Piramal Glass
knowledge action care

Accounts of Subsidiary Companies
2011 - 2012

Contents

Report on the affairs of the Company

To the Shareholders

The Board of Directors have pleasure in presenting the 57th Annual Report and the Audited Accounts of the Company for the year ended 31st March 2012.

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-LKR 700M ₹ 280M) and Nattandiya (54 acres-LKR 99M ₹ 39.6M) and Leasehold Land at Horana (25 acres-LKR 22.3M ₹ 8.92M) and Nattandiya (9 acres-LKR 1.2M ₹ 0.48M).

CURRENCY

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

FINANCIAL RESULTS

	2012 LKR 000'	2012 ₹ in Mio	2011 LKR 000'	2011 ₹ in Mio
Revenue	5,119,582	2,150.22	4,163,266	1,706.94
Cost of Sales	(3,625,339)	(1,522.64)	(2,897,996)	(1,188.18)
Gross Profit	**1,494,243**	**627.58**	**1,265,270**	**518.76**
Other Operating Income	10,671	4.48	11,567	4.74
Admin & Distribution Cost (without exchange (gain)/loss)	(452,931)	(190.23)	(436,359)	(178.91)
Finance Cost	(221,492)	(93.03)	(306,470)	(125.65)
Profit Before Tax & Exchange Gain/(Loss	**830,491**	**348.81**	**534,008**	**218.94**
Exchange Gain/(Loss)	(134,369)	(56.43)	57,945	23.76
Profit After Exchange Gain/(Loss)	**696,122**	**292.37**	**591,953**	**242.70**
Income Tax Expense	(9,678)	(4.06)	(13,279)	(5.44)
Profit for the Year	**686,444**	**288.31**	**578,674**	**237.26**

SALES HIGHLIGHTS

The Total revenue for the year ending 31st March 2012 grew by 23% to LKR 5,119.6 million (₹ 2150.23 million) as against LKR 4163.3 million (₹ 1706.95 million) in the previous year. Domestic market was the main contributor towards this growth and it has reported LKR 3,894 million (₹ 1635.48 million) in the current year compared to LKR 3,159 million (₹ 1295.19 million) reported in previous year which is reflected a growth of 23%. The momentum gained in the export market has continued with the company achieving over LKR . 1 billion (₹ 0.42 billion) of sales for the 3rd consecutive year.

PRODUCTION HIGHLIGHTS

The now well stabilized plant had improved efficiencies. When compared to previous year the total production in packed tons for the current year was 70,969 tons as against 68,910 tons of the previous year. Several new products were developed during the year. Focus on Improved quality & establishing of standard process & system has been the continue focus during the year.

EMPLOYMENT

The Company employed a total of 413 persons as at 31st March 2012. (2011 was 412)

CAPITAL EXPENDITURE AND INVESTMENTS

The Company invested a total of LKR 140,197,603/- ₹ 56,079,041/- at Property, Plant and Equipment. (2011 was LKR 172,630,912/- ₹ 70,778,674/-). The capital commitments as at the balance sheet date are disclosed in Note 4.7 to the Accounts.

SHARE CAPITAL

The Stated capital as at the end of the year was LKR 1,526,407,485/- ₹ 610,562,994/-, consisting of 950,086,080 number of ordinary shares.

SHARE HOLDINGS

There were 14,423 registered shareholders as at 31st March 2012, and the distribution of shares is indicated in page …….

THE POST BALANCE SHEET EVENTS

The Post Balance Sheet events are disclosed in Note 26 to the Accounts. 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 interest register during the year under review. The related party disclosures are referred to in Note 27 to the Financial Statements. Mr.Vijay Shah, Chairman of the Company was the Managing Director of Piramal Glass Ltd upto 31st December 2011. The share ownership of directors is indicated below.

DIRECTORS' SHAREHOLDINGS

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

	2012	2011
Dr. C.T.S.B. Perera	50,000	50,000
Mr. R.M.S. Fernando	—	1,000,000

DIRECTORS' EMOLUMENTS

The remunerations and other benefits made to the Directors during the year are disclosed in Note 27.3.

DONATIONS

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

AUDITORS

The Accounts have been audited by Messrs. Ernst & Young, Chartered Accountants of Sri Lanka, who have indicated their willingness to continue in office and a resolution relating to their reappointment, will be proposed at the Annual General Meeting. Audit fees and expenses paid to Messrs. Ernst & Young for the FY 2012 is LKR 577,000 /- ₹ 242,340/- (2011 LKR 540,000/- ₹ 221,400/-) and fees and expenses for taxation services is LKR 257,936/- ₹ 108,333/- (2011 LKR 241,182/- ₹ 98,885/-). As far as the Directors are aware, the auditors do not have any other relationship with the Company or any of its subsidiaries.

Sgd. Mr.Sanjay Tiwari	**Sgd. Dr. C.T.S.B. Perera**	**Sgd.Ms.Sagarika Jayasundera**
CEO / Executive Director	Director	Company Secretary

17 May 2012

Directors' Responsibilities for the preparation of Financial Statements

The Auditors' Report sets out the respective responsibilities of the Directors and Auditors relating to the Financial Statements and this statement provides additional information. The responsibility of the Auditors, in relation to the Financial Statements, is set out in the Auditors' Report on page 16 of the Annual Report.

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

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

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

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

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

17th May 2012

Auditors' Report

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF PIRAMAL GLASS CEYLON PLC

Report on the Financial Statements

We have audited the accompanying financial statements of Piramal Glass Ceylon PLC which comprise the balance sheet as at 31 March 2012, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Scope of Audit and Basis of Opinion

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

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting 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 2012 and the financial statements give a true and fair view of the Company's state of affairs as at 31 March 2012 and its profit and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Report on Other Legal and Regulatory Requirements

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

26 April 2012

Colombo.

Income Statement

for the year ended March 31, 2012 and March 31, 2011

	Note	2012 SLR	2012 ₹ *	2011 SLR	2011 ₹ *
Revenue	3	5,119,581,926	2,150,224,409	4,163,266,245	1,706,939,160
Cost of Sales		(3,625,339,203)	(1,522,103,282)	(2,897,996,308)	(1,188,270,646)
Gross Profit		**1,494,242,723**	**628,121,127**	**1,265,269,937**	**518,668,515**
Other Operating Income	19	10,671,423	4,481,998	11,567,370	4,742,622
Distribution Costs		(75,480,227)	(31,701,695)	(97,704,397)	(40,058,803)
Administrative Expenses		(511,819,305)	(214,964,108)	(280,709,814)	(115,091,024)
Finance Cost	20	(221,492,397)	(93,026,807)	(306,469,768)	(125,652,605)
Profit Before Tax	21	**696,122,217**	**292,910,514**	**591,953,328**	**242,608,705**
Income Tax Expense	13	(9,000,000)	(3,780,000)	(13,279,260)	(5,444,497)
Profit for the Period		**687,122,217**	**289,130,514**	**578,674,068**	**237,164,208**
Earning Per Share - Basic	22	0.72		0.61	

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

* Rupee equivalent of SLR in audited statement as at March 2012 and as at March 2011 has been done using closing rate of 1 SLR = 0.42 ₹ and 0.41 ₹ as of respective dates.

Balance Sheet

as at March 31, 2012 and March 31, 2011

	Note	2012 SLR	2012 ₹ *	2011 SLR	2011 ₹ *
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	4	3,884,325,355	1,553,730,142	4,140,343,713	1,697,540,922
Leasehold Property	5	22,419,830	8,967,932	23,524,910	9,645,213
Investment Property	6	666,130,000	266,452,000	666,130,000	273,113,300
Long Term Investment	7	261,359	104,544	261,359	107,157
		4,573,136,544	**1,829,254,617**	**4,830,259,982**	**1,980,406,593**
Current Assets					
Inventories	8	1,149,269,994	459,707,998	806,022,536	330,469,240
Trade and Other Receivables	9	982,233,347	392,893,339	783,251,770	321,133,226
Income Tax Receivables		—	—	23,139,430	9,487,166
Cash and Bank Balances	18	99,424,499	39,769,799	205,101,327	84,091,544
		2,230,927,840	**892,371,136**	**1,817,515,063**	**745,181,176**
Total Assets		**6,804,064,384**	**2,721,625,754**	**6,647,775,045**	**2,725,587,768**
EQUITY AND LIABILITIES					
Capital and Reserves					
Stated Capital	10	1,526,407,485	610,562,994	1,526,407,485	625,827,069
Reserves	11	688,535,043	275,414,017	688,535,043	282,299,368
Retained Earnings		980,793,840	392,317,536	578,697,447	237,265,953
Total Equity		**3,195,736,368**	**1,278,294,547**	**2,793,639,975**	**1,145,392,390**
Non-Current Liabilities					
Interest Bearing Loans and Borrowings	12	1,138,901,281	455,560,513	1,691,150,877	693,371,860
Deferred Tax Liabilities	14	18,979,577	7,591,831	18,979,577	7,781,627
Retirement Benefit Obligations	15	105,528,939	42,211,576	99,543,230	40,812,724
		1,263,409,798	**505,363,919**	**1,809,673,684**	**741,966,210**
Current Liabilities					
Trade and Other Payables	16	905,265,487	362,106,195	822,962,963	337,414,815
Income Tax Payable		234,323	93,729	—	—
Dividends Payable	17	10,068,288	4,027,315	3,952,361	1,620,468
Interest Bearing Loans and Borrowings	12	1,429,350,121	571,740,048	1,217,546,062	499,193,885
		2,344,918,219	**937,967,288**	**2,044,461,386**	**838,229,168**
Total Equity and Liabilities		**6,804,064,384**	**2,721,625,754**	**6,647,775,045**	**2,725,587,768**

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

* Rupee equivalent of SLR in audited statement as at March 2012 and as at March 2011 has been done using closing rate of 1 SLR = 0.40 ₹ and 0.41 ₹ 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.

26th April, 2012
Colombo

Statement of Changes in Equity

for the year ended March 31, 2012

	Note	Stated Capital SLR	Other Reserves SLR	Revaluation Reserve SLR	Retained Earnings SLR	Total SLR
Balance as at 1 April 2010		1,526,407,485	21,502,500	667,032,543	23,379	2,214,965,907
Net Profit for the year		—	—	—	578,674,068	578,674,068
Balance as at 31 March 2011		**1,526,407,485**	**21,502,500**	**667,032,543**	**578,697,447**	**2,793,639,975**
Net Profit for the year		—	—	—	687,122,217	687,122,217
Dividend paid					(285,025,824)	(285,025,824)
Balance as at 31 March 2012		**1,526,407,485**	**21,502,500**	**667,032,543**	**980,793,840**	**3,195,736,368**

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

	Note	Stated Capital ₹	Other Reserves ₹	Revaluation Reserve ₹	Retained Earnings ₹	Total ₹
Balance as at 1 April 2010		622,629,729	8,385,975	260,142,692	(11,645,948)	879,512,448
Net Profit for the year					237,164,208	237,164,208
Exchange Fluctuation Reserve		**11,526,428**	**430,050**	**13,340,651**		**25,297,129**
Balance as at 31 March 2011		634,156,157	8,816,025	273,483,343	225,518,260	1,141,973,785
Net Profit for the year					289,130,514	289,130,514
Dividend paid					**(119,710,846)**	**(119,710,846)**
Exchange Fluctuation Reserve		**(7,146,386)**	**(266,631)**	**(8,271,204)**		**(15,684,220)**
Balance as at 31 March 2012		**627,009,771**	**8,549,394**	**265,212,139**	**394,937,928**	**1,295,709,233**

* Rupee equivalent of SLR in audited statement as at March 2012 and as at March 2011 has been done using closing rate of 1 SLR = 0.42 ₹ and 0.41 ₹ as of respective dates.

Cash Flow Statement

for the year ended March 31, 2012 and March 31, 2011

Cash Flows From / (Used in) Operating Activities	Note	2012 SLR	2012 ₹*	2011 SLR	2011 ₹*
Cash Flow from Operating Activities					
Net Profit before tax		696,122,217	292,910,514	591,953,328	242,608,705
Adjustments for					
Depreciation	4	396,192,330	166,400,779	415,026,841	170,161,005
Amortisation of Leasehold Property	5	1,105,080	464,134	1,105,080	453,083
Exchange Difference Adjustment	12	154,033,361	64,694,012	(31,535,010)	(12,929,354)
Provision for Retirement Benefit Obligations	15	21,557,928	9,054,330	15,334,520	6,287,153
Investment Income	19	(8,920,186)	(3,746,478)	(767,584)	(314,709)
Dividend unclaimed written back	19	—	—	(6,843,445)	(2,805,812)
Finance Cost	20	221,492,398	93,026,807	306,469,768	125,652,605
Profit on sale of Property, Plant & Equipment	21	(2,788,869)	(1,171,325)	(5,701,989)	(2,337,815)
Operating Profit Before Working Capital Changes		**1,478,794,257**	**621,632,771**	**1,285,041,510**	**526,774,860**
Increase in Inventories		(343,247,458)	(129,238,758)	(172,365,731)	(83,343,086)
(Increase) / Decrease in Trade and Other Receivables		(184,842,147)	(71,760,113)	235,052,574	76,005,468
Increase in Trade and Other Payables		82,536,847	24,785,109	27,885,604	27,334,645
Cash Generated from Operations		**1,033,241,499**	**445,419,009**	**1,375,613,957**	**546,771,887**
Income Tax Paid		—	—	(8,417,054)	(3,450,992)
Retirement Benefit Obligations Costs Paid	15	(15,572,219)	(6,228,887)	(2,716,508)	(1,113,768)
Interest Paid	20	(221,492,398)	(93,026,807)	(306,469,768)	(125,652,605)
Net Cash Flows generated from Operating Activities		**796,176,882**	**346,163,315**	**1,058,010,627**	**416,554,522**
Cash Flow from Investing Activities					
Acquisition of Property, Plant and Equipment	4	(140,197,603)	(58,882,993)	(172,630,912)	(70,778,674)
Proceeds from Sales of Property, Plant and Equipment		2,812,500	1,181,250	9,307,022	3,815,879
Interest Received	19	8,585,660	3,605,977	661,144	271,069
Dividend Received	19	334,527	140,501	106,440	43,640
Net Cash Flows used in Investing Activities		**(128,464,916)**	**(53,955,265)**	**(162,556,306)**	**(66,648,085)**
Cash Flow from Financing Activities					
Proceeds from Interest Bearing Loans and Borrowings	12	3,348,688,900	1,406,449,338	2,173,307,186	891,055,946
Principal Payment under Finance Lease Liability	12	—	—	(1,174,113)	(481,386)
Dividends Paid	17	(278,909,897)	(117,142,157)	(65,185)	(26,726)
Repayment of Bank Loans	12	(3,624,815,365)	(1,522,422,453)	(2,922,393,318)	(1,198,181,260)
Net Cash Flows Used in Financing Activities		**(555,036,362)**	**(233,115,272)**	**(750,325,430)**	**(307,633,426)**
Net Increase in Cash and Cash Equivalents		112,675,604	59,092,778	145,128,891	42,273,010
Cash Inflow / (Outflow) on A/c. of Exchange Difference		—	(12,416,384)	—	13,032,540
Cash and Cash Equivalent at the beginning of the year	18	(64,735,928)	(26,541,730)	(209,864,819)	(81,847,280)
Cash and Cash Equivalent at the end of the year	18	**47,939,676**	**20,134,664**	**(64,735,928)**	**(26,541,730)**

The accounting policies and notes on pages 6 through 24 form an integral part of the financial statements.

* Rupee equivalent of SLR in audited statement as at March 2012 and as at March 2011 has been done using closing rate of 1 SLR = 0.40 ₹ and 1 SLR = 0.41 (B/S items) and 1 SLR = 0.42 ₹ and 1 SLR = 0.41 ₹ (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 148, Maligawa Road, Borupana, Ratmalana and the production facility is located in Horana.

1.2 Principal Activities and Nature of Operations

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

1.3 Parent Enterprise and Ultimate Parent Enterprise

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

1.4 Date of Authorization for Issue

The Financial Statements of Piramal Glass Ceylon PLC for the year ended 31 March 2012 was authorized for issue in accordance with a resolution of the Board of Directors on 26 April 2012.

2.1 BASIS OF PREPARATION

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

2.1.1 Statement of Compliance

The Financial Statements of Piramal Glass Ceylon PLC ("Company") has been prepared in accordance with Sri Lanka Accounting Standards (SLAS).

2.2 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous audited financial year.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.3.1 Foreign Currency Translation

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

2.3.2 Taxation

Current Taxes

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

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

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

Deferred Taxation

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

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

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

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

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

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

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

Sales Tax

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

2.3.3 Borrowing Costs

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

2.3.4 Inventories

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

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

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

2.3.5 Trade and Other Receivables

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

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

2.3.6 Cash and Cash Equivalents

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

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

2.3.7 Property, Plant and Equipment

Cost and Valuation

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

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

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

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

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

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

2.3.8 Leases -Company as a lessee

Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are reflected in the income statement.

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

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

2.3.9 Leasehold Property

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

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

2.3.10 Investments

Long Term Investments

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

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

2.3.11 Investment Properties

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

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

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

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

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

2.3.12 Provisions

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

2.3.13 Retirement Benefit Obligations

a) Defined Benefit Plan – Gratuity

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

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

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

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

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

2.3.14 Impairment of Assets

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

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

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

2.3.15 Income Statement

Revenue Recognition

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

a) Sale of Goods

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer; with the Company retaining neither continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold.

b) Interest

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

c) Dividends

Dividend income is recognized on cash basis.

d) Others

Other income is recognized on an accrual basis.

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

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

2.4 Accounting Standards effective from 01 January 2012

The Company is adopting the new Sri Lanka Accounting Standards (SLAS) comprising of LKAS and SLFRS applicable for financial periods commencing from 01 January 2012 as issued by the Institute of Chartered Accountants of Sri Lanka. The Company has commenced transitioning its accounting policies and financial reporting in readiness for the transition. As the company has a 31 March year end, priority has been given to considering the preparation of an opening balance sheet in accordance with the new SLASs as at 01 April 2012. This will form the basis of accounting for the new SLASs in the future, and is required when the Company prepare its first fully SLAS compliant financial statements for the year ending 31 March 2013. Set out below are the key areas where accounting policies will change and may have an impact on the financial statements of the company. At this stage the company has not been able to reliably quantify the impact on the financial statements. The company is in the process of quantifying the impact on the financial statements arising from such changes in accounting policies.

(a) SLFRS 1 – First Time Adoption of Sri Lanka Accounting Standards requires the company to prepare and present an opening SLFRS financial statement at the date of transition to SLFRS. The company shall use the same accounting policies in its opening SLFRS financial statements and throughout all periods presented in its first SLFRS financial statements. Those accounting policies should comply with each SLFRS effective at the end of the first SLFRS reporting period.

(b) LKAS 1 – Presentation of Financial Statements requires an entity to present, in a statement of changes in equity, all owner changes in equity. All non owner changes in equity (i.e. comprehensive income) are required to be presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in equity. The standard also requires the company to disclose information that enables users of its financial statements to evaluate the entity's objectives, policies and processes for managing capital. The company shall also provide additional disclosures on puttable financial instruments classified as equity instruments.

(c) LKAS 18 – Revenue requires the company to measure revenue at the Fair value of the consideration received or receivable. It also specifies recognition criteria for revenue, and the company needs to apply such recognition criteria to the separately identifiable components of a single transaction in order to reflect the substance of the transaction.

(d) LKAS 16 – Property Plant and Equipment requires a company to initially measure an item of property plant and equipment at cost, using the cash price equivalent at the recognition date. If payment is deferred beyond normal credit terms, the difference between the cash price equivalent and the total payment is recognized as interest over the period, unless such interest is capitalized un accordance with LKAS 23. All site restoration costs and other environmental restoration and similar costs must be estimated and capitalised at initial recognition, in order that such costs can be recovered over the life of the item of PP&E, even if the expenditure will only be incurred at the end of the item's life. The obligations are calculated in accordance with LKAS 37.

The standard requires depreciation of assets over its useful life, where the residual value of assets is deducted to arrive at the depreciable value. It also requires that significant parts of an asset be evaluated separately for depreciation.

(e) LKAS 32 – Financial Instruments: Presentation, LKAS 39 – Financial Instruments: Recognition and Measurement and SLFRS 7 – Disclosures will result in changes to the current method of recognizing financial assets, financial liabilities and equity instruments. The standard will require measurement of financial assets and financial liabilities at Fair Value at initial measurement. The subsequent measurement of Financial Assets classified as fair value through profit and loss and available for sale will be at fair value, with the gains and losses routed through the comprehensive income and other comprehensive income respectively.

Financial Assets classified as held to maturity and loans and receivables will be measured subsequently at amortized cost. These assets will need to be assessed for any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The current method of loan loss provisioning will no longer be applicable under this test.

