Piramal Glass
knowledge action care

Accounts of Subsidiary Companies
2013 - 2014

Contents

Report on the affairs of the Company

TO THE SHAREHOLDERS

The Board of Directors have pleasure in presenting the 59th Annual Report and the Audited Financial Statements of the Company for the year ended 31st March 2014.

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 occurring after the reporting date.

PRINCIPAL ACTIVITY

Principal activity of the Company is the manufacture and sale of Glass Containers. The Company owns Freehold Land at Rahtmalana (0.7 Acres - SLR 39 Mn) and Nattandiya (54 Acres - SLR 99Mn) and Leasehold Land at Horana (31 Acres - SLR 29.9 Mn) and Nattandiya (9 Acres - SLR 1.2Mn). During the year under review, Company sold 20 Acres of Rathmalana Freehold Land & obtained 6 Acres of Leasehold Land from BOI adjoining to existing factory land at Horana.

CURRENCY

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

FINANCIAL RESULTS

	2014 SLR 000'	2014 ₹ in Mio	2013 SLR 000'	2013 ₹ in Mio
Revenue	5,220,116	2,424.22	5,500,908	2,310.38
Cost of Sales	(4,414,162)	(2,049.94)	(3,954,397)	(1,660.85)
Gross Profit	**805,954**	**374.29**	**1,546,511**	**649.53**
Other Operating Income	13,277	6.17	9,817	4.12
Profit on Disposal of Investment Property	652,361	302.96	-	-
Selling and Distribution Expenses	(97,516)	(45.29)	(75,969)	(31.91)
Administrative Expenses	(331,965)	(154.16)	(457,055)	(191.96)
Operating Profit	**1,042,111**	**483.96**	**1,023,304**	**429.79**
Finance Costs	(201,767)	(93.70)	(257,331)	(108.08)
Finance Income	984	0.46	1,334	0.56
Profit before Tax	**841,328**	**390.71**	**767,307**	**322.27**
Income Tax Expense	(5,460)	(2.54)	(45,750)	(19.21)
Profit for the Year	**835,868**	**388.18**	**721,557**	**303.05**

SALES HIGHLIGHTS

The total revenue achieved for the year was at SLR 5,220 million (₹ 2424 million) as against the SLR 5,501 (₹ 2,310 million) of the previous year. Exports grew for the 5th Consecutive years reporting growth indicators of 6% in Value & 28% in Volume in volume whilst the Domestic sales saw a decline of 9%.

PRODUCTION HIGHLIGHTS

The plant had to undergo some unexpected repairs to its boosting transformer which curtailed the production by 20% in the 2nd half of the year under review. Now the repairs are completed and the plant is operating on 100% capacity.

EMPLOYMENT

The Company employed a total of 402 persons as at 31st March 2014. (2013 was 418)

CAPITAL EXPENDITURE AND INVESTMENTS

During the year the Company acquired Property, Plant and Equipment to the aggregate value of SLR 304,434,757/- ₹ 139,613,779 (Year Ended 31 March 2013 - SLR. 227,547,800/- ₹ 97,845,554) for cash. The capital commitments as at the reporting date are disclosed in Note 21.1 to the Financial Statements.

SHARE CAPITAL

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

SHARE HOLDINGS

There were 14,229 registered shareholders as at 31st March 2014, (2013 was 14,027), and the distribution of shares is indicated in page 56.

EVENTS OCCURING AFTER THE REPORTING DATE

The Events occurring after the reporting date are disclosed in Note 23 to the Financial Statements. No events have taken place since the Reporting 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 Umesh 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 20.1 to the Financial Statements. The share ownership of directors is indicated below.

DIRECTORS' SHAREHOLDINGS

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

	2014	2013
Dr. C.T.S.B. Perera	50,000	50,000

DIRECTORS' EMOLUMENTS

The remunerations and other benefits made to the Directors during the year are disclosed in Note 20.2.

DONATIONS

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

AUDITORS

The 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/ provided to Messrs. Ernst & Young for the FY 2014 is SLR 630,000 ₹ 292,572/- (2013 SLR 600,000/- ₹ 252,000) and fees and expenses for taxation services is SLR 230,000/- ₹ 106,812 (2013 SLR 221,188/- ₹ 92,899). As far as the Directors are aware, the auditors do not have any other relationship with the Company or any of its affricate company.

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

25th April 2014.

Directors' Responsibilities for the preparation of Financial Statements

The responsibilities of the Directors, in relation to the Financial Statements of Piramal Glass Ceylon PLC are set out in this Statement. The Auditors' Report sets out the respective responsibilities of the Directors and the External Auditors relating to the Financial Statements and this statement provides additional information. The responsibilities of the Auditors, in relation to the Financial Statements, are set out in the Auditors' Report on page 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 2013/2014 prepared and presented in this Annual report have been prepared based on new Sri Lanka Accounting Standards (SLFRS) which came to effect from 01st January 2012, are in agreement with the underlying books of account and are in conformity with the requirements of the Sri Lanka Accounting Standards, Companies Act No. 7 of 2007, Sri Lanka Accounting and Auditing Standards Act No. 15 of 2000 and the New Listing Rules of the Colombo Stock Exchange. The responsibility of the Directors, in relation to the Financial Statements, is set out in the following statement.

Under section 151 (1) of the Companies Act No. 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

25th April 2014

Auditors' Report

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF PIRAMAL GLASS CEYLON PLC

Report on the Financial Statements

We have audited the accompanying financial statements of Piramal Glass Ceylon PLC ("Company") which comprise the statement of financial position as at 31 March 2014, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Scope of Audit and Basis of Opinion

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

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by the management, as well as evaluating the overall financial statement presentation.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. We therefore believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, so far as appears from our examination, the Company maintained proper accounting records for the year ended 31 March 2014 and the financial statements give a true and fair view of the Company's financial position as at 31 March 2014 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Report on Other Legal and Regulatory Requirements

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

25 April 2014

Colombo.

