013	**29,166,677**	**73,429,266**	**63,312,055**	**165,907,998**

	DFCC Bank `	Hatton National Bank PLC SLR	Sampath Bank PLC SLR	Total SLR
As at 01 April 2011	**52,958,339**	**65,580,545**	**63,458,220**	**181,997,105**
New Loans Obtained	—	—	—	—
Repayments	(21,000,002)	(20,518,860)	(21,426,124)	(62,944,985)
Exchange Differences	3,134,708,742	5,149,063,195	4,827,555,783	13,111,327,721
As at 31 March 2012	**3,166,667,080**	**5,194,124,880**	**4,869,587,880**	**13,230,379,840**
New Loans Obtained	—	—	—	—
Repayments	(21,000,000)	(23,713,155)	(24,612,245)	(69,325,400)
Exchange Differences	(3,133,125,409)	(5,138,837,140)	(4,817,751,451)	(13,089,714,001)
As at 31 March 2013	**12,541,671**	**31,574,584**	**27,224,184**	**71,340,439**

11. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES (Contd.)

11.4 Project Loans

Lending Institution	Nature of Facility	Maturity	Interest Rate	Repayment Terms	Outstanding as at 31.03.2013		
					USD	SLR	₹
DFCC Bank	Project Loan Granted in SLR	January 2016	AWPLR + 1% & w.e.f.01 August 2011 AWPLR + 0.35%	Repayable by 60 monthly installments after a grace period of 12 months from the date of first disbursement.	—	29,166,677	1,254,167,111
Sampath Bank PLC	Project Loan Granted in USD	June 2014	LIBOR + 4%, floor Interest rate of 6.5% & w.e.f. 01 August 2011 LIBOR + 4%, floor Interest rate of 5%	52 monthly installments of USD 37,558/- each and a final installment of USD 10,954/-	499,208	63,312,055	2,722,418,363
Hatton National Bank PLC	Project Loan Granted in USD	August 2014		55 monthly installments of USD 36,186/- each	578,981	73,429,266	3,157,458,419
					1,078,189	165,907,998	7,134,043,894

Short Term Loans	Commercial Bank of Ceylon PLC SLR	Citibank N.A SLR	Standard Chartered Bank SLR	DFCC Bank SLR	Peoples' Bank SLR	Bank of Ceylon SLR	Total SLR
As at 01 April 2011	**120,000,000**	**112,500,000**	**70,000,000**	**200,000,000**	**—**	**10,000,000**	**512,500,000**
New Loans Obtained	400,000,000	1,432,500,000	1,135,000,000	50,000,000	31,188,900	300,000,000	3,348,688,900
Repayments	(520,000,000)	(1,210,000,000)	(805,000,000)	(250,000,000)	—	(310,000,000)	(3,095,000,000)
As at 31 March 2012	**—**	**335,000,000**	**400,000,000**	**—**	**31,188,900**	**—**	**766,188,900**
New Loans Obtained	773,277,353	1,664,500,000	1,147,000,000	400,000,000	—	—	3,984,777,353
Repayments	(627,048,128)	(1,567,500,000)	(1,177,000,000)	(400,000,000)	(31,188,900)	—	(3,802,737,028)
As at 31 March 2013	**146,229,225**	**432,000,000**	**370,000,000**	**—**	**—**	**—**	**948,229,225**

Short Term Loans	Commercial Bank of Ceylon PLC ₹	Citibank N.A ₹	Standard Chartered Bank ₹	DFCC Bank ₹	Peoples' Bank ₹	Bank of Ceylon ₹	Total ₹
As at 01 April 2011	**49,200,000**	**46,125,000**	**28,700,000**	**82,000,000**	**—**	**4,100,000**	**210,125,000**
New Loans Obtained	168,000,000	601,650,000	476,700,000	21,000,000	13,099,338	126,000,000	1,406,449,338
Repayments	(218,400,000)	(508,200,000)	(338,100,000)	(105,000,000)	—	(130,200,000)	(1,299,900,000)
Exchange Differences	1,200,000	(5,575,000)	(7,300,000)	2,000,000	(623,778)	100,000	(10,198,778)
As at 31 March 2012	**—**	**134,000,000**	**160,000,000**	**—**	**12,475,560**	**—**	**306,475,560**
New Loans Obtained	324,776,488	699,090,000	481,740,000	168,000,000	—	—	1,673,606,488
Repayments	(263,360,214)	(658,350,000)	(494,340,000)	(168,000,000)	(13,099,338)	—	(1,597,149,552)
Exchange Differences	1,462,292	11,020,000	11,700,000	—	623,778	—	24,806,070
As at 31 March 2013	**62,878,567**	**185,760,000**	**159,100,000**	**—**	**—**	**—**	**407,738,567**

11. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES (Contd.)

11.6 Fair Values

Set out below is a comparison of the carrying amounts and fair values of the Company's financial instruments by classes, that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

	Notes	Carrying Amount			Fair Value		
		As at 1 April			As at 1 April		
		2013 SLR	2012 SLR	2011 SLR	2013 SLR	2012 SLR	2011 SLR
Financial Assets							
Other Receivables	A	3,869,910	6,344,542	2,978,199	3,869,910	6,344,542	2,978,199
Trade and Other Receivables	B	1,044,786,442	941,754,713	770,412,457	1,044,786,442	941,754,713	770,412,457
Cash and Short Term Deposits	B	59,835,826	99,424,499	205,101,327	59,835,826	99,424,499	205,101,327
Total		**1 ,108,492,178**	**1,047,523,754**	**978,491,983**	**1,108,492,178**	**1,047,523,754**	**978,491,983**
Financial Liabilities							
Interest Bearing Loans and Borrowings (Non-Current)	A	505,582,055	1,138,901,282	1,691,150,877	505,582,055	1,138,901,282	1,691,150,877
Trade and Other Payables	B	1,083,355,631	905,265,486	822,962,963	1,083,355,631	905,265,486	822,962,963
Interest Bearing Loans and Borrowings (Current)	B	1,737,927,949	1,429,350,121	1,217,546,062	1,737,927,949	1,429,350,121	1,217,546,062
Total		**3,326,865,635**	**3,473,516,889**	**3,731,659,902**	**3,326,865,635**	**3,473,516,889**	**3,731,659,902**

	Notes	As at 1 April			As at 1 April		
		2013 ₹	2012 ₹	2011 ₹	2013 ₹	2012 ₹	2011 ₹
Financial Assets							
Other Receivables	A	1,664,061	2,537,817	1,221,062	1,664,061	2,537,817	1,221,062
Trade and Other Receivables	B	449,258,170	376,701,885	315,869,107	449,258,170	376,701,885	315,869,107
Cash and Short Term Deposits	B	25,729,405	39,769,800	84,091,544	25,729,405	39,769,800	84,091,544
Total		**476,651,636**	**419,009,502**	**401,181,713**	**476,651,636**	**419,009,502**	**401,181,713**
Financial Liabilities							
Interest Bearing Loans and Borrowings (Non-Current)	A	217,400,284	455,560,513	693,371,860	217,400,284	455,560,513	693,371,860
Trade and Other Payables	B	465,842,921	362,106,194	337,414,815	465,842,921	362,106,194	337,414,815
Interest Bearing Loans and Borrowings (Current)	B	747,309,018	571,740,048	499,193,885	747,309,018	571,740,048	499,193,885
Total		**1,430,552,223**	**1,389,406,756**	**1,529,980,560**	**1,430,552,223**	**1,389,406,756**	**1,529,980,560**

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

A Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, risk characteristics of the financed project etc. As at 31 March 2013, the carrying amounts of such borrowings are not materially different from their calculated fair values.

B Cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

11.7 Fair Value Hierarchy

For all financial instruments where fair values are determined by referring to externally quoted prices or observable pricing inputs to models, independent price determination or validation is obtained. In an active market, direct observation of a trade price may not be possible. In these circumstances, the Company uses alternative market information to validate the financial instrument's fair value, with greater weight given to information that is considered to be more relevant and reliable.

Fair value are determined according to the following hierarchy.

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Other valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

As at 31 March 2013, the Company held the following financial instruments carried at fair value on the statement of financial position.

Assets Measured at Fair Value	2013 ₹	Level 1 ₹	Level 2 ₹	Level 3 ₹
Available for Sale Financial Assets				
Quoted Equity Shares	4,727,990	4,727,990	—	—
	4,727,990	**4,727,990**	**—**	**—**

During the reporting period ending 31 March 2013, there were no transfers between Level 1 and Level 2 fair value measurements.

12. INVENTORIES

Assets Measured at Fair Value	2013 SLR	2012 SLR	2011 SLR
Raw Materials	284,454,959	352,987,906	329,039,140
Work in Progress	9,208,907	20,236,991	11,571,481
Finished Goods	900,178,984	453,921,992	219,932,355
Consumables and Spares	378,142,657	326,935,433	250,291,887
Stock in transit	1,997,676	—	—
Less: Allowance for obsolete and slow moving inventory	(10,360,206)	(4,812,327)	(4,812,327)
Total Inventories at the Lower of Cost and Net Realizable Value	**1,563,622,977**	**1,149,269,995**	**806,022,536**

Assets Measured at Fair Value	2013 ₹	2012 ₹	2011 ₹
Raw Materials	122,315,632	141,195,163	134,906,047
Work in Progress	3,959,830	8,094,797	4,744,307
Finished Goods	387,076,963	181,568,797	90,172,266
Consumables and Spares	162,601,343	130,774,173	102,619,674
Stock in transit	859,001	—	—
Less: Allowance for obsolete and slow moving inventory	(4,454,889)	(1,924,931)	(1,973,054)
Total Inventories at the Lower of Cost and Net Realizable Value	**672,357,880**	**459,707,998**	**330,469,240**

13. TRADE AND OTHER RECEIVABLES

	2013 SLR	2012 SLR	2011 SLR
Trade Receivables	1,011,387,967	905,947,648	761,525,593
Less : Provision for Impairments	(17,421,816)	(30,248,870)	(29,374,961)
	993,966,151	875,698,778	732,150,632
Other Receivables	3,250,902	6,077,696	2,865,466
Advances	41,527,052	53,916,190	32,006,922
Loans to Company Officers	9,912,247	12,406,591	6,367,635
	1,048,656,352	**948,099,255**	**773,390,655**
Total Current	**1,044,786,442**	**941,754,713**	**770,412,456**
Total Non-Current	**3,869,910**	**6,344,542**	**2,978,199**

	2013 ₹	2012 ₹	2011 ₹
Trade Receivables	434,896,826	362,379,059	312,225,493
Less : Provision for Impairments	(7,491,381)	(12,099,548)	(12,043,734)
	427,405,445	350,279,511	300,181,759
Other Receivables	1,397,888	2,431,078	1,174,841
Advances	17,856,632	21,566,476	13,122,838
Loans to Company Officers	4,262,266	4,962,636	2,610,730
	450,922,231	**379,239,702**	**317,090,169**
Total Current	**449,258,170**	**376,701,885**	**315,869,107**
Total Non-Current	**1,664,061**	**2,537,817**	**1,221,062**

Trade receivables are non-interest bearing and are generally on terms of 45 days.

As at 31 March, the ageing analysis of trade receivables, is as follows:

	Total SLR 000	Neither Past Due nor Impaired SLR 000	Past Due and Impaired			
			< 60 Days SLR 000	61-120 Days SLR 000	121-180 Days SLR 000	> 180 Days SLR 000
2013	1,011	909	61	20	9	12
2012	906	791	61	18	10	26
As at 1 April 2011	761	637	80	16	5	23

	Total ₹ 000	Neither Past Due nor Impaired ₹ 000	Past Due and Impaired			
			< 60 Days ₹ 000	61-120 Days ₹ 000	121-180 Days ₹ 000	> 180 Days ₹ 000
2013	435	391	26	8	4	5
2012	362	316	25	7	4	10
As at 1 April 2011	312	261	33	7	2	10

See Note 24 on credit risk of trade receivables, which discusses how the Company manages and measures credit quality of trade receivables that are neither past due nor impaired.

14. CASH AND SHORT TERM DEPOSITS

14.1 Favourable Cash and Cash Equivalent Balances

	2013 SLR	2012 SLR	2011 SLR
Cash and Bank Balances	**59,835,826**	**99,424,499**	**205,101,327**
	59,835,826	**99,424,499**	**205,101,327**

	2013 ₹	2012 ₹	2011 ₹
Cash and Bank Balances	**25,729,405**	**39,769,800**	**84,091,544**
	25,729,405	**39,769,800**	**84,091,544**

14.2 Unfavourable Cash and Cash Equivalent Balances

	2013 SLR	2012 SLR	2011 SLR
Bank Overdraft (11.2)	**(183,191,681)**	**(51,484,822)**	**(269,837,255)**
Cash and Cash Equivalents for the Purpose of Cash Flow Statement	**(123,355,855)**	**47,939,677**	**(64,735,928)**

	2013 ₹	2012 ₹	2011 ₹
Bank Overdraft (11.2)	**(78,772,423)**	**(20,593,929)**	**(110,633,275)**
Cash and Cash Equivalents for the Purpose of Cash Flow Statement	**(53,043,018)**	**19,175,871**	**(26,541,730)**

15. **STATED CAPITAL**

		2013 Number	2012 Number	2011 Number	2013 SLR	2012 SLR	2011 SLR
15.1	**Ordinary Shares**	950,086,080	950,086,080	950,086,080	1,526,407,485	1,526,407,485	1,526,407,485

		2013 Number	2012 Number	2011 Number	2013 ₹	2012 ₹	2011 ₹
15.1	**Ordinary Shares**	950,086,080	950,086,080	950,086,080	656,355,219	610,562,994	625,827,069

15.2 **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.

16. **OTHER RESERVES**

	2013 SLR	2012 SLR	2011 SLR
Revaluation Reserve (16.1)	682,021,019	682,021,019	682,021,019
Available for Sale Reserve	4,466,631	3,799,447	2,836,539
	686,487,650	**685,820,466**	**684,857,558**

	2013 ₹	2012 ₹	2011 ₹
Revaluation Reserve (16.1)	293,269,038	272,808,408	279,628,618
Available for Sale Reserve	1,920,651	1,519,779	1,162,981
	295,189,690	**274,328,186**	**280,791,599**

16.1 Revaluation reserve consists of net surplus resulting from the revaluation of property, plant and equipment before the date of transition to SLFRS.

17. **EMPLOYEE BENEFIT LIABILITY**

17.1 **Net Benefit Expense**

	2013 SLR	2012 SLR	2011 SLR
Current Service Cost	6,346,519	8,979,804	1,994,481
Interest Cost on Benefit Obligation	10,552,894	9,954,323	8,692,522
Net Actuarial (Gain) / Loss	(2,819,499)	2,623,801	4,647,517
	14,079,914	**21,557,928**	**15,334,520**

	2013 ₹	2012 ₹	2011 ₹
Current Service Cost	2,729,003	3,591,921	817,737
Interest Cost on Benefit Obligation	4,537,744	3,981,729	3,563,934
Net Actuarial (Gain) / Loss	(1,212,385)	1,049,521	1,905,482
	6,054,363	**8,623,171**	**6,287,153**

17.2 Defined Benefit Obligation

Changes in the present value of the defined benefit obligation are as follows:

	2013 SLR	2012 SLR	2011 SLR
Defined Benefit Obligation at 1 April	105,528,939	99,543,230	86,925,218
Charge for the Year	14,079,914	21,557,928	15,334,520
Benefits Paid	(7,610,021)	(15,572,219)	(2,716,508)
Defined Benefit Obligation at 31 March	**111,998,832**	**105,528,939**	**99,543,230**

	2013 ₹	2012 ₹	2011 ₹
Defined Benefit Obligation at 1 April	42,211,576	40,812,724	33,900,835
Charge for the Year	5,913,564	9,054,330	6,287,153
Benefits Paid	(3,196,209)	(6,540,332)	(1,113,768)
Defined Benefit Obligation at 31 March	**44,928,931**	**43,326,722**	**39,074,220**

17.3 Messrs. K. A. Pandit, Actuaries, carried out an actuarial valuation of the defined benefit plan - gratuity as of 31 March 2013. Appropriate and compatible assumptions were used in determining the cost of retirement benefits. The principal assumptions used as at 31.03.2013 are as follows:

	31.03.2013	31.03.2012	31.03.2011
Method of actuarial valuation:	Projected Unit Credit method	Projected Unit Credit method	Projected Unit Credit method
Discount rate:	11%	10%	10%
Future salary increases:	8.5% + salary scales	8.5% + salary scales	8.5% + salary scales
Retirement age:	55 Years	55 Years	55 Years
Mortality table:	LIC (1994-96) Ultimate Mortality Table	LIC (1994-96) Ultimate Mortality Table	LIC (1994-96) Ultimate Mortality Table

17.4 Sensitivity of Assumptions Employed in Actuarial Valuation

The following table demonstrates the sensitivity to a reasonable possible change in the key assumptions employed with all other variables held constant in the employment benefit liability measurement, in respect of the year 2013.

The sensitivity of the income statement and statement of financial position is the effect of the assumed changes in discount rate and salary increment rate on the profit or loss and employment benefit obligation for the year is as follows.

Increase/ (Decrease) in Discount Rate	Increase/ (Decrease) in Salary Increment	2013		2013	
		Effect on Income Statement	Effect on Employee Benefit Liability	Effect on Income Statement	Effect on Employee Benefit Liability
SLR	SLR	SLR	SLR	₹	₹
1%		(8,267,675)	(8,267,675)	(3,472,423.50)	(3,555,100.25)
-1%		20,542,555	20,542,555	8,627,873.10	8,833,298.65
	1%	(20,636,079)	(20,636,079)	(8,667,153.18)	(8,873,513.97)
	-1%	8,088,310	8,088,310	3,397,090.20	3,477,973.30

18. TRADE AND OTHER PAYABLES

		2013 SLR	2012 SLR	2011 SLR
Trade Payable	- Related Party (18.1)	59,279,157	67,052,052	22,660,002
	- Others	281,943,759	368,352,613	270,411,629
Other Payables	- Related Party (18.2)	474,152,701	277,645,373	332,912,213
Sundry Creditors including Accrued Expenses		267,980,014	192,215,449	196,979,118
		1,083,355,631	**905,265,486**	**822,962,963**

		2013 ₹	2012 ₹	2011 ₹
Trade Payable	- Related Party (18.1)	25,490,037	26,820,821	9,290,601
	- Others	121,235,816	147,341,045	110,868,768
Other Payables	- Related Party (18.2)	203,885,661	111,058,149	136,494,007
Sundry Creditors including Accrued Expenses		115,231,406	76,886,179	80,761,439
		465,842,921	**362,106,195**	**337,414,815**

Trade payables are non-interest bearing and are normally settled on 30-60 day terms.