Financial liabilities will be either classified as fair value through profit or loss or at amortized cost. As at present, the company does not identify, categorise and measure financial assets and liabilities as per the requirements of the standard and certain derivative instruments are not recognized on the balance sheet, and hence would require a change in accounting policy.

3. REVENUE

	2012 SLR	**2012 ₹**	2011 SLR	2011 ₹
3.1 Summary				
Revenue (3.2)	5,119,581,926	2,150,224,409	4,163,266,245	1,706,939,160
	5,119,581,926	**2,150,224,409**	**4,163,266,245**	**1,706,939,160**
3.2 Segmental Information				
Local Sales	3,894,209,080	1,635,567,814	3,159,094,181	1,295,228,614
Export Sales	1,225,372,847	514,656,596	1,004,172,064	411,710,546
	5,119,581,926	**2,150,224,409**	**4,163,266,245**	**1,706,939,160**

4. PROPERTY, PLANT AND EQUIPMENT

4.1 At Cost	Balance as at 01.04.2011 SLR	Additions/ Transfers SLR	Transfers/ Disposals SLR	Balance as at 31.03.2012 SLR	Balance as at 01.04.2011 ₹	Additions/ Transfers ₹	Transfers/ Disposals ₹	Exchange Rate Adjustment ₹	Balance as at 31.03.2012 ₹
Buildings	1,283,440,095	32,919,821	—	1,316,359,916	526,210,439	13,826,325	—	(13,492,798)	526,543,966
Plant and Machinery	1,465,571,675	50,522,942	—	1,516,094,617	600,884,387	21,219,636	—	(15,666,176)	606,437,847
Electrical Power Installation	655,658,357	2,595,897	—	658,254,254	268,819,926	1,090,277	—	(6,608,501)	263,301,701
Furnace	784,860,669	—	—	784,860,669	321,792,874	—	—	(7,848,607)	313,944,268
Motor Vehicles	44,811,312	88,000	(2,441,304)	42,458,008	18,372,638	36,960	(1,025,348)	(401,047)	16,983,203
Tools and Implements	13,687,141	688,072	—	14,375,213	5,611,728	288,990	—	(150,633)	5,750,085
Office Equipments	119,821,775	5,484,641	—	125,306,416	49,126,928	2,303,549	—	(1,307,911)	50,122,566
Gas Station	21,116,708	—	—	21,116,708	8,657,850	—	—	(211,167)	8,446,683
Moulds and Neckring Equipments	416,741,266	42,209,548	—	458,950,814	170,863,919	17,728,010	—	(5,011,604)	183,580,326
	4,805,708,998	**134,508,922**	**(2,441,304)**	**4,937,776,615**	**1,970,340,689**	**56,493,747**	**(1,025,348)**	**(50,698,442)**	**1,975,110,646**
At Valuation									
Freehold Land	132,870,000	—	—	132,870,000	54,476,700	—	—	(1,328,700)	53,148,000
Buildings	90,292,720	—	—	90,292,720	37,020,015	—	—	(902,927)	36,117,088
Plant and Machinery	867,280,845	—	—	867,280,845	355,585,146	—	—	(8,672,808)	346,912,338
Electrical Power Installation	97,186,780	—	—	97,186,780	39,846,580	—	—	(971,868)	38,874,712
	1,187,630,345	**—**	**—**	**1,187,630,345**	**486,928,441**	**—**	**—**	**(11,876,303)**	**475,052,138**
Assets on Finance Leases									
Plant and Machinery	14,335,027	(14,335,027)	—	—	5,877,361	(6,020,711)	—	143,350	—
	14,335,027	(14,335,027)	—	—	5,877,361	(6,020,711)	—	143,350	—
Total Value of Assets	**6,007,674,370**	**120,173,895**	**(2,441,304)**	**6,125,406,960**	**2,463,146,492**	**50,473,036**	**(1,025,348)**	**(62,431,396)**	**2,450,162,784**

4.2 In the Course of Construction	Balance as at 01.04.2011 SLR	Incurred During the period SLR	Transfers SLR	Balance as at 31.03.2012 SLR	Balance as at 01.04.2011 INR	Incurred During the period INR	Transfers INR	Exchange Rate Adjustment INR	Balance as at 31.03.2012 INR
Capital Work-in-Progress	17,358,596	97,988,054	(77,964,347)	37,382,304	7,117,024	41,154,983	(32,745,026)	(574,060)	14,952,922
	17,358,596	97,988,054	(77,964,347)	37,382,304	7,117,024	41,154,983	(32,745,026)	(574,060)	14,952,922
Total Gross Carrying Amount	**6,025,032,966**	**218,161,949**	**(80,405,651)**	**6,162,789,264**	**2,470,263,516**	**91,628,019**	**(33,770,373)**	**(63,005,456)**	**2,465,115,706**

4.3

Depreciation	Balance as at 01.04.2011 SLR	Charged for the Period SLR	Disposals/ Transfers SLR	Balance as at 31.03.2012 SLR	Balance as at 01.04.2011 ₹	Charged for the Period ₹	Disposals/ Transfers ₹	Exchange Rate Adjustments ₹	Balance as at 31.03.2012 ₹
At Cost									
Buildings	99,616,421	32,384,051	—	132,000,472	40,842,733	13,601,301	—	(1,643,845)	52,800,189
Plant and Machinery	214,569,288	120,120,547	—	334,689,835	87,973,408	50,450,630	—	(4,548,104)	133,875,934
Electrical Power Installation	122,775,326	32,768,982	—	155,544,308	50,337,884	13,762,972	—	(1,883,133)	62,217,723
Furnace	296,028,185	89,898,121	—	385,926,306	121,371,556	37,757,211	—	(4,758,244)	154,370,522
Motor Vehicles	34,028,311	3,840,559	(2,417,674)	35,451,196	13,951,607	1,613,035	(1,015,423)	(368,741)	14,180,479
Tools and Implements	5,320,451	1,262,941	—	6,583,392	2,181,385	530,435	—	(78,463)	2,633,357
Office Equipment	81,651,422	12,204,257	—	93,855,679	33,477,083	5,125,788	—	(1,060,599)	37,542,272
Gas Station	3,728,472	527,918	—	4,256,390	1,528,673	221,726	—	(47,843)	1,702,556
Moulds and Neckring Equipment	300,036,512	44,740,631	—	344,777,143	123,014,970	18,791,065	—	(3,895,178)	137,910,857
	1,157,754,388	**337,748,008**	**(2,417,674)**	**1,493,084,722**	**474,679,299**	**141,854,163**	**(1,015,423)**	**(18,284,150)**	**597,233,889**
At Valuation									
Buildings	34,612,331	2,238,872	—	36,851,203	14,191,056	940,326	—	(390,901)	14,740,481
Plant and Machinery	621,941,151	62,904,810	—	684,845,961	254,995,872	26,420,020	—	(7,477,508)	273,938,384
Electrical Power Installation	58,860,078	4,821,946	—	63,682,024	24,132,632	2,025,217	—	(685,040)	25,472,810
	715,413,560	**69,965,628**	**—**	**785,379,188**	**293,319,560**	**29,385,564**	**—**	**(8,553,448)**	**314,151,675**
Assets on Finance Leases									
Plant and Machinery	11,521,306	(11,521,306)	—	—	4,723,735	(4,838,949)	—	115,213	—
	11,521,306	(11,521,306)	—	—	4,723,735	(4,838,949)	—	115,213	—
Total Depreciation	**1,884,689,254**	**396,192,330**	**(2,417,674)**	**2,278,463,910**	**772,722,594**	**166,400,778**	**(1,015,423)**	**(26,722,386)**	**911,385,564**

4.4 Net Book Values	2012 SLR	2012 ₹	2011 SLR	2011 ₹
At Cost				
Buildings	1,184,359,444	473,743,778	1,183,823,675	485,367,707
Plant and Machinery	1,181,404,782	472,561,913	1,251,002,388	512,910,979
Electrical Power Installation	502,709,946	201,083,978	532,883,031	218,482,043
Furnace	398,934,363	159,573,745	488,832,484	200,421,318
Motor Vehicles	7,006,811	2,802,724	10,783,000	4,421,030
Tools and Implements	7,791,821	3,116,728	8,366,690	3,430,343
Office Equipments	31,450,737	12,580,295	38,170,353	15,649,845
Gas Station	16,860,318	6,744,127	17,388,236	7,129,177
Moulds and Neckring Equipments	114,173,671	45,669,469	116,704,754	47,848,949
	3,444,691,894	**1,377,876,758**	**3,647,954,611**	**1,495,661,390**
At Valuation/Cost Incurred since Last Revaluation				
Freehold Land	132,870,000	53,148,000	132,870,000	54,476,700
Buildings	53,441,517	21,376,607	55,680,389	22,828,959
Plant and Machinery	182,434,884	72,973,954	245,339,694	100,589,275
Electrical Power Installation	33,504,755	13,401,902	38,326,702	15,713,948
	402,251,156	**160,900,462**	**472,216,785**	**193,608,882**
On Finance Leases				
Plant and Machinery	—	—	2,813,721	1,153,626
	—	—	2,813,721	1,153,626
	3,846,943,050	1,538,777,220	4,122,985,117	1,690,423,898
In the Course of Construction	37,382,304	14,952,922	17,358,596	7,117,024
Total Carrying Amount of Property, Plant and Equipment	**3,884,325,354**	**1,553,730,141**	**4,140,343,713**	**1,697,540,922**

4.5 The rates of depreciation is estimated as follows.	31.03.2012	31.03.2011
Buildings and Gas Station	2.5% on cost	2.5% on cost
Plant and Machinery	10% on cost	10% on cost
Plant and Machinery - New Project	7.5% on cost	7.5% on cost
New Project – Furnace – Steel	7.5% on cost	7.5% on cost
New Project – Refectories	12.5% on cost	12.5% on cost
Electric Power Installation	15% on cost	15% on cost
Electric Power Installation - New Project	05% on cost	05% on cost
Office Equipments		
– Computer Systems	25% on cost	25% on cost
– Others	10% on cost	10% on cost
Tools and Implements	10% on cost	10% on cost
Motor Vehicles	15% on cost	15% on cost
Moulds and Neckring Equipment	Based on usage for production	Based on usage for production

4.6 Lands and Buildings,Plant & Machinery, Electrical Installation were revalued during the financial year ended 31 March 1991 by Messrs Development Finance Corporation of Ceylon. Further, freehold land has been valued during the year 1995 by Mr. D.S.A. Senevirathne (A.I.V) . The resulting surpluses of SLR 93,473,350/- ₹ 37,389,340/- on the revaluation in financial year 90/91 and SLR 97,417,177/- ₹ 38,966,871/- on the revaluation in financial year 94/95 had been transferred to the revaluation reserve, which was fully utilised for subsequent issues of bonus shares.

The freehold lands have been again revalued again by Mr. K.T.D. Tissera (Chartered Valuation Surveyor) in September 2007 and in March 2009. The resulting revaluation surplus reported amounted to SLR 571,175,000/- ₹ 228,470,000/- and SLR 95,857,543/- ₹ 38,343,017/- respectively.

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

Class of Asset	Cost SLR	Cumulative Depreciation If assets were carried at cost 2012 SLR	Net Carrying Amount 2012 SLR	Net Carrying Amount 2011 SLR	Cost ₹	Cumulative Depreciation If assets were carried at cost 2012 ₹	Net Carrying Amount 2012 ₹	Net Carrying Amount 2011 ₹
Freehold Land	11,651,585	—	11,651,585	11,651,585	4,660,634	—	4,660,634	4,777,150
Buildings	12,831,883	6,736,738	6,095,145	6,415,942	5,132,753	2,694,695	2,438,058	2,630,536
Plant and Machinery	66,199,323	66,199,323	—	—	26,479,729	26,479,729	—	—
Electrical Power Installation	7,876,358	7,876,358	—	—	3,150,543	3,150,543	—	—

4.7 During the period the Company acquired Property, Plant and Equipment to the aggregate value of SLR 140,197,603/- ₹ 56,079,041/- (Year ended 31 March 2011 - SLR 172,630,912/- ₹ 70,778,674/-) for cash.

4.8 Property, Plant and Equipment includes fully depreciated assets having a gross carrying amounts of SLR 158,209,076/- ₹ 63,283,630/- (Year ended 31 March 2011 SLR 130,030,819/- ₹ 53,312,636/-).

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

5. LEASEHOLD PROPERTY	2012 SLR	2012 ₹	2011 SLR	2011 ₹
Balance at the beginning of the year	23,524,910	9,645,213	24,629,990	9,605,696
Amortisation during the year	(1,105,080)	(464,134)	(1,105,080)	(453,083)
Exchange Fluctuation Reserve		(213,147)		492,600
Balance at the end of the year	**22,419,830**	**8,967,932**	**23,524,910**	**9,645,213**

6. INVESTMENT PROPERTY	2012 SLR	2012 ₹	2011 SLR	2011 ₹
Balance at the beginning of the year	666,130,000	273,113,300	666,130,000	259,790,700
Exchange Fluctuation Reserve		(6,661,300)		13,322,600
Balance at the end of the year	**666,130,000**	**266,452,000**	**666,130,000**	**273,113,300**

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

6.2 Fair value of the Investment Property as at 31 March 2012 is assessed at SLR 700,000,000/- ₹ 280,000,000/- by Mr. K.T.D. Tissera (Chartered Valuation Surveyor).

7. LONG TERM INVESTMENT

7.1 Investments in Equity Securities - Quoted

	No of Shares		As at 31.03.2012		As at 31.03.2011	
			Carrying Value	Market Value	Carrying Value	Market Value
	2012	2011	SLR	SLR	SLR	SLR
DFCC Bank	36,064	18,032	**261,359**	**4,060,806**	261,359	3,259,284

	No of Shares		As at 31.03.2012		As at 31.03.2011	
			Carrying Value	Market Value	Carrying Value	Market Value
	2012	2011	₹	₹	₹	₹
DFCC Bank	36,064	18,032	**104,544**	**1,624,323**	107,157	1,336,306

8. INVENTORIES	2012 SLR	2012 ₹	2011 SLR	2011 ₹
Raw Materials	352,987,906	141,195,163	329,039,140	134,906,047
Work in Progress	20,236,990	8,094,796	11,571,481	4,744,307
Finished Goods	453,921,992	181,568,797	219,932,355	90,172,266
Consumables and Spares	326,935,433	130,774,173	250,291,887	102,619,674
Less: Allowance for obsolete and slow moving inventory	(4,812,327)	(1,924,931)	(4,812,327)	(1,973,054)
	1,149,269,994	**459,707,998**	**806,022,536**	**330,469,240**

9. TRADE AND OTHER RECEIVABLES

9.1 Summary	2012 SLR	2012 ₹	2011 SLR	2011 ₹
Trade Debtors	898,214,153	359,285,661	761,525,593	312,225,493
Less : Allowance for Doubtful Debts	(26,583,419)	(10,633,368)	(23,327,296)	(9,564,191)
	871,630,735	348,652,294	738,198,297	302,661,302
Other Debtors	30,118,397	12,047,359	2,865,466	1,174,841
Advances and Prepayments	68,077,625	27,231,050	35,820,372	14,686,353
Loans to Company Officers (9.2)	12,406,591	4,962,636	6,367,635	2,610,730
	982,233,347	**392,893,339**	**783,251,770**	**321,133,226**

9.2 Loans to Company Officers				
Balance as at the beginning of the year	6,367,635	2,547,054	6,587,052	2,700,691
Loans granted during the year	11,886,000	4,754,400	3,817,916	1,565,346
	18,253,635	7,301,454	10,404,968	4,266,037
Less: Repayments	(5,847,044)	(2,338,818)	(4,037,333)	(1,655,307)
Balance at the end of the year	**12,406,591**	**4,962,636**	**6,367,635**	**2,610,730**

10. STATED CAPITAL	As at 2012 Number	As at 2012 Number	As at 2011 Number	As at 2011 Number
Ordinary Shares	950,086,080	950,086,080	950,086,080	950,086,080
	SLR	**₹**	**SLR**	**₹**
Ordinary Shares	1,526,407,485	627,009,771	1,526,407,485	634,156,157

10.1 Rights, Preference and Restrictions of Classes of Capital

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

11. OTHER RESERVES	2012 SLR	2012 ₹	2011 SLR	2011 ₹
General Reserve (11.1)	21,502,500	8,549,394	21,502,500	8,816,025
Revaluation Reserve (11.2)	667,032,543	265,212,139	667,032,543	273,483,343
	688,535,043	**273,761,533**	**688,535,043**	**282,299,368**

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

11.2 Revaluation Reserve	2012 SLR	2012 ₹	2011 SLR	2011 ₹
On: Property, Plant and Equipment				
As at 1 April	667,032,543	273,483,343	667,032,543	260,142,692
Revaluation Surplus during the Year	—	(6,670,325)	—	13,340,651
As at 31 March	667,032,543	**266,813,017**	**667,032,543**	**273,483,343**

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

12. INTEREST BEARING LIABILITIES

	As at 31.03.2012			As at 31.03.2011		
	Amount Repayable Within 1 Year SLR	Amount Repayable After 1 Year SLR	Total SLR	Amount Repayable Within 1 Year SLR	Amount Repayable After 1 Year SLR	Total SLR
Syndicated Project Loan (12.1)	390,502,823	1,029,315,362	1,419,818,185	287,418,065	1,395,046,242	1,682,464,307
Project Loan (12.2)	221,173,576	109,585,920	330,759,495	147,790,742	296,104,635	443,895,377
Short Term Loans (12.3)	766,188,900	—	766,188,900	512,500,500	—	512,500,000
Bank Overdrafts (18.2)	51,484,822	—	51,484,822	269,837,255	—	269,837,255
	1,429,350,122	**1,138,901,281**	**2,568,251,403**	**1,217,546,562**	**1,691,150,877**	**2,908,696,939**

	As at 31.03.2012			As at 31.03.2011		
	Amount Repayable Within 1 Year ₹	Amount Repayable After 1 Year ₹	Total ₹	Amount Repayable Within 1 Year ₹	Amount Repayable After 1 Year ₹	Total SLR
Syndicated Project Loan (12.1)	156,201,129	411,726,145	567,927,274	117,841,407	571,968,959	689,810,366
Project Loan (12.2)	88,469,430	43,834,368	132,303,798	60,594,204	121,402,900	181,997,105
Short Term Loans (12.3)	306,475,560	—	306,475,560	210,125,205	—	210,125,000
Bank Overdrafts (18.2)	20,593,929	—	20,593,929	110,633,275	—	110,633,275
	571,740,049	**455,560,513**	**1,027,300,561**	**499,194,090**	**693,371,860**	**1,192,565,745**

12.1 Syndicated Project Loan	As at 01.04.2011 SLR	New Loans Obtained SLR	Repayments SLR	Exchange Difference Adjustment SLR	As at 31.03.2012 SLR
DFCC Bank	495,418,024	—	(111,806,112)	—	383,611,912
Bank of Ceylon	387,356,842	—	(84,375,949)	39,676,305	342,657,198
Hatton National Bank PLC	399,496,041	—	(93,082,352)	40,461,069	346,874,758
Sampath Bank PLC	400,193,400	—	(90,681,938)	37,162,854	346,674,316
	1,682,464,307	**—**	**(379,946,351)**	**117,300,228**	**1,419,818,184**

Syndicated Project Loan	As at 01.04.2011 ₹	New Loans Obtained ₹	Repayments ₹	Exchange Difference Adjustment ₹	As at 31.03.2012 ₹
DFCC Bank	203,121,390	—	(46,958,567)	(2,718,058)	153,444,765
Bank of Ceylon	158,816,305	—	(35,437,899)	13,684,473	137,062,879
Hatton National Bank PLC	163,793,377	—	(39,094,588)	14,051,114	138,749,903
Sampath Bank PLC	164,079,294	—	(38,086,414)	12,676,846	138,669,726
	689,810,366	**—**	**(159,577,468)**	**37,694,375**	**567,927,273**

12. INTEREST BEARING LIABILITIES (Contd.)

Lending Institution	Nature of Facility	Interest Rate	Repayment Terms	Outstanding As at 31.03.2012		
Syndicated Loans				USD	SLR	₹
DFCC Bank	Syndicated Loan in LKR	AWDR + 4% & w.e.f. 01 August 2011 AWDR + 3%	72 equivalent installments effect from January 2010	—	383,611,912	153,444,765
Bank of Ceylon	Syndicated Loan in LKR			—	57,702,025	23,080,810
Hatton National Bank PLC	Syndicated Loan in LKR			—	79,861,088	31,944,435
Sampath Bank PLC	Syndicated Loan in LKR			—	79,861,088	31,944,435
Bank of Ceylon	Syndicated Loan Granted in USD	LIBOR + 4.0%, 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.	2,223,433	284,955,173	113,982,069
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.	2,083,440	267,013,670	106,805,468
Sampath Bank PLC	Syndicated Loan Granted in USD		Repayable by 8 quarterly installment of US$ 145,000/- and 12 quarterly installment of US$ 193,350/- thereafter.	2,081,876	266,813,228	106,725,291
				6,388,749	1,419,818,184	567,927,273