Income Statement

Year ended 31 March 2014

	Note	2014 SLR	2014 ₹ *	2013 SLR	2013 ₹ *
Revenue	3.1	5,220,116,160	2,424,221,945	5,500,908,178	2,310,381,435
Cost of Sales		(4,414,162,206)	(2,049,936,928)	(3,954,397,426)	(1,660,846,919)
Gross Profit		**805,953,954**	**374,285,016**	**1,546,510,752**	**649,534,516**
Other Operating Income	4.1	13,277,498	6,166,070	9,817,042	4,123,158
Profit on Disposal of Investment Property		652,361,120	302,956,504	-	-
Selling and Distribution Expenses		(97,516,069)	(45,286,462)	(75,968,670)	(31,906,841)
Administrative Expenses		(331,965,139)	(154,164,610)	(457,055,048)	(191,963,120)
Operating Profit		**1,042,111,364**	**483,956,518**	**1,023,304,076**	**429,787,712**
Finance Costs	4.3	(201,766,538)	(93,700,380)	(257,331,657)	(108,079,296)
Finance Income	4.2	983,631	456,798	1,334,192	560,361
Profit before Tax	4.4	**841,328,457**	**390,712,936**	**767,306,611**	**322,268,777**
Income Tax Expense	5.1	(5,460,046)	(2,535,645)	(45,749,610)	(19,214,836)
Profit for the Year		**835,868,411**	**388,177,290**	**721,557,001**	**303,053,940**
Earning Per Share - Basic/Diluted	6	0.88		0.76	

The accounting policies and notes on pages 7 through 36 form an integral part of the financial statements.

* Rupee equivalent of SLR in audited statement as at March 2014 and as at March 2013 has been done using average rate of 1 SLR = 0.46 ₹ and 0.42 ₹ as of respective dates.

Statement of Comprehensive Income

Year ended 31 March 2014

	Note	2014 SLR	2014 ₹ *	2013 SLR	2013 ₹ *
Profit for the Year		835,868,411	388,177,290	721,557,001	303,053,940
Other Comprehensive Income					
Gain/(Loss) on Available for Sale Financial Assets	4.5	461,620	214,376	667,184	280,217
Actuarial Gains/(Losses) on Defined Benefit Plans	5.2	(3,144,128)	(1,460,133)	2,819,499	1,184,190
Income Tax Effect relating to Oher Comprehensice Income		-		-	
Other Comprehensive Income for the Year Net of Tax		**(2,682,508)**	**(1,245,757)**	**3,486,683**	**1,464,407**
Total Comprehensive Income for the Year Net of Tax		**833,185,903**	**386,931,533**	**725,043,684**	**304,518,347**

The accounting policies and notes on pages 7 through 36 form an integral part of the financial statements.

* Rupee equivalent of SLR in audited statement as at March 2014 and as at March 2013 has been done using average rate of 1 SLR = 0.46 ₹ and 0.42 ₹ as of respective dates.

Statement of Financial Position

As at 31 March 2014

	Note	2014 SLR	2014 ₹ *	2013 SLR	2013 ₹ *
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	7	3,678,212,775	1,686,828,379	3,734,373,697	1,605,780,690
Leasehold Properties	8	27,656,840	12,683,427	21,314,750	9,165,342
Investment Properties	9	-	-	333,130,000	143,245,900
Intangible Assets	10	3,148,641	1,443,967	6,297,282	2,707,831
Available for Sale Investments	11.1	5,189,610	2,379,955	4,727,990	2,033,036
Other Receivables	13	509,726	233,760	3,869,910	1,664,061
		3,714,717,592	**1,703,569,488**	**4,103,713,629**	**1,764,596,860**
Current Assets					
Investment Property Held for Sale	9.1	-	-	333,000,000	143,190,000
Inventories	12	1,589,457,169	728,925,057	1,563,622,977	672,357,880
Trade and Other Receivables	13	1,117,189,980	512,343,325	1,044,786,442	449,258,170
Prepayments		6,853,792	3,143,149	5,672,548	2,439,196
Income Tax Recoverable		30,701,118	14,079,533	-	-
Cash and Short Term Deposits	14	134,950,179	61,888,152	59,835,826	25,729,405
		2,879,152,238	**1,320,379,216**	**3,006,917,793**	**1,292,974,651**
Total Assets		**6,593,869,830**	**3,023,948,704**	**7,110,631,422**	**3,057,571,511**
EQUITY AND LIABILITIES					
Capital and Reserves					
Stated Capital	15	1,526,407,485	611,103,301	1,526,407,485	611,103,301
Reserves	16	134,966,430	25,302,159	686,487,650	281,428,614
Retained Earnings		1,887,860,597	794,648,223	1,416,169,023	575,594,656
Exchange Gain / Loss			196,625,263		92,371,016
Total Equity		**3,549,234,512**	**1,627,678,946**	**3,629,064,158**	**1,560,497,587**
Non-Current Liabilities					
Interest Bearing Loans and Borrowings	11.2	29,985,280	13,751,250	505,582,055	217,400,284
Deferred Tax Liabilities	5.4	47,775,812	21,909,987	18,979,577	8,161,218
Employee Benefit Liability	17	115,245,276	52,851,484	111,998,832	48,159,498
		193,006,368	**88,512,720**	**636,560,464**	**273,720,999**
Current Liabilities					
Trade and Other Payables	18	1,043,101,577	478,366,383	1,083,355,631	465,842,921
Income Tax Payable		-	-	5,184,415	2,229,298
Dividends Payable	19	23,341,734	10,704,519	18,538,805	7,971,686
Interest Bearing Loans and Borrowings	11.2	1,785,185,639	818,686,134	1,737,927,949	747,309,018
		2,851,628,950	**1,307,757,036**	**2,845,006,800**	**1,223,352,924**
Total Equity and Liabilities		**6,593,869,830**	**3,023,948,704**	**7,110,631,422**	**3,057,571,511**

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

* Rupee equivalent of SLR in audited statement as at March 2014 and as at March 2013 has been done using closing rate of 1 SLR = 0.46 ₹ and 0.43 ₹ 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 7 through 36 form an integral part of the financial statements.