18.1 Trade Payables to Related Party

	Relationship	2013 SLR	2012 SLR	2011 SLR
Piramal Glass Limited - India	Parent Company	59,279,157	67,052,052	22,660,002
		59,279,157	**67,052,052**	**22,660,002**

	Relationship	2013 ₹	2012 ₹	2011 ₹
Piramal Glass Limited - India	Parent Company	25,490,037	26,820,821	9,290,601
		25,490,037	**26,820,821**	**9,290,601**

18.2 Other Payables - Related Party

	Relationship	2013 SLR	2012 SLR	2011 SLR
Piramal Glass Limited - India	Parent Company	474,152,701	277,645,373	332,912,213
		474,152,701	**277,645,373**	**332,912,213**

	Relationship	2013 ₹	2012 ₹	2011 ₹
Piramal Glass Limited - India	Parent Company	203,885,661	111,058,149	136,494,007
		203,885,661	**111,058,149**	**136,494,007**

19. DIVIDENDS PAYABLE

	2013 SLR	2012 SLR	2011 SLR
Unclaimed Dividends	18,538,805	10,068,288	3,952,361
	18,538,805	**10,068,288**	**3,952,361**

	2013 ₹	2012 ₹	2011 ₹
Unclaimed Dividends	7,971,686	4,027,315	1,620,468
	7,971,686	**4,027,315**	**1,620,468**

20. RELATED PARTY DISCLOSURES

During the year the Company has entered into transactions with the following Related Parties. The material transactions have been disclosed below.

Name of Company	Relationship	2013 SLR	2012 SLR	2011 SLR
Piramal Glass Limited - India	Parent Company			
Nature of Transactions				
Purchasing of Bottles		164,108,784	221,910,963	57,777,245
Purchasing of Moulds		—	—	3,789,077
Technical Fees		258,516,301	235,317,114	205,188,048

Name of Company	Relationship	2013 ₹	2012 ₹	2011 ₹
Piramal Glass Limited - India	Parent Company			
Nature of Transactions				
Purchasing of Bottles		68,925,689	93,202,604	23,688,670
Purchasing of Moulds		—	—	1,553,522
Technical Fees		108,576,846	98,833,188	84,127,100

The amounts payable to the above related party as at 31 March 2013, 31 March 2012 and 31 March 2011 are disclosed in Notes 18.1 and 18.2.

20.2 Transactions with Directors/Key Management Personnel *

	2013 SLR	2012 SLR	2011 SLR
Emoluments and Fees Including Other Benefits	53,929,605	43,909,549	34,868,549
Total Compensation paid to Key Management Personnel	**53,929,605**	**43,909,549**	**34,868,549**

	2013 ₹	2012 ₹	2011 ₹
Emoluments and Fees Including Other Benefits	22,650,434	18,442,011	14,296,105
Total Compensation paid to Key Management Personnel	**22,650,434**	**18,442,011**	**14,296,105**

* Key Management personnel include the Board of Directors and the Chief Executive Officer of the Company.

21. COMMITMENTS AND CONTINGENCIES

21.1 Capital Expenditure Commitments

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

21.2 Contingent Liabilities

There are no significant contingent liabilities as at the reporting date.

22. ASSETS PLEDGED

The following assets have been pledged as security for liabilities.

Nature of Assets	Nature of Liability	2013 SLR in Mn.	2012 SLR in Mn.	2011 SLR in Mn.	Included under
Immovable Properties	First/Secondary Mortgage for Loans and Borrowings	3,415	3,832	4,249	Property, Plant & Equipment
		3,415	3,832	4,249	

Nature of Assets	Nature of Liability	2013 SLR in Mn.	2012 SLR in Mn.	2011 SLR in Mn.	Included under
Immovable Properties	First/Secondary Mortgage for Loans and Borrowings	1,468	1,533	1,742	Property, Plant & Equipment
		1,468	**1,533**	**1,742**	

23.

23.1 The Board of Directors of the Company has proposed the first and final dividend of Rs. 0.38 cents per share for the financial year ended 31 March 2013.

23.2 The Company has agreed to sell a part of it's land at Rathmalana for a Consideration of Rs. 355 Mn to M/S Prime Land (Pvt) Limited

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

24.1 Introduction

Risk is inherent in Company's business activities, but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The Board of Directors of the Company places special consideration on the management of such risks. The Company is mainly exposed to;

a. Market risk

b. Interest rate risk

c. Foreign currency risk

d. Commodity price risk

e. Equity price risk

f. Equity price risk

g. Credit risk

h. Liquidity risk

24.1.1 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, available-for-sale investments and derivative financial instruments.

Financial risk management is carried out by Piramal Glass Ceylon Finance Division under policies approved by the Board which set out the principles and procedures with respect to risk tolerance, delegated authority levels, internal controls, management of foreign currency, interest rate and counterparty credit exposures and the reporting of exposures.

The overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the entity's financial performance.

24.1.2 Commodity Price Risk

The Entity is affected by the availability & price of certain commodities. The main impact for Piramal Glass Ceylon is through energy & Imported Raw Material. The imported Raw material price risk is mitigated through long term agreements & central purchasing done by Piramal Group Procurement division. The energy cost consists of LPG, Furnace oil & Electricity.

In managing the commodity price risk part of the cost increases are passed on to the customer through the annual price increases.

24.1.3 Interest Rate Risk

Interest rate risk is the risk that the entity's financial position will be adversely affected by movements in floating interest. All of the entity's interests are linked to variable rates.

The entity exposure to interest rate risk is minimized by maintaining an appropriate mix between Rupee borrowings & Dollar borrowing. The fluctuating rate variance of Rupee borrowing is minimized by the LIBOR linked Dollar borrowing whilst the Exchange exposure of the Dollar loan is minimized by the Rupee loan.

The sensitivity of the income statement is the effect of the assumed changes in interest rate on the profit or loss for the year is as follows.

Increase/(Decrease) in Interest Rate	2013 Effect on Income Statement ₹
1%	(25,470,000)
-1%	25,470,000

24.1.4 Exchange Rate Risk

Exchange risk arises out of the commercial transactions that the entity enters into outside Sri Lanka. The major part of the foreign transactions is dealt with US Dollars. The company has a natural hedging by way of its operational transactions as the inflow of foreign currency thru export sale off sets the import cost and the US dollar loan premium and interest.

The sensitivity of the income statement and statement of financial position is the effect of the assumed changes in exchange rate on the profit or loss and long term foreign currency borrowings for the year is as follows.

Increase/(Decrease) in Exchange Rate	2013	
	Effect on Income Statement	Effect on Statement of Financial Position
1%	(6,800,000)	(6,800,000)
-1%	6,800,000	6,800,000

24.1.5 Liquidity Risk

Liquidity risk arises from the financial liabilities of the entity and the entity's subsequent ability to meet their obligation to repay their financial liabilities as and when they fall due.

Liquidity risk management involves maintaining available funding and ensuring the entity has access to an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, Piramal Glass Finance aims to maintain flexibility within the funding structure through the use of bank overdrafts, Short Term loans, Letter of Credit & Guarantees.

Entity manages this risk via maintaining an undrawn committed liquidity at any given moment that can be drawn upon at short notice to meet any unforeseen circumstance.

The company also regularly performs a comprehensive analysis of all cash inflows and outflows that relate to financial assets and liabilities.

Below table illustrates the maturity periods of liabilities in due.

Type of Loan	1 - 6 Months SLR	6 - 12 Months SLR	1 - 5 Years SLR	Total SLR
Syndicated loans (USD)	151,362,841	151,362,841	210,892,105	513,617,788
Syndicated loans (SLR)	81,222,311	81,222,311	270,118,691	432,563,313
Project loans (USD)	56,085,031	56,085,030	24,571,259	136,741,321
Project loans (SLR)	25,000,003	4,166,674	—	29,166,677
Short Term Loans	948,229,225	—	—	948,229,225
Bank Overdraft	183,191,681	—	—	183,191,681
	1,445,091,092	**292,836,857**	**505,582,055**	**2,243,510,004**

Type of Loan	1 - 6 Months ₹	6 - 12 Months ₹	1 - 5 Years ₹	Total ₹
Syndicated loans (USD)	65,086,022	65,086,022	90,683,605	220,855,649
Syndicated loans (SLR)	34,925,594	34,925,594	116,151,037	186,002,225
Project loans (USD)	24,116,563	24,116,563	10,565,642	58,798,768
Project loans (SLR)	10,750,001	1,791,670	—	12,541,671
Short Term Loans	407,738,567	—	—	407,738,567
Bank Overdraft	78,772,423	—	—	78,772,423
	621,389,169	**125,919,849**	**217,400,284**	**964,709,302**

24.1.6 Equity Price Risk

The key objectives of the entity when managing capital is to safeguard its ability to continue as a going concern and maintain optimal returns to shareholders and benefits for other stakeholders.

During the past years the management has tried its best to maintain a steady percentage of payout as its dividend.

24.1.7 Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for trade receivables).

The company minimizes is credit risk towards its customers by having agreements with customers and having high level scrutiny before converting a cash customer to a credit customer. Also the company adheres to the policy of obtaining guarantees from new customers as the requirement may seem fit.

24.2 Capital Management

The Company monitors the adequacy of capital structure of the company. In determining the capital structure, the Board of Directors is concern about the controlling interest of the Parent, Piramal Glass Limited - India. The objective of the Company is to maintain a balance between access to funds and flexibility through borrowed funds (syndicated loans, short term loans and bank overdrafts) rather than using equity funding. Access to source of funds is sufficiently available and financing for operational purposes has already been secured.

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, 2013.

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 2013 and as at 31st March 2012 have been done using closing rate of 1 US $ = 54.31 ₹ (B/S items) and 1 US $ = 54.32 ₹ (P&L items - 12 Months Avg.) and 1 US $ = 50.88 ₹ (B/S items) and 1 US $ = 47.84 ₹ (P&L items – 12 Months Avg.) as of respective dates.

FINANCIAL RESULTS

TURNOVER AND PROFIT / (LOSS)	Year ended 31 March, 2013 USD	Year ended 31 March, 2013 ₹ in Mio	Year ended 31 March, 2012 USD	Year ended 31 March, 2012 ₹ in Mio
Operating Income	657,408	35.71	564,617	27.01
Profit before Income Tax	31,305	1.70	27,784	2.38
Profit / (Loss) after Taxation	24,604	1.34	17,097	1.87

REVIEW OF OPERATIONS

During the year, the Company has earned an income of USD 657,408 (₹ 35.71 mio) as against the previous year income of USD 564,617 (₹ 27.01 mio) and the profit after tax is USD 26,604 (₹ 1.34 mio) as against USD 17,097 (₹ 1.87 mio) in previous year.

CAPITAL EXPENDITURE AND INVESTMENTS

The Company did not incure 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, 2013.

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

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, 2013 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 16, 2013.

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, 2013 and March 31, 2012 and the related statements of comprehensive 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, 2013 and March 31, 2012 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.

Atlanta, USA

April 16, 2013

KNAV P.A.
Certified Public Accountants
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Balance Sheet

as at March 31, 2013 and March 31, 2012

	As at March 31, 2013 USD	As at March 31, 2013 ₹	As at March 31, 2012 USD	As at March 31, 2012 ₹
ASSETS				
Current assets				
Cash and cash equivalents	51,268	2,784,365	157,978	8,037,921
Accounts receivable, net of allowances, due from Parent	191,598	10,405,687	144,190	7,336,387
Accounts receivable, held on behalf of Parent	2,335,699	126,851,813	2,288,086	116,417,816
Inventories, held on behalf of Parent	2,276,890	123,657,896	2,414,856	122,867,873
Other current assets	—	—	1,087	55,307
Total current assets	**4,855,455**	**263,699,761**	**5,006,197**	**254,715,303**
Other asset	2,642	143,487	2,642	134,425
Total assets	**4,858,097**	**263,843,248**	**5,008,839**	**254,849,728**
LIABILITIES AND STOCKHOLDER'S EQUITY				
Current liabilities				
Accounts payable, due to Parent	4,604,342	250,061,814	4,816,265	245,051,563
Other current liabilities	53,411	2,900,751	16,835	856,565
Total current liabilities	**4,657,753**	**252,962,565**	**4,833,100**	**245,908,128**
Total liabilities	**4,657,753**	**252,962,565**	**4,833,100**	**245,908,128**
Stockholder's 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	175,343	9,193,340	150,739	7,856,850
Exchange Fluctuation		602,593		
Total stockholder's equity	200,343	10,880,683	175,739	8,941,600
Total liabilities and stockholder's equity	**4,858,096**	**263,843,248**	**5,008,839**	**254,849,728**

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

Rupee equivalent of US$ in audited statement as at March 2013 and as at March 2012 has been done using closing rate of 1 US$ = 54.31 ₹ (B/S items) and 1 US$ = 54.32 ₹ (P&L items-12 months avg.) and 1 US$ = 50.88 ₹ (B/S items) and 1 US$ = 47.84 ₹ (P&L items-12 months avg.) as of respective dates.

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

Statements of Income

for the period ended March 31, 2013 and March 31, 2012

	Year ended March 31, 2013 USD	Year ended March 31, 2013 ₹	Year ended March 31, 2012 USD	Year ended March 31, 2012 ₹
Revenues				
Operating revenues	657,408	35,710,403	564,617	27,011,277
Total revenues	**657,408**	**35,710,403**	**564,617**	**27,011,277**
Cost and expenses				
Selling, general and administrative expenses	626,103	34,009,915	536,833	25,682,091
Exchange Fluctuation				(1,048,247)
Total cost and expenses	**626,103**	**34,009,915**	**536,833**	**24,633,844**
Income before income tax	**31,305**	**1,700,488**	**27,784**	**2,377,434**
Income tax expense	6,701	363,998	10,687	511,266
Comprehensive income	**24,604**	**1,336,489**	**17,097**	**1,866,167**

Rupee equivalent of US$ in audited statement as at March 2013 and as at March 2012 has been done using closing rate of 1 US$ = 54.31 ₹ (B/S items) and 1 US$ = 54.32 ₹ (P&L items-12 months avg.) and 1 US$ = 50.88 ₹ (B/S items) and 1 US$ = 47.84 ₹ (P&L items-12 months avg.) as of respective dates.

Statements of stockholder's equity and accumulated earnings

as of March 31, 2013 and March 31, 2012

Particulars	Common Stock				Accumulated earnings	Total stockholders' equity
	Authorized		Issued & Outstanding			
	Shares	USD	Shares	USD	USD	USD
Balance as on April 1, 2011	150,000	150,000	25,000	25,000	133,642	158,642
Comprehensive income for the year	—	—	—	—	17,097	17,097
Balance as at March 31, 2012	**150,000**	**150,000**	**25,000**	**25,000**	**150,739**	**175,739**
Balance as on April, 1, 2012	150,000	150,000	25,000	25,000	150,739	175,739
Comprehensive income for the year	—	—	—	—	24,604	24,604
Balance as at March 31, 2013	**150,000**	**150,000**	**25,000**	**25,000**	**175,343**	**200,343**

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

Particulars	Common Stock				Accumulated earnings	Total stockholders' equity
	Authorized		Issued & Outstanding			
	Shares	₹	₹	₹	₹	₹
Balance as on April 1, 2011	150,000	6,508,500	1,084,750	1,084,750	5,990,683	7,075,433
Comprehensive income for the year	—	—	—	—	1,866,167	1,866,167
Balance as at March 31, 2012	**150,000**	**6,508,500**	**1,084,750**	**1,084,750**	**7,856,850**	**8,941,600**
Balance as on April, 1, 2012	150,000	6,508,500	1,084,750	1,084,750	7,856,850	8,941,600
Comprehensive income for the year	—	—	—	—	1,336,489	1,336,489
Balance as at March 31, 2013	**150,000**	**6,508,500**	**1,084,750**	**1,084,750**	**9,193,340**	**10,278,090**

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

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

Statements of Cash Flow

for the period ended March 31, 2013 and March 31, 2012

	Year ended March 31, 2013 USD	Year ended March 31, 2013 ₹	Year ended March 31, 2012 USD	Year ended March 31, 2012 ₹
Cash flow from operating activities				
Net income	24,604	1,336,489	17,097	1,866,167
Adjustments to reconcile net income to net cash provided by/(used in) operating activities				
Deferred tax expense	—	—	10,687	511,266
Changes in assets and liabilities				
Accounts receivable, net of allowances, due from Parent	(47,408)	(3,069,300)	(12,617)	(1,468,231)
Accounts receivable, held on behalf of Parent	(47,613)	(10,433,997)	193,293	(5,748,312)
Inventories, held on behalf of Parent	137,962	(790,023)	(882,120)	(54,507,803)
Other current assets	1,087	55,307	(5,344)	(231,427)
Accounts payable, due to Parent	(211,921)	5,010,251	824,180	67,004,661
Other current liabilities	36,578	2,044,187	(21,216)	(836,585)
Net cash provided by/(used in) operating activities	**(106,711)**	**(5,847,087)**	**123,960**	**6,589,736**
Cash flow from investing activities				
Net cash from investing activities	—	—	—	—
Cash flow from financing activities				
Net cash from financing activities	—	—	—	—
Net decrease in cash and cash equivalents	(106,711)	(5,847,087)	124,050	6,589,736
Cash at the beginning of the year	157,978	8,037,921	33,928	1,513,189
Cash Inflow/ (Outflow) on account of Exchange Gain/ Loss		593,531		(65,005)
Cash and cash equivalents at the end of the year	**51,267**	**2,784,365**	**157,978**	**8,037,921**
Supplemental cash flow information				
Income taxes paid	—	—	6,323	

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

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

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, United States 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" and "Parent") (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 United States, 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 ('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, 2012 to March 31, 2013 and previous year April 01, 2011 to March 31, 2012.