12.2 Project Loans	As at 01.04.2011	New Loans Obtained	Repayments	Exchange Difference Adjustment	As at 31.03.2012
	SLR	SLR	SLR	SLR	SLR
DFCC Bank	129,166,681	—	(50,000,004)	—	79,166,677
Hatton National Bank PLC	159,952,549	—	(48,854,429)	18,755,002	129,853,122
Sampath Bank PLC	154,776,147	—	(51,014,581)	17,978,130	121,739,696
	443,895,378	**—**	**(149,869,014)**	**36,733,132**	**330,759,496**

Project Loans	As at 01.04.2011	New Loans Obtained	Repayments	Exchange Difference Adjustment	As at 31.03.2012
	₹	₹	₹	₹	₹
DFCC Bank	52,958,339	—	(21,000,002)	(291,667)	31,666,671
Hatton National Bank PLC	65,580,545	—	(20,518,860)	6,879,564	51,941,249
Sampath Bank PLC	63,458,220	—	(21,426,124)	6,663,782	48,695,879
	181,997,105	**—**	**(62,944,986)**	**13,251,679**	**132,303,798**

Lending Institution	Nature of Facility	Interest Rate	Repayment Terms	Outstanding As at 31.03.2012		
				USD	SLR	₹
DFCC Bank	Project Loan Granted in LKR	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.		79,166,677	31,666,671
Sampath Bank PLC	Project Loan Granted in USD	LIBOR + 4%, floor Interest rate of 6.5% & w.e.f. 01 August 2011	52 monthly installments of USD 37,558/- each and a final installment of USD 10,954/-	949,904	121,739,696	48,695,879
Hatton National Bank PLC	Project Loan Granted in USD	LIBOR + 4%,floor Interest rate of 5%	55 monthly installments of USD 36,186/-.	1,013,211	129,853,122	51,941,249
				1,963,115	330,759,496	132,303,798

12.3 Short Term Loans

Short Term Loans	As at 01.04.2011 SLR	New Loans Obtained SLR	Repayments SLR	As at 31.03.2012 SLR
Commercial Bank of Ceylon PLC	120,000,000	400,000,000	(520,000,000)	—
Citibank N.A	112,500,000	1,432,500,000	(1,210,000,000)	335,000,000
Standard Chartered Bank PLC	70,000,000	1,135,000,000	(805,000,000)	400,000,000
DFCC Bank	200,000,000	50,000,000	(250,000,000)	—
Peoples' Bank	—	31,188,900	—	31,188,900
Bank of Ceylon	10,000,000	300,000,000	(310,000,000)	—
	512,500,000	**3,348,688,900**	**(3,095,000,000)**	**766,188,900**

Short Term Loans	As at 01.04.2011 ₹	New Loans Obtained ₹	Repayments ₹	Exchange Fluctuation Results ₹	As at 31.03.2012 ₹
Commercial Bank of Ceylon PLC	49,200,000	168,000,000	(218,400,000)	1,200,000	-
Citibank N.A	46,125,000	601,650,000	(508,200,000)	(5,575,000)	134,000,000
Standard Chartered Bank PLC	28,700,000	476,700,000	(338,100,000)	(7,300,000)	160,000,000
DFCC Bank	82,000,000	21,000,000	(105,000,000)	2,000,000	-
Peoples' Bank		13,099,338	-	(623,778)	12,475,560
Bank of Ceylon	4,100,000	126,000,000	(130,200,000)	100,000	-
	210,125,000	**1,406,449,338**	**(1,299,900,000)**	**(10,198,778)**	**306,475,560**

13. INCOME TAX

		2012 SLR	2012 ₹	2011 SLR	2011 ₹
13.1	Current Tax Expense on Ordinary Activities for the year	—	—	—	—
	Current Tax Expense on Other Income for the year	—	—	—	—
	Under/(Over) provision of current taxes in respect of Prior years	9,000,000	3,600,000	13,279,260	5,444,497
	Deferred Income Tax				
	Deferred Taxation Charge/(Reversal)	—	—	—	—
		9,000,000	**3,600,000**	**13,279,260**	**5,444,497**

13.2 Pursuant to agreement dated 19 July 2006 entered into with Board of Investment, the imposition, payment and recovery of income tax shall not apply for a period of 5 years from 09 December 2007. This exemption expires on 09 December 2012.

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

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

14. DEFERRED TAX	2012 SLR	2012 ₹	2011 SLR	2011 ₹
Balance as at Beginning of the Year	18,979,577	7,781,627	18,979,577	7,402,035
Exchange Fluctuation Reserve		(189,796)		379,592
Balance as at the End of the Year	**18,979,577**	**7,591,831**	**18,979,577**	**7,781,627**

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 recognised 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 recognised under Retained Earnings in 2007/08.

15. RETIREMENT BENEFIT OBLIGATIONS	Balance as at 01.04.2011 SLR	Charge for the Period SLR	Payments during the the Period SLR	Balance as at 31.03.2012 SLR
Provision for Gratuity	99,543,230	21,557,927	(15,572,219)	105,528,939
	99,543,230	**21,557,927**	**(15,572,219)**	**105,528,939**

RETIREMENT BENEFIT OBLIGATIONS	Balance as at 01.04.2011 ₹	Charge for the Period ₹	Payments during the the Period ₹	Balance as at 31.03.2012 ₹
Provision for Gratuity	40,812,724	7,627,739	(6,228,887)	42,211,576
	40,812,724	**7,627,739**	**(6,228,887)**	**42,211,576**

15.2 Messrs. K. A. Pandit, Actuaries, carried out an actuarial valuation of the defined benefit plan - gratuity on 31 March 2012. Appropriate and compatible assumptions were used in determining the cost of retirement benefits. The principal assumptions used as at 31.03.2012 are as follows:

RETIREMENT BENEFIT OBLIGATIONS	31.03.2012	31.03.2011
Discount rate assumed (%)	10%	10%
Further salary increase (%)	8.5% + salary scales	8.5% + salary scales
Method of actuarial valuation	Projected Unit Cost method	Projected Unit Cost method

16. TRADE AND OTHER PAYABLES		2012 SLR	2012 ₹	2011 SLR	2011 ₹
Trade Payable	- Related Party (16.1)	67,052,052	26,820,821	22,660,002	9,290,601
	- Others	368,355,892	147,342,357	270,411,629	110,868,768
Other Paybles	- Related Party (16.2)	277,645,373	111,058,149	332,912,213	136,494,007
Sundry Creditors including Accrued Expenses		192,212,169	76,884,868	196,979,118	80,761,439
		905,265,487	**362,106,195**	**822,962,963**	**337,414,815**
16.1 Trade Payables to Related Party					
	Relationship				
Piramal Glass Limited - India	Parent Company	67,052,052	26,820,821	22,660,002	9,290,601
		67,052,052	**26,820,821**	**22,660,002**	**9,290,601**
16.2 Other Payables - Related Party					
	Relationship				
Piramal Glass Limited - India	Parent Company	277,645,373	111,058,149	332,912,213	136,494,007
		277,645,373	**111,058,149**	**332,912,213**	**136,494,007**

17. DIVIDENDS PAYABLE	2012 SLR	2012 ₹	2011 SLR	2011 ₹
Unclaimed Dividends	10,068,288	4,027,315	3,952,361	1,620,468
	10,068,288	**4,027,315**	**3,952,361**	**1,620,468**

18. CASH AND CASH EQUIVALENTS	2012 SLR	2012 ₹	2011 SLR	2011 ₹
18.1 Favourable Cash and Cash Equivalents Balance				
Cash and Bank Balances	99,424,499	39,769,799	205,101,327	84,091,544
	99,424,499	**39,769,799**	**205,101,327**	**84,091,544**
18.2 Unfavourable Cash and Cash Equivalents Balance				
Bank Overdraft (Note 12)	(51,484,822)	(20,593,929)	(269,837,255)	(110,633,275)
Cash and Cash Equivalents for the Purpose of Cash Flow Statement	**47,939,676**	**19,175,871**	**(64,735,928)**	**(26,541,730)**

19. OTHER OPERATING INCOME	2012 SLR	2012 ₹	2011 SLR	2011 ₹
Income from Investments - Quoted	334,527	140,501	106,440	43,640
Interest Income	8,585,660	3,605,977	661,144	271,069
Written back of Unclaimed Dividend	—	—	6,843,445	2,805,812
Sundry income	1,751,236	735,519	3,956,341	1,622,100
	10,671,423	**4,481,998**	**11,567,370**	**4,742,622**

20. FINANCE COST	2012 SLR	2012 ₹	2011 SLR	2011 ₹
Interest Expense on Overdrafts	12,049,320	5,060,714	30,541,062	12,521,835
Finance Charges on Lease Liabilities	—	—	19,842	8,135
Interest Expense on Short Term Loans	66,690,672	28,010,082	74,815,194	30,674,230
Interest Expense on Project Loan	142,752,405	59,956,010	201,093,670	82,448,405
	221,492,397	**93,026,807**	**306,469,768**	**125,652,605**

21. PROFIT BEFORE TAX	2012 SLR	2012 ₹	2011 SLR	2011 ₹
Stated after Charging/(Crediting)				
Including in Cost of Sales				
Depreciation	392,602,549	164,893,071	410,859,915	168,452,565
Personnel Costs including the following;				
– Defined Benefit Plan Costs - Gratuity	19,001,530	7,980,642	14,506,955	5,947,852
– Defined Contribution Plan Costs - EPF & ETF	20,026,022	8,410,929	15,579,406	6,387,556
Including in Administration Expenses				
Directors' Fees and Emoluments	43,909,549	18,442,011	34,868,549	14,296,105
Auditors' Remuneration - Fees	600,000	252,000	600,000	246,000
– Over provision in respect of previous year	(60,000)	(25,200)	(200,192)	(82,079)
Technical Fee*	235,317,114	98,833,188	205,188,048	84,127,100
Depreciation	3,639,744	1,528,692	4,166,926	1,708,440

21. PROFIT BEFORE TAX	2012 SLR	2012 ₹	2011 SLR	2011 ₹
Personnel Costs including the following;				
– Defined Benefit Plan Costs -Gratuity	2,556,397	1,073,687	827,566	339,302
– Defined Contribution Plan Costs - EPF & ETF	2,192,013	920,645	1,839,025	754,000
Donations	889,594	373,629	1,111,899	455,879
Exchange (Gain) / Loss	134,368,786	56,434,890	(57,944,619)	(23,757,294)
Profit on sale of Property,Plant & Equipment	(2,788,869)	(1,171,325)	(5,701,989)	(2,337,815)
Including in Selling and Distribution Costs				
Advertising Costs	259,907	109,161	1,331,257	545,815
Allowance for Doubtful Debts	20,464,264	8,594,991	34,267,098	14,049,510

*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.

22. EARNINGS / LOSS PER SHARE

22.1 Basic Earnings/Loss Per Share is calculated by dividing the net profit/loss for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. 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.

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

Amount Used as the Numerator:	2012 SLR	2012 ₹	2011 SLR	2011 ₹
Net Earnings Attributable to Ordinary Shareholders for Basic Earnings Per Share	687,122,217	289,130,514	578,674,068	237,164,208
		Number		**Number**
Number of Ordinary Shares Used as Denominator:				
Weighted Average Number of Ordinary Shares in Issue		**950,086,080**		**950,086,080**

23. COMMITMENTS AND CONTINGENCIES

23.1 Capital Expenditure Commitments

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

23.2 Contingent Liabilities

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

24. ASSETS PLEDGED

The following assets have been pledged as security for liabilities.

Nature of assets	Nature of Liability	Carrying Amount Pledged		Included under
		As at 2012 SLR Mn.	As at 2011 SLR Mn.	
Immovable Properties	First/Secondary Mortgage for Loans and Borrowings	3,832	4,249	Property, Plant & Equipment
		3,832	**4,249**	

Nature of assets	Nature of Liability	Carrying Amount Pledged		Included under
		As at 2012 ₹ Mn.	As at 2011 ₹ Mn.	
Immovable Properties	First/Secondary Mortgage for Loans and Borrowings	1,533	1,742	Property, Plant & Equipment
		1,533	**1,742**	

25. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

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

26. RELATED PARTY DISCLOSURES

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

26.1 Transaction with Group Companies

Name of Company	Relationship	2012 SLR	2012 ₹	2011 SLR	2011 ₹
Piramal Glass Limited - India	Parent Company				
Nature of Transactions					
Purchasing of Bottles		221,910,963	93,202,604	57,777,245	23,688,670
Purchasing of Moulds		—	—	3,789,077	1,553,522
Technical Fees		235,317,114	98,833,188	205,188,048	84,127,100

26.2 The amounts payable to the above related party as at 31 March 2012 and 31 March 2011 are disclosed in Notes 16.1 and 16.2.

26.3 Transactions with Directors/ Key Management Personnel*

Name of Company	2012 SLR	2012 ₹	2011 SLR	2011 ₹
Emoluments and Fees Including Other Benefits	43,909,549	18,442,011	34,868,549	14,296,105
Total compensation paid to key Management Personnel	**43,909,549**	**18,442,011**	**34,868,549**	**14,296,105**

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

Directors' Report

The Directors of Piramal Glass International Inc. have pleasure in presenting their Report together with the Audited Accounts for the financial year ended March 31, 2012.

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 2012 and as at 31st March 2011 have been done using closing rate of 1 US $ = 50.88 ₹ (B/S items) and 1 US $ = 47.84 ₹ (P&L items - 12 Months Avg.) and 1 US $ = 44.60 ₹ (B/S items) and 1 US $ = 45.55 ₹ (P&L items – 12 Months Avg.) as of respective dates.

FINANCIAL RESULTS

TURNOVER AND PROFIT / (LOSS)	Year ended 31 March, 2012 USD	Year ended 31 March, 2012 ₹ in Mio	Year ended 31 March, 2011 USD	Year ended 31 March, 2011 ₹ in Mio
Operating Income	564,617	27.01	523,678	23.85
Profit before Income Tax	27,784	2.38	24,937	1.08
Profit / (Loss) after Taxation	17,097	1.87	20,332	0.87

REVIEW OF OPERATIONS

During the year, the Company has earned an income of USD 564,617 (₹ 27.01 mio) as against the previous year income of USD 523,678 (₹ 23.85 mio) and the profit after tax is USD 17,097 (₹ 1.87 mio) as against USD 20,332 (Loss in ₹ 0.87 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, 2012.

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, 2012 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 19, 2012.

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, 2012 and March 31, 2011 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, 2012 and March 31, 2011 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 19, 2012

KNAV P.A.

Certified Public Accountants
3883 Rogers Bridge Road,
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Balance Sheet

as at March 31, 2012 and March 31, 2011

	As at March 31, 2012 USD	As at March 31, 2012 ₹	As at March 31, 2011 USD	As at March 31, 2011 ₹
ASSETS				
Current assets				
Cash and cash equivalents	157,978	8,037,921	33,928	1,513,189
Accounts receivable, net of allowances, due from Parent	144,190	7,336,387	131,573	5,868,156
Accounts receivable, held on behalf of Parent	2,288,086	116,417,816	2,481,379	110,669,503
Inventories, held on behalf of Parent	2,414,856	122,867,873	1,532,737	68,360,070
Other current assets	1,087	55,307	954	42,548
Total current assets	**5,006,197**	**254,715,303**	**4,180,571**	**186,453,467**
Deferred tax asset	—	—	5,475	244,185
Other asset	2,642	134,425	2,642	117,833
Total assets	**5,008,839**	**254,849,728**	**4,188,688**	**186,815,485**
LIABILITIES AND STOCKHOLDER'S EQUITY				
Current liabilities				
Accounts payable, due to Parent	4,816,265	245,051,563	3,992,083	178,046,902
Other current liabilities	16,835	856,565	37,963	1,693,150
Total current liabilities	**4,833,100**	**245,908,128**	**4,030,046**	**179,740,052**
Total liabilities	**4,833,100**	**245,908,128**	**4,030,046**	**179,740,052**
Stockholders' equity				
Common stock of $ 1 par				
150,000 shares authorized				
25,000 shares issued and outstanding	25,000	1,084,750	25,000	1,084,750
Accumulated earnings	150,739	7,856,850	133,642	5,990,683
Total stockholder's equity	175,739	8,941,600	158,642	7,075,433
Total liabilities and stockholder's equity	**5,008,839**	**254,849,728**	**4,188,688**	**186,815,485**

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

Rupee equivalent of US$ in audited statement as at March 2012 and as at March 2011 has been done using closing rate of 1 US$ = 50.88 ₹ (B/S items) and 1 US$ = 47.84 ₹ (P&L items-12 months avg.) and 1 US$ = 44.60 ₹ (B/S items) and 1 US$ = 45.55 ₹ (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, 2012 and March 31, 2011

	Year ended March 31, 2012 USD	Year ended March 31, 2012 ₹	Year ended March 31, 2011 USD	Year ended March 31, 2011 ₹
Revenues				
Operating revenues	564,617	27,011,277	523,678	23,853,533
Total revenues	**564,617**	**27,011,277**	**523,678**	**23,853,533**
Cost and expenses				
Selling, general and administrative expenses	536,833	25,682,091	498,741	22,717,653
Exchange Fluctuation		(1,048,247)		60,809
Total cost and expenses	**536,833**	**24,633,844**	**498,741**	**22,778,462**
Income before income tax	**27,784**	**2,377,434**	**24,937**	**1,075,071**
Income tax expense	10,687	511,266	4,605	209,758
Comprehensive income	**17,097**	**1,866,167**	**20,332**	**865,314**

Rupee equivalent of US$ in audited statement as at March 2012 and as at March 2011 has been done using closing rate of 1 US$ = 50.88 ₹ (B/S items) and 1 US$ = 47.84 ₹ (P&L items-12 months avg.) and 1 US$ = 44.60 ₹ (B/S items) and 1 US$ = 45.55 ₹ (P&L items-12 months avg.) as of respective dates.

Statements of stockholder's equity and accumulated earnings
as of March 31, 2012 and March 31, 2011

Particulars	Common Stock				Accumulated earnings	Total stockholders' equity
	Authorized		Issued & Outstanding			
	Shares	USD	Shares	USD	USD	USD
Balance as on April 1, 2010	150,000	150,000	25,000	25,000	113,310	138,310
Comprehensive income for the year	—	—	—	—	20,332	20,332
Balance as at March 31, 2011	**150,000**	**150,000**	**25,000**	**25,000**	**133,642**	**158,642**
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**

(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, 2010	150,000	6,508,500	1,084,750	1,084,750	5,125,369	6,210,119
Comprehensive income for the year	—	—	—	—	865,314	865,314
Balance as at March 31, 2011	**150,000**	**6,508,500**	**1,084,750**	**1,084,750**	**5,990,683**	**7,075,433**
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**

(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, 2012 and March 31, 2011

	Year ended March 31, 2012 USD	Year ended March 31, 2012 ₹	Year ended March 31, 2011 USD	Year ended March 31, 2011 ₹
Cash flow from operating activities				
Net income	17,097	1,866,167	20,332	865,314
Adjustments to reconcile net income to net cash provided by/(used in) operating activities				
Income tax expense	10,687	511,266	4,605	209,758
Changes in assets and liabilities				
Accounts receivable, net of allowances, due from Parent	(12,617)	(602,336)	(1,718,463)	(76,375,103)
Accounts receivable, held on behalf of Parent	193,293	9,227,808		
Inventories, held on behalf of Parent	(882,119)	(42,112,361)	(258,623)	(11,152,352)
Other current assets	(5,345)	(255,170)	—	—
Accounts payable, due to Parent	824,182	39,346,449	1,925,407	85,253,105
Other current liabilities	(21,128)	(1,008,651)	(9,609)	(442,093)
Net cash used by operating activities	**124,050**	**6,973,172**	**(36,351)**	**(1,641,372)**
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	124,050	6,973,172	(36,351)	(1,641,372)
Cash at the beginning of the year	33,928	1,513,189	70,279	3,155,527
Cash Inflow/ (Outflow) on account of Exchange Gain/ Loss		(448,441)		(966)
Cash and cash equivalents at the end of the year	**157,978**	**8,037,921**	**33,928**	**1,513,189**

(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, 2011 to March 31, 2012 and previous year April 01, 2010 to March 31, 2011.

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 cash in hand and balance in checking and saving account with bank.