25th April, 2014
Colombo

Statement of Changes in Equity

Year ended 31 March 2014

	Stated Capital SLR	Revaluation Reserve SLR	Retained Earnings SLR	Available for Sale Reserve SLR	Total SLR
As at 01 April 2012	**1,526,407,485**	**682,021,019**	**1,033,823,511**	**3,799,447**	**3,246,051,462**
Profit for the Year	-	-	721,557,001	-	721,557,001
Other Comprehensive Income	-	-	2,819,499	667,184	3,486,683
Total Comprehensive Income	-	-	724,376,500	667,184	725,043,684
Dividends Paid	-	-	(342,030,988)	-	(342,030,988)
As at 31 March 2013	**1,526,407,485**	**682,021,019**	**1,416,169,023**	**4,466,631**	**3,629,064,158**
Profit for the Year	-	-	835,868,411	-	835,868,411
Revaluation Impact Eliminated on Disposal of Investment Property	-	(551,982,840)	-	-	(551,982,840)
Other Comprehensive Income	-	-	(3,144,128)	461,620	(2,682,508)
Total Comprehensive Income	-	(551,982,840)	832,724,283	461,620	281,203,063
Dividends Paid	-	-	(361,032,710)	-	(361,032,710)
As at 31 March 2014	**1,526,407,485**	**130,038,179**	**1,887,860,597**	**4,928,251**	**3,549,234,511**

The accounting policies and notes on pages 7 through 36 form an integral part of the financial statements.

	Stated Capital ₹	Revaluation Reserve ₹	Retained Earnings ₹	Available for Sale Reserve ₹	Total ₹
As at 01 April 2012	**611,103,301**	**279,628,618**	**415,009,541**	**1,519,779**	**1,307,261,239**
Profit for the Year	-	-	303,053,940	-	303,053,940
Other Comprehensive Income	-	-	1,184,190	280,217	1,464,407
Total Comprehensive Income	-	-	304,238,130	280,217	304,518,347
Dividends Paid	-	-	(143,653,015)	-	(143,653,015)
As at 31 March 2013	**611,103,301**	**279,628,618**	**575,594,656**	**1,799,996**	**1,468,126,571**
Profit for the Year	-	-	388,177,290	-	388,177,290
Revaluation Impact Eliminated on Disposal of Investment Property	-	(256,340,831)	-	-	(256,340,831)
Other Comprehensive Income	-	-	(1,460,133)	214,376	(1,245,757)
Total Comprehensive Income	-	(256,340,831)	386,717,157	214,376	130,590,702
Dividends Paid	-	-	(167,663,591)	-	(167,663,591)
As at 31 March 2014	**611,103,301**	**23,287,787**	**794,648,223**	**2,014,372**	**1,431,053,683**

* Rupee equivalent of SLR in audited statement as at March 2014 and as at March 2013 has been done using closing rate of 1 SLR = 0.46 ₹ and 0.43 ₹ as of respective dates.