3. **Estimates and assumptions**

   In preparing the Company's financial statements in conformity with accounting principles generally accepted in the United States, 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 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 revenues. 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 revenue recognized.

6. **Accounts receivable & allowance for doubtful accounts:**

   Accounts receivable from Parent represent marketing fees receivable. Accounts receivables held on behalf of Parent, PGL India, carry the risk of shortfall in collection, if any, from the ultimate customers. The Company does not bear any risk on account of bad debts and short collections on these accounts receivables. Bad debts incurred and shortfalls in collections, with respect to these accounts receivables, are adjusted against the accounts payable to PGL India. The Parent evaluates credit worthiness of customers.

7. **Inventories**

   Inventories consist of glass products received from PGL India, and are stated at the lower of cost or market. The cost of inventory includes the transfer price of the products and expenses incurred on freight, customs duty and other incidental expenses. Inventories are held on behalf of Parent and delivered to customers on receipt of instructions from Parent.

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 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:

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

NOTE B – CASH AND CASH EQUIVALENTS

Cash and cash equivalents of the Company comprise of:

	As at March 31, 2013 USD	As at March 31, 2013 ₹	As at March 31, 2012 USD	As at March 31, 2012 ₹
Checking account with Wells Fargo	24,932	1,354,057	8,007	407,396
Savings account with Wells Fargo	26,335	1,430,254	149,971	7,630,524
Total	**51,267**	**2,784,311**	**157,978**	**8,037,921**

NOTE C – ACCOUNTS RECEIVABLE, NET OF ALLOWANCES

The Company's accounts receivables relate to marketing commission due from the Parent company. Accounts receivables accounted by the Company on behalf of its Parent company relate to goods sold to customers on behalf of the Parent and include reimbursable expenses invoiced to customers. The Company had gross receivables of $ 2,527,296 ₹ 137,257,446 as at March 31, 2013 (previous year $ 2,432,276 ₹ 123,754,203). Of the above gross receivables, the marketing commission income receivables from Parent company amount to $ 191,598 ₹ 10,405,687 (previous year $ 144,190 ₹ 7,336,387) and receivables held on behalf of the Parent company amount to $ 2,335,699 ₹ 126,851,812 (previous year $ 2,288,086 ₹ 116,417,816).

NOTE D – INVENTORIES, INCLUDING GOODS IN TRANSIT

Inventories held on behalf of the Parent consist of glass products that are valued at $ 1,566,790 ₹ 85,092,365 (previous year $ 1,442,292 ₹ 73,383,816) including goods-in-transit of $ 710,100 ₹ 38,565,531 (previous year $ 972,564 ₹ 49,484,056).

	As at March 31, 2013 USD	As at March 31, 2013 ₹	As at March 31, 2012 USD	As at March 31, 2012 ₹
Glass products	1,566,790	85,092,365	1,442,292	73,383,817
Goods in transit	710,100	38,565,531	972,564	49,484,056
Total	**2,276,890**	**123,657,896**	**2,414,856**	**122,867,873**

NOTE E – OTHER CURRENT ASSETS

Other current assets comprise of:

	As at March 31, 2013 USD	As at March 31, 2013 ₹	As at March 31, 2012 USD	As at March 31, 2012 ₹
Advance taxes	—	—	1,087	55,307
Total	**—**	**—**	**1,087**	**55,307**

NOTE F – OTHER ASSETS

Other assets comprise of:

	As at March 31, 2013 USD	As at March 31, 2013 ₹	As at March 31, 2012 USD	As at March 31, 2012 ₹
Security deposit	2,642	143,487	2,642	134,425
Total	**2,642**	**143,487**	**2,642**	**134,425**

NOTE G – PROPERTY AND EQUIPMENT, NET

Property and equipment comprise the following:

	As at March 31, 2013 USD	As at March 31, 2013 ₹	As at March 31, 2012 USD	As at March 31, 2012 ₹
Office equipment	24,851	1,349,658	24,851	1,264,418.88
Trade show booth	176,751	9,599,347	176,751	8,993,090.88
Leasehold improvements	5,265	285,942	5,265	267,883.20
Less: Accumulated depreciation	(206,867)	(11,234,947)	(206,867)	(10,525,392.96)
Total	**—**	**—**	**—**	**—**

NOTE H – ACCOUNTS PAYABLE

Accounts payable as at March 31, 2013 include of $ 4,604,342 ₹ 250,061,814 (previous year $ 4,816,265 ₹ 245,051,563) representing amounts payable to PGL India.

NOTE I – OTHER CURRENT LIABILITIES

Other current liabilities include:

	As at March 31, 2013 USD	As at March 31, 2013 ₹	As at March 31, 2012 USD	As at March 31, 2012 ₹
Accrued liabilities	49,299	2,677,429	16,835	856,565
Taxes payable	4,114	223,431	—	—
Total	**53,413**	**2,900,860**	**16,835**	**856,565**

NOTE J – INCOME TAXES

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

	Period Ended March 31, 2013 USD	Period Ended March 31, 2013 ₹	Period Ended March 31, 2012 USD	Period Ended March 31, 2012 ₹
State				
Current	2,122	115,267	2,985	142,802
Deferred	—	—	842	40,281
Federal				
Current	4,579	248,731	2,226	106,492
Deferred	—	—	4,634	221,691
Total	**6,701**	**363,998**	**10,687**	**511,266**

The Company does not have any deferred tax asset or deferred tax liability as on March 31, 2013.

Effective April 1, 2009, the Company adopted the accounting standard regarding "Accounting for Uncertain Tax Positions". This standard provides guidance for financial statement recognition, measurement and disclosure of uncertain tax positions recognized in the Company'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 the standard has had no material effect on the Company's financial position, results of operations or cash flow.

The tax years 2010 to 2012 remain subject to examination by the taxing authorities.

NOTE K – RELATED PARTY TRANSACTIONS

A. Related party with whom transactions have taken place during the year:
   Piramal Glass Limited – Parent company

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

	As at March 31, 2013 USD	As at March 31, 2013 ₹	As at March 31, 2012 USD	As at March 31, 2012 ₹
Accounts payable to PGL India	4,604,342	250,061,814	4,816,265	245,051,563

	Period Ended March 31, 2013 USD	Period Ended March 31, 2013 ₹	Period Ended March 31, 2012 USD	Period Ended March 31, 2012 ₹
Purchases of glass products from PGL India	7,463,499	405,417,266	7,948,085	380,236,386
Marketing commission	657,408	35,710,403	564,617	27,011,277

The balance receivable is as follows:

	As at March 31, 2013 USD	As at March 31, 2013 ₹	As at March 31, 2012 USD	As at March 31, 2012 ₹
Accounts receivable from PGL India	191,598	10,405,687.38	144,190	7,336,387.20

NOTE L - 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 M - 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 N - 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 ₹ 1,084,750 during 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.

NOTE O – SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 16, 2013 which is the date the financial statements were issued. No material subsequent event has been noted.

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, 2013.

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 2013 and as at 31st March 2012 have been done using closing rate of 1 US $ = 54.31 ₹ (B/S items) and 1 US $ = 54.32 ₹ (P&L items - 12 Months Avg.) and 1 US $ = 50.88 ₹ (B/S items) and 1 US $ = 47.84 ₹ (P&L items – 12 Months Avg.) as of respective dates.

FINANCIAL RESULTS

TURNOVER AND PROFIT / (LOSS)	Year ended 31 March, 2013		Year ended 31 March, 2012	
	USD	₹ in Mio	USD	₹ in Mio
Net Turnover	86,044,294	4,673.93	82,128,706	3,929.04
Profit before Tax	1,300,659	70.65	1,128,427	53.98
Profit / (Loss) after Tax	2,091,229	113.60	1,110,467	53.12

REVIEW OF OPERATIONS
Piramal Glass USA Inc. continues to focus on Specialty & Personal Care Segment.. During the year, Piramal Glass-USA, Inc invested in modernizing decoration and glass manufacturing facility by commissioning the State of the Art, UV Ink capable printing machine and a new 10 Section IS machine - which will help deliver cutting edge products to our customer.

The Company ended the year with sales of US$ 86.04 mio (₹ 4,673.93 mio) as against US$ 82.13 mio (₹ 3,929.04 mio) in previous period. The profit after tax for the current year is US$ 2.09 mio (₹ 113.60 mio) as against the profit of US$ 1.11 mio (₹ 53.12 mio) in previous year.

In 2013 26.85% of Sales by the company were from products Sourced from groups India facility.

CAPITAL EXPENDITURE AND INVESTMENTS
The Company spent an amount of US$ 5,184,910 (INR 281.64 mio) on capital expenditure during the year as against US$ 6,904,339 (INR 330.30 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, 2013.

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. Sandeep Arora

Mr Nitin Nohria resigned as directors with effect from June 30, 2012. The Board places on record its sincere appreciation for the valuable services rendered by Mr Nitin Nohria.

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, 2013 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 : May 29, 2013

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, 2013 and March 31, 2012 and the related statements of comprehensive income, stockholders' deficit 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. 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 fulfilling regulatory filing requirements in India by Piramal Glass Limited; the parent company as discussed in Note B (1a), and are not intended to be a presentation in conformity with generally accepted accounting principles. Based on our audit, we are not aware of any material modifications that should be made to the accompanying special-purpose financial statements in order for them to be in conformity with the basis of accounting described in Note B (1a).

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, 2013 and March 31, 2012 and the results of its operations, stockholder's deficit and cash flows for the years then ended, on the basis of accounting described in Note B.

This report is intended solely for the information and use of the board of directors and management at their discretion and to meet regulatory filing requirements in India by Piramal Glass Limited; the ultimate parent company and is not intended to be and should not be used by anyone other than these specified parties.

Atlanta, Georgia
May 29, 2013

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Balance Sheet
as at March 31, 2013 and March 31, 2012

	As at March 31, 2013 USD	As at March 31, 2013 ₹	As at March 31, 2012 USD	As at March 31, 2012 ₹
ASSETS				
Current assets				
Cash and cash equivalents	5,743,522	311,930,680	2,420,068	123,133,060
Accounts receivable, net of allowances	9,260,900	502,959,479	8,398,708	427,326,263
Inventories, including goods-in-transit	20,442,403	1,110,226,907	22,048,302	1,121,817,606
Prepaid expenses	1,332,479	72,366,934	1,023,578	52,079,649
Other current assets	156,544	8,501,905	394,542	20,074,297
Total current assets	**36,935,848**	**2,005,985,905**	**34,285,198**	**1,744,430,874**
Investments	5,739,095	311,690,249	5,739,095	292,005,154
Other non-current assets	553,754	30,074,380	469,645	23,895,538
Deferred tax assets	797,231	43,297,616	—	—
Property, plant and equipment, net	12,825,075	696,529,823	10,272,820	522,681,082
Total assets	**56,851,003**	**3,087,577,973**	**50,766,758**	**2,583,012,647**
LIABILITIES AND STOCKHOLDER'S DEFICIT				
Current liabilities				
Accounts payable	8,879,109	482,224,410	11,688,211	594,696,176
Short term debt	30,000,000	1,629,300,000	30,000,000	1,526,400,000
Current portion of long term debt	—	—	7,695,612	391,552,739
Other current liabilities	4,164,153	226,155,149	4,201,576	213,776,187
Total current liabilities	**43,043,262**	**2,337,679,559**	**53,585,399**	**2,726,425,101**
Long term debt	40,000,000	2,172,400,000	25,466,000	1,295,710,080
Deferred tax liability	—	—	11,478	584,001
Total liabilities	**83,043,262**	**4,510,079,559**	**79,062,877**	**4,022,719,182**
Stockholder's (deficit)				
Common stock, $10 par, 500,000 shares authorized;				
500,000 shares issued and outstanding	5,000,000	226,000,000	5,000,000	226,000,000
Accumulated deficit	(31,192,259)	(1,344,715,695)	(33,296,119)	(1,458,997,370)
Exchange Gain / Loss		(303,785,891)		(206,709,165)
Total stockholder's deficit	**(26,192,259)**	**(1,422,501,586)**	**(28,296,119)**	**(1,439,706,535)**
Total liabilities and stockholder's deficit	**56,851,003**	**3,087,577,973**	**50,766,758**	**2,583,012,647**

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

Rupee equivalent of US$ in audited statement as at March 2013 and as at March 2012 has been done using closing rate of 1 US$ = 54.31 ₹ (B/S items) and 1 US$ = 54.32 ₹ (P&L items-12 months avg.) and 1 US$ = 50.88 ₹ (B/S items) and 1 US$ = 47.84 ₹ (P&L items-12 months avg.) as of respective dates.

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Mr. Sandeep Arora — Director

Mr. Niraj Tipre — Director & Chief Executive Officer

Statements of Income

for the periods ended March 31,2013 and March 31, 2012

	Year ended March 31, 2013 USD	Year ended March 31, 2013 ₹	Year ended March 31, 2012 USD	Year ended March 31, 2012 ₹
Revenues, net of allowances & rebates	86,044,294	4,673,926,050	82,128,706	3,929,037,295
Cost of revenues	76,217,286	4,140,122,976	72,954,289	3,490,133,186
Gross profit	**9,827,008**	**533,803,075**	**9,174,417**	**438,904,109**
Costs and expenses				
Selling, general and administrative	4,769,786	259,094,776	4,934,536	236,068,202
Depreciation	8,610	467,695	10,320	493,709
Interest	3,747,953	203,588,807	3,101,134	148,358,251
Total costs and expenses	**8,526,349**	**463,151,278**	**8,045,990**	**384,920,162**
Profit before income tax	**1,300,659**	**70,651,797**	**1,128,427**	**53,983,948**
Provision for tax				
Current tax expense	18,138	985,256	6,482	310,099
Deferred tax expense/(benefit)	(808,708)	(43,929,019)	11,478	549,108
Net profit	**2,091,229**	**113,595,559**	**1,110,467**	**53,124,741**
Other comprehensive income				
Interest rate swaps gain	12,631	686,116	20,078	960,532
Total comprehensive income	**2,103,860**	**114,281,675**	**1,130,545**	**54,085,273**

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

Rupee equivalent of US$ in audited statement as at March 2013 and as at March 2012 has been done using closing rate of 1 US$ = 54.31 ₹ (B/S items) and 1 US$ = 54.32 ₹ (P&L items-12 months avg.) and 1 US$ = 50.88 ₹ (B/S items) and 1 US$ = 47.84 ₹ (P&L items-12 months avg.) as of respective dates.

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Statement of stockholder's deficit

for the year ended March 31, 2013 and March 31, 2012

Particulars	Common Stock				Accumulated (deficit)	Total stockholders (deficit)
	Authorized		Issued & Outstanding			
	Shares	USD	Shares	USD	USD	USD
Balance as at April 1, 2011	**500,000**	**5,000,000**	**500,000**	**5,000,000**	**(34,426,664)**	**(29,426,664)**
Comprehensive income for the year					1,130,545	1,130,545
Balance as at March 31, 2012	**500,000**	**5,000,000**	**500,000**	**5,000,000**	**(33,296,119)**	**(28,296,119)**
Balance as at April 1, 2012	**500,000**	**5,000,000**	**500,000**	**5,000,000**	**(33,296,119)**	**(28,296,119)**
Comprehensive income for the year					2,103,860	2,103,860
Balance as at March 31, 2013	**500,000**	**5,000,000**	**500,000**	**5,000,000**	**(31,192,259)**	**(26,192,259)**

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

Particulars	Common Stock				Accumulated (deficit)	Total stockholders (deficit)
	Authorized		Issued & Outstanding			
	Shares	₹	Shares	₹	₹	₹
Balance as at April 1, 2011	**500,000**	**226,000,000**	**500,000**	**226,000,000**	**(1,513,082,643)**	**(1,287,082,643)**
Comprehensive income for the year					54,085,273	54,085,273
Balance as at March 31, 2012	**500,000**	**226,000,000**	**500,000**	**226,000,000**	**(1,458,997,370)**	**(1,232,997,370)**
Balance as at April 1, 2012	**500,000**	**226,000,000**	**500,000**	**226,000,000**	**(1,458,997,370)**	**(1,232,997,370)**
Comprehensive income for the year					114,281,675	114,281,675
Balance as at March 31, 2013	**500,000**	**226,000,000**	**500,000**	**226,000,000**	**(1,344,715,695)**	**(1,118,715,695)**

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

Statements of Cash Flows

for the year ended March 31, 2013 and March 31, 2012

	March 31, 2013 USD	March 31, 2013 ₹	March 31, 2012 USD	March 31, 2012 ₹
Cash flows from operating activities				
Net profit	**2,091,229**	**113,595,559**	**1,110,467**	**53,124,741**
Adjustments to reconcile net profit to net cash provided by operating activities				
Depreciation	2,632,654	143,005,765	1,755,224	83,969,916
Deferred tax expense/(benefit)	(808,708)	(43,929,019)	11,478	549,108
Changes in operating assets and liabilities :				
Changes in operating assets and liabilities				
Accounts receivable, net of allowances	(862,192)	(75,633,216)	488,302	23,311,490
Inventory, including goods-in-transit	1,605,899	11,590,699	(436,657)	(20,846,005)
Prepaid expenses and other assets	(155,012)	(14,893,736)	794,583	23,583,193
Accounts payable	(2,809,102)	(112,471,766)	3,403,417	173,165,857
Other current liabilities	(24,793)	(1,346,508)	(649,678)	(33,075,322)
Net cash generated from operating activities	**1,669,975**	**19,917,779**	**6,477,136**	**303,782,978**
Cash flows from investing activities				
Purchase of property and equipment	(5,184,910)	(281,644,311)	(6,904,339)	(330,303,578)
Net cash used in investing activities	**(5,184,910)**	**(281,644,311)**	**(6,904,339)**	**(330,303,578)**
Cash flows from financing activities				
Short term debt				
– Proceeds	—	—	5,000,000	254,400,000
Long Term Debt:				
– Proceeds	20,000,000	1,086,200,000	27,740,000	1,411,411,200
– Repayments	(13,161,611)	(714,938,710)	(30,211,030)	(1,537,137,206)
Net cash generated from financing activities	**6,838,389**	**371,261,290**	**2,528,970**	**128,673,994**
Net increase in cash and cash equivalents	**3,323,454**	**109,534,759**	**2,101,767**	**102,153,394**
Cash and cash equivalents, beginning of year	2,420,068	123,133,060	318,301	14,196,225
Cash Inflow / Outflow on account of foreign Exchange Difference.		79,262,861		6,783,441
Cash and cash equivalents, end of the year	**5,743,522**	**311,930,680**	**2,420,068**	**123,133,060**
Supplemental cash flow information				
Interest paid	2,598,456	141,148,130	2,403,115	114,965,022
Income taxes paid	23,441	1,273,315	7,764	371,430

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

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Mr. Niraj Tipre — Director & Chief Executive Officer

Notes to Special Purpose Financial Statements

NOTE A - NATURE OF OPERATIONS

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 acquired the land and building of The Glass Group, Inc. at Williamstown, New Jersey and GGI Flat River, LLC acquired the land and building of The Glass Group, Inc. at Flat River, Missouri.