5. **Revenue recognition**

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

   The Company evaluated the criteria outlined in *FASB- ASC 605-45, Reporting Revenue Gross as a Principal Versus Net as an Agent,* in determining whether it is appropriate to record the gross amount of product sales and related costs or the net amount of marketing fee earned as 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

The cash and cash equivalents of the Company comprise of:

	As at March 31,2012 USD	As at March 31,2012 ₹	As at March 31,2011 USD	As at March 31,2011 ₹
Checking account with Wachovia	8,007	407,396	7,580	338,068
Savings account with Wachovia	149,971	7,630,524	26,348	1,175,121
Total	**157,978**	**8,037,921**	**33,928**	**1,513,189**

NOTE C – ACCOUNTS RECEIVABLE, NET OF ALLOWANCES

The Company's accounts receivables relate to marketing commission 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 $ 2,432,276 ₹ 123,754,203 as at March 31, 2012 (previous year $ 2,612,952 ₹ 116,537,659). Of the above gross receivables, the marketing commission income receivables from Parent company amount to $ 144,190 ₹ 7,336,387 (previous year $ 131,573 ₹ 5,868,156) and receivables held on behalf of the Parent company amount to $ 2,288,086 ₹ 116,417,816 (previous year $ 2,481,379 ₹ 110,669,503).

NOTE D – INVENTORIES, INCLUDING GOODS IN TRANSIT

Inventories held on behalf of the Parent as at March 31, 2012 consist of glass products that are valued at $ 1,442,292 ₹ 73,383,816 (previous year $ 1,114,735 ₹ 49,717,181) including goods-in-transit of $ 972,564 ₹ 49,484,056 (previous year $ 418,002 ₹ 18,642,889).

NOTE E – OTHER CURRENT ASSETS

Other current assets comprise of:

	As at March 31,2012 USD	As at March 31,2012 ₹	As at March 31,2011 USD	As at March 31,2011 ₹
Advance taxes	1,087	55,307	954	42,548
Total	**1,087**	**55,307**	**954**	**42,548**

NOTE F – OTHER ASSETS

Other assets comprise of:

	As at March 31,2012 USD	As at March 31,2012 ₹	As at March 31,2011 USD	As at March 31,2011 ₹
Security deposit	2,642	134,425	2,642	117,833
Total	**2,642**	**134,425**	**2,642**	**117,833**

NOTE G – PROPERTY AND EQUIPMENT, NET

Property and equipment comprise the following:

	As at March 31,2012 USD	As at March 31,2012 ₹	As at March 31,2011 USD	As at March 31,2011 ₹
Office equipment	24,851	1,264,419	24,851	1,108,355
Trade show booth	176,751	8,993,091	176,751	7,883,095
Leasehold improvements	5,265	267,883	5,265	234,819
Less: Accumulated depreciation	(206,867)	(10,525,393)	(206,867)	(9,226,268)
Total	**—**	**—**	**—**	**—**

NOTE H – ACCOUNTS PAYABLE

Accounts payable as at March 31, 2012 include of $ 4,816,265 ₹ 245,051,563 (previous year $ 3,992,083 ₹ 178,046,902) representing amounts payable to PGL India.

NOTE I – OTHER CURRENT LIABILITIES

Other current liabilities include:

	As at March 31,2012 USD	As at March 31,2012 ₹	As at March 31,2011 USD	As at March 31,2011 ₹
Accrued liabilities	16,835	856,565	35,537	1,584,950
Federal withholding	—	—	1,316	58,694
State withholding	—	—	131	5,843
Federal tax payable	—	—	979	43,663
Total	**16,835**	**856,565**	**37,963**	**1,693,150**

NOTE J – INCOME TAXES

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

	Period Ended March 31, 2012 USD	Period Ended March 31, 2012 ₹	Period Ended March 31, 2011 USD	Period Ended March 31, 2011 ₹
Federal				
Current	2,985	142,802	3,128	142,480
Deferred	4,634	221,691	(1,532)	(69,783)
State				
Current	2,226	106,492	2,663	121,300
Deferred	842	40,281	346	15,760
Total	**10,687**	**511,266**	**4,605**	**209,758**

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

	As at March 31, 2012 USD	As at March 31, 2012 ₹	As at March 31, 2011 USD	As at March 31, 2011 ₹
Noncurrent deferred tax asset				
Property and equipment	—	—	5,475	244,185
Total	**—**	**—**	**5,475**	**244,185**

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. As a result of history of positive taxable income for past 3 years and reasonable certainty of future profits the Company considers it is more likely than not that deferred tax assets shall be realized and hence same have been recognized.

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. The tax years of 2008 to 2010 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, 2012 USD	As at March 31, 2012 ₹	As at March 31, 2011 USD	As at March 31, 2011 ₹
Accounts payable to PGL India	4,816,265	245,051,563	3,992,083	178,046,902

	Period Ended March 31, 2012 USD	Period Ended March 31, 2012 ₹	Period Ended March 31, 2012 USD	Period Ended March 31, 2011 ₹
Purchases of glass products from PGL India	7,948,085	380,236,386	6,024,493	274,415,656
Marketing commission	564,617	27,011,277	523,678	23,853,533

The balance receivable is as follows:

	As at March 31, 2012 USD	As at March 31, 2012 ₹	As at March 31, 2011 USD	As at March 31, 2011 ₹
Accounts receivable from PGL India	144,190	7,336,387	131,573	5,868,156

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.

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, 2012.

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 2012 and as at 31st March 2011 have been done using closing rate of 1 US $ = 50.88 ₹ (B/S items) and 1 US $ = 47.84 ₹ (P&L items-12 Months Avg.) and 1 US $ = 44.60 ₹ (B/S items) and 1 US $ = 45.55 ₹ (P&L items – 12 Months Avg.) as of respective dates.

FINANCIAL RESULTS

TURNOVER AND PROFIT / (LOSS)	Year ended 31 March, 2012		Year ended 31 March, 2011	
	USD	₹ in Mio	USD	₹ in Mio
Net Turnover	82,128,706	3,929.04	81,247,797	3,700.83
Profit before Tax	1,128,427	53.98	2,448,984	111.55
Profit / (Loss) after Tax	1,110,467	53.12	2,389,616	108.85

REVIEW OF OPERATIONS

Piramal Glass USA Inc. continues to focus on Specialty Food and Beverages (SF&B) segment and will continue to act as a funnel for sourcing manufactured products from India for the C&P segment. This year around 21% of USA sales were from products produced in India. Even in the US one of the two furnaces underwent relining in Q3 hence production capacity was constrained.

The Company ended the year with sales of US$ 82.13 mio (₹ 3,929.04 mio) as against US$ 81.24 mio (₹ 3,700.83 mio) in previous period. The profit after tax for the current year is US$ 1.11 mio (₹ 53.12 mio) as against the profit of US$ 2.38 mio (₹ 108.85 mio) in previous year.

CAPITAL EXPENDITURE AND INVESTMENTS

The Company spent an amount of US$ 6,904,339 (₹ 330.30 mio) on capital expenditure during the year as against US$ 315,759 (₹ 14.08 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, 2012.

POST BALANCE SHEET EVENTS

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

DIRECTORATE

The Directors of the Company are:

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

DIRECTORS' SHAREHOLDING

None of the directors hold any stock in the Company.

DIRECTORS RESPONSIBILITIES

We hereby state:

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

(ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2012 and its loss for the year ended on that date;

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

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

AUDITORS

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

By Order of the Board

Niraj Tipre

Director & Chief Executive Officer

Date : April 15, 2012

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, 2012 and March 31, 2011 and the related statements of 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 2 (a), 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 2(a).

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, 2012 and March 31, 2011 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 A.

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
April 15, 2012

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Balance Sheet

as at March 31, 2012 and March 31, 2011

	As at March 31, 2012 USD	As at March 31, 2012 ₹	As at March 31, 2011 USD	As at March 31, 2011 ₹
ASSETS				
Current assets				
Cash and cash equivalents	2,420,068	123,133,060	318,301	14,196,225
Accounts receivable, net of allowances	8,398,708	427,326,263	8,887,009	396,360,601
Inventories, including goods-in-transit	22,048,302	1,121,817,606	21,611,645	963,879,367
Prepaid expenses	1,023,578	52,079,649	530,729	23,670,513
Other current assets	394,542	20,074,297	443,707	19,789,332
Total current assets	**34,285,198**	**1,744,430,874**	**31,791,391**	**1,417,896,039**
Investments	5,739,095	292,005,154	5,739,095	255,963,637
Other non-current assets	469,645	23,895,538	1,707,911	76,172,831
Property, plant and equipment, net	10,272,820	522,681,082	5,123,705	228,517,243
Total assets	**50,766,758**	**2,583,012,647**	**44,362,102**	**1,978,549,749**
LIABILITIES AND STOCKHOLDER’S DEFICIT				
Current liabilities				
Accounts payable	11,688,211	594,696,176	8,284,793	369,501,768
Short term debt	30,000,000	1,526,400,000	25,000,000	1,115,000,000
Current portion of long term debt	7,695,612	391,552,739	15,726,030	701,380,938
Other current liabilities	4,201,576	213,776,187	4,871,332	217,261,407
Total current liabilities	**53,585,399**	**2,726,425,101**	**53,882,155**	**2,403,144,113**
Long term debt	25,466,000	1,295,710,080	19,906,612	887,834,895
Deferred tax liability	11,478	584,001	—	—
Total liabilities	**79,062,877**	**4,022,719,182**	**73,788,767**	**3,290,979,008**
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)	(33,296,119)	(1,458,997,370)	(34,426,665)	(1,513,082,643)
Exchange Gain / Loss		(206,709,165)		(25,346,571)
Total stockholder’s (deficit)	**(28,296,119)**	**(1,232,997,370)**	**(29,426,665)**	**(1,312,429,214)**
Total liabilities and stockholder’s (deficit)	**50,766,758**	**2,583,012,647**	**44,362,102**	**1,978,549,795**

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

Rupee equivalent of US$ in audited statement as at March 2012 and as at March 2011 has been done using closing rate of 1 US$ = 50.88 ₹ (B/S items) and 1 US$ = 47.84 ₹ (P&L items-12 months avg.) and 1 US$ = 44.60 ₹ (B/S items) and 1 US$ = 45.55 ₹ (P&L items-12 months avg.) as of respective dates.

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

Statements of Income

for the periods ended March 31, 2012 and March 31, 2011

	Year ended March 31, 2012 USD	Year ended March 31, 2012 ₹	Year ended March 31, 2011 USD	Year ended March 31, 2011 ₹
Revenues, net of allowances & rebates	82,128,706	3,929,037,295	81,247,797	3,700,837,153
Cost of revenues	72,954,289	3,490,133,186	70,644,611	3,217,862,031
Gross profit	**9,174,417**	**438,904,109**	**10,603,186**	**482,975,122**
Costs and expenses				
Selling, general and administrative	4,934,536	236,068,202	4,689,714	213,616,473
Depreciation	10,320	493,709	249,836	11,380,030
Interest	3,101,134	148,358,251	3,214,652	146,427,399
Total costs and expenses	**8,045,990**	**384,920,162**	**8,154,202**	**371,423,901**
Profit before income tax	**1,128,427**	**53,983,948**	**2,448,984**	**111,551,221**
Provision for tax				
Current tax	6,482	310,099	59,368	2,704,212
Deferred tax	11,478	549,108	—	—
Net profit	**1,110,467**	**53,124,741**	**2,389,616**	**108,847,009**
Other comprehensive income				
Interest rate swaps gain (loss)	20,078	960,532	(32,708)	(1,489,849)
Total comprehensive income	**1,130,545**	**54,085,273**	**2,356,908**	**107,357,159**

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

Rupee equivalent of US$ in audited statement as at March 2012 and as at March 2011 has been done using closing rate of 1 US$ = 50.88 ₹ (B/S items) and 1 US$ = 47.84 ₹ (P&L items-12 months avg.) and 1 US$ = 44.60 ₹ (B/S items) and 1 US$ = 45.55 ₹ (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, 2012 and March 31, 2011

Particulars	Common Stock				Accumulated (deficit)	Total stockholders (deficit)
	Authorized		Issued & Outstanding			
	Shares	USD	Shares	USD	USD	USD
Balance as at April 1, 2010	500,000	5,000,000	500,000	5,000,000	(36,783,572)	(31,783,572)
Comprehensive income for the year	—	—	—	—	2,356,908	2,356,908
Balance as at March 31, 2011	**500,000**	**5,000,000**	**500,000**	**5,000,000**	**(34,426,664)**	**(29,426,664)**
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)**

(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, 2010	500,000	226,000,000	500,000	226,000,000	(1,620,439,802)	(1,394,439,802)
Comprehensive income for the year					107,357,159	107,357,159
Balance as at March 31, 2011	**500,000**	**226,000,000**	**500,000**	**226,000,000**	**(1,513,082,643)**	**(1,287,082,643)**
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)**

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

Statements of Cash Flows

for the year ended March 31, 2012 and March 31, 2011

	March 31, 2012 USD	March 31, 2012 ₹	March 31, 2011 USD	March 31, 2011 ₹
Cash flows from operating activities				
Net profit after tax	**1,110,468**	**53,124,741**	**2,389,616**	**108,847,009**
Adjustments to reconcile net income to net cash provided by operating activities :				
Depreciation	1,755,224	83,969,916	2,724,402	124,096,511
Current tax expense	6,482	310,099	59,368	2,704,212
Deferred tax expense	11,478	549,108	—	—
Changes in operating assets and liabilities :				
Accounts receivable, net of allowances	488,301	23,311,490	(430,278)	(19,190,399)
Inventory, including goods-in-transit	(436,657)	(20,846,005)	(1,591,251)	(64,963,632)
Prepaid expenses and other assets	794,583	23,583,193	113,875	5,078,825
Accounts payable	3,403,417	173,165,857	547,716	22,107,011
Other current liabilities	(656,160)	(33,385,421)	249,642	11,133,989
Net cash generated from operating activities	**6,477,136**	**303,782,978**	**4,063,090**	**189,813,526**
Cash flows from investing activities				
Purchase of fixed assets	(6,904,339)	(330,303,578)	(315,759)	(14,082,851)
Net cash (used in) investing activities	**(6,904,339)**	**(330,303,578)**	**(315,759)**	**(14,082,851)**
Cash flows from financing activities				
Short term debt				
– Receipts	5,000,000	254,400,000	5,000,000	223,000,000
Long Term Debt:				
– Receipts	27,740,000	1,411,411,200	10,695,000	476,997,000
– Payments	(30,211,030)	(1,537,137,206)	(19,725,888)	(879,774,605)
Net cash generated from (used in) financing activities	**2,528,970**	**128,673,994**	**(4,030,888)**	**(179,777,605)**
Net increase (decrease) in cash and cash equivalents	**2,101,767**	**102,153,393**	**(283,557)**	**(4,046,930)**
Cash and cash equivalents, beginning of year	318,301	14,196,225	601,858	27,023,424
Cash Inflow / (Outflow) on account Foreign Exchange Difference		6,783,442		(8,780,270)
Cash and cash equivalents, end of the year	**2,420,068**	**123,133,060**	**318,301**	**14,196,225**
Supplemental cash flow information				
Interest paid	2,403,115	114,965,022	2,666,931	121,478,707
Income taxes paid	7,764	371,430	84,443	3,846,379

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

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Notes to Special Purpose Financial Statements

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Business description

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

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

Piramal Glass-USA, Inc. 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.

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

2. Financial statements

a) Basis of preparation

The 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 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, 2011 to March 31, 2012 and April 1, 2010 to March 31, 2011.

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.

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 financial statements, the management considers that the Company has sufficient resources available from internal accruals and financial support from its parent company to continue operating for the foreseeable future. For these reasons the management continues to prepare the financial statements on a going concern basis.

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

3. 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.

4. Revenue recognition

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

5. Inventories

Inventories are valued at the lower of standard cost or market. The Company believes that the standard cost per product approximates the actual inventory cost. Goods-in-transit represents goods purchased from PGL but not received at warehouse as at year end.

6. Shipping and handling costs

The Company classifies shipping and handling costs as selling expenses.

7. Income taxes

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

8. Property, plant and equipment

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

The estimated useful lives of assets are as follows:

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

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

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

9. 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. Upon application of the Statement, the Company records the swaps at their fair values on the balance sheet. The Company has recorded an unrecognized swap gain of $ 20,078 ₹ 960,532 (previous year loss $ 32,709 ₹ 1,489,895) as other comprehensive gain (loss) for the year ended March 31, 2012.

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,**	
		2012	**2011**
Derivatives designated as hedging instruments			
Liability derivatives			
Interest rate swap	Other current liabilities	12,630	32,708
	Income Statement location	**Gain/(Loss) recognized March 31,**	
		2012	**2011**
Derivatives designated as hedging instruments			
Interest rate swap	Other comprehensive income	20,078	(32,708)

NOTE B - CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

Particulars	**As at March 31, 2012 USD**	**As at March 31, 2012 ₹**	**As at March 31, 2011 USD**	**As at March 31, 2011 ₹**
Bank balance	2,420,068	123,133,060	318,301	14,196,225
Total	**2,420,068**	**123,133,060**	**318,301**	**14,196,225**

Cash balances on deposit with bank are insured by the Federal Deposit Insurance Corporation up to $ 250,000 ₹ 12,720,000 (previous year $ 250,000 ₹ 11,150,000). There are no cash equivalents at March 31, 2012 and March 31, 2011.

NOTE C - ACCOUNTS RECEIVABLE

Accounts receivable as at March 31, 2012 represents due from customers of $ 9,401,527 ₹ 478,349,694 (previous year $ 9,967,534 ₹ 444,552,016), 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 was as follows:

Particulars	**As at March 31, 2012 USD**	**As at March 31, 2012 ₹**	**As at March 31, 2011 USD**	**As at March 31, 2011 ₹**
Opening balance	1,080,525.00	54,977,112.00	1,086,905.00	48,475,963.00
Add : During the year provision	915,145.00	46,562,577.60	1,377,644.00	61,442,922.40
Less : During the year write off	(992,851.00)	(50,516,258.88)	(1,384,024.00)	(61,727,470.40)
Closing balance	**1,002,819.00**	**51,023,430.72**	**1,080,525.00**	**48,191,415.00**

NOTE D - INVENTORIES

Major classes of inventory are as follows:

Particulars	As at March 31, 2012 USD	As at March 31, 2012 ₹	As at March 31, 2011 USD	As at March 31, 2011 ₹
Finished goods	16,060,564	817,161,496	17,419,703	776,918,754
Raw material	1,628,219	82,843,783	1,392,856	62,121,378
Packaging	979,862	49,855,379	784,591	34,992,759
Moulds	997,066	50,730,718	622,185	27,749,451
Goods-in-transit	2,382,591	121,226,230	1,392,310	62,097,026
Total	**22,048,302**	**1,121,817,606**	**21,611,645**	**963,879,367**

NOTE E - PROPERTY, PLANT AND EQUIPMENT

Property and equipment comprise the following:

Particulars	As at March 31, 2012 USD	As at March 31, 2012 ₹	As at March 31, 2011 USD	As at March 31, 2011 ₹
Computers	984,636	50,098,280	984,636	43,914,766
Furniture and fixtures	402,981	20,503,673	402,981	17,972,953
Plant and machinery	21,233,507	1,080,360,836	14,372,148	640,997,801
Vehicles	312,679	15,909,108	312,679	13,945,483
Capital work in progress	42,980	2,186,822	—	—
Less: Accumulated depreciation	(12,703,963)	(646,377,637)	(10,948,739)	(488,313,759)
Property, plant and equipment, net	**10,272,820**	**522,681,082**	**5,123,705**	**228,517,243**

Depreciation expense for the year ended March 31, 2012 is $ 1,755,224 ₹ 83,969,916 (previous year $ 2,724,402 ₹ 124,096,511). Of the total depreciation of $ 1,938,896 ₹ 92,756,785 (previous year $ 2,908,074 ₹ 132,462,771) depreciation included in cost of goods sold is $ 1,744,904 ₹ 83,476,207 (previous year $ 2,474,566 ₹ 112,716,481).

NOTE F - SHORT TERM DEBT

Short term debt comprises of the following:

Particulars	As at March 31, 2012 USD	As at March 31, 2012 ₹	As at March 31, 2011 USD	As at March 31, 2011 ₹
Loan from:				
Bank of Baroda	25,000,000	1,272,000,000	25,000,000	1,115,000,000
HSBC	5,000,000	254,400,000	—	—
Total	**30,000,000**	**1,526,400,000**	**25,000,000**	**1,115,000,000**

Bank of Baroda:

The Company has obtained working capital loan from Bank of Baroda, New York branch of $ 15,000,000 ₹ 763,200,000 for providing regular working capital. The loan is secured by Standby Letter of Credit issued by Central Bank of India, Mumbai. This Standby Letter of Credit is secured by counter guarantee of Piramal Glass Ltd and a pari passu first charge on entire fixed assets of Piramal Glass Ltd. The repayment of this working capital loan is in August 2012. The average interest rate on the working capital loan during the year ended March 31, 2012 was 2.66% per annum (previous year: 3.07% per annum) and the interest rate as at March 31, 2012 was 2.80% per annum (previous year: 2.96% per annum).