Cash Flow Statement

Year ended March 31, 2014

Cash Flows Generated from Operating Activities	Note	2014 SLR	2014 ₹*	2013 SLR	2013 ₹*
Cash Flow from Operating Activities					
Net Profit before Tax		841,328,457	390712935.6	767,306,611	322268776.7
Non-cash Adjustment to Reconcile Profit before Tax to Net Cash Flows:					
Depreciation of Property, Plant and Equipment	7	425,493,325	197599100.3	418,844,528	175914701.76
Amortization of Leasehold Property	8	1,286,385	597,396.97	1,105,080	464,133.60
Amortization of Intangible Assets	10	3,148,641	1462228.88	3,148,641	1322429.22
Exchange Difference Adjustment		24,700,766	72429884.08	(2,714,303)	(1,167,150.29)
Provision for Employee Benefit Liability	17	18,095,536	8403566.835	16,899,413	7097753.46
Other Operating Income	4.1	(13,277,498)	(6,166,070)	(9,817,042)	(4,123,158)
Profit on Disposal of Investment Property		(652,361,120)	302,956,504	-	-
Finance Costs	4.3	201,766,538	93,700,380	257,331,657	108079295.9
Finance Income	4.2	(983,631)	(456,798)	(1,334,192)	(560,361)
Profit on Disposal of Property, Plant & Equipment		(22,321)	(10,365.87)	(1,750,890)	(2,788,869.18)
Operating Profit before Working Capital Changes		**849,175,077**	**1,061,228,763**	**1,449,019,503**	**606,507,553**
Working Capital Adjustments:					
(Increase) / Decrease in Inventories		(25,834,191)	(56,567,177)	(414,352,982)	-212649882.16
(Increase) / Decrease in Trade and Other Receivables and Prepayments		(104,274,950)	-75185870.81	(124,917,209)	-53714399.83
Increase / (Decrease) in Trade and Other Payables		(88,253,361)	-9205395.588	183,274,560	105966025.64
Cash Generated from Operations		**630,812,576**	**920,270,319**	**1,093,023,872**	**446,109,297**
Employee Benefit Liability Costs Paid	17	(17,993,219)	-8356051.099	(7,610,021)	-3196208.82
Interest Paid	4.3	(201,766,538)	(93,700,380)	(257,331,657)	-108079295.9
Net Cash Flow Generated from Operating Activities		**411,052,818**	**818,213,888**	**828,082,194**	**334,833,792**
Cash Flows from Investing Activities					
Acquisition of Property, Plant and Equipment	7	(304,434,757)	-141763177.3	(227,547,800)	-95570076.00
Acquisition of Leasehold Property	8	(7,628,475)	(3,542,663.79)	-	-
Proceeds from Sale of Property, Plant and Equipment		22,321	10,365.87	1,818,923	782136.89
Proceeds from Sale of Investment Property		770,000,000	357,588,000	-	-
Payments Directly Attributable to Disposal of Investment Property		(2,238,286)	(1,039,460)	-	-
Sundry Income	4.1	9,734,304	4520610.778	9,672,786	4062570.12
Dividends Received		177,878	82606.5432	144,256	60587.52
Loans & Advances Granted to Company Officers during the Year		(4,431,000)	(2,057,756)	(4,642,914)	-1996453.02
Repayment of Staff Loans by Company Officers during the Year		7,780,235	3,613,141	7,137,257	3069020.51
Net Cash Flow Used in Investing Activities		**468,982,221**	**217,411,667**	**(213,417,492)**	**(89,592,214)**
Cash Flows from Financing Activities					
Proceeds from Interest Bearing Loans and Borrowings		7,196,135,718	3341885427	3,984,777,353	1713454261.79
Dividends Paid		(352,864,465)	-163367904.6	(333,560,471)	-143431002.50
Repayment of Bank Loans		(7,503,721,072)	-3484728066	(4,440,365,109)	-1909356996.72
Finance Income	4.2	983,631	456,798	1,334,192	560360.77
Net Cash Flow Used in Financing Activities		**(659,466,188)**	**(305,753,745)**	**(787,814,034)**	**(338,773,377)**
Net Increase/(Decrease) in Cash and Cash Equivalents		220,568,851	729,871,810	(173,149,332)	(93,531,799)
Net Foreign Exchange Difference		856,986	(631,853,898.00)	1,853,800	21312910.51
Cash and Cash Equivalent at the Beginning of the Year	14	(123,355,855)	(53,043,018)	47,939,677	19175870.66
Cash and Cash Equivalent at the End of the Year	**14**	**98,069,982**	**44,974,894**	**(123,355,855)**	**(53,043,018)**

The accounting policies and notes on pages 7 through 36 form an integral part of the financial statements.

* Rupee equivalent of SLR in audited statement as at March 2014 and as at March 2013 has been done using closing rate of 1 SLR = 0.46 ₹ and 1 SLR = 0.43 (B/S items) and 1 SLR = 0.46 ₹ and 1 SLR = 0.42 ₹ (P&L items-12 months avg.) as of respective dates.

Report on the affairs of the Company

1. CORPORATE INFORMATION

1.1 General

Piramal Glass Ceylon PLC ("Company") is a public limited liability Company incorporated and domiciled in Sri Lanka and listed in the Colombo Stock Exchange. The registered office of the Company and principle place of business is located at No. 148, Maligawa Road, Borupana, Ratmalana and the production facility is located in Horana.

1.2 Principal Activities and Nature of Operations

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

1.3 Parent Entity and Ultimate Parent Entity

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

1.4 Directors' Responsibility Statement

The Board of Directors takes the responsibility for the preparation and presentation of these financial statements.

1.5 Date of Authorization for Issue

The financial statements of Piramal Glass Ceylon PLC for the year ended 31 March 2014 were authorized for issue in accordance with a resolution of the Board of Directors on 25 April 2014.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

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

2.1.1 Basis of measurement

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

The financial statements are presented in Sri Lankan Rupees.

2.1.2 Statement of Compliance

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

2.2 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

2.2.1 Significant Judgments in Applying the Accounting Policies

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

(a) Classification of Property

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

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

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

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

2.2.2 Significant Accounting Estimates and Assumptions

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

(a) Employee Benefit Liability

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

(b) Deferred Taxation

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

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.3.1 Foreign Currency Translation

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

Transactions and Balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rate at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. All differences are recognised in profit or loss.

Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

2.3.2 Revenue Recognition

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

a) **Sale of Goods**

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

b) **Interest Income**

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

c) **Dividends**

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

d) **Others**

Other income is recognized on an accrual basis.

Net gains and losses on the disposal of property, plant & equipment have been accounted for in the income statement, having deducted from proceeds on disposal, the carrying amount of the assets and related selling expenses. On disposal of revalued property, plant and equipment before the date of transition to SLFRS, amount remaining in revaluation reserve relating to that asset is transferred directly to retained earnings.

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

2.3.3 Taxation

Current Income Tax

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

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

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

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

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

Deferred Tax

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

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

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

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

Sales Tax

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

2.3.4 Property, Plant and Equipment

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

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

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

2.3.5 Leasehold Property

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

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

2.3.6 Leases

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

Company as a lessee

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

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

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

2.3.7 Borrowing Costs

Borrowing costs are recognized as an expense in the year in which they are incurred, except to the extent where borrowing costs that are directly attributable to the acquisition, construction, or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalized as part of that asset. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

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

2.3.8 Investment Properties

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

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal.

Any gains or losses on the retirement or disposal of an investment property are recognized in the income statement in the event of retirement or disposal.

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

2.3.9 Intangible Assets

Computer Software

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

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

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

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

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

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

2.3.10 Financial Instruments - Initial Recognition and Subsequent Measurement

2.3.10.1 Financial Assets

Initial Recognition and Measurement

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

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

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

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

Subsequent Measurement

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

a) **Financial Assets at Fair Value through Profit or Loss**

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

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

b) **Loans and Receivables**

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

c) **Held-to-Maturity Investments**

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

The Company did not have any held-to-maturity investments during the years ended 31 March 2013 and 31 March 2014.

d) **Available-for-Sale Financial Investments**

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

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

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

For a financial asset reclassified out of the available-for-sale category, any previous gain or loss on that asset

that has been recognized in equity is amortized to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortized cost and the expected cash flows is also amortized over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the income statement.