The name of the Company changed from "Gujarat Glass International Inc." to "Piramal Glass-USA, Inc." with effect from April 28, 2008. The change in name is authorized by the board of directors in the board meeting held on April 8, 2008. The name of the subsidiaries 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.

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

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. **Financial statements**

   a) Basis of preparation

      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 regulatory filing requirements in India of Piramal Glass Limited; the parent company. The special purpose separate parent company financial statements present all assets, liabilities, revenues and expenses in accordance with generally accepted accounting principles, except for investments in subsidiaries which are presented on a cost basis. All amounts are stated in U.S. dollars, except as otherwise specified.

      The financial statements are for the years from April 1, 2012 to March 31, 2013 and April 1, 2011 to March 31, 2012.

   b) Estimates and assumptions

      In preparing the Company's financial statements in conformity with accounting principles generally accepted in the United States, 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 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.

   c) Going concern issue

      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 internal accruals to continue operating for the foreseeable future. For these reasons the management continues to prepare the financial statements on a going concern basis.

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

2. **Cash and cash equivalents**

   The Company considers all highly liquid investments and deposits with a remaining maturity of ninety days or less on the date of purchase to be cash and cash equivalents. Cash and cash equivalents comprise cash on hand and balance with banks.

3. **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.

4. 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 year end.

5. Shipping and handling costs

The Company classifies shipping and handling costs as selling expenses.

6. 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.

7. 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:

Plant and equipment	3 -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

8. Derivatives

The Company uses interest rate swap contracts as cash flow hedges to eliminate the cash flow exposure of interest rate movements on floating rate debt. The Company adopted the provisions of Financial Accounting Standards Board ("FASB") Accounting Standard Codification ("ASC") 815 to account for interest rate swap contracts from April 1, 2010. The Company records the swaps at their fair values on the balance sheet. The Company has recorded an unrecognized swap gain of $ 12,360 ₹ 671,395 (previous year - $ 20,078 ₹ 960,532) as other comprehensive gain (loss) for the year ended March 31, 2013.

The following tables summarize the fair value of the Company's derivative instruments and the effect of derivative instruments on the statements of comprehensive income:

Fair Value of Derivative Instruments	Balance sheet location	Fair Value at March 31,	
		2013	2012
Derivatives designated as hedging instruments			
Liability derivatives			
Interest rate swap	Other current liabilities	—	12,630
	Income Statement location	**Gain/(Loss) recognized during the year ended**	
		2013	**2012**
Derivatives designated as hedging instruments			
Interest rate swap	Other comprehensive income	12,360	20,078

NOTE B - CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

Particulars	As at March 31, 2013 USD	As at March 31, 2013 ₹	As at March 31, 2012 USD	As at March 31, 2012 ₹
Bank balance	5,743,522	311,930,680	2,420,068	123,133,060
Total	**5,743,522**	**311,930,680**	**2,420,068**	**123,133,060**

Cash balances on deposit with bank are insured by the Federal Deposit Insurance Corporation up to $ 250,000 ₹ 13,577,500 (previous year $ 250,000 ₹ 12,720,000). There are no cash equivalents at March 31, 2013 and March 31, 2012.

NOTE D - ACCOUNTS RECEIVABLE

Accounts receivable as at March 31, 2013 represent due from customers of $ 10,020,107 ₹ 544,192,011 (previous year $ 9,401,527 ₹ 478,349,694), 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.

The movement in allowance for returns, rebates and doubtful debts during the year is as follows:

Particulars	As at March 31, 2013 USD	As at March 31, 2013 ₹	As at March 31, 2012 USD	As at March 31, 2012 ₹
Opening balance	1,002,819	54,463,100	1,080,525	54,977,112
Add : During the year provision	326,717	17,744,000	915,145	46,562,578
Less : During the year write off	(570,330)	(30,974,622)	(992,851)	(50,516,259)
Closing balance	**759,207**	**41,232,479**	**1,002,820**	**51,023,432**

NOTE E - INVENTORIES

Major classes of inventory are as follows:

Particulars	As at March 31, 2013 USD	As at March 31, 2013 ₹	As at March 31, 2012 USD	As at March 31, 2012 ₹
Finished goods	13,910,548	755,481,862	16,060,564	817,161,496
Raw material	1,649,651	89,592,546	1,628,219	82,843,783
Packaging	1,181,734	64,179,974	979,862	49,855,379
Molds	1,298,434	70,517,951	997,066	50,730,718
Goods-in-transit	2,402,038	130,454,684	2,382,591	121,226,230
Total	**20,442,405**	**1,110,227,016**	**22,048,302**	**1,121,817,606**

NOTE F - PROPERTY, PLANT AND EQUIPMENT

Property and equipment comprise the following:

Particulars	As at March 31, 2013 USD	As at March 31, 2013 ₹	As at March 31, 2012 USD	As at March 31, 2012 ₹
Computers	984,636	53,475,581	984,636	50,098,280
Furniture and fixtures	402,981	21,885,898	402,981	20,503,673
Plant and machinery	26,461,397	1,437,118,471	21,233,507	1,080,360,836
Vehicles	312,679	16,981,596	312,679	15,909,108
Capital work in progress	—	—	42,980	2,186,822
Less: Accumulated depreciation	(15,336,618)	(832,931,724)	(12,703,963)	(646,377,637)
Property, plant and equipment, net	**12,825,075**	**696,529,823**	**10,272,820**	**522,681,082**

Depreciation expense for the year ended March 31, 2013 is $ 2,632,654 ₹ 143,005,765 (previous year $ 1,755,224 ₹ 83,969,916). Of the total depreciation of $ 2,632,654 ₹ 143,005,765 (previous year $ 1,755,224 ₹ 83,969,916) depreciation included in cost of goods sold is $ 2,624,044 ₹ 142,538,070 (previous year $ 1,744,904 ₹ 83,476,207).

NOTE G - BORROWINGS

Borrowings comprise of the following:

Particulars	As at March 31, 2013 USD	As at March 31, 2013 ₹	As at March 31, 2012 USD	As at March 31, 2012 ₹
Short term debt	30,000,000	1,629,300,000	30,000,000	1,526,400,000
Long term debt:				
– non-current	40,000,000	2,172,400,000	21,666,000	1,102,366,080
Loan from parent company, PGL			3,800,000	193,344,000
– current	—	—	7,695,612	391,552,739
Total	**70,000,000**	**3,801,700,000**	**63,161,612**	**3,213,662,819**

Short term debt from banks

The Company has obtained working capital loan of $ 30,000,000 ₹ 1,629,300,000 for regular working capital facility. $15,000,000 ₹ 814,650,000 loan has been secured by Standby Letter of Credit which is secured by counter guarantee of Piramal Glass

Limited and a pari passu first charge on fixed assets of Piramal Glass Limited. Balance $15,000,000 ₹ 814,650,000 loan has been secured by Standby Letter of Credit which is secured by fixed assets and current assets of the Company and a counter guarantee of Piramal Glass Limited.

The short term debt repayment schedule is as follows:

Date	Loan amount	
	USD	₹
June 2013	5,000,000	271,550,000
August 2013	15,000,000	814,650,000
January 2014	5,000,000	271,550,000
February 2014	5,000,000	271,550,000

The weighted-average interest rate for working capital loan as at March 31, 2013 and March 31, 2012 is 2.3%.

Long term debt from banks

The Company obtained long term loan of $ 40,000,000 ₹ 2,172,400,000 for meeting its regular capital expenditure. $ 20,000,000 ₹ 1,086,200,000 loan is secured by Standby Letter of Credit which is secured by first pari passu charge on the fixed assets of Piramal Glass Limited, both present and future. Balance $20,000,000 ₹ 1,086,200,000 loan is secured by a corporate guarantee of Piramal Glass Limited and is further secured by an exclusive first charge on fixed assets and current assets of the Company.

The weighted-average interest rate for long term loan as at March 31, 2013 and March 31, 2012 is 5.2% and 4.64% respectively.

The Long term debt repayment schedule is as follows:

Year ended March 31	Amount	
	USD	₹
2014	Nil	Nil
2015	9,998,000	542,991,380
2016	16,664,000	905,021,840
2017	11,664,000	633,471,840
2018	1,674,000	90,914,940

Loan from Piramal Glass Limited

The Company, at the end of the year, had a long-term debt of $ Nil (previous year - $ 3,800,000 ₹ 193,344,000) from Piramal Glass Limited. The loan from the parent company has been repaid in the current fiscal year ended March 31, 2013. PGL charges interest on this loan at a rate based on its average borrowing costs.

NOTE H - INCOME TAXES

The provision for income tax expense is as follows:

Particulars	As at March 31, 2013 USD	As at March 31, 2013 ₹	As at March 31, 2012 USD	As at March 31, 2012 ₹
State				
Current tax expense	18,138	985,256	6,482	310,099
Deferred tax expense/(benefit)	(808,708)	(43,929,019)	11,478	549,108
Total	**(790,570)**	**(42,943,762)**	**17,960**	**859,206**

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

Particulars	As at March 31, 2013 USD	As at March 31, 2013 ₹	As at March 31, 2012 USD	As at March 31, 2012 ₹
Current deferred tax assets				
Accounts receivable	286,362	15,552,320	394,786	20,086,712
Inventory	843,739	45,823,465	536,643	27,304,396
Accrued expenses and provisions	607,351	32,985,233	802,454	40,828,860
Disallowed interest carryover	—	—	453,875	23,093,160
Current deferred tax assets	**1,737,452**	**94,361,018**	**2,187,758**	**111,313,127**
Non-current deferred tax assets				
Net operating losses	11,932,495	648,053,803	11,961,894	608,621,167
AMT Credit	18,756	1,018,638	—	—
Non-current deferred tax assets	**11,951,251**	**649,072,442**	**11,961,894**	**608,621,167**
Less valuation allowance	(10,051,662)	(545,905,763)	(11,961,894)	(608,621,167)
Non-current deferred tax assets, net	**1,899,589**	**103,166,679**	**—**	**—**
Net deferred tax assets	3,637,041	197,527,697	2,187,758	111,313,127
Non-current deferred tax liability				
Property, plant and equipment	(2,839,810)	(154,230,081)	(2,199,236)	(111,897,128)
Net deferred tax assets/ (liability)	**797,231**	**43,297,616**	**(11,478)**	**(584,001)**

The Company has provided a valuation allowance $ 10,051,662 and $ 11,961,894 as of March 31, 2013 and as of March 31, 2012 respectively, against the net deferred tax assets. The change in valuation allowance is $ 1,910,232 (previous year - $ 297,967) as on March 31, 2013.

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 on the generation of future taxable income during the periods in which temporary difference become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment. Based on the level of projections for next 3 years and recent history of book profits, management believes that there is reasonable certainty regarding the realization of the deferred tax asset to the extent of profitability projected for next 3 years.

Accounting for uncertain tax position

Effective April 1, 2009, the Company adopted the accounting standard regarding “Accounting for Uncertain Tax Positions”. This standard provides detailed guidance for financial statement recognition, measurement and disclosure of uncertain tax positions recognized in the company’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 the standard has had no material effect on the Company’s financial position, results of operations or cash flow.

Tax years beginning 2009 remain subject to examination by the taxing authorities.

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, 2013 was $ 618,718 ₹ 33,608,762 (previous year - $ 812,925 ₹ 38,890,332).

At March 31, 2013 future rental commitments for the non-cancelable leases are as follows:

Year	Rental	
	USD	₹
2014	682,467	37,064,783
2015	652,760	35,451,396
2016	551,109	29,930,730
2017	517,337	28,096,572
2018	99,492	5,403,411
Total	**2,503,164**	**135,946,837**

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.

NOTE J - RELATED PARTY TRANSACTIONS

A. List of related parties with whom transactions have taken place during the year:

- Piramal Glass Limited – Parent Company
- Piramal Glass Flat River, LLC – Subsidiary Company
- Piramal Glass Williamstown, LLC – Subsidiary Company
- Piramal Critical Care Inc ("PCCI") – Associate Company

B. Summary of the transactions with related parties is as follows:

Piramal Glass Limited

During the year the Company purchased glass from PGL amounting to $ 14,560,775 ₹ 790,941,298 (previous year – $ 13,733,074 ₹ 656,990,260). An amount of $ 5,392,767 ₹ 292,881,176,(March 31, 2012 – $ 6,854,014 ₹ 348,732,232) is payable at year end March 31, 2013.

The Company obtained short term debt during the year from PGL of $ 5,700,000 ₹ 309,567,000 (previous year - $ 7,740,000 ₹ 393,811,200) and the same was repaid in full along with interest of $ 311,328 ₹ 16,911,337 including the opening outstanding of $ 3,800,000 ₹ 193,344,000 during the year ended March 31, 2013.

During the year, reimbursable expenses were incurred by PGL - $ 706,588 ₹ 38,381,860 (previous year – $ 952,244 ₹ 45,555,353) and the Company - $ 530,349 ₹ 28,808,558 (previous year - $ Nil) of which payable at year end is $ 324,629 ₹ 17,633,847 (March 31, 2012 - $ 1,287,921 ₹ 65,529,420) and receivable is $ 529,299 ₹ 28,751,522 (March 31, 2012 - $ Nil). Reimbursable expense incurred by PGL includes $ 559,217 ₹ 30,376,667(previous year - $ 883,143 ₹ 42,249,561) paid to banks towards fees for Standby Letters of Credit secured by counter guarantee of PGL, to enable the Company to secure term loan from banks.

Piramal Glass Flat River, LLC

During the year, the Company incurred lease rent expense amounting to $ 257,960 ₹ 14,012,387 (March 31, 2012 – $ 257,960 ₹ 12,340,806) payable to Piramal Glass Flat River LLC and property taxes were paid by the Company on behalf of Piramal Glass Flat River, LLC, amounting to $ 111,191 ₹ 6,039,895 (March 31, 2012 – $ 93,498 ₹ 4,472,944). The net payable as of March 31, 2013 was $ 1,249,674 ₹ 67,869,795(March 31, 2012 – $ 1,102,906 ₹ 56,115,857).

Piramal Glass Williamstown, LLC

During the year the Company incurred lease rent expense amounting to $ 184,664 ₹ 10,030,948 (March 31, 2012 – $ 184,664 ₹ 8,834,326) payable to Piramal Glass Williamstown LLC and property taxes were paid by the Company on behalf of Piramal Glass Williamstown, LLC, amounting to $ 58,382 ₹ 3,171,310 (March 31, 2012 – $ 68,586 ₹ 3,137,634). The net payable as of March 31, 2013 was $ 515,345 ₹ 27,988,387(March 31, 2012 – $ 389,063 ₹ 19,795,475).

Piramal Critical Care Inc

During the year, the Company sold glass to PCCI amounting to $ 765,690 ₹ 41,592,281 (previous year – $ 343,551 ₹ 16,435,480) of which $ 230,454 ₹ 12,515,957 (March 31, 2012 – $ 52,733 ₹ 2,683,055) is receivable as at March 31, 2013.

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 3.50% of employees' compensation. The contribution for the year ended March 31, 2013 was $ 769,841 ₹ 41,817,763 (previous year - $ 844,402 ₹ 40,396,192).

The Company also contributes to two 401(k) plans for salaried and eligible union personnel. The contribution for the year ended March 31, 2013 was $ 147,887 ₹ 8,033,222(previous year - $ 150,513 ₹ 7,200,542). At March 31, 2013, 401(k) savings – employer includes $ 979 ₹ 53,179 (March 31, 2012 - $ NIL) due under these plans.

NOTE L - SHIPPING AND HANDLING COSTS

The amount of shipping and handling costs for the year ended March 31, 2013 was $ 1,441,293 ₹ 78,291,036 (previous year $ 1,438,475 ₹ 68,816,644).

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 29.48%

(previous year 41.31%) of total sales and 27% (previous year 37.36%) of accounts receivables. No single customer accounted for more than 10 % of the total sales and only one customer accounted for more than 10% of accounts receivable as at March 31, 2013.

The Company buys certain raw materials from a limited number of suppliers. Management believes that other suppliers could provide these materials on comparable terms. 71.43% (previous year 72.69%) of total employees are subjected to collective bargaining agreement.

NOTE O - STOCKHOLDER'S DEFICIT

Common stock issued

The authorized share capital of the Company is $ 5,000,000 ₹ 226,000,000 (previous year $ 5,000,000 ₹ 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 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through May 29, 2013 which is the date the financial statements were issued.

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, 2013.

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 2013 and as at 31st March 2012 have been done using closing rate of 1 US $ = 54.31 ₹ (B/S items) and 1 US $ = 54.32 ₹ (P&L items - 12 Months Avg.) and 1 US $ = 50.88 ₹ (B/S items) and 1 US $ = 47.84 ₹ (P&L items – 12 Months Avg.) as of respective dates.

FINANCIAL RESULTS TURNOVER AND PROFIT / (LOSS)	Year ended March 31, 2013 USD	Year ended March 31, 2013 ₹ in Mio	Year ended March 31, 2012 USD	Year ended March 31, 2012 ₹ in Mio
Operating Income	257,960	14.01	257,960	12.34
Profit before Income Tax	43,425	2.36	61,118	2.92
Profit / (Loss) after Taxation	43,425	2.36	61,118	2.92

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 (₹ 14.01 mio) as against USD 257,960 (₹ 12.34 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 43,425 (₹ 2.36 mio) as against USD 61,118 (₹ 2.92 mio) in the previous period.

CAPITAL EXPENDITURE AND INVESTMENTS

The Company did not incure 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, 2013.

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. Sandeep Arora

Mr Nitin Nohria resigned as directors with effect from June 30, 2012. The Board places on record its sincere appreciation for the valuable services rendered by Mr Nitin Nohria.