The Company has also obtained another working capital loan from Bank of Baroda, New York branch of $5,000,000 ₹ 254,400,000 for providing regular working capital. The loan is secured by Standby Letter of Credit issued by Central Bank of India, Mumbai. This Standby Letter of Credit is secured by counter guarantee of Piramal Glass Ltd and a pari passu first charge on entire fixed assets of Piramal Glass Ltd. The repayment of this working capital loan is in February 2013. The average interest rate on the working capital loan during the year ended March 31, 2012 was 2.28% per annum (previous year: 2.20% per annum) and the interest rate as at March 31, 2012 was 2.80% per annum (previous year: 2.16% per annum).

The Company has further obtained working capital loan from Bank of Baroda, New York branch of $ 5,000,000 ₹ 254,400,000 for providing regular working capital. The loan is secured by Standby Letter of Credit issued by Bank of Baroda, Mumbai. This Standby Letter of Credit is secured by counter guarantee of Piramal Glass Limited and a pari passu first charge on fixed assets of Piramal Glass Limited. The repayment of this working capital loan is in June 2012. The average interest rate on the working capital loan during the year ended March 31, 2012 was 2.85% per annum (previous year: 3.16% per annum) and the interest rate as at March 31, 2012 was 2.80% per annum (previous year: 2.96% per annum).

HSBC:

The Company has obtained working capital loan from HSBC Bank USA, New York branch of $ 5,000,000 ₹ 254,400,000 for providing regular working capital. The loan is secured by Standby Letter of Credit issued by Axis Bank Limited, India. The repayment of this working capital loan is in February 2013. The average interest rate on the working capital loan during the year ended March 31, 2012 was 1.36% per annum and the interest rate as at March 31, 2012 was 1.49% per annum.

NOTE G - LONG TERM DEBT

Export-Import Bank of India:

The Company obtained term loan of $ 30,000,000 ₹ 1526,400,000 from Export-Import Bank of India for its long-term working capital requirements. This loan is secured by a corporate guarantee of Piramal Glass Limited. The loan is further secured by a pari passu first charge on entire fixed assets (movable and immovable) of PGL, present and future (excluding assets specifically charged). Repayment commenced from September 2008 with repayment in 17 step-up quarterly installments. The loan outstanding as at March 31, 2012 is $ 3,529,412. ₹ 179,576,483.

Axis Bank:

The Company obtained a term loan from Axis Bank, Singapore branch of $ 8,000,000 ₹ 407,040,000 for regular and long-term working capital. This loan is secured by a corporate guarantee of Piramal Glass Limited and is further secured by an exclusive first charge on fixed assets, stocks and receivables of the Company. Repayment commenced from March 2009 with repayment in 12 equal consecutive quarterly installments of $ 666,666 ₹ 33,919,966. This loan has been repaid in full in current year.

The Company obtained an additional term loan from Axis Bank, Singapore branch of $ 10,000,000 ₹ 508,800,000 for providing regular capital expenditure and long-term working capital. This loan is secured by a corporate guarantee of Piramal Glass Limited and is further secured by an exclusive first charge on fixed assets, stocks and receivables of the Company. Repayment commenced from August 2009 with repayment in 12 equal consecutive quarterly installments of $ 833,400 ₹ 42,403,392. The loan outstanding as at March 31, 2012 is $ 832,600 ₹ 42,362,688.

The Company has further obtained an additional term loan from Axis Bank, Singapore branch of $ 10,000,000 ₹ 508,800,000 for providing regular capital expenditure and long-term working capital. This loan is secured by a corporate guarantee of Piramal Glass Limited and is further secured by an exclusive first charge on fixed assets, stocks and receivables of the Company. Repayment commenced from October 2010 with 12 equal consecutive quarterly installments of $ 833,400 ₹ 42,403,392 each. The loan outstanding as at March 31, 2012 is $ 4,999,600 ₹ 254,379,648.

The Company has obtained long term loan from Axis Bank, Singapore branch, of $ 20,000,000 ₹ 1017,600,000 for providing regular capital expenditure. The loan is secured by Standby Letter of Credit issued by Axis Bank Ltd, India. This Standby Letter of Credit is secured by first pari passu charge on the fixed assets of Piramal Glass Limited, both present and future. The repayment for the $ 15,000,000 ₹ 763,200,000 term loan begins from February 2015 and for the $ 5,000,000 ₹ 254,400,000 term loan from March 2015.

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

Particulars	March 31, 2012	March 31, 2011
EXIM Bank		
Loan amount USD 30 million		
Weighted average rate of interest	3.66%	4.23%
Interest rate as at March 31	3.14%	3.54%
Axis Bank		
Loan amount USD 8 million		
Weighted average rate of interest	3.85%	4.32%
Interest rate as at March 31	—	3.58%
Loan amount USD 10 million		
Weighted average rate of interest	3.59%	4.19%
Interest rate as at March 31	3.65%	3.28%
Loan amount USD 10 million		
Weighted average rate of interest	4.54%	5.16%
Interest rate as at March 31	4.57%	4.75%
Loan amount USD 15 million		
Weighted average rate of interest	5.02%	—
Interest rate as at March 31	4.91%	—
Loan amount USD 5 million		
Weighted average rate of interest	4.71%	—
Interest rate as at March 31	5.43%	—

Loan from Piramal Glass Limited

The Company, at the end of the year, had a long-term debt of $ 3,800,000 ₹ 193,344,000 (previous year $ 10,545,000 ₹ 470,307,000) from Piramal Glass Limited. The loan from the parent company is repayable in fiscal year 2013-2014. PGL charges interest on this loan at a rate based on its average borrowing costs. The weighted average interest rate, for the year ended March 31, 2012, on this debt, was 11.23% (previous year, 9.76%) per annum. The interest rate at the end of the year i.e. on March 31, 2012 was 13.0% (previous year, 11.0%) per annum.

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

Particulars	As at March 31, 2012 USD	As at March 31, 2012 ₹	As at March 31, 2011 USD	As at March 31, 2011 ₹
Loan from EXIM Bank	—	—	3,529,412	157,411,775
Loan from parent company, PGL	3,800,000	193,344,000	10,545,000	470,307,000
Loan from AXIS Bank	21,666,000	1,102,366,080	5,832,200	260,116,120
Total	**25,466,000**	**1,295,710,080**	**19,906,612**	**887,834,895**

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

Particulars	As at March 31, 2012 USD	As at March 31, 2012 ₹	As at March 31, 2011 USD	As at March 31, 2011 ₹
Loan from EXIM Bank	3,529,412	179,576,483	7,058,824	314,823,550
Loan from AXIS Bank	4,166,200	211,976,256	8,667,206	386,557,388
Total	**7,695,612**	**391,552,739**	**15,726,030**	**701,380,938**

Future loan repayment schedule is as followings:

Year ended March 31	EXIM Bank USD	EXIM Bank ₹	AXIS Bank USD	AXIS Bank ₹	PGL USD	PGL ₹
2013	3,529,412	179,576,483	4,166,200	211,976,256	—	—
2014	—	—	1,666,000	84,766,080	3,800,000	193,344,000
2015	—	—	5,000,000	254,400,000	—	—
2016	—	—	10,000,000	508,800,000	—	—
2017	—	—	5,000,000	254,400,000	—	—

NOTE H - INCOME TAXES

The provision for income tax expense is as follows:

Particulars	Period ended March 31, 2012 USD	Period ended March 31, 2012 ₹	Period ended March 31, 2011 USD	Period ended March 31, 2011 ₹
State				
Current	6,482	310,099	59,368	2,704,212
Deferred	11,478	549,108	—	—
Total	**17,960**	**859,206**	**59,368**	**2,704,212**

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

Particulars	As at March 31, 2012 USD	As at March 31, 2012 ₹	As at March 31, 2011 USD	As at March 31, 2011 ₹
Current deferred tax asset				
Accounts receivable	394,786	20,086,712	414,982	18,508,197
Inventory	536,643	27,304,396	721,356	32,172,478
Accrued expenses and provisions	802,454	40,828,860	747,949	33,358,525
Interest disallowance	453,875	23,093,160	1,126,767	50,253,808
Current deferred tax asset	**2,187,758**	**111,313,127**	**3,011,054**	**134,293,008**
Less: valuation allowance	—	—	(3,011,054)	(134,293,008)
Current deferred tax asset, net	**2,187,758**	**111,313,127**	**—**	**—**
Non-current deferred tax asset				
Net operating losses	11,961,894	608,621,167	9,090,873	405,452,936
Property, plant and equipment	—	—	157,933	7,043,812
Noncurrent deferred tax asset	11,961,894	608,621,167	9,248,806	412,496,748
Less valuation allowance	(11,961,894)	(608,621,167)	(9,248,806)	(412,496,748)
Noncurrent deferred tax asset, net	**—**	**—**	**—**	**—**
Net deferred tax assets	2,187,758	111,313,127	—	—
Non-current deferred tax liability				
Property, plant and equipment	(2,199,236)	(111,897,128)	—	—
Net deferred tax liability	(2,199,236)	(111,897,128)	—	—
Net deferred tax asset/ (liability)	**(11,478)**	**(584,001)**	**NIL**	**NIL**

The Company has provided a valuation allowance $ 11,961,894 and $ 12,259,861 as of March 31, 2012 and as of March 31, 2011 respectively against the net deferred tax assets. The change in valuation allowance is $ (297,967) for the year ended March 31, 2012.

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 current year profitability, positive projections for years in foreseeable future and availability of temporary taxable differences, management believes that it is more likely than not that current deferred tax asset may reverse in foreseeable future and hence recognized deferred tax asset for the same. With respect to deferred tax asset on net operating losses, there is no reasonable certainty with respect to its reversal in foreseeable future and hence valuation allowance has been provided against the same.

The Company has net operating loss carry forwards of approximately $ 30,762,248 as of March 31, 2012 available to reduce future federal income taxes. If not used, the carry forwards will expire over the period of tax years 2026 to 2031. The state net operating losses and their availability for future utilization vary from state to state.

Accounting for uncertain tax position

Effective April 1, 2009 the Company adopted the accounting standard regarding “Accounting for Uncertain Tax Positions.” (FASB ASC 740-10) This standard provides detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in the enterprise’s financial statements. It requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination . The adoption of the standard has had no material effect on the Company’s financial position, results of operations or cash flow. The tax years of 2008 and 2010 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, 2012 was $ 812,925 ₹ 38,890,332 (previous year $ 852,140 ₹ 38,814,977).

At March 31, 2012 future rental commitments for the non-cancelable leases are as follows:

Year	Rental Commitments US$	Rental Commitments ₹
2013	545,835	27,772,085
2014	199,614	10,156,360
2015	176,506	8,980,625
2016	74,856	3,808,673
2017	45,612	2,320,739
2018	29,425	1,497,144
Total	**1,071,848**	**54,535,626**

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

The Company had the following transactions with

- Piramal Glass Limited – Parent Company
- Piramal Glass Flat River, LLC – Subsidiary Company
- Piramal Glass Williamstown, LLC – Subsidiary Company

Particulars	As at March 31, 2012 USD	As at March 31, 2012 ₹	As at March 31, 2011 USD	As at March 31, 2011 ₹
Piramal Glass Limited				
Transactions during the year				
– Reimbursement of expenses paid to PGL	952,244	45,555,353	418,751	19,074,108
– Reimbursement of expenses received from PGL	—	—	4,500	204,975
– Interest accrued on loan	502,032	24,017,211	400,592	18,246,966
– Purchases, including goods-in-transit	13,733,074	656,990,260	13,369,279	608,970,658
– Term loan received	7,740,000	393,811,200	10,695,000	476,997,000
– Term loan repaid	14,485,000	736,996,800	5,000,000	223,000,000
Balance at year end				
– Outstanding long term loan	38,000,000	1,933,440,000	10,545,000	470,307,000
– Payable for other expenses	1,287,921	65,529,420	662,569	29,550,577
– Payable for interest	306,834	15,611,714	210,159	9,373,091
– Trade payables	6,854,014	348,732,232	5,017,030	223,759,538
Piramal Glass Flat River, LLC				
Transactions during the year				
– Lease rental expense	257,960	12,340,806	257,960	11,750,078
– Property taxes incurred	93,498	4,472,944	80,245	3,655,160
Balance at year end				
– Payable, net	1,102,906	56,115,857	938,444	41,854,602
Piramal Glass Williamstown, LLC				
Transactions during the year				
– Lease rental expense	184,664	8,834,326	184,664	8,411,445
– Property taxes incurred	65,586	3,137,634	65,842	2,999,103
Balance at year end				
– Payable, net	389,062	19,795,475	272,984	12,175,086

The weighted average interest rate, for the year ended March 31, 2012, on the long term loan from PGL, was 11.23% (previous year, 9.76%) per annum. The interest rate at the end of the year i.e. on March 31, 2012 was 13.0 % (previous year, 11.0%) per annum.

NOTE K - RETIREMENT PLANS

The Company has two defined contribution plans, a plan for salaried employees and a plan for eligible union employees, to which it contributes 3.50% of employees' compensation. The contribution for the year ended March 31, 2012 was $ 844,402 ₹ 40,396,192 (previous year $ 678,387 ₹ 30,900,528). At March 31, 2012, accrued pension – hourly includes $ Nil (previous year $ 8,201 ₹ 365,765), and accrued pension – salaries includes $ Nil (previous year $ 13,907 ₹ 620,252), due under these plans.

The Company also contributes to two 401(k) plans for salaried and eligible union personnel. The contribution for the year ended March 31, 2012 was $ 150,513 ₹ 7,200,542 (previous year $ 110,944 ₹ 5,053,499). At March 31, 2012, 401(k) savings – employer includes $ Nil (previous year $ 30,798 ₹ 1,402,849) due under these plans.

NOTE L - SHIPPING AND HANDLING COSTS

The amount of shipping and handling costs for the year ended March 31, 2012 was $ 1,468,600 ₹ 70,257,824 (previous year $ 1,321,772 ₹ 60,206,715).

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 41.31% (previous year 29.54%) of total sales and 37.36 % (previous year 32.87%) of accounts receivables. One customer accounted for approximately 10.53% of total sales during the year and no single customer accounted for more than 10 % of the accounts receivable as at March 31, 2012.

The Company buys certain raw materials from a limited number of suppliers. Management believes that other suppliers could provide these materials on comparable terms. 71.62% (previous year 72.69%) of total employees are subjected to collective bargain 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 April 15, 2012 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, 2012.

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 2012 and as at 31st March 2011 have been done using closing rate of 1 US $ = 50.88 ₹ (B/S items) and 1 US $ = 47.84 ₹ (P&L items-12 Months Avg.) and 1 US $ = 44.60 ₹ (B/S items) and 1 US $ = 45.55 ₹ (P&L items – 12 Months Avg.) as of respective dates.

FINANCIALRESULTSTURNOVER AND PROFIT / (LOSS)	Year ended March 31, 2012 USD	Year ended March 31, 2012 ₹ in Mio	Year ended March 31, 2011 USD	Year ended March 31, 2011 ₹ in Mio
Operating Income	257,960	12.34	257,960	11.75
Profit before Income Tax	61,118	2.92	74,371	3.39
Profit / (Loss) after Taxation	61,118	2.92	74,371	3.39

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 (₹ 12.34 mio) as against USD 257,960 (₹ 11.75 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 61,118 (₹ 2.92 mio) as against USD 74,371 (₹ 3.39 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, 2012.

POST BALANCE SHEET EVENTS

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

DIRECTORATE

The Directors of the Company are:

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

DIRECTORS' SHAREHOLDING

None of the directors hold any stock in the Company.

DIRECTORS RESPONSIBILITIES

We hereby state:

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

(ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2012 and its profit for the year ended on that date;

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

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

AUDITORS

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

By Order of the Board
Niraj Tipre
Director & Chief Executive Officer.
Date : April 15, 2012.

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, erstwhile GGI Flat River, LLC (‘the Company’) as at March 31, 2012 and March 31, 2011 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, 2012 and March 31, 2011 and the results of its operations and cash flows for the years then ended, in conformity with the accounting principles generally accepted in the United States of America.

Atlanta, Georgia

April 15, 2012.

KNAV P.A.
Certified Public Accountants
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Balance Sheet

as at March 31, 2012 and March 31, 2011

	As at March 31, 2012 USD	As at March 31, 2012 ₹	As at March 31, 2011 USD	As at March 31, 2011 ₹
ASSETS				
Current assets				
Cash and cash equivalents	500	25,440	500	22,300
Receivable from Piramal Glass-USA, Inc., net	1,102,906	56,115,857	938,444	41,854,602
Total current assets	**1,103,406**	**56,141,297**	**938,944**	**41,876,902**
Land and buildings, net	2,873,406	146,198,897	2,976,750	132,763,050
Total assets	**3,976,812**	**202,340,195**	**3,915,694**	**174,639,952**
MEMBER'S EQUITY				
Member's contribution	3,459,716	156,379,163	3,459,716	156,379,163
Accumulated surplus	517,096	23,536,978	455,978	20,613,093
Exchange Gain / (Loss)		22,424,053		(2,352,303)
Total member's equity	**3,976,812**	**202,340,195**	**3,915,694**	**174,639,952**

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

Rupee equivalent of US$ in audited statement as at March 2012 and as at March 2011 has been done using closing rate of 1 US$ = 50.88 ₹ (B/S items) and 1 US$ = 47.84 ₹ (P&L items-12 months avg.) and 1 US$ = 44.60 ₹ (B/S items) and 1 US$ = 45.55 ₹ (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, 2012 and March 31, 2011

	Year ended March 31, 2012 USD	Year ended March 31, 2012 ₹	Year ended March 31, 2011 USD	Year ended March 31, 2011 ₹
Revenues	257,960	12,340,806	257,960	11,750,078
Cost of revenue	103,344	4,943,977	103,344	4,707,319
Gross profit	**154,616**	**7,396,829**	**154,616**	**7,042,759**
Costs and expenses				
General and administrative	93,498	4,472,944	80,245	3,655,160
Total cost and expenses	**93,498**	**4,472,944**	**80,245**	**3,655,160**
Net income	**61,118**	**2,923,885**	**74,371**	**3,387,599**

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

Rupee equivalent of US$ in audited statement as at March 2012 and as at March 2011 has been done using closing rate of 1 US$ = 50.88 ₹ (B/S items) and 1 US$ = 47.84 ₹ (P&L items-12 months avg.) and 1 US$ = 44.60 ₹ (B/S items) and 1 US$ = 45.55 ₹ (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, 2012 and March 31, 2011

Particulars	**Member's equity USD**	**Accumulated surplus USD**	**Total member's equity USD**
Balance as at April 1, 2010	**3,459,716**	**381,607**	**3,841,323**
Net income for the year	—	74,371	74,371
Comprehensive income			**74,371**
Balance as at March 31, 2011	**3,459,716**	**455,978**	**3,915,694**
Balance as at April 1, 2011	**3,459,716**	**455,978**	**3,915,694**
Net income for the year	—	61,118	61,118
Comprehensive income			**61,118**
Balance as at March 31, 2012	**3,459,716**	**517,096**	**3,976,812**

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

Statement of changes
in member's equity for the period ended March 31, 2012 and March 31, 2011

Particulars	Member's equity ₹	Accumulated surplus ₹	Total member's equity ₹
Balance as at April 1, 2010	**156,379,163**	**17,225,494**	**173,604,657**
Net income for the year		3,387,599	3,387,599
Comprehensive income			**3,387,599**
Balance as at March 31, 2011	**156,379,163**	**20,613,093**	**176,992,256**
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
Comprehensive income	**—**	**—**	**2,923,885**
Balance as at March 31, 2012	**156,379,163**	**23,536,978**	**179,916,141**

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

Statement of Cash Flow
for the period ended March 31, 2012 and March 31, 2011

	March 31, 2012 USD	March 31, 2012 ₹	March 31, 2011 USD	March 31, 2011 ₹
Cash flow from operating activities				
Net income	61,118	2,923,885	74,371	3,387,599
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation and amortization	103,344	4,943,977	103,344	4,707,274
Changes in assets and liabilities				
Receivable from Piramal Glass –USA Inc.	(164,462)	(14,261,255)	(177,715)	(7,697,870)
Net cash provided by operating activities	**—**	**(6,393,393)**	**—**	**397,003**
Cash flow from investing activities	—	—	—	—
Net cash (used in) investing activities	—	—	—	—
Cash flow from financing activities	—	—	—	—
Net cash (used in) financing activities	—	—	—	—
Net increase in cash and cash equivalents	—	(6,393,393)	—	397,003
Cash Inflow / (Outflow) on account of Exchange Gain/ Loss	—	6,393,393	—	(397,003)
Cash and cash equivalents at the beginning of the year	**500**	**22,300**	**500**	**22,450**
Cash and cash equivalents at the end of the year	**500**	**22,300**	**500**	**22,450**
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, 2012 and March 31, 2011

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, 2012 and March 31, 2011.

   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 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, 2012 USD	As at March 31, 2012 ₹	As at March 31, 2011 USD	As at March 31, 2011 ₹
Land	415,166	21,123,646	415,166	18,516,404
Buildings	3,094,138	157,429,741	3,094,138	137,998,555
Less: accumulated depreciation	(635,898)	(32,354,490)	(532,554)	(23,751,908)
Land and buildings, net	**2,873,406**	**146,198,897**	**2,976,750**	**132,763,050**

Depreciation expense for the year ended March 31, 2012 was $103,344 ₹ 4,943,976 (previous year $103,344 ₹ 4,707,274).