Derecognition

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

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

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

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

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

2.3.10.2 Impairment of Financial Assets

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

a) Financial Assets Carried at Amortised Cost

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

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

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

b) Available-for-Sale Financial Investments

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

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

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

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

2.3.10.3 Financial Liabilities

Initial Recognition and Measurement

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

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

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

Subsequent Measurement

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

a) Financial Liabilities at Fair Value through Profit or Loss

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

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

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

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

b) Loans and Borrowings

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

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs

that is an integral part of the EIR. The EIR amortization is included in finance costs in the income statement.

Derecognition

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

2.3.10.4 Offsetting of Financial Instruments

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

2.3.10.5 Fair Value of Financial Instruments

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

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

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

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

2.3.11 Inventories

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

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

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

2.3.12 Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

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

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

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

2.3.13 Cash and Short Term Deposits

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

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

2.3.14 Dividend Distributions

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

2.3.15 Provisions

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

2.3.16 Employee Benefit Liability

a) Defined Benefit Plan - Gratuity

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

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

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

c) Lump-sum Payments to Employees

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

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

The following SLAS have been issued by the Institute of Chartered Accountants of Sri Lanka that have an effective date in the future and have not been applied in preparing these financial statements. Those SLAS will have an effect on the accounting policies currently adopted by the Company and may have an impact on the future financial statements.

a) SLFRS 9 - Financial Instruments : Classification and Measurement

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

This standard was originally effective for annual periods commencing on or after 01 January 2015. However, the effective date has been deferred subsequently.

The Company will quantify the effect in due course.

b) SLFRS 13 - Fair Value Measurement

SLFRS 13 establishes a single source of guidance under SLAS for all fair value measurements and provides guidance on all fair value measurements under SLAS.

This standard will be effective for the financial periods beginning on or after 01 January 2014. However, the use of fair value measurement principles contained in this standard is currently recommended.

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

2.5 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES – NEW AND AMENDED STANDARDS AND INTER PRETATIONS

The accounting policies adopted by the Company are consistent with those used in the previous financial year except for the policy on retirement benefits obligation – gratuity.

LKAS-Employee Benefit (Revised 2013)

The Company applied LKAS 19 (Revised 2013) in the current period in accordance with the transitional provisions set out in the said standard. As per previous policy actuarial gains/losses was recognized in full in the income statement. As per revised LKAS 19, actuarial gains/losses is recognized in full in other comprehensive income (OCI).

Accordingly, the Company changed its policy for recognizing actuarial gains/losses in OCI. This resulted in reclassifying actuarial gains/losses previously recognized in the income statement to the OCI. Since there was no significant impact on retirement benefit liability, the opening statement of financial position of the earliest comparative period has not been presented. The transition did not have impact on the statement of cash flows. There is no significant impact on the basic EPS.

3. SEGMENT INFORMATION

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

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

	2014 SLR	2014 ₹	2013 SLR	2013 ₹
3.1 Revenue				
Net Revenue	5,147,388,244	2,390,447,100	5,420,237,047	2,276,499,560
Add : NBT on Sales	72,727,916	33,774,844	80,671,131	33,881,875
Gross Revenue	**5,220,116,160**	**2,424,221,945**	**5,500,908,178**	**2,310,381,435**
3.2 Sale of Goods				
Local Sales				
– In House Production	3,529,021,675	1,638,877,666	3,806,013,518	1,598,525,677
– Trading	171,889,509	79,825,488	244,426,438	102,659,104
Total Local Sales	3,700,911,184	1,718,703,154	4,050,439,956	1,701,184,782
Export Sales	1,446,477,060	671,743,947	1,369,797,091	575,314,778
	5,147,388,244	**2,390,447,100**	**5,420,237,047**	**2,276,499,560**

4. OTHER INCOME/EXPENSES

	2014 SLR	2014 ₹	2013 SLR	2013 ₹
4.1 Other Operating Income				
Income from Investments - Quoted	177,878	82,607	144,256	60,588
Sundry Income	9,734,304	4,520,611	9,672,786	4,062,570
Written back of Unclaimed Dividends	3,365,316	1,562,853	-	
	13,277,498	**6,166,070**	**9,817,042**	**4,123,158**
4.2 Finance Income				
Interest Income	222,379	103,273	710,155	298,265
Interest Income on Loans Given to Company Officers	761,252	353,525	624,037	262,096
	983,631	**456,798**	**1,334,192**	**560,361**
4.3 Finance Costs				
Interest Expense on Overdrafts	5,398,234	2,506,940	25,566,275	10,737,836
Interest Expense on Short Term Borrowings	146,844,375	68,194,528	117,490,143	49,345,860
Interest Expense on Long Term Borrowings	49,523,929	22,998,913	114,275,239	47,995,600
	201,766,538	**93,700,380**	**257,331,657**	**108,079,296**