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, 2013 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 : May 29, 2013.

Report of Independent Accountants

To the managing members of

Piramal Glass Flat River, LLC

We have audited the accompanying balance sheets of Piramal Glass Flat River, LLC ('the Company') as at March 31, 2013 and March 31, 2012 and the related statements of income, member's 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.

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 Piramal Glass Flat River, LLC as at March 31, 2013 and March 31, 2012 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

May 29, 2013.

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Balance Sheet

as at March 31, 2013 and March 31, 2012

	As at March 31, 2013 USD	As at March 31, 2013 ₹	As at March 31, 2012 USD	As at March 31, 2012 ₹
ASSETS				
Current assets				
Cash and cash equivalents	500	27,155	500	25,440
Receivable from Piramal Glass-USA, Inc., net	1,249,674	67,869,795	1,102,906	56,115,857
Total current assets	**1,250,174**	**67,896,950**	**1,103,406**	**56,141,297**
Land and buildings, net	2,770,062	150,442,067	2,873,406	146,198,897
Total assets	**4,020,236**	**218,339,017**	**3,976,812**	**202,340,195**
MEMBER'S EQUITY				
Member's contribution	3,459,716	156,379,163	3,459,716	156,379,163
Accumulated surplus	560,520	25,895,824	517,096	23,536,978
Exchange Gain / (Loss)		36,064,030		22,424,053
Total member's equity	**4,020,236**	**218,339,017**	**3,976,812**	**202,340,194**

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

Rupee equivalent of US$ in audited statement as at March 2013 and as at March 2012 has been done using closing rate of 1 US$ = 54.31 ₹ (B/S items) and 1 US$ = 54.32 ₹ (P&L items-12 months avg.) and 1 US$ = 50.88 ₹ (B/S items) and 1 US$ = 47.84 ₹ (P&L items-12 months avg.) as of respective dates.

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Mr. Niraj Tipre

Director & Chief Executive Officer

Statement of Income

for the period ended March 31, 2013 and March 31, 2012

	Year ended March 31, 2013 USD	Year ended March 31, 2013 ₹	Year ended March 31, 2012 USD	Year ended March 31, 2012 ₹
Revenues	257,960	14,012,387	257,960	12,340,806
Less: Cost of revenue	(103,344)	(5,613,646)	(103,344)	(4,943,977)
Gross profit	**154,616**	**8,398,741**	**154,616**	**7,396,829**
Costs and expenses				
General and administrative	111,191	6,039,895	93,498	4,472,944
Total cost and expenses	**111,191**	**6,039,895**	**93,498**	**4,472,944**
Net income	**43,425**	**2,358,846**	**61,118**	**2,923,885**

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

Rupee equivalent of US$ in audited statement as at March 2013 and as at March 2012 has been done using closing rate of 1 US$ = 54.31 ₹ (B/S items) and 1 US$ = 54.32 ₹ (P&L items-12 months avg.) and 1 US$ = 50.88 ₹ (B/S items) and 1 US$ = 47.84 ₹ (P&L items-12 months avg.) as of respective dates.

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Mr. Niraj Tipre

Director & Chief Executive Officer

Statement of changes

in member's equity for the period ended March 31, 2013 and March 31, 2012

Particulars	Member's equity USD	Accumulated surplus USD	Total member's equity USD
Balance as at April 1, 2011	**3,459,716**	**455,978**	**3,915,694**
Net income for the year		61,118	61,118
Balance as at March 31, 2012	**3,459,716**	**517,096**	**3,976,812**
Balance as at April 1, 2012	**3,459,716**	**517,096**	**3,976,812**
Net income for the year	—	43,425	43,425
Balance as at March 31, 2013	**3,459,716**	**560,520**	**4,020,236**

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

Statement of changes
in member's equity for the period ended March 31, 2013 and March 31, 2012

Particulars	Member's equity ₹	Accumulated surplus ₹	Total member's equity ₹
Balance as at April 1, 2011	**156,379,163**	**20,613,093**	**176,992,256**
Net income for the year	—	2,923,885	2,923,885
Balance as at March 31, 2012	**156,379,163**	**23,536,978**	**179,916,141**
Balance as at April 1, 2012	**156,379,163**	**23,536,978**	**179,916,141**
Net income for the year	—	2,358,846	2,358,846
Balance as at March 31, 2013	**156,379,163**	**25,895,824**	**182,274,987**

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

Statement of Cash Flow
for the period ended March 31, 2013 and March 31, 2012

	March 31, 2013 USD	March 31, 2013 ₹	March 31, 2012 USD	March 31, 2012 ₹
Cash flow from operating activities				
Net income	43,425	2,358,846	61,118	2,923,885
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation	103,344	5,613,646	103,344	4,943,977
Changes in assets and liabilities				
Receivable from Piramal Glass –USA Inc.	(146,769)	(11,753,938)	(164,462)	(14,261,255)
Net cash provided by operating activities	**—**	**(3,781,446)**	**—**	**(6,393,393)**
Cash flow from investing activities	—	—	—	—
Net cash provided by investing activities	—	—	—	—
Cash flow from financing activities	—	—	—	—
Net cash provided by financing activities	—	—	—	—
Net increase in cash and cash equivalents	—	(3,781,446)	—	(6,393,393)
Cash Inflow / (Outflow) on account of Exchange Gain / Loss		3,783,161		6,396,533
Cash and cash equivalents at the beginning of the year	**500**	**25,440**	**500**	**22,300**
Cash and cash equivalents at the end of the year	**500**	**27,155**	**500**	**25,440**
Supplemental cash flow information				
Interest paid	NIL		NIL	
Income taxes paid	NIL		NIL	

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

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Mr. Niraj Tipre — Director & Chief Executive Officer

Notes to Financial Statements

for the period ended March 31, 2013 and March 31, 2012

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 (the "Company"), a Delaware limited liability company, was formed in October, 2005. The Company is a wholly owned subsidiary of Piramal Glass – USA 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. All amounts are stated in US dollars, except as otherwise specified.

   b. The financial statements are for the years ended March 31, 2013 and March 31, 2012.

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

3. **Use of estimates**

   In preparing the Company's financial statements in conformity with accounting principles generally accepted in the United States, 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 the estimated life of building and valuation of land and building.

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. **Land and buildings**

   Buildings 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

NOTE B – LAND AND BUILDINGS

Land and buildings comprise the following:

Particulars	As at March 31, 2013 USD	As at March 31, 2013 ₹	As at March 31, 2012 USD	As at March 31, 2012 ₹
Land	415,166	22,547,665	415,166	21,123,646
Buildings	3,094,138	168,042,635	3,094,138	157,429,741
Less: accumulated depreciation	(739,242)	(40,148,233)	(635,898)	(32,354,490)
Land and buildings, net	**2,770,062**	**150,442,067**	**2,873,406**	**146,198,897**

Depreciation expense for the year ended March 31, 2013 was $ 103,344 ₹ 5,612,613 (previous year $ 103,344 ₹ 4,943,976).

NOTE C – 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 of the Company is included in the parent's corporate income tax return.

NOTE D – RELATED PARTY TRANSACTIONS

During the year, the Company earned lease rent income from Piramal Glass – USA Inc. (PGUI), amounting to $ 257,960 ₹ 14,012,387 (previous year – $ 257,960 ₹ 12,340,806). During the year, property taxes were paid by PGUI on behalf of the Company, amounting to $ 111,191 ₹ 6,039,895 (previous year – $ 93,498 ₹ 4,472,944). Net receivable as at March 31, 2013 is $ 1,249,674 ₹ 67,869,795 (previous year – $ 1,102,906 ₹ 56,115,857).

NOTE E – SUBSEQUENT EVENTS

Subsequent events have been evaluated through May 29, 2013 which is the date the financial statements were issued.

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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, 2013.

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 2013 and as at 31st March 2012 have been done using closing rate of 1 US $ = 54.31 ₹ (B/S items) and 1 US $ = 54.32 ₹ (P&L items - 12 Months Avg.) and 1 US $ = 50.88 ₹ (B/S items) and 1 US $ = 47.84 ₹ (P&L items – 12 Months Avg.) as of respective dates.

FINANCIAL RESULTS

TURNOVER AND PROFIT / (LOSS)	Year ended 31 March, 2013		Year ended 31 March, 2012	
	USD	₹ in Mio	USD	₹ in Mio
Operating Income	184,664	10.03	184,664	8.83
Profit before Income Tax	45,954	2.50	35,750	1.71
Profit / (Loss) after Taxation	45,954	2.50	35,750	1.71

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 (₹ 10.03 mio) as against USD 184,664 (₹ 8.83 mio) in previous period from the lease of its land and building at Williamstown to its parent company. The profit after tax is USD 45,954 (₹ 2.50 mio) as against USD 35,750 (₹ 1.71 mio) in previous period.

CAPITAL EXPENDITURE AND INVESTMENTS

The Company did not incure 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, 2013.

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. Sandeep Arora

Mr. Nitin Nohria resigned as directors with effect from June 30, 2012. The Board places on record its sincere appreciation for the valuable services rendered by Mr. Nitin Nohria.

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, 2013 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 : May 29, 2013.

Report of Independent Accountants

To the managing members of

Piramal Glass Williamstown, LLC

We have audited the accompanying balance sheets of Piramal Glass Williamstown, LLC ('the Company') as at March 31, 2013 and March 31, 2012 and the related statements of income, member's 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.

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 Piramal Glass Williamstown, LLC as at March 31, 2013 and March 31, 2012 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
May 29, 2013

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Balance sheets

as at March 31, 2013 and March 31, 2012

	As at March 31, 2013 USD	As at March 31, 2013 ₹	As at March 31, 2012 USD	As at March 31, 2012 ₹
ASSETS				
Current assets				
Cash and cash equivalents	500	27,155	500	25,440
Receivable from Piramal Glass-USA, Inc., net	515,345	27,988,387	389,062	19,795,475
Total current assets	**515,845**	**28,015,542**	**389,562**	**19,820,915**
Land and buildings, net	2,107,758	114,472,337	2,188,086	111,329,816
Total assets	**2,623,603**	**142,487,879**	**2,577,648**	**131,150,730**
MEMBER'S EQUITY				
Member's capital	2,279,379	103,027,931	2,279,379	103,027,931
Accumulated surplus	344,224	15,985,607	298,269	13,489,386
Exchange Gain / (Loss)		23,474,341		14,633,414
Total member's equity	**2,623,603**	**142,487,879**	**2,577,648**	**131,150,730**

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

Rupee equivalent of US$ in audited statement as at March 2013 and as at March 2012 has been done using closing rate of 1 US$ = 54.31 ₹ (B/S items) and 1 US$ = 54.32 ₹ (P&L items-12 months avg.) and 1 US$ = 50.88 ₹ (B/S items) and 1 US$ = 47.84 ₹ (P&L items-12 months avg.) as of respective dates.

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Mr. Niraj Tipre — Director & Chief Executive Officer

Statements of Income

for the period ended March 31, 2013 and March 31, 2012

	Year Ended March 31, 2013 USD	Year Ended March 31, 2013 ₹	Year Ended March 31, 2012 USD	Year Ended March 31, 2012 ₹
Revenues	184,664	10,030,948	184,664	8,834,326
Cost of revenue	80,328	4,363,417	80,328	3,842,892
Gross profit	**104,336**	**5,667,532**	**104,336**	**4,991,434**
Costs and expenses				
General and administrative	58,382	3,171,310	68,586	3,281,154
Total cost and expenses	**58,382**	**3,171,310**	**68,586**	**3,281,154**
Net income	**45,954**	**2,496,221**	**35,750**	**1,710,280**

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

Rupee equivalent of US$ in audited statement as at March 2013 and as at March 2012 has been done using closing rate of 1 US$ = 54.31 ₹ (B/S items) and 1 US$ = 54.32 ₹ (P&L items-12 months avg.) and 1 US$ = 50.88 ₹ (B/S items) and 1 US$ = 47.84 ₹ (P&L items-12 months avg.) as of respective dates.

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Mr. Niraj Tipre

Director & Chief Executive Officer

Statements of changes

in member's equity for the year ended March 31, 2013 and March 31, 2012

Particulars	Member's equity USD	Accumulated surplus USD	Total member's equity USD
Balance as at April 1, 2011	**2,279,379**	**262,519**	**2,541,898**
Net income for the year		35,750	35,750
Balance as at March 31, 2012	**2,279,379**	**298,269**	**2,577,648**
Balance as at April 1, 2012	**2,279,379**	**298,269**	**2,577,648**
Net income for the year		45,954	45,954
Balance as at March 31, 2013	**2,279,379**	**344,223**	**2,623,602**

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

Statements of changes
in member's equity for the year ended March 31, 2013 and March 31, 2012

Particulars	Member's equity ₹	Accumulated surplus ₹	Total member's equity ₹
Balance as at April 1, 2011	**103,027,931**	**11,779,106**	**114,807,037**
Net income for the year		1,710,280	1,710,280
Balance as at March 31, 2012	**103,027,931**	**13,489,386**	**116,517,317**
Balance as at April 1, 2012	**103,027,931**	**13,489,386**	**116,517,317**
Net income for the year		2,496,221	2,496,221
Balance as at March 31, 2013	**103,027,931**	**15,985,607**	**119,013,538**

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

Statements of Cash Flows
for the year ended March 31, 2013 and March 31, 2012

	March 31, 2013 USD	March 31, 2013 ₹	March 31, 2012 USD	March 31, 2012 ₹
Cash flow from operating activities				
Net income	**45,954**	**2,496,221**	**35,750**	**1,710,280**
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation	80,328	4,363,417	80,328	3,842,892
Changes in assets and liabilities				
Receivable from Piramal Glass –USA Inc.	(126,282)	(8,192,912)	(116,078)	(7,620,388)
Net cash provided by operating activities	—	(1,333,274)	—	(2,067,217)
Cash flow from investing activities	—	—	—	—
Net cash provided by investing activities	—	—	—	—
Cash flow from financing activities	—	—	—	—
Net cash provided by financing activities	—	—	—	—
Net increase in cash and cash equivalents	**—**	**(1,333,274)**	**—**	**(2,067,217)**
Cash Inflow / (Outflow) on account of Exchange Gain / Loss	—	1,334,989	—	2,070,357
Cash and cash equivalents at the beginning of the year	500	25,440	500	22,300
Cash and cash equivalents at the end of the year	**500**	**27,155**	**500**	**25,440**
Supplemental cash flow information				
Interest paid	NIL	NIL	NIL	NIL
Income taxes paid	NIL	NIL	NIL	NIL

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

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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 (the "Company"), a Delaware limited liability company was formed in October, 2005. The Company is a wholly owned subsidiary of Piramal Glass – USA 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. All amounts are stated in US dollars, except as otherwise specified.

   b. The financial statements are for the years ended on March 31, 2013 and March 31, 2012.

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

3. **Use of estimates**

   In preparing the Company's financial statements in conformity with accounting principles generally accepted in the United States, 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 the estimated life of building and valuation of land and building.

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. **Land and building**

   Buildings 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

NOTE B - LAND AND BUILDING

Land and building comprise the following:

Particulars	As at March 31, 2013 USD	As at March 31, 2013 ₹	As at March 31, 2012 USD	As at March 31, 2012 ₹
Land	273,525	14,855,143	273,525	13,916,952
Building	2,404,991	130,615,061	2,404,991	122,365,942
Less: accumulated depreciation	(570,758)	(30,997,867)	(490,430)	(24,953,078)
Land and building, net	**2,107,758**	**114,472,337**	**2,188,086**	**111,329,816**

Depreciation expense for the year ended March 31, 2013 was $ 80,328 ₹ 4,363,417 (previous year $ 80,328 ₹ 3,842,892).

NOTE C - 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 of the Company is included in the parent's corporate income tax return.

NOTE D - RELATED PARTY TRANSACTIONS

During the year, the Company earned lease rent income from Piramal Glass – USA Inc. (“PGUI”), amounting to $ 184,664 ₹ 10,030,948 (previous year – $ 184,664 ₹ 8,834,326). During the year, property taxes were paid by PGUI on behalf of the Company, amounting to $ 58,382 ₹ 3,171,310 (previous year – $ 68,586 ₹ 3,281,154). The net receivable as of March 31, 2013 was $ 515,345 ₹ 27,988,387 (previous year – $ 389,062 ₹ 19,795,475).

NOTE E - SUBSEQUENT EVENTS

Subsequent events have been evaluated through May 29, 2013 which is the date the financial statements were issued.

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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, 2013 and March 31, 2012 and the related consolidated statements of comprehensive 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 consolidated 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, 2013 and March 31, 2012 and the consolidated 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
May 29, 2013

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Balance Sheets

as at March 31, 2013 and March 31, 2012

	As at March 31, 2013 USD	As at March 31, 2013 ₹	As at March 31, 2012 USD	As at March 31, 2012 ₹
ASSETS				
Current assets				
Cash and cash equivalents	5,744,522	311,984,990	2,421,068	123,183,940
Accounts receivable, net of allowances	9,260,900	502,959,479	8,398,708	427,326,263
Inventories, including goods-in-transit	20,442,403	1,110,226,907	22,048,302	1,121,817,606
Prepaid expenses	1,332,479	72,366,934	1,023,578	52,079,649
Other current assets	156,544	8,501,905	394,543	20,074,348
Total current assets	**36,936,848**	**2,006,040,215**	**34,286,199**	**1,744,481,805**
Other non-current assets	553,754	30,074,380	469,645	23,895,538
Deferred tax asset	797,231	43,297,616	—	—
Property, plant and equipment, net	17,702,895	961,444,227	15,334,312	780,209,795
Total assets	**55,990,728**	**3,040,856,438**	**50,090,156**	**2,548,587,137**
LIABILITIES AND STOCKHOLDER'S DEFICIT				
Current liabilities				
Accounts payable	7,114,090	386,366,228	10,196,243	518,784,844
Short term debt	30,000,000	1,629,300,000	30,000,000	1,526,400,000
Current portion of long term debt	—	—	7,695,612	391,552,739
Other current liabilities	4,164,153	226,155,149	4,201,577	213,776,238
Total current liabilities	**41,278,243**	**2,241,821,377**	**52,093,432**	**2,650,513,820**
Long term debt	40,000,000	2,172,400,000	25,466,000	1,295,710,080
Deferred tax liability	—	—	11,478	584,001
Total liabilities	**81,278,243**	**4,414,221,377**	**77,570,910**	**3,946,807,901**
Stockholder's (deficit)				
Common stock, $10 par, 500,000 shares authorized;				
500,000 shares issued and outstanding	5,000,000	226,000,000	5,000,000	226,000,000
Accumulated deficit	(30,287,515)	(1,230,075,841)	(32,480,754)	(1,349,212,457)
Exchange Gain / Loss		(369,289,099)		(275,008,306)
Total stockholder's deficit	**(25,287,515)**	**(1,373,364,940)**	**(27,480,754)**	**(1,398,220,763)**
Total liabilities and stockholder's deficit	**55,990,728**	**3,040,856,437**	**50,090,156**	**2,548,587,138**

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

Rupee equivalent of US$ in audited statement as at March 2013 and as at March 2012 has been done using closing rate of 1 US$ = 54.31 ₹ (B/S items) and 1 US$ = 54.32 ₹ (P&L items-12 months avg.) and 1 US$ = 50.88 ₹ (B/S items) and 1 US$ = 47.84 ₹ (P&L items-12 months avg.) as of respective dates.