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 had the following transactions with its parent company, Piramal Glass – USA Inc.

Particulars	As at March 31, 2012 USD	As at March 31, 2012 ₹	As at March 31, 2011 USD	As at March 31, 2011 ₹
Lease rental income during the year	257,960	12,340,806	257,960	11,750,078
Property taxes paid during the year	93,498	4,472,944	80,246	3,655,205
Receivable as at year end, net	1,102,906	56,115,857	938,444	41,854,602

NOTE E – SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 15, 2012 which is the date the financial statements were issued.

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Mr. Niraj Tipre — Director & Chief Executive Officer

Directors' Report

The Directors of Piramal Glass Williamstown, LLC have pleasure in presenting their Report together with the Audited Accounts for the financial year ended March 31, 2012.

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 2012 and as at 31st March 2011 have been done using closing rate of 1 US $ = 50.88 ₹ (B/S items) and 1 US $ = 47.84 ₹ (P&L items - 12 Months Avg.) and 1 US $ = 44.60 ₹ (B/S items) and 1 US $ = 45.55 ₹ (P&L items – 12 Months Avg.) as of respective dates.

FINANCIAL RESULTS

TURNOVER AND PROFIT / (LOSS)	Year ended 31 March, 2012		Year ended 31 March, 2011	
	USD	₹ in Mio	USD	₹ in Mio
Operating Income	184,664	8.83	184,664	8.41
Profit before Income Tax	35,750	1.71	38,494	1.75
Profit / (Loss) after Taxation	35,750	1.71	38,494	1.75

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 (₹ 8.83 mio) as against USD 184,664 (₹ 8.41 mio) in previous period from the lease of its land and building at Williamstown to its parent company. The profit after tax is USD 35,750 (₹ 1.71 mio) as against USD 38,494 (₹ 1.75 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, 2012.

POST BALANCE SHEET EVENTS

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

DIRECTORATE

The Directors of the Company are:

Mr. Vijay Shah   Mr. Niraj Tipre – Chief Executive Officer

Mr. Nitin Nohria   Mr. Sandeep Arora

DIRECTORS' SHAREHOLDING

None of the directors hold any stock in the Company.

DIRECTORS RESPONSIBILITIES

We hereby state:

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

(ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2012 and its profit for the year ended on that date;

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

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

AUDITORS

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

By Order of the Board

Niraj Tipre

Director & Chief Executive Officer

Date : April 15, 2012

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 erstwhile GGI Williamstown, LLC ('the Company') as at March 31, 2012 and March 31, 2011 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, 2012 and March 31, 2011 and the results of its operations and cash flows for the years then ended, in conformity with the accounting principles generally accepted in the United States of America.

Atlanta, Georgia

April 15, 2012.

KNAV P.A.

Certified Public Accountants

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Balance sheets

as at March 31, 2012 and March 31, 2011

	As at March 31, 2012 USD	As at March 31, 2012 ₹	As at March 31, 2011 USD	As at March 31, 2011 ₹
ASSETS				
Current assets				
Cash and cash equivalents	500	25,440	500	22,300
Receivable from Piramal Glass-USA, Inc., net	389,062	19,795,475	272,984	12,175,086
Total current assets	**389,562**	**19,820,915**	**273,484**	**12,197,386**
Land and buildings, net	2,188,086	111,329,816	2,268,414	101,171,264
Total assets	**2,577,648**	**131,150,730**	**2,541,898**	**113,368,651**
MEMBER'S EQUITY				
Member's capital	2,279,379	103,027,931	2,279,379	103,027,931
Accumulated surplus	298,269	13,489,386	262,519	11,779,106
Exchange Gain / (Loss)		14,633,414		(1,438,386)
Total member's equity	**2,577,648**	**131,150,730**	**2,541,898**	**113,368,651**

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

Rupee equivalent of US$ in audited statement as at March 2012 and as at March 2011 has been done using closing rate of 1 US$ = 50.88 ₹ (B/S items) and 1 US$ = 47.84 ₹ (P&L items-12 months avg.) and 1 US$ = 44.60 ₹ (B/S items) and 1 US$ = 45.55 ₹ (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, 2012 and March 31, 2011

	Year Ended March 31, 2012 USD	Year Ended March 31, 2012 ₹	Year Ended March 31, 2011 USD	Year Ended March 31, 2011 ₹
Revenues	184,664	8,834,326	184,664	8,411,445
Cost of revenue	80,328	3,842,892	80,328	3,658,940
Gross profit	**104,336**	**4,991,434**	**104,336**	**4,752,505**
Costs and expenses				
General and administrative	68,586	3,281,154	65,842	2,999,103
Total cost and expenses	**68,586**	**3,281,154**	**65,842**	**2,999,103**
Net income	**35,750**	**1,710,280**	**38,494**	**1,753,402**

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

Rupee equivalent of US$ in audited statement as at March 2012 and as at March 2011 has been done using closing rate of 1 US$ = 50.88 ₹ (B/S items) and 1 US$ = 47.84 ₹ (P&L items-12 months avg.) and 1 US$ = 44.60 ₹ (B/S items) and 1 US$ = 45.55 ₹ (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, 2012 and March 31, 2011

Particulars	Member's equity USD	Accumulated surplus USD	Total member's equity USD
Balance as at April 1, 2010	2,279,379	224,025	2,503,404
Net income for the year		38,494	38,494
Comprehensive income			**38,494**
Balance as at March 31, 2011	**2,279,379**	**262,519**	**2,541,898**
Balance as at April 1, 2011	2,279,379	262,519	2,541,898
Net income for the year		35,750	35,750
Comprehensive income			**35,750**
Balance as at March 31, 2012	**2,279,379**	**298,269**	**2,577,648**

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

Statements of changes

in member's equity for the year ended March 31, 2012 and March 31, 2011

Particulars	Member's equity ₹	Accumulated surplus ₹	Total member's equity ₹
Balance as at April 1, 2010	103,027,931	10,025,704	113,053,635
Net income for the year		1,753,402	1,753,402
Comprehensive income			**1,753,402**
Balance as at March 31, 2011	**103,027,931**	**11,779,106**	**114,807,037**
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
Comprehensive income			**1,710,280**
Balance as at March 31, 2012	**103,027,931**	**13,489,386**	**116,517,317**

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

Statements of Cash Flows

for the year ended March 31, 2012 and March 31, 2011

	March 31, 2012 USD	March 31, 2012 ₹	March 31, 2011 USD	March 31, 2011 ₹
Cash flow from operating activities				
Net income	**35,750**	**1,710,280**	**38,494**	**1,753,402**
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation and amortization	80,328	3,842,892	80,328	3,658,940
Changes in assets and liabilities				
Receivable from Piramal Glass –USA Inc.	(116,078)	(7,620,388)	(118,822)	(5,253,213)
Net cash provided by operating activities	—	(2,067,217)	—	159,129
Cash flow from investing activities	—	—	—	—
Net cash (used in) investing activities	—	—	—	—
Cash flow from financing activities	—	—	—	—
Net cash (used in) financing activities	—	—	—	—
Net increase in cash and cash equivalents	—	(2,067,217)	—	159,129
Cash Inflow / (Outflow) on account of Exchange Gain/ Loss	—	2,070,357	—	(159,279)
Cash and cash equivalents at the beginning of the year	**500**	**22,300**	**500**	**22,450**
Cash and cash equivalents at the end of the year	**500**	**22,300**	**500**	**22,450**
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, 2012 and March 31, 2011.

   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, 2012 USD	As at March 31, 2012 ₹	As at March 31, 2011 USD	As at March 31, 2011 ₹
Land	273,525	13,916,952	273,525	12,199,215
Building	2,404,991	122,365,942	2,404,991	107,262,599
Less: accumulated depreciation	(490,430)	(24,953,078)	(410,102)	(18,290,549)
Land and building, net	**2,188,086**	**111,329,816**	**2,268,414**	**101,171,264**

Depreciation expense for the year ended March 31, 2012 was $ 80,328 ₹ 3,842,892 (previous year $ 80,328 ₹ 3,658,940).

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 had the following transactions with its parent company Piramal Glass – USA Inc:

Particulars	As at March 31, 2012 USD	As at March 31, 2012 ₹	As at March 31, 2011 USD	As at March 31, 2011 ₹
Lease rental income during the year	184,664	8,834,326	184,664	8,411,445
Property taxes paid during the year	65,586	3,137,634	65,842	2,999,103
Receivable as at year end, net	389,062	19,795,475	272,984	12,175,086

NOTE E - SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 15, 2012 which is the date the financial statements were issued.

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Mr. Niraj Tipre — Director & Chief Executive Officer

Report of Independent Accountants

Board of Directors

Piramal Glass-USA, Inc and Subsidiaries

We have audited the accompanying consolidated balance sheets of Piramal Glass-USA, Inc. and its Subsidiaries ('the Company') as at March 31, 2012 and March 31, 2011 and the related consolidated statements of income, stockholder's deficit and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these 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, 2012 and March 31, 2011 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
April 15, 2012.

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Balance Sheets

as at March 31, 2012 and March 31, 2011

	As at March 31, 2012 USD	As at March 31, 2012 ₹	As at March 31, 2011 USD	As at March 31, 2011 ₹
ASSETS				
Current assets				
Cash and cash equivalents	2,421,068	123,183,940	319,301	14,240,825
Accounts receivable, net of allowances	8,398,708	427,326,263	8,887,009	396,360,601
Inventories, including goods-in-transit	22,048,302	1,121,817,606	21,611,645	963,879,367
Prepaid expenses	1,023,578	52,079,649	530,729	23,670,513
Other current assets	394,543	20,074,348	443,707	19,789,332
Total current assets	**34,286,199**	**1,744,481,805**	**31,792,391**	**1,417,940,639**
Other non-current assets	469,645	23,895,538	1,707,911	76,172,831
Property, plant and equipment, net	15,334,312	780,209,795	10,368,869	462,451,557
Total assets	**50,090,156**	**2,548,587,137**	**43,869,171**	**1,956,565,027**
LIABILITIES AND STOCKHOLDER'S DEFICIT				
Current liabilities				
Accounts payable	10,196,243	518,784,844	7,073,365	315,472,079
Short term debt	30,000,000	1,526,400,000	25,000,000	1,115,000,000
Current portion of long term debt	7,695,612	391,552,739	15,726,030	701,380,938
Other current liabilities	4,201,577	213,776,238	4,871,332	217,261,407
Total current liabilities	**52,093,432**	**2,650,513,820**	**52,670,727**	**2,349,114,424**
Long term debt	25,466,000	1,295,710,080	19,906,612	887,834,895
Deferred tax liability	11,478	584,001	—	—
Total liabilities	**77,570,910**	**3,946,807,901**	**72,577,339**	**3,236,949,319**
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)	(32,480,754)	(1,349,212,457)	(33,708,168)	(1,407,992,980)
Exchange Gain / Loss		(275,008,306)		(98,391,312)
Total stockholder's (deficit)	**(27,480,754)**	**(1,123,212,457)**	**(28,708,168)**	**(1,181,992,980)**
Total liabilities and stockholder's (deficit)	**50,090,156**	**2,548,587,137**	**43,869,171**	**1,956,565,027**

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

Rupee equivalent of US$ in audited statement as at March 2012 and as at March 2011 has been done using closing rate of 1 US$ = 50.88 ₹ (B/S items) and 1 US$ = 47.84 ₹ (P&L items-12 months avg.) and 1 US$ = 44.60 ₹ (B/S items) and 1 US$ = 45.55 ₹ (P&L items-12 months avg.) as of respective dates.

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

Consolidated Statements of Income

for the periods ended March 31, 2012 and March 31, 2011

	Year ended March 31, 2012 USD	Year ended March 31, 2012 ₹	Year ended March 31, 2011 USD	Year ended March 31, 2011 ₹
Revenues, net of allowances & rebates	82,128,706	3,929,037,295	81,247,797	3,700,837,153
Cost of revenues	73,137,961	3,498,920,054	70,828,283	3,226,228,291
Gross profit	**8,990,745**	**430,117,241**	**10,419,514**	**474,608,863**
Costs and expenses				
Selling, general and administrative	4,653,995	222,647,121	4,393,177	200,109,212
Depreciation	10,320	493,709	249,836	11,380,030
Interest	3,101,134	148,358,251	3,214,652	146,427,399
Total costs and expenses	**7,765,449**	**371,499,080**	**7,857,665**	**357,916,641**
Profit before income tax	**1,225,296**	**58,618,161**	**2,561,849**	**116,692,222**
Provision for tax				
Current tax	6,482	310,099	59,368	2,704,212
Deferred tax	11,478	549,108	—	—
Net profit	**1,207,336**	**57,758,954**	**2,502,481**	**113,988,010**
Other comprehensive income				
Interest rate swaps gain (loss)	20,078	1,021,569	(32,708)	(1,458,777)
Total comprehensive income	**1,227,414**	**58,780,523**	**2,469,773**	**112,529,233**

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

Rupee equivalent of US$ in audited statement as at March 2012 and as at March 2011 has been done using closing rate of 1 US$ = 50.88 ₹ (B/S items) and 1 US$ = 47.84 ₹ (P&L items-12 months avg.) and 1 US$ = 44.60 ₹ (B/S items) and 1 US$ = 45.55 ₹ (P&L items-12 months avg.) as of respective dates.

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

Consolidated statements of stockholder's (deficit)

for the year ended March 31, 2012 and March 31, 2011

Particulars	Common Stock				Accumulated (deficit)	Total stockholder's (deficit)
	Authorized		Issued & Outstanding			
	Shares	USD	Shares	USD	USD	USD
Balance as at April 1, 2010	**500,000**	**5,000,000**	**500,000**	**5,000,000**	**(36,177,941)**	**(31,177,941)**
Comprehensive income for the year					2,469,773	2,469,773
Balance as at March 31, 2011	**500,000**	**5,000,000**	**500,000**	**5,000,000**	**(33,708,168)**	**(28,708,168)**
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)**

(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, 2010	**500,000**	**226,000,000**	**500,000**	**226,000,000**	**(1,520,522,213)**	**(1,294,522,213)**
Comprehensive income for the year					112,529,233	112,529,233
Balance as at March 31, 2011	**500,000**	**226,000,000**	**500,000**	**226,000,000**	**(1,407,992,980)**	**(1,181,992,980)**
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)**

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

Consolidated statements of Cash Flow

for the periods ended March 31, 2012 and March 31, 2011

	March 31, 2012 USD	March 31, 2012 ₹	March 31, 2011 USD	March 31, 2011 ₹
Cash flows from operating activities				
Net profit after tax	**1,207,336**	**57,758,954**	**2,502,481**	**113,988,010**
Adjustments to reconcile net income to net cash provided by operating activities :				
Depreciation	1,938,896	92,756,785	2,908,074	129,700,100
Current tax expense	6,482	310,099	59,368	2,704,212
Deferred tax expense	11,478	549,108	—	—
Changes in operating assets and liabilities :				
Accounts receivable, net of allowances	488,301	23,311,490	(430,278)	(16,653,380)
Inventory, including goods-in-transit	(436,657)	(20,846,005)	(1,591,251)	(70,969,795)
Prepaid expenses and other assets	794,583	37,933,392	113,875	5,917,692
Accounts payable	3,122,877	149,086,148	251,179	9,155,928
Other current liabilities	(656,160)	(31,325,078)	249,640	11,133,944
Net cash generated from operating activities	**6,477,136**	**309,534,892**	**4,063,088**	**184,976,711**
Cash flows from investing activities				
Purchase of fixed assets	(6,904,339)	(330,303,578)	(315,757)	(14,082,851)
Net cash (used in) investing activities	**(6,904,339)**	**(330,303,578)**	**(315,757)**	**(14,082,851)**
Cash flows from financing activities				
Short term debt:				
Receipts	5,000,000	238,700,000	5,000,000	223,000,000
Payments	—	—	—	—
Long Term Debt:				
Receipts	27,740,000	1,324,307,600	10,695,000	476,997,000
Payments	(30,211,030)	(1,442,274,572)	(19,725,888)	(879,774,605)
Net cash generated from (used in) financing activities	**2,528,970**	**120,733,028**	**(4,030,888)**	**(179,777,605)**
Net increase (decrease) in cash and cash equivalents	**2,101,767**	**99,964,342**	**(283,557)**	**(8,883,745)**
Cash and cash equivalents, beginning of year	319,301	14,240,825	602,858	27,068,324
Cash Inflow/(Outflow) on A/c. of Exchange Difference		8,978,773		(3,943,754)
Cash and cash equivalents at the end of the year	**2,421,068**	**123,183,940**	**319,301**	**14,240,825**
Supplemental cash flow information				
Interest paid	2,403,115	114,965,022	2,666,931	121,478,707
Income taxes paid	7,764	371,430	84,443	3,846,379

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

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Mr. Niraj Tipre — Director & Chief Executive Officer

Notes to Consolidated Financial Statements

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. **Business description**

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

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

Piramal Glass-USA, Inc. 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.

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

2. **Financial statements**

a) **Basis of preparation**

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

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

b) **Basis of consolidation**

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

The consolidated financial statements of the Company and its Subsidiaries are for the years April 1, 2011 through March 31, 2012 and from April 1, 2010 through March 31, 2011. 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 and financial support from its parent company 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.**

3. 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.

4. Revenue recognition

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

5. Inventories

Inventories are valued at the lower of standard cost or market. The Company believes that the standard cost per product approximates the actual inventory cost. Goods-in-transit represents goods purchased from PGL but not received at warehouse as at year end.

6. Shipping and handling costs

The Company classifies shipping and handling costs as selling expenses.

7. Income taxes

The Company accounts for deferred taxes under the liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributed to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the 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.

8. Property, plant and equipment

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

The estimated useful lives of assets are as follows:

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

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

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

9. 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. Upon application of the Statement, the Company records the swaps at their fair values on the balance sheet. The Company has recorded an unrecognized swap gain of $ 20,078 ₹ 1,021,569 (previous year loss $ 32,709 ₹ 1,458,821) as other comprehensive gain (loss) for the year ended March 31, 2012.

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,	
		2012	2011
Derivatives designated as hedging instruments			
Liability derivatives			
Interest rate swap	Other current liabilities	12,630	32,708
	Income Statement location	**Gain/(Loss) recognized March 31,**	
		2012	**2011**
Derivatives designated as hedging instruments			
Interest rate swap	Other comprehensive income	20,078	(32,708)

NOTE B - CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

Particulars	As at March 31, 2012 USD	As at March 31, 2012 ₹	As at March 31, 2011 USD	As at March 31, 2011 ₹
Bank balance	2,421,068	123,183,940	319,301	14,240,825
Total	**2,421,068**	**123,183,940**	**319,301**	**14,240,825**

Cash balances on deposit with bank are insured by the Federal Deposit Insurance Corporation up to $ 250,000 ₹ 12,720,000 (previous year $ 250,000 ₹ 11,150,000). There are no cash equivalents at March 31, 2012 and March 31, 2011.

NOTE C - ACCOUNTS RECEIVABLE

Accounts receivable as at March 31, 2012 represents due from customers of $ 9,401,527 ₹ 478,349,693 (previous year $ 9,967,534 ₹ 444,552,016), 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 was as follows:

Particulars	As at March 31, 2012 USD	As at March 31, 2012 ₹	As at March 31, 2011 USD	As at March 31, 2011 ₹
Opening balance	1,080,525	54,977,112	1,086,905	48,475,963
Add : During the year provision	915,145	46,562,578	1,377,645	61,442,967
Less : During the year write off	(992,851)	(50,516,259)	(1,384,025)	(61,727,515)
Closing balance	**1,002,819**	**51,023,431**	**1,080,525**	**48,191,415**

NOTE D - INVENTORIES

Major classes of inventory are as follows:

Particulars	As at March 31, 2012 USD	As at March 31, 2012 ₹	As at March 31, 2011 USD	As at March 31, 2011 ₹
Finished goods	16,060,564	817,161,496	17,419,703	776,918,754
Raw material	1,628,219	82,843,783	1,392,856	62,121,378
Packaging	979,862	49,855,379	784,591	34,992,759
Moulds	997,066	50,730,718	622,185	27,749,451
Goods-in-transit	2,382,591	121,226,230	1,392,310	62,097,026
Total	**22,048,302**	**1,121,817,606**	**21,611,645**	**963,879,367**

NOTE E - PROPERTY, PLANT AND EQUIPMENT

Property and equipment comprise the following:

Particulars	As at March 31, 2012 USD	As at March 31, 2012 ₹	As at March 31, 2011 USD	As at March 31, 2011 ₹
Land	688,691	35,040,598	688,691	30,715,619
Building	5,499,129	279,795,684	5,499,129	245,261,153
Computers	984,636	50,098,280	984,636	43,914,766
Furniture and fixtures	402,981	20,503,673	402,981	17,972,953
Plant and machinery	21,233,507	1,080,360,836	14,372,148	640,997,801
Vehicles	312,679	15,909,108	312,679	13,945,483
Capital work in progress	42,980	2,186,822	—	—
Less: Accumulated depreciation	(13,830,291)	(703,685,206)	(11,891,395)	(530,356,217)
Property, plant and equipment, net	**15,334,312**	**780,209,795**	**10,368,869**	**462,451,557**

Depreciation expense for the year ended March 31, 2012 is $ 1,938,896 ₹ 98,651,028 (previous year $ 2,908,074 ₹ 129,700,100). Of the total depreciation of $1,938,896 ₹ 98,651,028 (previous year $2,908,074 ₹ 129,700,100) depreciation included in cost of goods sold is $1,928,576 ₹ 98,125,947 (previous year $ 2,658,238 ₹ 118,557,415).