4. OTHER INCOME/EXPENSES (Contd.)

	2014 SLR	2014 ₹	2013 SLR	2013 ₹
4.4 Profit Before Tax				
Stated after Charging/(Crediting)				
Included in Cost of Sales				
Depreciation of Property, Plant & Equipments	422,937,236	196,412,052	416,079,710	174,753,478
Personnel Costs including the following;				
– Employee Benefit Plan Costs - Gratuity	16,352,176	7,593,951	14,590,798	6,128,135
– Defined Contribution Plan Costs - EPF & ETF	21,916,845	10,178,183	21,039,529	8,836,602
Included in Administration Expenses				
Directors' Fees and Emoluments	71,461,649	33,186,790	53,929,605	22,650,434
Auditors' Remuneration - Fees	730,484	339,237	600,000	252,000
Technical Fee*	106,082,887	49,264,893	258,516,301	108,576,846
Depreciation of Property, Plant & Equipments	2,556,090	1,187,048	2,764,818	1,161,224
Amortization of Intangible Assets	3,148,641	1,462,229	3,148,641	1,322,429
Personnel Costs including the following;				
– Employee Benefit Plan Costs - Gratuity	1,743,360	809,616	2,308,615	969,619
– Defined Contribution Plan Costs - EPF & ETF	2,683,321	1,246,134	2,513,897	1,055,837
Profit on Sale of Property, Plant & Equipment		-		
Donations	583,420	270,940	727,740	305,651
Exchange (Gain)/Loss	21,704,338	10,079,495	(9,992,503)	(4,196,851)
Included in Selling and Distribution Costs				
Advertising Costs	645,470	299,756	255,681	107,386
Provision for Impairments	**12,233,379**	**5,681,181**	**4,362,169**	**1,832,111**

*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 of the Manufactured bottle turnover, the amount payable is 5% of the Manufactured bottle turnover, else 12.5% of the PBIDT for Manufactured Bottles.

	2014 SLR	2014 ₹	2013 SLR	2013 ₹
4.5 Components of Other Comprehensive Income				
Employee Benefit Liability:				
Actuarial Gains/(Losses) on Defined Benefit Plans	(3,144,128)	(1,460,133)	2,819,499	1,184,190
Available for Sale Financial Assets:				
Gains/(Losses) arising during the Year	461,620	214,376	667,184	280,217
	(2,682,508)	**(1,245,757)**	**3,486,683**	**1,464,407**

5. INCOME TAX

The major components of income tax expense for the Year ended 31 March 2014 and 31 March 2013 are:

	2014 SLR	2014 ₹	2013 SLR	2013 ₹
5.1 Income Statement				
Current income tax:				
Current Tax Expense on Ordinary Activities for the Year	-	-	38,817,606	16,303,394.5
Current Tax Expense on Other Income and Trading Profit for the Year	-	-	5,018,365	2,107,713.3
Under/(Over) Provision of Current Taxes in respect of Prior Year	(23,336,189)	(10,837,326)	1,913,639	803,728.4
Deferred tax:				
Deferred Taxation Charge/(Reversal)	28,796,235	13,372,972	-	-
Income Tax Expense Reported in the Income Statement	**5,460,046**	**2,535,645**	**45,749,610**	**19,214,836**
5.2 Statement of Other Comprehensive Income				
Deferred Tax related to Items Charged or Credited Directly to Equity during the Year:	—	—	—	—
Unrealized Gain/(Loss) on Available for Sale Financial Assets	—	—	—	—
Income Tax Charged Directly to Other Comprehensive Income	**—**	**—**	**—**	**—**

Pursuant to agreement dated 19 July 2006 entered into with Board of Investment, the imposition, payment and recovery of income tax shall not apply for a period of 5 years from 09 December 2007. This exemption has expired on 09 December 2012. After the said exemption period, the Company would become liable for income tax at the rate of 10% for a period of 2 years and at the rate of 20% thereafter. With the commencement of the tax exemption period, the Company was liable to pay income tax on the taxable income derived from other sources excluding from manufacturing operations.

5.3 A Reconciliation between Tax Expense and the Product of Accounting Profit Multiplied by the Statutory Tax Rate for the Year Ended 31 March 2014 and 31 March 2013 are as follows:

	2014 SLR	2014 ₹	2013 SLR	2013 ₹
Accounting Profit before Income Tax	841,328,457	390,712,936	767,306,611	322,268,776.70
Exempted Profit	-	-	(818,294,041)	(343,683,497.21)
Aggregate Disallowed Items	567,121,416	263,371,186	726,901,301	305,298,546.55
Aggregate Allowable Expenses	(1,345,107,632)	(624,667,984)	(230,913,579)	(96,983,703.21)
Trading Profit and Other Sources of Income	(54,746,373)	(25,424,216)	(56,824,231)	(23,866,176.91)
Liable Profit	**8,595,868**	**3,991,921**	**388,176,062**	**163,033,946**
Trading Profit and Other Sources of Income	54,746,373	25,424,216	56,824,231	23,866,176.91
Total Statutory Income	**63,342,241**	**29,416,137**	**445,000,293**	**186,900,123**
Less : Qulaifying Payments and Other Allowable Deductions	(180,784,983)	(83,956,546)	(38,901,498)	(16,338,629.25)
Total Taxable Income	**(117,442,742)**	**(54,540,409)**	**406,098,795**	**170,561,494**
Taxable Profits Liable @ 10%	-		388,176,062	163,033,945.92
Taxable Other Sources of Income Liable @ 28%	-		17,922,733	7,527,547.88
Statutory Tax Rate - Business Profit	20%		10%	10%
- Trading Profit and Other Sources of Income	28%		28%	28%
Current Income Tax Expense	**-**	**-**	**43,835,971**	**18,411,108**

5. INCOME TAX (Contd.)

	2014 SLR	2014 ₹	2013 SLR	2013 ₹
5.4 Deferred Tax				
Balance as at the Beginning of the Year	18,979,577	8,704,034	18,979,577	8,161,218.11
Provision/(Reversal) made during the Year	28,796,235	13,205,953	-	-
Balance as at the End of the Year	**47,775,812**	**21,909,987**	**18,979,577**	**8,161,218**

Due to the tax exemption period for 5 years commencing w.e.f 10 December 2007, the Deferred Tax has been computed up to 09 December 2007 and the reversal arising has been recognized in the Income Statement. The deferred tax reversal that arises during the tax exemption period amounting to SLR 71,595,544/- ₹ 33,248,970 was recognized under Retained Earnings in 2007/08.