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Mr. Vijay Shah — Director

Mr. Sandeep Arora — Director

Mr. Niraj Tipre — Director & Chief Executive Officer

Consolidated Statements of Income

for the periods ended March 31, 2013 and March 31, 2012

	Year ended March 31, 2013 USD	Year ended March 31, 2013 ₹	Year ended March 31, 2012 USD	Year ended March 31, 2012 ₹
Revenues, net of allowances & rebates	86,044,294	4,673,926,050	82,128,706	3,929,037,295
Less: Cost of revenues	(76,400,958)	(4,150,100,039)	(73,137,961)	(3,498,920,054)
Gross profit	**9,643,336**	**523,826,012**	**8,990,745**	**430,117,241**
Costs and expenses				
Selling, general and administrative	4,496,735	244,262,645	4,653,995	222,647,121
Depreciation	8,610	467,695	10,320	493,709
Interest	3,747,953	203,588,807	3,101,134	148,358,251
Total costs and expenses	**8,253,298**	**448,319,147**	**7,765,449**	**371,499,080**
Profit before income tax	**1,390,038**	**75,506,864**	**1,225,296**	**58,618,161**
Provision for tax				
Current tax expense	18,138	985,256	6,482	310,099
Deferred tax expense/(benefit)	(808,708)	(43,929,019)	11,478	549,108
Net profit	**2,180,608**	**118,450,627**	**1,207,336**	**57,758,954**
Other comprehensive income				
Interest rate swap gain	12,631	685,990	20,078	1,021,569
Total comprehensive income	**2,193,239**	**119,136,616**	**1,227,414**	**58,780,523**

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

Rupee equivalent of US$ in audited statement as at March 2013 and as at March 2012 has been done using closing rate of 1 US$ = 54.31 ₹ (B/S items) and 1 US$ = 54.32 ₹ (P&L items-12 months avg.) and 1 US$ = 50.88 ₹ (B/S items) and 1 US$ = 47.84 ₹ (P&L items-12 months avg.) as of respective dates.

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Consolidated statements of stockholder's (deficit)

for the year ended March 31, 2013 and March 31, 2012

Particulars	Common Stock				Accumulated (deficit)	Total stockholder's (deficit)
	Authorized		Issued & Outstanding			
	Shares	USD	Shares	USD	USD	USD
Balance as at April 1, 2011	**500,000**	**5,000,000**	**500,000**	**5,000,000**	**(33,708,168)**	**(28,708,168)**
Comprehensive income for the year					1,227,414	1,227,414
Balance as at March 31, 2012	**500,000**	**5,000,000**	**500,000**	**5,000,000**	**(32,480,754)**	**(27,480,754)**
Balance as at April 1, 2012	**500,000**	**5,000,000**	**500,000**	**5,000,000**	**(32,480,754)**	**(27,480,754)**
Comprehensive income for the year					2,193,239	2,193,239
Balance as at March 31, 2013	**500,000**	**5,000,000**	**500,000**	**5,000,000**	**(30,287,515)**	**(25,287,515)**

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

Particulars	Common Stock				Accumulated (deficit)	Total stockholder's (deficit)
	Authorized		Issued & Outstanding			
	Shares	₹	Shares	₹	₹	₹
Balance as at April 1, 2011	**500,000**	**226,000,000**	**500,000**	**226,000,000**	**(1,407,992,980)**	**(1,181,992,980)**
Comprehensive income for the year					58,780,523	58,780,523
Balance as at March 31, 2012	**500,000**	**226,000,000**	**500,000**	**226,000,000**	**(1,349,212,457)**	**(1,123,212,457)**
Balance as at April 1, 2012	**500,000**	**226,000,000**	**500,000**	**226,000,000**	**(1,349,212,457)**	**(1,123,212,457)**
Comprehensive income for the year					119,136,616	119,136,616
Balance as at March 31, 2013	**500,000**	**226,000,000**	**500,000**	**226,000,000**	**(1,230,075,841)**	**(1,004,075,841)**

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

Consolidated statements of Cash Flow

for the periods ended March 31, 2013 and March 31, 2012

	March 31, 2013 USD	March 31, 2013 ₹	March 31, 2012 USD	March 31, 2012 ₹
Cash flows from operating activities				
Net profit	**2,180,608**	**118,450,627**	**1,207,336**	**57,758,954**
Adjustments to reconcile net profit to net cash provided by operating activities				
Depreciation	2,816,326	152,982,828	1,938,896	92,756,785
Deferred tax expense/(benefit)	(808,708)	(43,929,019)	11,478	549,108
Changes in operating assets and liabilities				
Accounts receivable	(862,192)	(75,633,216)	488,301	23,311,490
Inventories	1,605,899	11,590,699	(436,657)	(20,846,005)
Prepaid expenses and other assets	(155,012)	(14,893,685)	794,583	37,933,392
Accounts payable	(3,082,153)	(132,418,616)	3,122,877	149,086,148
Other current liabilities	(24,793)	(1,346,508)	(649,678)	(31,014,979)
Net cash generated from operating activities	**1,669,975**	**14,803,111**	**6,477,136**	**309,534,892**
Cash flows from investing activities				
Purchase of property and equipment	(5,184,910)	(281,644,311)	(6,904,339)	(330,303,578)
Net cash used in investing activities	**(5,184,910)**	**(281,644,311)**	**(6,904,339)**	**(330,303,578)**
Cash flows from financing activities				
Short term debt:				
Proceeds	—	—	5,000,000	238,700,000
Long term debt:				
Proceeds	20,000,000	1,086,400,000	27,740,000	1,324,307,600
Repayments	(13,161,612)	(714,938,764)	(30,211,030)	(1,442,274,572)
Net cash generated from financing activities	**6,838,388**	**371,461,236**	**2,528,970**	**120,733,028**
Net increase in cash and cash equivalents	**3,323,453**	**104,620,036**	**2,101,767**	**99,964,342**
Cash and cash equivalents, beginning of year	2,421,068	123,183,940	319,301	14,240,825
Cash inflow/ Outflow on account of exchange Gain /Loss		84,181,014		8,978,772
Cash and cash equivalents at the end of the year	**5,744,521**	**311,984,990**	**2,421,068**	**123,183,940**
Supplemental cash flow information				
Interest paid	2,598,456	141,148,130	2,403,115	114,965,022
Income taxes paid	23,441	1,273,315	7,764	371,430

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

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Notes to Consolidated Financial Statements

NOTE A - NATURE OF OPERATIONS

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 acquired the land and building of The Glass Group, Inc. at Williamstown, New Jersey and GGI Flat River, LLC acquired the land and building of The Glass Group, Inc. at Flat River, Missouri.

The name of the Company changed from "Gujarat Glass International Inc." to "Piramal Glass-USA, Inc." with effect from April 28, 2008. The change in name is authorized by the board of directors in the board meeting held on April 8, 2008. The name of the Subsidiaries 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.

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

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. 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 ('US GAAP') to reflect the consolidated financial position, results of operations and cash flows. All amounts are stated in U.S. 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, 2012 through March 31, 2013 and from April 1, 2011 through March 31, 2012. 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 United States, 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 management has reviewed the Company's budget and outline projections including working capital requirements. Following the review and at the time of approving these consolidated financial statements, the management considers that the Company has sufficient resources available from internal accruals to continue operating for the foreseeable future. For these reasons the management continues to prepare the consolidated financial statements on a going concern basis.

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

2. **Cash and cash equivalents**

The Company considers all highly liquid investments and deposits with a remaining maturity of ninety days or less on the date of purchase to be cash and cash equivalents. Cash and cash equivalents comprise cash on hand and balance with banks.

3. **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.

4. **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 year end.

5. **Shipping and handling costs**

The Company classifies shipping and handling costs as selling expenses.

6. **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 consolidated 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.

7. **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	3 - 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

8. **Derivatives**

The Company uses interest rate swap contracts as cash flow hedges to eliminate the cash flow exposure of interest rate movements on floating rate debt. The Company adopted the provisions of Financial Accounting Standards Board ("FASB") Accounting Standard Codification ("ASC") 815 to account for interest rate swap contracts from April 1, 2010. The Company records the swaps at their fair values on the balance sheet. The Company has recorded an unrecognized swap gain of $ 12,360 ₹ 671,272 (previous year - $ 20,078 ₹ 1,021,569) as other comprehensive gain for the year ended March 31, 2013.

The following tables summarize the fair value of the Company's derivative instruments and the effect of derivative instruments on the consolidated statements of comprehensive income:

Fair Value of Derivative Instruments	Balance sheet location	Fair Value at March 31,	
		2013	2012
Derivatives designated as hedging instruments			
Liability derivatives			
Interest rate swap	Other current liabilities	—	12,630
	Income Statement location	**Gain / (Loss) recognized March 31,**	
		2013	**2012**
Derivatives designated as hedging instruments			
Interest rate swap	Other comprehensive income	12,360	20,078

NOTE B - CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

Particulars	As at March 31, 2013 USD	As at March 31, 2013 ₹	As at March 31, 2012 USD	As at March 31, 2012 ₹
Bank balance	5,744,522	311,984,990	2,421,068	123,183,940
Total	**5,744,522**	**311,984,990**	**2,421,068**	**123,183,940**

Cash balances on deposit with bank are insured by the Federal Deposit Insurance Corporation up to $ 250,000 ₹ 13,577,500 (previous year - $ 250,000 ₹ 12,720,000). There are no cash equivalents at March 31, 2013 and March 31, 2012.

NOTE D - ACCOUNTS RECEIVABLE

Accounts receivable as at March 31, 2013 represent due from customers of $ 10,020,107 ₹ 544,192,011 (previous year - $ 9,401,527 ₹ 478,349,693), 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.

The movement in allowance for returns, rebates and doubtful debts during the year is as follows:

Particulars	As at March 31, 2013 USD	As at March 31, 2013 ₹	As at March 31, 2012 USD	As at March 31, 2012 ₹
Opening balance	1,002,819	54,463,100	1,080,525	54,977,112
Add : During the year provision	326,717	17,744,000	915,145	46,562,578
Less : During the year write off	(570,330)	(30,974,622)	(992,851)	(50,516,259)
Closing balance	**759,207**	**41,232,478**	**1,002,819**	**51,023,431**

NOTE E - INVENTORIES

Major classes of inventory are as follows:

Particulars	As at March 31, 2013 USD	As at March 31, 2013 ₹	As at March 31, 2012 USD	As at March 31, 2012 ₹
Finished goods	13,910,548	755,481,862	16,060,564	817,161,496
Raw material	1,649,651	89,592,546	1,628,219	82,843,783
Packaging	1,181,734	64,179,974	979,862	49,855,379
Molds	1,298,434	70,517,951	997,066	50,730,718
Goods-in-transit	2,402,038	130,454,684	2,382,591	121,226,230
Total	**20,442,405**	**1,110,227,016**	**22,048,302**	**1,121,817,606**

NOTE F - PROPERTY, PLANT AND EQUIPMENT

Property and equipment comprise the following:

Particulars	As at March 31, 2013 USD	As at March 31, 2013 ₹	As at March 31, 2012 USD	As at March 31, 2012 ₹
Land	688,691	37,402,808	688,691	35,040,598
Building	5,499,129	298,657,696	5,499,129	279,795,684
Computers	984,636	53,475,581	984,636	50,098,280
Furniture and fixtures	402,981	21,885,898	402,981	20,503,673
Plant and machinery	26,461,397	1,437,118,471	21,233,507	1,080,360,836
Vehicles	312,679	16,981,596	312,679	15,909,108
Capital work in progress	—	—	42,980	2,186,822
Less: Accumulated depreciation	(16,646,618)	(904,077,824)	(13,830,291)	(703,685,206)
Property, plant and equipment, net	**17,702,895**	**961,444,227**	**15,334,312**	**780,209,795**

Depreciation expense for the year ended March 31, 2013 is $ 2,816,326 ₹ 152,954,665 (previous year - $ 1,938,896 ₹ 98,651,028). Of the total depreciation of $ 2,816,326 ₹ 152,954,665 (previous year - $ 1,938,896 ₹ 98,651,028) depreciation included in cost of goods sold is $ 2,807,716 ₹ 152,487,056 (previous year - $ 1,928,576 ₹ 98,125,947).

NOTE G - BORROWINGS

Borrwoings comprises of the following:

Particulars	As at March 31, 2013 USD	As at March 31, 2013 ₹	As at March 31, 2012 USD	As at March 31, 2012 ₹
Short term debt	30,000,000	1,629,300,000	30,000,000	1,526,400,000
Long term debt				
– non-current	40,000,000	2,172,400,000	21,666,000	1,102,366,080
Loan from parent company, PGL	—	—	3,800,000	193,344,000
– current	—	—	7,695,612	391,552,739
Total	**70,000,000**	**3,801,700,000**	**63,161,612**	**3,213,662,819**

NOTE H - INCOME TAXES

Income Taxes comprises of the following:

Particulars	As at March 31, 2013 USD	As at March 31, 2013 ₹	As at March 31, 2012 USD	As at March 31, 2012 ₹
State				
Current tax expense	18,138	985,256	6,482	310,099
Deferred tax expense/(benefit)	(808,708)	(43,929,019)	11,478	549,108
Total	**(790,570)**	**(42,943,762)**	**17,960**	**859,206**

Particulars	As at March 31, 2013 USD	As at March 31, 2013 ₹	As at March 31, 2012 USD	As at March 31, 2012 ₹
Current deferred tax assets				
Accounts receivable	286,362	15,552,320	394,786	20,086,712
Inventory	843,739	45,823,465	536,643	27,304,396
Accrued expenses and provisions	607,351	32,985,233	923,247	46,974,807
Disallowed interest carryover	—	—	333,082	16,947,212
Current deferred tax assets	**1,737,452**	**94,361,018**	**2,187,758**	**111,313,127**
Non-current deferred tax assets				
Net operating losses	11,932,495	648,053,803	11,961,894	608,621,167
AMT credit	18,756	1,018,638	—	—
Non-current deferred tax assets	**11,951,251**	**649,072,442**	**11,961,894**	**608,621,167**
Less: Valuation allowance	(10,051,662)	(545,905,763)	(11,961,894)	(608,621,167)
Non-current deferred tax assets, net	1,899,589	103,166,679	—	—
Net deferred tax assets	**3,637,041**	**197,527,697**	**2,187,758**	**111,313,127**
Non-current deferred tax liability				
Property, plant and equipment	(2,839,810)	(154,230,081)	(2,199,236)	(111,897,128)
Net deferred tax assets/ (liability)	**797,231**	**43,297,616**	**(11,478)**	**(584,001)**

The Company has provided a valuation allowance $ 10,051,662 and $ 11,961,894 as of March 31, 2013 and as of March 31, 2012, respectively, against the net deferred tax assets. The change in valuation allowance is $ 1,910,232 (previous year - $ 297,967) as on March 31, 2013.

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 on the generation of future taxable income during the periods in which temporary difference become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment. Based on the level of projections for next 3 years and recent history of book profits, management believes that there is reasonable certainty regarding the realization of the deferred tax asset to the extent of profitability projected for next 3 years.

Accounting for uncertain tax position

Effective April 1, 2009, the Company adopted the accounting standard regarding "Accounting for Uncertain Tax Positions". This standard provides detailed guidance for financial statement recognition, measurement and disclosure of uncertain tax positions recognized in the company'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 the standard has had no material effect on the Company's financial position, results of operations or cash flow.

Tax years beginning 2009 remain subject to examination by the taxing authorities.

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, 2013 was $ 618,718 ₹ 33,608,762 (previous year - $ 812,925 ₹ 38,890,332).

At March 31, 2013 future rental commitments for the non-cancelable leases are as follows:

Year	Rental	
	USD	₹
2014	682,467	37,064,783
2015	652,760	35,451,396
2016	551,109	29,930,730
2017	517,337	28,096,572
2018	99,492	5,403,411
Total	**2,503,164**	**135,946,837**

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.

NOTE J - RELATED PARTY TRANSACTIONS

A. List of related parties with whom transactions have taken place during the year:

1. Piramal Glass Limited — Parent Company
2. Piramal Critical Care Inc ("PCCI") — Associate Company

B. Summary of the transactions with related parties is as follows:

Piramal Glass Limited

During the year the Company purchased glass from PGL amounting to $ 14,560,775 ₹ 790,941,298 (previous year – $ 13,733,074 ₹ 656,990,260). An amount of $ 5,392,767 ₹ 292,881,176 (March 31, 2012 – $ 6,854,014 ₹ 348,732,232) is payable at year end March 31, 2013.

The Company obtained short term debt during the year from PGL of $ 5,700,000 ₹ 309,567,000 (previous year - $ 7,740,000 ₹ 393,811,200) and the same was repaid in full along with interest of $ 311,328 ₹ 16,911,337 including the opening outstanding of $ 3,800,000 ₹ 193,344,000 during the year ended March 31, 2013.