NOTE F - SHORT TERM DEBT

Short term debt comprises of the following:

Particulars	As at March 31, 2012 USD	As at March 31, 2012 ₹	As at March 31, 2011 USD	As at March 31, 2011 ₹
Loan from:				
Bank of Baroda	25,000,000	1,272,000,000	25,000,000	1,115,000,000
HSBC	5,000,000	254,400,000	—	—
Total	**30,000,000**	**1,526,400,000**	**25,000,000**	**1,115,000,000**

Bank of Baroda:

The Company has obtained working capital loan from Bank of Baroda, New York branch of $ 15,000,000 ₹ 763,200,000 for providing regular working capital. The loan is secured by Standby Letter of Credit issued by Central Bank of India, Mumbai. This Standby Letter of Credit is secured by counter guarantee of Piramal Glass Ltd and a pari passu first charge on entire fixed assets of Piramal Glass Ltd. The repayment of this working capital loan is in August 2012. The average interest rate on the working capital loan during the year ended March 31, 2012 was 2.66% per annum (previous year: 3.07% per annum) and the interest rate as at March 31, 2012 was 2.80% per annum (previous year: 2.96% per annum).

The Company has also obtained another working capital loan from Bank of Baroda, New York branch of $5,000,000 ₹ 254,400,000for providing regular working capital. The loan is secured by Standby Letter of Credit issued by Central Bank of India, Mumbai. This Standby Letter of Credit is secured by counter guarantee of Piramal Glass Ltd and a pari passu first charge on entire fixed assets of Piramal Glass Ltd. The repayment of this working capital loan is in February 2013. The average interest rate on the working capital loan during the year ended March 31, 2012 was 2.28% per annum (previous year: 2.20% per annum) and the interest rate as at March 31, 2012 was 2.80% per annum (previous year: 2.16% per annum).

The Company has further obtained working capital loan from Bank of Baroda, New York branch of $ 5,000,000 ₹ 254,400,000 for providing regular working capital. The loan is secured by Standby Letter of Credit issued by Bank of Baroda, Mumbai. This Standby Letter of Credit is secured by counter guarantee of Piramal Glass Limited and a pari passu first charge on fixed assets of Piramal Glass Limited. The repayment of this working capital loan is in June 2012. The average interest rate on the working capital loan during the year ended March 31, 2012 was 2.85% per annum (previous year: 3.16% per annum) and the interest rate as at March 31, 2012 was 2.80% per annum (previous year: 2.96% per annum).

HSBC:

The Company has obtained working capital loan from HSBC Bank USA, New York branch of $ 5,000,000 ₹ 254,400,000 for providing regular working capital. The loan is secured by Standby Letter of Credit issued by Axis Bank Limited, India. The repayment of this working capital loan is in February 2013. The average interest rate on the working capital loan during the year ended March 31, 2012 was 1.36% per annum and the interest rate as at March 31, 2012 was 1.49% per annum.

NOTE G - LONG TERM DEBT

Export-Import Bank of India:

The Company obtained term loan of $ 30,000,000 ₹ 1526,400,000 from Export-Import Bank of India for its long-term working capital requirements. This loan is secured by a corporate guarantee of Piramal Glass Limited. The loan is further secured by a pari passu first charge on entire fixed assets (movable and immovable) of PGL, present and future (excluding assets specifically charged). Repayment commenced from September 2008 with repayment in 17 step-up quarterly installments. The loan outstanding as at March 31, 2012 is $ 3,529,412 ₹ 179,576,483.

Axis Bank:

The Company obtained a term loan from Axis Bank, Singapore branch of $ 8,000,000 ₹ 407,040,000 for regular and long-term working capital. This loan is secured by a corporate guarantee of Piramal Glass Limited and is further secured by an exclusive first charge on fixed assets, stocks and receivables of the Company. Repayment commenced from March 2009 with repayment in 12 equal consecutive quarterly installments of $ 666,666. ₹ 33,919,966. This loan has been repaid in full in current year.

The Company obtained an additional term loan from Axis Bank, Singapore branch of $ 10,000,000 ₹ 508,800,000 for providing regular capital expenditure and long-term working capital. This loan is secured by a corporate guarantee of Piramal Glass Limited and is further secured by an exclusive first charge on fixed assets, stocks and receivables of the Company. Repayment commenced from August 2009 with repayment in 12 equal consecutive quarterly installments of $ 833,400 ₹ 42,403,392. The loan outstanding as at March 31, 2012 is $ 832,600 ₹ 42,362,688.

The Company has further obtained an additional term loan from Axis Bank, Singapore branch of $ 10,000,000 ₹ 508,800,000 for providing regular capital expenditure and long-term working capital. This loan is secured by a corporate guarantee of Piramal Glass

Limited and is further secured by an exclusive first charge on fixed assets, stocks and receivables of the Company. Repayment commenced from October 2010 with 12 equal consecutive quarterly installments of $ 833,400 ₹ 42,403,392 each. The loan outstanding as at March 31, 2012 is $ 4,999,600 ₹ 254,379,648.

The Company has obtained long term loan from Axis Bank, Singapore branch, of $ 20,000,000 ₹ 1017,600,000 for providing regular capital expenditure. The loan is secured by Standby Letter of Credit issued by Axis Bank Ltd, India. This Standby Letter of Credit is secured by first pari passu charge on the fixed assets of Piramal Glass Limited, both present and future. The repayment for the $ 15,000,000 ₹ 763,200,000 term loan begins from February 2015 and for the $ 5,000,000 ₹ 254,400,000 term loan from March 2015.

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

Particulars	March 31, 2012	March 31, 2011
EXIM Bank		
Loan amount USD 30 million		
Weighted average rate of interest	3.66%	4.23%
Interest rate as at March 31	3.14%	3.54%
Axis Bank		
Loan amount USD 8 million		
Weighted average rate of interest	3.85%	4.32%
Interest rate as at March 31	—	3.58%
Loan amount USD 10 million		
Weighted average rate of interest	3.59%	4.19%
Interest rate as at March 31	3.65%	3.28%
Loan amount USD 10 million		
Weighted average rate of interest	4.54%	5.16%
Interest rate as at March 31	4.57%	4.75%
Loan amount USD 15 million		
Weighted average rate of interest	5.02%	—
Interest rate as at March 31	4.91%	—
Loan amount USD 5 million		
Weighted average rate of interest	4.71%	—
Interest rate as at March 31	5.43%	—

Loan from Piramal Glass Limited

The Company, at the end of the year, had a long-term debt of $ 3,800,000 ₹ 193,344,000 (previous year $ 10,545,000 ₹ 470,307,000) from Piramal Glass Limited. The loan from the parent company is repayable in fiscal year 2013-2014. PGL charges interest on this loan at a rate based on its average borrowing costs. The weighted average interest rate, for the year ended March 31, 2012, on this debt, was 11.23% (previous year, 9.76%) per annum. The interest rate at the end of the year i.e. on March 31, 2012 was 13.0% (previous year, 11.0%) per annum.

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

Particulars	As at March 31, 2012 USD	As at March 31, 2012 ₹	As at March 31, 2011 USD	As at March 31, 2011 ₹
Loan from EXIM Bank	—	—	3,529,412	157,411,775
Loan from parent company, PGL	3,800,000	193,344,000	10,545,000	470,307,000
Loan from AXIS Bank	21,666,000	1,102,366,080	5,832,200	260,116,120
Total	**25,466,000**	**1,295,710,080**	**19,906,612**	**887,834,895**

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

Particulars	As at March 31, 2012 USD	As at March 31, 2012 ₹	As at March 31, 2011 USD	As at March 31, 2011 ₹
Loan from EXIM Bank	3,529,412	179,576,483	7,058,824	314,823,550
Loan from AXIS Bank	4,166,200	211,976,256	8,667,206	386,557,388
Total	**7,695,612**	**391,552,739**	**15,726,030**	**701,380,938**

Future loan repayment schedule is as followings:

Year ended March 31	EXIM Bank USD	EXIM Bank ₹	AXIS Bank USD	AXIS Bank ₹	PGL USD	PGL ₹
2013	3,529,412	179,576,483	4,166,200	211,976,256	—	—
2014	—	—	1,666,000	84,766,080	3,800,000	193,344,000
2015	—	—	5,000,000	254,400,000	—	—
2016	—	—	10,000,000	508,800,000	—	—
2017	—	—	5,000,000	254,400,000	—	—

NOTE H - INCOME TAXES

The provision for income tax expense is as follows:

Particulars	Period Ended March 31, 2012 USD	Period Ended March 31, 2012 ₹	Period Ended March 31, 2011 USD	Period Ended March 31, 2011 ₹
State				
Current	6,482	310,099	59,368	2,704,212
Deferred	11,478	549,108	—	—
Total	**17,960**	**859,206**	**59,368**	**2,704,212**

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

Particulars	**As at March 31, 2012 USD**	**As at March 31, 2012 ₹**	**As at March 31, 2011 USD**	**As at March 31, 2011 ₹**
Current deferred tax asset				
Accounts receivable	394,786	20,086,712	414,982	18,508,197
Inventory	536,643	27,304,396	721,356	32,172,478
Accrued expenses and provisions	802,454	40,828,860	747,949	33,358,525
Disallowed Interest Carryover	453,875	23,093,160	1,126,767	50,253,808
Current deferred tax asset	**2,187,758**	**111,313,127**	**3,011,054**	**134,293,008**
Less: valuation allowance	—	—	(3,011,054)	(134,293,008)
Current deferred tax asset, net	**2,187,758**	**111,313,127**	**—**	**—**
Non-current deferred tax asset				
Net operating losses	11,961,894	608,621,167	9,090,873	405,452,936
Property, plant and equipment	—	—	157,933	7,043,812
Non-current deferred tax asset	**11,961,894**	**608,621,167**	**9,248,806**	**412,496,748**
Less valuation allowance	(11,961,894)	(608,621,167)	(9,248,806)	(412,496,748)
Non-current deferred tax asset, net	—	—	—	—
Net deferred tax assets	**2,187,758**	**111,313,127**	**—**	**—**
Non-current deferred tax liability				
Property, plant and equipment	(2,199,236)	(111,897,128)	—	—
Net deferred tax liability	**(2,199,236)**	**(111,897,128)**	**—**	**—**
Net deferred tax asset/ (liability)	**(11,478)**	**(584,001)**	**NIL**	**NIL**

The Company has provided a valuation allowance $ 11,961,894 and $ 12,259,861 as of March 31, 2012 and as of March 31, 2011 respectively against the net deferred tax assets. The change in valuation allowance is $ (297,967) as on March 31, 2012.

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 current year profitability, positive projections for years in foreseeable future and availability of temporary taxable differences, management believes that it is more likely than not that current deferred tax asset may reverse in foreseeable future and hence recognized deferred tax asset for the same. With respect to deferred tax asset on net operating losses, there is no reasonable certainty with respect to its reversal in foreseeable future and hence valuation allowance has been provided against the same.

The Company has net operating loss carry forwards of approximately $ 30,762,248 as of March 31, 2012 available to reduce future federal income taxes. If not used, the carry forwards will expire over the period of tax years 2026 to 2031. The state net operating losses and their availability for future utilization vary from state to state.

Accounting for uncertain tax position

Effective April 1, 2009 the Company adopted the accounting standard regarding “Accounting for Uncertain Tax Positions.” (FASB ASC 740-10) This standard provides detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in the enterprise’s financial statements. It requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination . The adoption of the standard has had no material effect on the Company’s financial position, results of operations or cash flow. The tax years of 2008 and 2010 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, 2012 was $ 812,925 ₹ 38,890,332 (previous year $ 852,140 ₹ 38,814,977).

At March 31, 2012 future rental commitments for the non-cancelable leases are as follows:

Year	Rental Commitments US$	Rental Commitments ₹
2013	545,835	27,772,085
2014	199,614	10,156,360
2015	176,506	8,980,625
2016	74,856	3,808,673
2017	45,612	2,320,739
2018	29,425	1,497,144
Total	**1,071,848**	**54,535,626**

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

The Company had the following transactions with its parent, Piramal Glass Limited

Particulars	As at March 31, 2012 USD	As at March 31, 2012 ₹	As at March 31, 2011 USD	As at March 31, 2011 ₹
Piramal Glass Limited				
Transactions during the year				
▪ Reimbursement of expenses paid to PGL	952,244	45,555,353	418,751	19,074,108
▪ Reimbursement of expenses received from PGL	—	—	4,500	204,975
▪ Interest accrued on loan	502,032	24,017,211	400,592	18,246,966
▪ Purchases, including goods-in-transit	13,733,074	656,990,260	13,369,279	608,970,658
▪ Term loan received	7,740,000	393,811,200	10,695,000	476,997,000
▪ Term loan repaid	14,485,000	736,996,800	5,000,000	223,000,000
Balance at year end				
▪ Outstanding long term loan	38,000,000	1,933,440,000	10,545,000	470,307,000
▪ Payable for other expenses	1,287,921	65,529,420	662,569	29,550,577
▪ Payable for interest	306,834	15,611,714	210,159	9,373,091
▪ Trade payables	6,854,014	348,732,232	5,017,030	223,759,538

The weighted average interest rate, for the year ended March 31, 2012, on the long term loan from PGL, was 11.23% (previous year, 9.76%) per annum. The interest rate at the end of the year i.e. on March 31, 2012 was 13.0 % (previous year, 11.0%) per annum.

NOTE K - RETIREMENT PLANS

The Company has two defined contribution plans, a plan for salaried employees and a plan for eligible union employees, to which it contributes 3.50% of employees' compensation. The contribution for the year ended March 31, 2012 was $ 844,402 ₹ 40,396,192 (previous year $ 678,387 ₹ 30,900,528). At March 31, 2012, accrued pension – hourly includes $ Nil (previous year $ 8,201), and accrued pension – salaries includes $ Nil (previous year $ 13,907), due under these plans.

The Company also contributes to two 401(k) plans for salaried and eligible union personnel. The contribution for the year ended March 31, 2012 was $ 150,513 (previous year $ 110,944). At March 31, 2012, 401(k) savings – employer includes $ Nil (previous year $ 30,798) due under these plans.

NOTE L - SHIPPING AND HANDLING COSTS

The amount of shipping and handling costs for the year ended March 31, 2012 was $ 1,468,600 ₹ 70,257,824 (previous year $ 1,321,772 ₹ 60,206,714).

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 41.31% (previous year 29.54%) of total sales and 37.36 % (previous year 32.87%) of accounts receivables. One customer accounted for approximately 10.56% of total sales during the year and no single customer accounted for more than 10 % of the accounts receivable as at March 31, 2012.

The Company buys certain raw materials from a limited number of suppliers. Management believes that other suppliers could provide these materials on comparable terms. 71.62% (previous year 72.69%) of total employees are subjected to collective bargain 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 April 15, 2012 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 2012.

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 2012, the business has improved with the turnover increasing by 16% and the operating margin has also improved. Management is satisfied with growth in business. The company has added new customers during the year as well as expanded its geographical reach; both on its own strength and via its overseas holding company. The company anticipates to maintain its gross profit margins and continue improving its operating profits and cash flows. In addition, the ultimate parent undertaking has confirmed to provide their ongoing support for meeting any shortfalls in the working capital and assist with any cash requirements of the business, during this period of growth.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £88,286 ₹ 80,18,244. 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 period. In preparing those financial statements, the directors are required to:

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

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

In so far as the directors are aware:

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

AUDITOR

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

Registered office:

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 2012

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 2012. 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 Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's 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 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 2012 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
(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 2012

Profit and Loss Account

Year ended March 31, 2012 and March 31, 2011

	Note	Year Ended March 2012 GBP	Year Ended March 2012 ₹	Year Ended March 2011 GBP	Year Ended March 2011 ₹
TURNOVER	**2**	736,140	56,285,264	635,454	44,894,825
Cost of sales		595,945	45,565,955	500,739	35,377,210
GROSS PROFIT		**140,195**	**10,719,310**	**134,715**	**9,517,615**
Administrative expenses		51,903	3,968,503	69,362	4,900,425
EXCHANGE Gain / Loss			(1,267,897)		1,332,709
OPERATING PROFIT	**3**	**88,292**	**8,018,703**	**65,353**	**3,284,480**
Interest receivable		56	4,282	35	2,473
Interest payable and similar charges	**4**	(51)	(3,899)	—	—
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**88,297**	**8,019,085**	**65,388**	**3,286,953**
Tax on profit on ordinary activities	**5**	11	841	—	—
PROFIT FOR THE FINANCIAL YEAR		**88,286**	**8,018,244**	**65,388**	**3,286,953**
Balance brought forward		(768,138)	(63,701,927)	(833,526)	(66,988,880)
Balance carried forward		(679,852)	(55,683,683)	(768,138)	(63,701,927)

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, 2012 has been done using average rate of 1 GBP = 76.46 ₹

KAJAINE LIMITED
Chartered Accountants
& Registered Auditors

Vijay Shah — Director
Sandeep Arora — Director & Company Secretary

Balance Sheet

As at March 31, 2012 and March 31, 2011

	Note	31 March 2012 GBP	31 March 2012 ₹	31 March 2011 GBP	31 March 2011 ₹
FIXED ASSETS					
Tangible assets	6	—	—	—	—
CURRENT ASSETS					
Stocks	7	127,206	10,371,105	218,225	15,642,368
Debtors	8	159,386	12,994,741	136,282	9,768,694
Cash at bank		74,391	6,065,098	179,623	12,875,377
		360,983	29,430,944	534,130	38,286,438
CREDITORS: Amounts falling due within one year	9	166,288	13,557,461	439,225	31,483,648
NET CURRENT ASSETS		194,695	15,873,483	94,905	6,802,790
TOTAL ASSETS LESS CURRENT LIABILITIES		**194,695**	**15,873,483**	**94,905**	**6,802,790**
CREDITORS: Amounts falling due after more than one year	10	724,547	59,072,317	713,043	51,110,922
		(529,852)	**(43,198,834)**	**(618,138)**	**(44,308,132)**
CAPITAL AND RESERVES					
Called-up equity share capital	12	150,000	11,594,000	150,000	11,594,000
Profit and loss account		(679,852)	(55,683,683)	(768,138)	(63,701,927)
Foreign Exchange Reserve			890,849		7,799,795
DEFICIT		**(529,852)**	**(43,198,834)**	**(618,138)**	**(44,308,132)**

These financial statements were approved by the directors and authorised for issue on 18 April 2012, and are signed on their behalf by:

* Rupee equivalent of GBP in audited statement as at March 31, 2012 and as at March 31, 2011 has been done using closing rate of 1 GBP = 81.53 ₹ (B/S items) and 1 GBP = 76.46 ₹ (P&L items - 12 months avg.) and 1 GBP = 71.68 ₹ (B/S items) and 1 GBP = 70.65 ₹ (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

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 2011 to 31 Mar 2012 GBP	Year Ended 1 Apr 2011 to 31 Mar 2012 ₹	Year Ended 1 Apr 2010 to 31 Mar 2011 GBP	Year Ended 1 Apr 2010 to 31 Mar 2011 ₹
United Kingdom	508,277	38,862,859	284,044	20,067,709
Overseas	227,863	17,422,405	351,410	24,827,116
	736,140	**56,285,264**	**635,454**	**44,894,825**

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	Year Ended 1 Apr 2011 to 31 Mar 2012 GBP	Year Ended 1 Apr 2011 to 31 Mar 2012 ₹	Year Ended 1 Apr 2010 to 31 Mar 2011 GBP	Year Ended 1 Apr 2010 to 31 Mar 2011 ₹
Directors' remuneration	—	—	—	—
Depreciation of owned fixed assets	—	—	73	5,157
Auditor's remuneration				
– as auditor	3,500	267,610	6,097	430,753
– for other services	10,250	783,715	—	—
Net (profit)/loss on foreign currency translation	(5,686)	(434,752)	2,003	141,512

4. INTEREST PAYABLE AND SIMILAR CHARGES

	Year Ended 1 Apr 2011 to 31 Mar 2012 GBP	Year Ended 1 Apr 2011 to 31 Mar 2012 ₹	Year Ended 1 Apr 2010 to 31 Mar 2011 GBP	Year Ended 1 Apr 2010 to 31 Mar 2011 ₹
Interest payable on bank borrowing	51	3,899	—	—

5. TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

	Year Ended 1 Apr 2011 to 31 Mar 2012 GBP	Year Ended 1 Apr 2011 to 31 Mar 2012 ₹	Year Ended 1 Apr 2010 to 31 Mar 2011 GBP	Year Ended 1 Apr 2010 to 31 Mar 2011 ₹
Current tax:				
UK Corporation tax based on the results for the year at 20% (2011 - –%)	11	841	—	—
Total current tax	**11**	**841**	**—**	**—**

6. TANGIBLE FIXED ASSETS

	Office Equipment GBP	Office Equipment ₹
COST		
At 1 April 2011 and 31 March 2012	5,304	432,435
DEPRECIATION		
At 1 April 2011 and 31 March 2012	5,304	432,435
NET BOOK VALUE		
At 31 March 2012	**—**	—
At 31 March 2011	—	—

7. STOCKS

	31 March 2012 GBP	31 Mar 2012 ₹	31 Mar 2011 GBP	31 Mar 2011 ₹
Finished goods	127,206	10,371,105	218,225	15,642,368

8. DEBTORS

	31 March 2012 GBP	31 Mar 2012 ₹	31 Mar 2011 GBP	31 Mar 2011 ₹
Trade debtors	157,453	12,837,143	112,857	8,089,590
VAT recoverable	—	—	20,630	1,478,758
Prepayments and accrued income	1,933	157,597	2,795	200,346
	159,386	**12,994,741**	**136,282**	**9,768,694**

9. CREDITORS: Amounts falling due within one year

	31 March 2012 GBP	31 Mar 2012 ₹	31 Mar 2011 GBP	31 Mar 2011 ₹
Trade creditors	61,046	4,977,080	35,538	2,547,364
Amounts owed to group undertakings	79,637	6,492,805	383,611	27,497,236
Other creditors including taxation:				
Corporation tax	11	897	—	—
VAT	12,518	1,020,593	—	—
Other creditors	8,263	673,682	13,184	945,029
	20,792	1,695,172	13,184	945,029
Accruals and deferred income	4,813	392,404	6,892	494,019
	166,288	**13,557,461**	**439,225**	**31,483,648**

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

	31 March 2012 GBP	31 Mar 2012 ₹	31 Mar 2011 GBP	31 Mar 2011 ₹
Amounts owed to group undertakings	724,547	59,072,317	713,043	51,110,922

11. 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 available.