6. EARNINGS PER SHARE

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

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

Amount Used as the Numerator:	2014 SLR	2014 ₹	2013 SLR	2013 ₹
Net Earnings Attributable to Equity Shareholders	835,868,411	388,177,290	721,557,001	303,053,940

Number of Ordinary Shares Used as the Denominator:	Number	Number
Weighted average number of ordinary shares in issue	950,086,080	950,086,080

7. PROPERTY, PLANT AND EQUIPMENT

7.1 At Cost	Balance as at 01.04.2013	Additions/ Incurred during the Year	Transfer In/(Out)	Disposals	Balance as at 31.03.2014	Balance as at 01.04.2013	Additions/ Incurred during the Year	Transfer In/(Out)	Disposals	Exchange Rate Adjustment	Balance as at 31.03.2014
	SLR	SLR	SLR	SLR	SLR	₹	₹	₹	₹	₹	₹
Freehold Land	132,870,000	-	-	-	132,870,000	57,134,100	-	-	-	3,800,082	60,934,182
Buildings	1,434,941,938	221,729,836	-	(1,287,850)	1,655,383,924	617,025,033	102,971,336	-	(598,078)	39,760,776	759,159,068
Plant and Machinery	2,497,945,926	14,146,297	-	-	2,512,092,223	1,074,116,748	6,569,540	-	-	71,359,205	1,152,045,494
Electrical Power Installation	759,406,783	11,867,213	-	-	771,273,996	326,544,917	5,511,134	-	-	21,650,204	353,706,254
Furnace	798,797,435	13,820,926	-	-	812,618,361	343,482,897	6,418,438	-	-	22,765,445	372,666,780
Motor Vehicles	29,040,502	638,040	-	(129,000)	29,549,542	12,487,416	296,306	-	(59,908)	827,606	13,551,420
Tools and Implements	20,781,878	3,551,952	-	-	24,333,830	8,936,208	1,649,526	-	-	573,760	11,159,494
Office Equipments	111,759,573	5,642,965	-	-	117,402,538	48,056,616	2,620,593	-	-	3,163,595	53,840,804
Gas Station	21,116,708	-	-	-	21,116,708	9,080,184	-	-	-	603,938	9,684,122
Moulds and Neckring Equipment	540,982,763	78,004,100	-	-	618,986,863	232,622,588	36,225,104	-	-	15,019,683	283,867,376
	6,347,643,506	**349,401,328**	**-**	**(1,416,850)**	**6,695,627,985**	**2,729,486,707**	**162,261,977**	**-**	**(657,985)**	**179,524,294**	**3,070,614,994**
In the Course of Construction											
Capital Work-in-Progress	3,427,924	292,581,737	(271,397,229)	-	24,612,432	1,474,007	135,874,959	(126,036,873)	-	(24,832)	11,287,262
	3,427,924	292,581,737	(271,397,229)	-	24,612,432	1,474,007	135,874,959	(126,036,873)	-	(24,832)	11,287,262
Total Gross Carrying Amount	**6,351,071,430**	**641,983,066**	**(271,397,229)**	**(1,416,850)**	**6,720,240,417**	**2,730,960,715**	**298,136,936**	**(126,036,873)**	**(657,985)**	**179,499,463**	**3,081,902,255**

7. PROPERTY, PLANT AND EQUIPMENT (Contd.)

7.2 Depreciation	Balance as at 01.04.2013	Charge for the Year	Transfer In/(Out)	Disposals/ Transfers	Balance as at 31.03.2014	Balance as at 01.04.2013	Charge for the Year	Transfer In/(Out)	Disposals/ Transfers	Exchange Rate Adjustment	Balance as at 31.03.2014
	SLR	SLR	SLR	SLR	SLR	₹	₹	₹	₹	₹	₹
Buildings	204,320,697	35,919,067	-	(34,416)	240,205,348	87,857,900	16,680,815	-	(15,983)	5,635,441	110,158,173
Plant and Machinery	1,184,974,746	184,714,899	-	-	1,369,689,645	509,539,141	85,781,599	-	-	32,818,931	628,139,671
Electrical Power Installation	254,994,636	37,208,980	-	-	292,203,616	109,647,693	17,279,850	-	-	7,077,035	134,004,578
Furnace	476,627,803	91,901,290	-	-	568,529,093	204,949,955	42,678,959	-	-	13,098,528	260,727,442
Motor Vehicles	9,170,447	3,446,693	-	(129,000)	12,488,140	3,943,292	1,600,644	-	(59,908)	243,032	5,727,061
Tools and Implements	7,960,785	1,721,146	-	-	9,681,931	3,423,138	799,300	-	-	217,696	4,440,134
Office Equipment	70,282,426	12,767,269	-		83,049,695	30,221,443	5,929,120	-		1,936,027	38,086,590
Gas Station	4,784,308	527,918	-	-	5,312,226	2,057,252	245,165	-	-	133,769	2,436,187
Moulds and Neckring Equipment	403,581,885	57,286,063	-	-	460,867,948	173,540,211	26,603,648	-	-	11,210,183	211,354,041
	2,616,697,733	425,493,325	-	(163,416)	3,042,027,642	1,125,180,025	197,599,100	-	(75,890)	72,370,642	1,395,073,877
Total Depreciation	**2,616,697,733**	**425,493,325**	**-**	**(163,416)**	**3,042,027,642**	**1,125,180,025**	**197,599,100**	**-**	**(75,890)**	**72,370,642**	**1,395,073,877**