During the year, reimbursable expenses were incurred by PGL - $ 706,588 ₹ 38,381,860 (previous year – $ 952,244 ₹ 45,555,353) and the Company - $ 530,349 ₹ 28,808,558 (previous year - $ Nil) of which payable at year end is $ 324,629 ₹ 17,633,847 (March 31, 2012 - $ 1,287,921 ₹ 65,529,420) and receivable is $ 529,299 ₹ 28,751,522 (March 31, 2012 - $ Nil). Reimbursable expense incurred by PGL includes $ 559,217 ₹ 30,376,667 (previous year - $ 883,143 ₹ 42,249,561) paid to banks towards fees for Standby Letters of Credit secured by counter guarantee of PGL, to enable the Company to secure term loan from banks.

Piramal Critical Care Inc

During the year, the Company sold glass to PCCI amounting to $ 765,690 ₹ 41,592,281 (previous year – $ 343,551 ₹ 16,435,480) of which $ 230,454 ₹ 12,515,957 (March 31, 2012 – $ 52,733 ₹ 2,683,055) is receivable as at March 31, 2013.

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 3.50% of employees' compensation. The contribution for the year ended March 31, 2013 was $ 769,841 ₹ 41,817,763 (previous year - $ 844,402 ₹ 40,396,192).

The Company also contributes to two 401(k) plans for salaried and eligible union personnel. The contribution for the year ended March 31, 2013 was $ 147,887 ₹ 8,033,222 (previous year - $ 150,513 ₹ 7,200,542). At March 31, 2013, 401(k) savings – employer includes $ 979 ₹ 53,179 (March 31, 2012 - $ NIL) due under these plans.

NOTE L - SHIPPING AND HANDLING COSTS

The amount of shipping and handling costs for the year ended March 31, 2013 was $ 1,441,293 ₹ 78,291,036 (previous year - $ 1,438,475 ₹ 68,816,644).

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 29.48% (previous year - 41.31%) of total sales and 27% (previous year - 37.36%) of accounts receivables. No single customer accounted for more than 10% of the total sales and only one single customer accounted for more than 10% of accounts receivable as at March 31, 2013.

The Company buys certain raw materials from a limited number of suppliers. Management believes that other suppliers could provide these materials on comparable terms. 71.43% (previous year - 72.69%) of total employees are subjected to collective bargaining agreement.

NOTE O - STOCKHOLDER'S DEFICIT

Common stock issued

The authorized share capital of the Company is $ 5,000,000 ₹ 226,000,000 (previous year - $ 5,000,000 ₹ 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 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through May 29, 2013 which is the date the consolidated financial statements were issued.

Directors' Report

The directors present their report and the financial statements of the company for the year ended 31 March 2013.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

During the year ended March 2013, the overall business has been consistent despite the turnover decreasing due to slow down of orders from overseas. Management is making concerted effort to add new customers, both in the UK and rest of Europe. The company anticipates maintaining its gross profit margins and continuing 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.

RESULTS AND DIVIDENDS

The profit for the year amounted to £61,621 (₹ 5,296,325). The directors have not recommended a dividend.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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 V Shah
Mr S Arora

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 year.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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:
57-67 High Street
Edgware
Middlesex
HA8 7DD

Signed by order of the directors

Mr. Sandeep Arora
Company Secretary

Approved by the directors on 18 April 2013

Independent Auditor's Report

TO
THE MEMBER OF
PIRAMAL GLASS (UK) LIMITED

We have audited the financial statements of Piramal Glass (UK) Limited for the year ended 31 March 2013. 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 member, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's member 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 member 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 1 to 2, 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 and express an opinion on 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 the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2013 and of its profit 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.

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 in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report.

Amanjit Singh FCA
(Senior Statutory Auditor)
For and on behalf of
Kajaine Limited
Chartered Accountants & Statutory Auditor

Kajaine House
57-67 High Street
Edgware, Middlesex
HA8 7DD

18 April 2013

Profit and Loss Account

Year ended March 31, 2013 and March 31, 2012

	Note	Year Ended March 2013 GBP	Year Ended March 2013 ₹	Year Ended March 2012 GBP	Year Ended March 2012 ₹
TURNOVER	**2**	518,222	44,541,181	736,140	56,285,264
Cost of sales		409,656	35,209,933	595,945	45,565,955
GROSS PROFIT		**108,566**	**9,331,248**	**140,195**	**10,719,310**
Administrative expenses		46,982	4,038,103	51,903	3,968,503
EXCHANGE Gain / Loss					(1,267,897)
OPERATING PROFIT	**3**	**61,584**	**5,293,145**	**88,292**	**8,018,703**
Interest receivable		37	3,180	56	4,282
Interest payable and similar charges	**4**	—	—	(51)	(3,899)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**61,621**	**5,296,325**	**88,297**	**8,019,085**
Tax on profit on ordinary activities		—	—	11	841
PROFIT FOR THE FINANCIAL YEAR		**61,621**	**5,296,325**	**88,286**	**8,018,244**
Balance brought forward		(679,852)	(55,683,681)	(768,138)	(63,701,927)
Balance carried forward		(618,231)	(50,387,356)	(679,852)	(55,683,681)

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, 2013 has been done using average rate of 1 GBP = ₹ 85.95

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

Balance Sheet

As at March 31, 2013 and March 31, 2012

	Note	As at 31 March 2013 GBP	As at 31 March 2013 ₹	As at 31 March 2012 GBP	As at 31 March 2012 ₹
FIXED ASSETS					
Tangible assets	5	—	—	—	—
CURRENT ASSETS					
Stocks	6	124,682	10,238,886	127,206	10,371,105
Debtors	7	237,526	19,505,635	159,386	12,994,741
Cash at bank		123,933	10,177,378	74,391	6,065,098
		486,141	39,921,899	360,983	29,430,944
CREDITORS: Amounts falling due within one year	8	229,825	18,873,229	166,288	13,557,461
NET CURRENT ASSETS		256,316	21,048,670	194,695	15,873,483
TOTAL ASSETS LESS CURRENT LIABILITIES		**256,316**	**21,048,670**	**194,695**	**15,873,483**
CREDITORS: Amounts falling due after more than one year	9	724,547	59,499,800	724,547	59,072,317
		(468,231)	**(38,451,130)**	**(529,852)**	**(43,198,834)**
CAPITAL AND RESERVES					
Called-up equity share capital	11	150,000	11,594,000	150,000	11,594,000
Profit and loss account	12	(618,231)	(50,387,356)	(679,852)	(55,683,683)
Foreign Exchange Reserve			342,227		890,849
DEFICIT		**(468,231)**	**(38,451,130)**	**(529,852)**	**(43,198,834)**

These financial statements were approved by the directors and authorised for issue on 18 April 2013, and are signed on their behalf by:

* Rupee equivalent of GBP in audited statement as at March 31, 2013 and as at March 31, 2012 has been done using closing rate of 1 GBP = 82.12 ₹ (B/S items) and 1 GBP = 85.95 ₹ (P&L items - 12 months avg.) and 1 GBP = 81.53 ₹ (B/S items) and 1 GBP = 76.46 ₹ (P&L items - 12 months avg.) as of respective dates.

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

Notes to the Financial Statements

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).

Fundamental accounting concept

The company 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.

Turnover is recognised when the goods are physically delivered to the customers.

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:

Office Equipment - 33.33% Straight line basis

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Stocks

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

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.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

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 profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	Year Ended 1 Apr 2012 to 31 Mar 2013 GBP	Year Ended 1 Apr 2012 to 31 Mar 2013 ₹	Year Ended 1 Apr 2011 to 31 Mar 2012 GBP	Year Ended 1 Apr 2011 to 31 Mar 2012 ₹
United Kingdom	517,342	44,465,545	508,277	38,862,859
Overseas	880	75,636	227,863	17,422,405
	518,222	**44,541,181**	**736,140**	**56,285,264**

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	Year Ended 1 Apr 2012 to 31 Mar 2013 GBP	Year Ended 1 Apr 2012 to 31 Mar 2013 ₹	Year Ended 1 Apr 2011 to 31 Mar 2012 GBP	Year Ended 1 Apr 2011 to 31 Mar 2012 ₹
Directors' remuneration	—	—	—	—
Auditor's remuneration				
– - as auditor	3,800	326,610	3,500	267,610
– - for other services	9,000	773,550	10,250	783,715
Net loss/(profit) on foreign currency translation	804	69,104	(5,686)	(434,752)

4. INTEREST PAYABLE AND SIMILAR CHARGES

	Year Ended 1 Apr 2012 to 31 Mar 2013 GBP	Year Ended 1 Apr 2012 to 31 Mar 2013 ₹	Year Ended 1 Apr 2011 to 31 Mar 2012 GBP	Year Ended 1 Apr 2011 to 31 Mar 2012 ₹
Interest payable on bank borrowing	—	—	51	3,899

5. TANGIBLE FIXED ASSETS

	Office Equipment GBP	Office Equipment ₹
COST		
At 1 April 2012 and 31 March 2013	5,304	435,564
DEPRECIATION		
At 1 April 2012 and 31 March 2013	5,304	435,564
NET BOOK VALUE		
At 31 March 2013	**—**	—
At 31 March 2012	—	—

6. STOCKS

	31 March 2013 GBP	31 Mar 2013 ₹	31 Mar 2012 GBP	31 Mar 2012 ₹
Finished goods	124,682	10,238,886	127,206	10,371,105

7. DEBTORS

	31 March 2013 GBP	31 Mar 2013 ₹	31 Mar 2012 GBP	31 Mar 2012 ₹
Trade debtors	235,976	19,378,349	157,453	12,837,143
Prepayments and accrued income	1,550	127,286	1,933	157,597
	237,526	**19,505,635**	**159,386**	**12,994,741**

8. CREDITORS: Amounts falling due within one year

	31 March 2013 GBP	31 Mar 2013 ₹	31 Mar 2012 GBP	31 Mar 2012 ₹
Trade creditors	43,158	3,544,135	61,046	4,977,080
Amounts owed to group undertakings	146,312	12,015,141	79,637	6,492,805
Other creditors including taxation:				
Taxation	22,064	1,811,896	12,529	1,021,489
Other creditors	13,184	1,082,670	8,263	673,682
	35,248	2,894,566	20,792	1,695,172
Accruals and deferred income	5,107	419,387	4,813	392,404
	229,825	**18,873,229**	**166,288**	**13,557,461**

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

	31 March 2013 GBP	31 Mar 2013 ₹	31 Mar 2012 GBP	31 Mar 2012 ₹
Amounts owed to group undertakings	724,547	59,499,800	724,547	59,072,317

10. RELATED PARTY TRANSACTIONS

The financial statements do not include details in respect of group transactions. The company is exempt from disclosure under Financial Reporting Standard 8 ‘ Related Party Disclosures’ on the grounds that group financial statements are publicly available.

11. SHARE CAPITAL

Authorised share capital:

	31 March 2013 GBP	31 Mar 2013 ₹	31 Mar 2012 GBP	31 Mar 2012 ₹
150,000 Ordinary shares of £1 each	150,000	11,594,000	150,000	11,594,000

Allotted, called up and fully paid:

	31 March 2013 GBP	31 Mar 2013 ₹	31 Mar 2012 GBP	31 Mar 2012 ₹
150,000 Ordinary shares of £1 each	150,000	11,594,000	150,000	11,594,000

12. PROFIT AND LOSS ACCOUNT

	31 March 2013 GBP	31 Mar 2013 ₹	31 Mar 2012 GBP	31 Mar 2012 ₹
Balance brought forward	(679,852)	(58,433,279)	(768,138)	(58,731,831)
Profit for the financial year	61,621	5,296,325	88,286	6,750,348
Balance carried forward	**(618,231)**	**(53,136,954)**	**(679,852)**	**(51,981,484)**

13. ULTIMATE PARENT COMPANY

The immediate and ultimate parent undertaking and controlling party is Piramal Glass Limited, a company incorporated 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

Directors' Report

The Director of Piramal Glass Europe SARL have pleasure in presenting their Report together with the Audited Accounts for the financial year ended March 31, 2013.

PRINCIPAL ACTIVITY

Piramal Glass Europe SARL is primarily engaged in marketing of glass products for Piramal Glass Ltd. in European region.

CURRENCY

All figures appearing in the accounts are in Euro and are denoted as "EUR" Rupee equivalent of Euro in audited statements as at 31st March 2013 and as at 31st March 2012 have been done using closing rate of 1 Euro = 69.59 ₹ (B/S items) and 1 Euro = 70.08 ₹ (P&L items - 12 Months Avg.) and 1 Euro = 67.91 ₹ (B/S items) and 1 Euro = 66.24 ₹ (P&L items - 12 Months Avg.) as of respective dates.

FINANCIAL RESULTS

TURNOVER AND PROFIT / (LOSS)	Year ended 31 March, 2013		Year ended 31 March, 2012	
	EUR	₹ in Mio	EUR	₹ in Mio
Net Turnover	9,928,960	695.82	7,264,954	481.23
Profit before Tax	474,296	33.24	349,807	23.17
Profit / (Loss) after Tax	315,032	22.08	231,743	15.35

REVIEW OF OPERATIONS

Piramal Glass Europe SARL, a wholly owned subsidiary of Piramal Glass Limited, situated in France, The company was formed with a view to provide better services to the customers in the European region and to expand the footprint of Piramal Glass Limited in the European market.

During the year, the Company has earned an income of Euro 9,928,960 (₹ 695.82 mio) as against Euro 7,264,954 (₹ 481.23 mio) in the previous year and the profit after tax is Euro 315,032 (₹ 22.08 mio) as against Euro 231,743 (₹ 15.35 mio) in the previous year.

CAPITAL EXPENDITURE AND INVESTMENTS

The Company spent an amount of Euro 499 (₹ 0.03 mio) on capital expenditure during the year as against Euro 5,478 (₹ 0.36 mio) in previous period. No other investments have been made by the Company during the year.

SHARE CAPITAL

Share Capital consists of 50,000 shares of Euro 1 each issued to parent company Piramal Glass Limited.

DIVIDEND

No dividend has been declared for the year ended March 31, 2013.

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. Sandeep Arora Director

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, 2013 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, who offer themselves for re-appointment.

By Order of the Board

Sandeep Arora
Director

Date : April 18, 2013

Independent Auditor's Report

Shareholders of

Piramal Glass Europe SARL

Report on the Financial Statements

We have audited the accompanying financial statements of Piramal Glass Europe SARL ("the Company"), a company incorporated under the Laws of France, and which is not a foreign company as defined under section 591 of Indian Companies Act, 1956. The financial statements comprise of the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We 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 and the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

b) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and

c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Atlanta, Georgia
April 18, 2013

KNAV P.A.
Certified Public Accountants
3883 Rogers Bridge Road,
Suite 601, Duluth, GA 30097
T 1 678 584 1200 F 1 770 676 6082
E admin@knavcpa .com

Balance Sheet

as at March 31, 2013 and March 31, 2012

	Notes	As at March 31, 2013 EUR	As at March 31, 2013 ₹	As at 31 March 2012 EUR	As at March 31, 2012 ₹
Equity and liabilities					
Shareholders' funds					
Share capital	4	50,000	3,130,000	50,000	3,130,000
Reserves and surplus	5	562,335	38,365,278	247,303	16,287,835
Exchange Reserve			1,117,115		772,011
		612,335	**42,612,393**	**297,303**	**20,189,846**
Non-current liabilities					
Long-term provision	6	13,687	952,478	11,933	810,370
Current liabilities					
Short-term borrowings	7	1,146,337	79,773,592	50,575	3,434,548
Trade payables		3,140,480	218,546,003	3,262,014	221,523,371
Other current liabilities	8	11,542	803,208	8,601	584,094
Short-term provisions	9	88,243	6,140,830	140,928	9,570,420
		4,386,602	**305,263,633**	**3,462,118**	**235,112,433**
Total		**5,012,624**	**348,828,504**	**3,771,354**	**256,112,650**
Assets					
Non-current assets					
Fixed assets					
Tangible assets	10	1,062	73,905	2,096	142,339
		1,062	**73,905**	**2,096**	**142,339**
Long term advances	11	550	38,275	550	37,351
Current assets					
Inventories	12	2,018,629	140,476,392	1,706,108	115,861,794
Trade receivables	13	2,634,322	183,322,468	1,763,052	119,728,861
Cash and bank balances	14	64,881	4,515,069	62,005	4,210,760
Short-term advances	15	293,180	20,402,396	237,543	16,131,545
		5,011,012	**348,716,325**	**3,768,708**	**255,932,960**
Total		**5,012,624**	**348,828,504**	**3,771,354**	**256,112,650**

See accompanying notes to the financial statements

Rupee equivalent of EUR in audited statement as at March 2013 and as at March 2012 has been done using closing rate of 1 EUR = 69.59 ₹ (B/S items) and 1 EUR = 70.08 ₹ (P&L items-12 months avg.) and 1 EUR = 67.91 ₹ (B/S items) and 1 EUR = 66.24 ₹ (P&L items-12 months avg.) as of respective dates.

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Mr. Sandeep Arora Director

Statements of Profit & Loss

for the period ended March 31, 2013 and March 31, 2012

	Notes	Year ended 31 March 2013 EUR	Year ended 31 March 2013 ₹	Year ended 31 March 2012 EUR	Year ended 31 March 2012 ₹
Income					
Revenue from operations	**16**	9,928,960	695,821,517	7,264,954	481,230,553
Less : VAT		924,776	64,808,302	666,023	44,117,364
Total revenue		**9,004,184**	**631,013,215**	**6,598,931**	**437,113,189**
Expenses					
Cost of traded goods sold	**17**	7,842,858	549,627,489	6,522,787	432,069,411
Increase in inventory of finished goods	**18**	(116,705)	(8,178,686)	(908,832)	(60,201,032)
Staff cost	**19**	147,809	10,358,455	44,236	2,930,193
Depreciation	**10**	1,534	107,503	3,381	223,957
Other expenses	**20**	654,392	45,859,791	587,552	38,919,444
Total expenses		**8,529,888**	**597,774,551**	**6,249,124**	**413,941,974**
Profit before tax		**474,296**	**33,238,664**	**349,807**	**23,171,216**
Tax expense					
Current tax		159,264	11,161,221	118,064	7,820,559
Profit for the year		**315,032**	**22,077,443**	**231,743**	**15,350,656**
Earnings per share					
Equity share					
– Basic		63.01		46.35	
– Diluted		63.01		46.35	
– Number of equity shares					
– Basic		5,000		5,000	
– Diluted		5,000		5,000	

See accompanying notes to the financial statements

Rupee equivalent of EUR in audited statement as at March 2013 and as at March 2012 has been done using closing rate of 1 EUR = 69.59 ₹ (B/S items) and 1 EUR = 70.08 ₹ (P&L items-12 months avg.) and 1 EUR = 67.91 ₹ (B/S items) and 1 EUR = 66.24 ₹ (P&L items-12 months avg.) as of respective dates.