12. SHARE CAPITAL

Authorised share capital:

	31 March 2012 GBP	31 Mar 2012 ₹	31 Mar 2011 GBP	31 Mar 2011 ₹
5,000,000 Ordinary shares of £1 each	5,000,000	5,000,000	5,000,000	5,000,000

Allotted, called up and fully paid:

	31 March 2012 GBP	31 Mar 2012 ₹	31 Mar 2011 GBP	31 Mar 2011 ₹
150,000 Ordinary shares of £1 each	150,000	150,000	150,000	150,000

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

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, 2012.

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 2012 and as at 31st March 2011 have been done using closing rate of 1 Euro = 67.91 ₹ (B/S items) and 1 Euro = 66.24 ₹ (P&L items - 12 Months Avg.) and 1 Euro = 63.42 ₹ (B/S items) and 1 Euro = 60.23 ₹ (P&L items - 12 Months Avg.) as of respective dates.

FINANCIAL RESULTS

TURNOVER AND PROFIT / (LOSS)	Year ended 31 March, 2012		Year ended 31 March, 2011	
	EUR	₹ in Mio	EUR	₹ in Mio
Net Turnover	7,264,954	481.23	2,818,614	169.77
Profit before Tax	349,807	23.17	26,447	1.59
Profit / (Loss) after Tax	231,743	15.35	15,561	0.94

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 7,264,954 (₹ 481.23 mio) as against Euro 2,818,614 (₹ 169.77 mio) in the previous year and the profit after tax is Euro 231,743 (₹ 15.35 mio) as against Euro 15,561 (₹ 0.94 mio) in the previous year.

CAPITAL EXPENDITURE AND INVESTMENTS

The Company spent an amount of Euro 5,478 (₹ 0.36 mio) on capital expenditure during the year as against Euro Nil (₹ Nil) 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, 2012.

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, 2012 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 27, 2012

Independent Auditor's Report

Shareholders of

Piramal Glass Europe SARL

We have audited the attached balance sheet of Piramal Glass Europe SARL ("the Company") as at March 31, 2012 and the profit and loss account and the cash flow statement for the year April 1, 2011 to March 31, 2012 annexed thereto. 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 India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion and to the best of our information and according to the explanations given to us, the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of sub-section (4A) of section 227 of the Companies Act, 1956 ("the Act") is not applicable to the Company for the period under review, it being a foreign company having no place of business established within India as defined under Section 591 (1) (a) of the Act;

Further to our comments on non-applicability of CARO, we report that:

i) 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;

ii) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;

iii) the balance sheet and profit and loss account dealt with by this report are in agreement with the books of account;

iv) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet and profit and loss account dealt with by the report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

v) in our opinion, the provisions of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 are not applicable

vi) in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes and significant accounting policies thereon, 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, in the case of

  a) the balance sheet, of the Company's state of affairs as at March 31, 2012;

  b) the profit and loss account, of the profit for the year ended on that date; and

  c) the cash flow statement, of the cash flows for the year ended on that date.

Atlanta, Georgia
April 28, 2012

KNAV P.A.
Certified Public Accountants
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Balance Sheet

as at March 31, 2012 and March 31, 2011

	Notes	As at March 31, 2012 EUR	As at March 31, 2012 ₹	As at 31 March 2011 EUR	As at March 31, 2011 ₹
Equity and liabilities					
Shareholders' funds					
Share capital	4	50,000	3,130,000	50,000	3,130,000
Reserves and surplus	5	247,303	15,350,656	15,561	937,239
Exchange Reserve			1,709,190		90,639
		297,303	**20,189,846**	**65,561**	**4,157,878**
Current liabilities					
Short-term borrowings	6	50,575	3,434,548	—	—
Trade payables		3,250,514	220,742,406	2,662,192	168,836,217
Other current liabilities	7	8,601	584,094	70,350	4,461,597
Short-term provisions	8	164,361	11,161,756	23,029	1,460,499
		3,474,051	**235,922,803**	**2,755,571**	**174,758,313**
Total		**3,771,354**	**256,112,650**	**2,821,132**	**178,916,191**
Assets					
Non-current assets					
Fixed assets					
Tangible assets	9	2,096	142,339	—	—
		2,096	**142,339**	**—**	**—**
Long term loans and advances	10	550	37,351	550	34,881
Current assets					
Inventories	11	1,706,108	115,861,794	1,231,804	78,121,010
Trade receivables	12	1,763,052	119,728,861	1,359,550	86,222,661
Cash and bank balances	13	62,005	4,210,760	91,508	5,803,437
Short-term loans and advances	14	237,543	16,131,545	137,720	8,734,202
		3,768,708	**255,932,960**	**2,820,582**	**178,881,310**
Total		**3,771,354**	**256,112,650**	**2,821,132**	**178,916,191**

See accompanying notes to the financial statements

Rupee equivalent of EUR in audited statement as at March 2012 and as at March 2011 has been done using closing rate of 1 EUR = 67.91 ₹ (B/S items) and 1 EUR = 66.24 ₹ (P&L items-12 months avg.) and 1 EUR = 63.42 ₹ (B/S items) and 1 EUR = 60.23 ₹ (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, 2012 and March 31, 2011

	Notes	Year ended 31 March 2012 EUR	Year ended 31 March 2012 ₹	Year ended 31 March 2011 EUR	Year ended 31 March 2011 ₹
Income					
Revenue from operations	**15**	7,264,954	481,230,553	2,818,614	169,765,121
Less : VAT		666,023	44,117,364	237,756	14,320,044
Total Revenue		**6,598,931**	**437,113,189**	**2,580,858**	**155,445,077**
Expenses					
Cost of materials consumed	**16**	6,522,787	432,069,411	2,807,399	169,089,642
Increase in finished goods	**17**	(908,832)	(60,201,032)	(549,256)	(33,081,689)
Staff cost	**18**	44,236	2,930,193	31,973	1,925,734
Depreciation expense	**9**	3,381	223,957	—	—
Other expenses	**19**	587,552	38,919,444	264,295	15,918,488
Total expenses		**6,249,124**	**413,941,974**	**2,554,411**	**153,852,175**
Profit before tax		**349,807**	**23,171,216**	**26,447**	**1,592,903**
Tax expense					
Current tax		118,064	7,820,559	10,886	655,664
Profit for the period		**231,743**	**15,350,656**	**15,561**	**937,239**
Earnings per share					
Equity share					
– Basic		46.35		3.11	
– Diluted		46.35		3.11	
– 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 2012 and as at March 2011 has been done using closing rate of 1 EUR = 67.91 ₹ (B/S items) and 1 EUR = 66.24 ₹ (P&L items-12 months avg.) and 1 EUR = 63.42 ₹ (B/S items) and 1 EUR = 60.23 ₹ (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, 2012 and March 31, 2011

	Year ended March 31, 2012 EUR	Year ended March 31, 2012 ₹	Year ended March 31, 2011 EUR	Year ended March 31, 2011 ₹
Cash flow from operating activities				
Net profit before taxation	349,807	23,171,216	26,447	1,592,864
Non cash adjustment to reconcile profit before tax to net cash flows:				
Depreciation expense	3,381	223,957		
Adjustments for changes in :				
Increase in trade receivables	(403,570)	(33,510,818)	(1,359,481)	(86,218,285)
Increase in trade inventories	(474,304)	(37,740,785)	(1,231,804)	(78,121,010)
Increase in loans and advances	(99,755)	(7,392,725)	(138,338)	(8,773,396)
Increase in trade payables	588,322	51,906,189	2,662,192	168,836,217
Increase/(Decrease) in other current liabilities	(61,750)	(3,877,503)	70,350	4,461,597
Increase in short term borrowings	50,575	3,434,548		
Increase in provisions	27,814	2,181,824	12,142	770,046
Cash provided by/(used in) operations	**(19,480)**	**(1,604,096)**	**41,508**	**2,548,033**
Taxes paid (net of refunds)	(4,546)	(301,127)		
Net cash (used in)/provided by operating activities (A)	**(24,026)**	**(1,905,223)**	**41,508**	**2,548,033**
Cash flows from investing activities				
Purchase of fixed assets	(5,478)	(362,863)		
Net cash used in investing activities (B)	**(5,478)**	**(362,863)**	**—**	**—**
Cash flows from financing activities				
Proceeds from issuance of share capital			50,000	3,130,000
Net cash provided by financing activities (C)			**50,000**	**3,130,000**
Net(decrease) / increase in cash and cash equivalents (A + B + C)	**(29,504)**	**(2,268,086)**	**91,508**	**5,678,033**
Cash and cash equivalents at the beginning of the year	91,508	5,678,033		
Cash Inflow / (Outflow) on account of Foreign Exchange Difference		800,813		125,405
Cash and cash equivalents at the end of the year	**62,004**	**4,210,760**	**91,508**	**5,803,437**
Components of cash and cash equivalents				
Balance with schedule banks	61,430	4,171,711	91,508	5,803,437
Bank receivable interest	575	39,048		

See accompanying notes to the financial statements

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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, 2012 and March 31, 2011. 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

During the year ended 31 March 2012, revised Schedule VI notified by the Companies Act, 1956 become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact the recognition and measurement principles followed for preparation of financial statements. However it has a significant impact on the presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

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 Accounts receivable & allowance for doubtful accounts

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

3.5: 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 earning per share is 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.

3.6 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.

3.7 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

3.8 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, 2012 EUR**	**As at March 31, 2012 ₹**	**As at March 31, 2011 EUR**	**As at March 31, 2011 ₹**
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, 2012**		**Equity Shares March 31, 2011**	
	Number	**Amount**	**Number**	**Amount**
Equity Shares of Euro 10 par value				
Shares outstanding at the beginning of the period	5,000	50,000	—	—
Shares issued during the period	—	—	**5,000**	**50,000**
Shares outstanding at the end of the period	**5,000**	**50,000**	**5,000**	**50,000**

4.2 Term / Rights attached to equity share

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, 2012		As at March 31, 2011	
	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 31,2012		As at March 21, 2011	
	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, 2012 EUR	As at March 31, 2012 ₹	As at March 31, 2011 EUR	As at March 31, 2011 ₹
Surplus				
Opening balance	15,560	1,030,694	—	—
Add: Net profit for the year	231,743	15,350,656	15,560	937,179
Closing balance	247,303	16,381,351	15,560	937,179
Total	**247,303**	**16,381,351**	**15,560**	**937,179**

6. Short-term borrowings

	As at March 31, 2012 EUR	As at March 31, 2012 ₹	As at March 31, 2011 EUR	As at March 31, 2011 ₹
Loans repayable on demand				
From banks				
Unsecured	50,575	3,434,548	—	—
Total	**50,575**	**3,434,548**	**—**	**—**

7. Other current liabilities

	As at March 31, 2012 EUR	As at March 31, 2012 ₹	As at March 31, 2011 EUR	As at March 31, 2011 ₹
Other payables	8,601	584,094	70,350	4,461,597
Total	**8,601**	**584,094**	**70,350**	**4,461,597**

8. Short term provisions

	As at March 31, 2012 EUR	As at March 31, 2012 ₹	As at March 31, 2011 EUR	As at March 31, 2011 ₹
Provision for employee benefits				
Leave encashment	5,308	360,466	1,909	121,069
Social security	11,933	810,370	4,063	257,675
Medical reimbursements	163	11,069	—	—
Others provisions				
Provision for audit fees	11,500	780,965	—	—
Provision for accounting fees	4,882	331,537	—	—
Provision for taxes	130,575	8,867,348	17,057	1,081,755
Total	**164,361**	**11,161,756**	**23,029**	**1,460,499**

9. Fixed assets

	As at March 31, 2012 EUR	As at March 31, 2012 ₹	As at March 31, 2011 EUR	As at March 31, 2011 ₹
Tangible assets				
Gross block				
Additions during the period	5,477	371,943	—	—
Total	**5,477**	**371,943**	**—**	**—**
Less:				
Accumulated amortization				
Amortization for the period	3,381	229,604	—	—
Net block	**2,096**	**142,339**	**—**	**—**

10. Long term loans and advances

	As at March 31, 2012 EUR	As at March 31, 2012 ₹	As at March 31, 2011 EUR	As at March 31, 2011 ₹
Other loans and advances				
Security deposits	550	37,351	550	34,881
Total	**550**	**37,351**	**550**	**34,881**

11. Inventories

	As at March 31, 2012 EUR	As at March 31, 2012 ₹	As at March 31, 2011 EUR	As at March 31, 2011 ₹
Finished goods	1,458,088	99,018,756	549,256	34,833,816
Goods in transit	248,020	16,843,038	682,548	43,287,194
Total	**1,706,108**	**115,861,794**	**1,231,804**	**78,121,010**

12. Trade receivables

	As at March 31, 2012 EUR	As at March 31, 2012 ₹	As at March 31, 2011 EUR	As at March 31, 2011 ₹
Other trade receivables				
Unsecured, considered good	1,763,052	119,728,861	1,359,550	86,222,661
Total	**1,763,052**	**119,728,861**	**1,359,550**	**86,222,661**

13. Cash and bank balances

	As at March 31, 2012 EUR	As at March 31, 2012 ₹	As at March 31, 2011 EUR	As at March 31, 2011 ₹
Cash and cash equivalents				
Bank balance	61,430	4,171,711	91,508	5,803,437
– Bank receivable interest.	575	39,048	-	-
Total	**62,005**	**4,210,760**	**91,508**	**5,803,437**

14. Short term loans and advances

	As at March 31, 2012 EUR	As at March 31, 2012 ₹	As at March 31, 2011 EUR	As at March 31, 2011 ₹
Other loans and advances	237,543	16,131,545	137,720	8,734,202
Total	**237,543**	**16,131,545**	**137,720**	**8,734,202**

15. Revenue from operations

	Year ended March 31, 2012 EUR	Year ended March 31, 2012 ₹	Year ended March 31, 2011 EUR	Year ended March 31, 2011 ₹
Revenue from operations				
Sale of products				
Finished goods	7,088,441	481,376,028	2,712,429	172,022,247
Mold sales	164,919	10,924,235	91,100	5,486,953
Other sales	11,594	767,987	15,085	908,570
Less: Sales tax	666,023	44,117,364	237,756	14,320,044
Revenue From Operations (Net)	**6,598,931**	**448,950,886**	**2,580,858**	**164,097,726**

16. Cost of materials consumed

	Year ended March 31, 2012 EUR	Year ended March 31, 2012 ₹	Year ended March 31, 2011 EUR	Year ended March 31, 2011 ₹
Cost of goods sold	5,969,245	395,402,789	2,465,665	148,507,003
Cost of samples	2,997	198,521	—	—
Cost of mould purchased	164,919	10,924,235	91,100	5,486,953
Customs duty	50,265	3,329,554	25,701	1,547,971
Carriage inwards	133,083	8,815,418	157,784	9,503,330
Decorating charges	202,278	13,398,895	67,149	4,044,384
Total	**6,522,787**	**432,069,411**	**2,807,399**	**169,089,642**

17. Increase in finished goods

	Year ended March 31, 2012 EUR	Year ended March 31, 2012 ₹	Year ended March 31, 2011 EUR	Year ended March 31, 2011 ₹
Closing stock				
Finished goods	908,832	61,718,781	549,256	34,833,816
Increase in finished goods	**(908,832)**	**(61,718,781)**	**(549,256)**	**(34,833,816)**

18. Staff cost

	Year ended March 31, 2012 EUR	Year ended March 31, 2012 ₹	Year ended March 31, 2011 EUR	Year ended March 31, 2011 ₹
Wages	14,227	942,396	20,568	1,238,811
Social security	15,712	1,040,763	6,362	383,183
Pension	3,654	242,041	1,172	70,590
Staff welfare	10,643	704,992	3,871	233,150
Total	**44,236**	**2,930,193**	**31,973**	**1,925,734**

19. Other expenses

	Year ended March 31, 2012 EUR	Year ended March 31, 2012 ₹	Year ended March 31, 2011 EUR	Year ended March 31, 2011 ₹
Utilities	1,678	111,151	1,174	70,710
Office items	3,463	229,389	1,808	108,896
Office rent	8,255	546,811	7,018	422,694
Bank interest	36,266	2,402,260	—	—
Exchange loss	15,001	993,666	719	43,305
Carriage sampling	1,432	94,856	1,021	61,495
Exhibition cost	13,195	874,037	—	—
Postage and communication	5,372	355,841	2,656	159,971
Insurance	399	26,430	176	10,600
Storage cost	114,730	7,599,715	31,342	1,887,729
Accounting fees	55,026	3,644,922	37,168	2,238,629
Management fees	132,000	8,743,680	99,000	5,962,770
Transport cost	146,714	9,718,335	72,342	4,357,159
Legal fees	1,101	72,930	1,000	60,230
Training expenses	657	43,520	253	15,238
Travelling expense	7,801	516,738	2,163	130,277
Rates and taxes	17,950	1,189,008	4,695	282,780
Bank charges	5,129	339,745	1,760	106,005
	566,169	**37,503,035**	**264,295**	**15,918,488**
Payment to Auditors				
Audit fees	21,383	1,416,410	—	—
Total	**587,552**	**38,919,444**	**264,295**	**15,918,488**

20. Financial year

The financial statements are for the year April 1, 2011 to March 31, 2012 and previous period's financial statements are presented from April 1, 2010 to March 31, 2011.

21. 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, 2012 EUR	Year ended March 31, 2012 ₹	Year ended March 31, 2011 EUR	Year ended March 31, 2011 ₹
Transactions during the year				
PGL, India				
Purchases of glass products from PGL India	5,969,245	395,402,789	3,312,149	199,490,734
Payment for management fees	132,000	8,743,680	99,000	5,962,770
Account payable at year end PGL, India	**2,870,791**	**190,161,196**	**2,561,280**	**154,265,894**

22. Deferred Tax

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

Particulars	Year ended March 31, 2012 EUR	Year ended March 31, 2012 ₹	Year ended March 31, 2011 EUR	Year ended March 31, 2011 ₹
Deferred tax asset				
Social contribution to solidarity	2,157	142,880	1,373	82,696
Foreign currency transaction liability	—	—	698	42,041
Deferred tax asset	**2,157**	**142,880**	**2,071**	**124,736**
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.

23. 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, 2012	For the year ended March 31, 2011
Net income after tax	231,743	15,561
Weighted average number of equity shares outstanding during the year	5,000	5,000
Earnings per share	**46.35**	**3.11**

24. 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.

Piramal Glass
knowledge action care

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