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Mr. Sandeep Arora Director

Statements of Cash Flow

for the year ended March 31, 2013 and March 31, 2012

	Year ended March 31, 2013 EUR	Year ended March 31, 2013 ₹	Year ended March 31, 2012 EUR	Year ended March 31, 2012 ₹
Cash flow from operating activities				
Net profit before taxation	474,296	33,238,664	349,807	23,171,216
Non cash adjustment to reconcile profit before tax to net cash flows:				
Depreciation expense	1,534	107,503	3,381	223,957
Adjustments for changes in :				
Increase in trade receivables	(871,270)	(63,593,607)	(403,570)	(33,510,818)
Increase in inventories	(312,522)	(24,614,598)	(474,304)	(37,740,785)
Increase in advances	(55,637)	(4,270,851)	(99,755)	(7,392,725)
Increase/(decrease) in trade payables	(121,534)	(2,977,368)	588,322	51,906,189
Increase/(decrease) in other current liabilities	2,941	219,114	(61,750)	(3,877,503)
Increase in short term borrowings	1,095,762	76,339,044	50,575	3,434,548
Increase/(decrease) in short term provisions	(52,685)	(3,429,590)	27,814	2,181,824
Increase in long term provisions	1,754	142,108	—	—
Cash provided by/(used in) operations	**162,639**	**11,160,419**	**(19,480)**	**(1,604,097)**
Taxes paid (net of refunds)	(159,264)	(11,161,221)	(4,546)	(301,127)
Net cash (used in)/provided by operating activities	**3,375**	**(802)**	**(24,026)**	**(1,905,224)**
Cash flows from investing activities				
Purchase of fixed assets	(499)	(34,970)	(5,478)	(362,863)
Net cash used in investing activities	(499)	(34,970)	(5,478)	(362,863)
Cash flows from financing activities				
Net cash generated from financing activities	—	—	—	—
Net (decrease) / increase in cash and cash equivalents	**2,876**	**(35,772)**	**(29,504)**	**(2,268,087)**
Cash and cash equivalents at the beginning of the year	62,004	4,210,759	91,508	5,678,033
Exchange Gain / Loss		340,082		800,813
Cash and cash equivalents at the end of the year	64,880	4,515,069	62,004	4,210,759
Components of cash and cash equivalents				
Balance with scheduled banks	64,881	4,515,069	61,430	4,171,711
Bank interest receivable	—	—	575	39,048

See accompanying notes to the financial statements

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Mr. Sandeep Arora Director

Notes to financial statements

1. Background and principal activities

Piramal Glass Europe SARL ('the Company') is a company registered in France with its principal office at 16 RUE PAUL BIGNON, 76260 EU, FRANCE. The Company is a wholly owned subsidiary of Piramal Glass Limited ('PGL India'). The Company commenced business operations in April 2010.

Piramal Glass Europe SARL is primarily engaged in the marketing of glass products and providing warehouse support services to its parent company; PGL India in France.

2. Basis of preparation of financial statements

The financial statements of the Company have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis and using the audited general purpose financial statements for the year ended March 31, 2013 and March 31, 2012. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

2.1 Presentation and disclosure of financial statements

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – noncurrent classification of assets and liabilities.

3. Significant accounting policies

3.1 Estimates and assumptions

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

3.2 Inventories

Inventories consist of glass products purchased from PGL India, and are stated at the cost or net realizable value, whichever is lower. Cost of inventories comprise of all costs of purchase and other cost incurred in bringing the inventories to their present condition and location. The cost of the products is determined using the first in, first out method.

3.3 Revenue recognition

Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection. Sales are recognized and accounted on delivery to customers and are recorded inclusive of VAT.

3.4 Trade receivables & allowance for doubtful accounts

The Company follows specific identification method for recognizing bad debts. Management analyzes trade receivables and the composition of the trade receivable aging, historical bad debts, current economic trends and customer credit worthiness when evaluating the adequacy of the allowance for doubtful accounts.

3.5 Depreciation

Depreciation on fixed assets is provided on straight line method at commercial rates, which are higher than those specified in Schedule XIV of the Companies Act, 1956. Depreciation on additions / deletions is provided on pro-rata basis to the months of additions / deletions.

3.6 Earnings per share

The Company reports basic earnings per share (EPS) in accordance with Accounting Standard – 20 issued by the Institute of Chartered Accountants of India. The basic earnings per share are computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. The Company has no potentially dilutive equity shares outstanding during the period.

3.7 Provisions & contingent liabilities

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

3.8 Foreign exchange transactions

The transactions in foreign exchange are accounted at the exchange rate prevailing on the date of transactions. Any exchange gains or losses arising out of the subsequent fluctuations are accounted for in the profit and loss account. Functional currency of the Company is Euro. Monetary items denominated in foreign currency are translated into the reporting currency at the exchange rates in effect at the balance sheet date and non-monetary items are translated at rates of exchange in effect when the assets were acquired or obligations incurred

3.9 Taxes on income

Provision on current taxes is made on based on applicable local laws, on income chargeable to tax.

The Company uses the asset and liability method of accounting for deferred income taxes. Under this method, the deferred tax assets are not recognized unless there is a virtual certainty that they will be realized and deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between their financial statement carrying amounts and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted tax rates to apply to taxable income in those years in which the temporary differences are expected to reverse.

4. Share capital	**As at March 31, 2013 EUR**	**As at March 31, 2013 ₹**	**As at March 31, 2012 EUR**	**As at March 31, 2012 ₹**
Authorized Capital				
Equity share capital				
5,000 equity shares of Euro 10 par value	50,000	3,130,000	50,000	3,130,000
Total	**50,000**	**3,130,000**	**50,000**	**3,130,000**
Issued, subscribed and paid up				
5,000 equity shares of Euro 10 each fully paid	50,000	3,130,000	50,000	3,130,000
Total	**50,000**	**3,130,000**	**50,000**	**3,130,000**

4.1 Reconciliation of the number of shares

Particulars	**Equity Shares March 31, 2013**		**Equity Shares March 31, 2012**	
	Number	**Amount**	**Number**	**Amount**
Equity Shares of Euro 10 par value				
Shares outstanding at the beginning of the year	5,000	50,000	—	—
Shares issued during the year	—	—	**5,000**	**50,000**
Shares outstanding at the end of the	**5,000**	**50,000**	**5,000**	**50,000**

4.2 Terms/rights attached to equity shares

The Company has equity shares of Euro 10 each. Each holder of equity shares is entitled to one vote per share. The shareholders are entitled dividends based on the number of shares they hold. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, post distribution of all preferential amounts. The distribution will be in proportion to the par value of the equity shares.

4.3 Shares held by the Holding Company

All equity shares issued by the Company are held by its Holding Company:

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number	Amount	Number	Amount
Piramal Glass Limited				
Equity Shares of Euro 10 each	5,000	50,000	5,000	50,000

4.4 Disclosure of Shareholders holding more than 5% of the Equity Share Capital

A) Equity Share Capital

Name of Shareholder	As at March 31, 2013		As at March 31, 2012	
	No. of shares held	% of Holding	No. of Shares held	% of Holding
Piramal Glass Limited	5,000	100	5,000	100
Equity Shares of Euro 10 each				

5. Reserves and surplus

	As at March 31, 2013 EUR	As at March 31, 2013 ₹	As at March 31, 2012 EUR	As at March 31, 2012 ₹
Surplus				
Opening balance	247,303	16,287,835	15,560	937,179
Add: Profit for the year	315,032	22,077,443	231,743	15,350,656
Closing balance	562,335	38,365,278	247,303	16,287,835
Total	**562,335**	**38,365,278**	**247,303**	**16,287,835**

6. Long term provisions

	As at March 31, 2013 EUR	As at March 31, 2013 ₹	As at March 31, 2012 EUR	As at March 31, 2012 ₹
Social security	13,687	952,478	11,933	810,370
Total	**13,687**	**952,478**	**11,933**	**810,370**

7. Short term borrowings

	As at March 31, 2013 EUR	As at March 31, 2013 ₹	As at March 31, 2012 EUR	As at March 31, 2012 ₹
Loans repayable on demand				
From banks	—	—	—	—
Unsecured	1,146,337	79,773,592	50,575	3,434,548
Total	**1,146,337**	**79,773,592**	**50,575**	**3,434,548**

8. Other current liabilities

	As at March 31, 2013 EUR	As at March 31, 2013 ₹	As at March 31, 2012 EUR	As at March 31, 2012 ₹
Other payables	11,542	803,208	8,601	584,094
Total	**11,542**	**803,208**	**8,601**	**584,094**

9. Short term provisions

	As at March 31, 2013 EUR	As at March 31, 2013 ₹	As at March 31, 2012 EUR	As at March 31, 2012 ₹
Provision for employee benefits				
Leave encashment	11,432	795,553	5,308	360,466
Medical reimbursements	181	12,596	163	11,069
Others provisions				
Provision for accounting fees	—	—	4,882	331,537
Provision for taxes	74,573	5,189,535	130,575	8,867,348
Provision for salary	2,057	143,147	-	
Total	**88,243**	**6,140,830**	**140,928**	**9,570,420**

10. Fixed assets

	As at March 31, 2013 EUR	As at March 31, 2013 ₹	As at March 31, 2012 EUR	As at March 31, 2012 ₹
Tangible assets				
Gross block	5,478	381,214	—	—
Additions during the period	499	34,970	5,477	371,943
Total	**5,977**	**416,184**	**5,477**	**371,943**
Less:				
Opening accumulated depreciation	3,381	235,284	—	—
Depreciation for the year	1,534	106,751	3,381	229,604
Closing accumulated depreciation	**4,915**	**342,035**	**3,381**	**229,604**
Net block	**1,062**	**74,149**	**2,096**	**142,339**

11. Long term loans advances

	As at March 31, 2013 EUR	As at March 31, 2013 ₹	As at March 31, 2012 EUR	As at March 31, 2012 ₹
Security deposits	550	38,275	550	37,351
Total	**550**	**38,275**	**550**	**37,351**

12. Inventories

	As at March 31, 2013 EUR	As at March 31, 2013 ₹	As at March 31, 2012 EUR	As at March 31, 2012 ₹
Finished goods	1,509,390	105,038,450	1,458,088	99,018,756
Goods in transit	509,239	35,437,942	248,020	16,843,038
Total	**2,018,629**	**140,476,392**	**1,706,108**	**115,861,794**

13. Trade receivables

	As at March 31, 2013 EUR	As at March 31, 2013 ₹	As at March 31, 2012 EUR	As at March 31, 2012 ₹
Outstanding for a period exceeding six months from				
the date they are due for payment				
Unsecured, considered good	—	—	—	—
Other trade receivables				
Unsecured, considered good	2,634,322	183,322,468	1,763,052	119,728,861
Total	**2,634,322**	**183,322,468**	**1,763,052**	**119,728,861**

14. Cash and bank balances

	As at March 31, 2013 EUR	As at March 31, 2013 ₹	As at March 31, 2012 EUR	As at March 31, 2012 ₹
Cash and cash equivalents				
Bank balance	64,881	4,515,069	61,430	4,171,711
Bank receivable interest.	—	—	575	39,048
Total	**64,881**	**4,515,069**	**62,005**	**4,210,760**

15. Short term advances

	As at March 31, 2013 EUR	As at March 31, 2013 ₹	As at March 31, 2012 EUR	As at March 31, 2012 ₹
Advance on salary	1,000		1,000	
Deductible VAT	118,256		153,630	
VAT receivable	139,955		61,556	
Prepaid expense	16,434		16,003	
Other taxes	17,535		5,354	
Total	**293,180**	**—**	**237,543**	**—**

16. Revenue from operations

	Year ended March 31, 2013 EUR	Year ended March 31, 2013 ₹	Year ended March 31, 2012 EUR	Year ended March 31, 2012 ₹
Revenue from operations				
Sale of products				
Finished goods	9,690,050	674,330,580	7,088,441	481,376,028
Mold sales	148,278	10,391,322	164,919	10,924,235
Other sales	90,632	6,351,491	11,594	767,987
Less: VAT	924,776	64,808,302	666,023	44,117,364
Revenue from operations (net)	**9,004,184**	**626,265,090**	**6,598,931**	**448,950,886**

17. Cost of traded goods sold

	Year ended March 31, 2013 EUR	Year ended March 31, 2013 ₹	Year ended March 31, 2012 EUR	Year ended March 31, 2012 ₹
Cost of goods sold	7,096,552	497,326,364	5,969,245	395,402,789
Cost of samples	7,783	545,433	2,997	198,521
Cost of mould purchased	129,558	9,079,425	164,919	10,924,235
Customs duty	46,495	3,258,370	50,265	3,329,554
Carriage inwards	166,493	11,667,829	133,083	8,815,418
Decorating charges	395,977	27,750,068	202,278	13,398,895
Total	**7,842,858**	**549,627,489**	**6,522,787**	**432,069,411**

18. Increase in inventory of finished goods

	Year ended March 31, 2013 EUR	Year ended March 31, 2013 ₹	Year ended March 31, 2012 EUR	Year ended March 31, 2012 ₹
Closing stock				
Finished goods	116,705	8,121,501	908,832	61,718,781
Increase in inventory of finished goods	**(116,705)**	**(8,121,501)**	**(908,832)**	**(61,718,781)**

19. Staff cost

	Year ended March 31, 2013 EUR	Year ended March 31, 2013 ₹	Year ended March 31, 2012 EUR	Year ended March 31, 2012 ₹
Wages	97,534	6,835,183	14,227	942,396
Social security	28,115	1,970,299	15,712	1,040,763
Pension	7,130	499,670	3,654	242,041
Staff welfare	15,030	1,053,302	10,643	704,992
Total	**147,809**	**10,358,455**	**44,236**	**2,930,193**

20. Other expenses

	Year ended March 31, 2013 EUR	Year ended March 31, 2013 ₹	Year ended March 31, 2012 EUR	Year ended March 31, 2012 ₹
Accounting fees	55,462	3,886,777	55,026	3,644,922
Bank charges	9,058	634,785	5,129	339,745
Bank interest	32,498	2,277,460	36,266	2,402,260
Carriage sampling	31,215	2,187,547	1,432	94,856
Exchange loss	(38)	(2,663)	15,001	993,666
Exhibition cost	31,110	2,180,189	13,195	874,037
Insurance	428	29,994	399	26,430
Legal fees	1,455	101,966	1,101	72,930
Management fees	155,400	10,890,432	132,000	8,743,680
Office items	6,680	468,134	3,463	229,389

	Year ended March 31, 2013 EUR	Year ended March 31, 2013 ₹	Year ended March 31, 2012 EUR	Year ended March 31, 2012 ₹
Office rent	8,519	597,012	8,255	546,811
Other Fees	1,516	106,241	-	-
Postage and communication	5,211	365,187	5,372	355,841
Rates and taxes	25,578	1,792,506	17,950	1,189,008
Storage cost	111,846	7,838,168	114,730	7,599,715
Training expenses	1,415	99,163	657	43,520
Transport cost	144,039	10,094,253	146,714	9,718,335
Travelling expense	9,019	632,052	7,801	516,738
Utilities	2,531	177,372	1,678	111,151
	632,942	**44,356,575**	**566,169**	**37,503,035**
Payment to auditors				
Audit fees	21,450	1,503,216	21,383	1,416,410
Total	**654,392**	**45,859,791**	**587,552**	**38,919,444**

21. Financial year

The financial statements are for the year April 1, 2012 to March 31, 2013 and previous period's financial statements are presented from April 1, 2011 to March 31, 2012.

22. Related party transactions

As required by Accounting Standard – AS 18 "Related Party Disclosures" issued by The Institute of Chartered Accountants of India, the relevant disclosures are as follows:

i) Related Party with whom transactions have taken place during the year:

– **Piramal Glass Limited – Parent company**

ii) Summary of transactions with related parties is as follows:

Particulars	Year ended March 31, 2013 EUR	Year ended March 31, 2013 ₹	Year ended March 31, 2012 EUR	Year ended March 31, 2012 ₹
Transactions during the year				
Purchases of glass products from PGL India	7,096,552	497,326,364	5,969,245	395,402,789
Payment for management fees	155,400	10,890,432	132,000	8,743,680
Accounts payable at the year end, PGL India	**2,764,111**	**193,708,899**	**2,870,791**	**190,161,196**

23. Deferred Tax

The deferred tax assets & liabilities comprise of tax effect of following timing differences:

Particulars	Year ended March 31, 2013 EUR	Year ended March 31, 2013 ₹	Year ended March 31, 2012 EUR	Year ended March 31, 2012 ₹
Deferred tax asset				
Social contribution to solidarity	2,467	172,887	2,157	142,880
Deferred tax asset	**2,467**	**172,887**	**2,157**	**142,880**
Deferred tax recognized	**Nil**	**Nil**	**Nil**	**Nil**

In the absence of virtual certainty of realization of deferred tax assets due to timing differences, management has not recognized any deferred tax assets. The recognition of deferred tax assets would be reassessed at subsequent balance sheet date and dealt with accordingly in the year of reasonable certainty/virtual certainty.

24. Earnings per share

Earnings per share are calculated by dividing the net profit attributable to the equity shareholders by the average number of equity shares outstanding during the year. Numbers used for calculating basic and diluted earnings per equity share are as stated below:

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Lease payments for the period / year	20,907	
Minimum Lease Payments :		
Not later than one year	26,583	
Later than one year but not later than five years	—	
Later than five years	—	
Earnings per share – Basic and Diluted		
Net income after tax	315,032	231,743
Weighted average number of equity shares outstanding during the year	5,000	5,000
Earnings per share	**63**	**46**

25. Segmental information

As the Company's business activities fall within a single primary business segment, the disclosure requirements of Accounting Standard 17 in this regard are not applicable.

26. Subsequent event note:

Subsequent events have been evaluated through April 18, 2013 which is the date the financial statements were issued. No material subsequent event has been noted.

Piramal Glass
knowledge action care

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