7. PROPERTY, PLANT AND EQUIPMENT (Contd.)

7.3

Net Book Values	31.03.2014 SLR	31.03.2014 ₹	31.03.2013 SLR	31.03.2013 ₹
At Cost				
Freehold Land	132,870,000	60,934,182	132,870,000	57,134,100
Buildings	1,415,178,576	649,000,895	1,230,621,241	529,167,134
Plant and Machinery	1,142,402,578	523,905,822	1,312,971,180	564,577,608
Electrical Power Installation	479,070,380	219,701,676	504,412,147	216,897,223
Furnace	244,089,268	111,939,338	322,169,632	138,532,942
Motor Vehicles	17,061,402	7,824,359	19,870,055	8,544,123
Tools and Implements	14,651,899	6,719,361	12,821,093	5,513,070
Office Equipment	34,352,843	15,754,214	41,477,147	17,835,173
Gas Station	15,804,482	7,247,935	16,332,400	7,022,932
Moulds and Neckring Equipment	158,118,915	72,513,334	137,400,878	59,082,378
	3,653,600,343	**1,675,541,117**	**3,730,945,773**	**1,604,306,682**
In the Course of Construction				
Capital Work-in-Progress	24,612,432	11,287,262	3,427,924	1,474,007
Total Carrying Amount of Property, Plant and Equipment	**3,678,212,775**	**1,686,828,378**	**3,734,373,697**	**1,605,780,690**

7.4

The Rates of Depreciation is Estimated as follows	2014	2013
Buildings	2.5% on cost	2.5% on cost
Plant and Machinery	5.6% & 7.5% on cost	5.6% & 7.5% on cost
Electrical Power Installation	4% & 5% on cost	4% & 5% on cost
Furnace - Steel	7.5% on cost	7.5% on cost
- Refectories	12.5% on cost	12.5% on cost
Motor Vehicles	7.7% & 15% on cost	7.7% & 15% on cost
Tools and Implements	10% on cost	10% on cost
Office Equipment	10%, 12.5% & 25% on cost	10%, 12.5% & 25% on cost
Gas Station	2.5% on cost	2.5% on cost
Moulds and Neckring Equipment	Based on usage for production	Based on usage for production

7.5 During 7.5 During the Year the Company acquired Property, Plant and Equipment to the aggregate value of SLR 304,434,757/- ₹ 139,613,779 (Year Ended 31 March 2013 - SLR 227,547,800/- ₹ 97,845,554) for cash and SLR 66,151,080/- ₹ 30,336,885 (Year Ended 31 March 2014 - Nil) for credit.

7.6 Property, Plant and Equipment includes fully depreciated assets having a gross carrying amount of SLR 148,288,576/- ₹ 68,005,140/- (As at 31 March 2013 SLR 71,839,061 ₹ 30,890,796).

8 LEASEHOLD PROPERTY

	2014 SLR	2014 ₹	2013 SLR	2013 ₹
Balance at the Beginning of the Year	21,314,750	9,165,343	22,419,830	8,967,932.0
Additions during the Year	7,628,475	3,542,663.79	-	-
Amortization during the Year	(1,286,385)	(597,396.97)	(1,105,080)	(464,133.60)
Exchange Fluctuation Reserve		572,817.73		661,544.10
Balance at the End of the Year	**27,656,840**	**12,683,427**	**21,314,750**	**9,165,343**

9 INVESTMENT PROPERTY

	2014 SLR	2014 ₹	2013 SLR	2013 ₹
Balance at the Beginning of the Year	333,130,000	143,245,900	666,130,000	266,452,000.0
Adjustment due to Change in Extent of the Land Held for Sale	5,484,203	2,546,863.87	-	-
Classified as held for Sale during the Year	-	-	(333,000,000)	(139,860,000.00)
Disposal during the Year	(338,614,203)	(157,252,435.87)	-	
Exchange Fluctuation Reserve		11,459,672		16,653,900
Balance at the End of the Year	**-**	**-**	**333,130,000**	**143,245,900**

During the year 2007/2008 the Company relocated its production facility from Rathmalana to Horana. Due to the relocation, the land previously utilized for the production facility had been classified under Investment Property. During the year 2012/2013, the Company had classified a part the said land at Rathmalana as held for sale following the decision to sell it for a consideration of SLR 355 ₹ 162 Mn to M/s. Prime Lands (Private) Limited (Refer Note 9.1 below). During the third quarter of the year 2013/2014, the Company sold the balance part of the same land to M/s. Ideal Motors (Private) Limited for a consideration of SLR 415 ₹ 190 Mn.

9.1 Investment Property Held for Sale	2014 SLR	2014 ₹	2013 SLR	2013 ₹
Balance at the Beginning of the Year	333,000,000	143,190,000	-	-
Classified as Held for Sale during the Year	-		333,000,000	139,860,000.00
Disposal during the Year	(333,000,000)	(154,645,200.00)	-	-
Exchange Fluctuation Reserve		11,455,200		3,330,000
	-	**-**	**333,000,000**	**143,190,000**

During the first quarter of the year 2013/2014, the asset classified as held for sale had been disposed to M/s. Prime Lands (Private) Limited for a consideration of Rs. 355 Mn.

10 INTANGIBLE ASSETS

	2014 SLR	2014 ₹	2013 SLR	2013 ₹
Cost				
Balance at the Beginning of the Year	25,189,128	10,831,325	25,189,128	10,075,651.2
Addition during the Year	-	-	-	-
Exchange Fluctuation Reserve		720,409.06		755,673.84
Balance at the End of the Year	**25,189,128**	**11,551,734**	**25,189,128**	**10,831,325**
Amortization and Impairment				
Balance at the Beginning of the Year	18,891,846	8,123,494	15,743,205	6,297,282.0
Amortization during the Year	3,148,641	1,462,228.88	3,148,641	1,322,429.22
Exchange Fluctuation Reserve		522,044.68		503,782.56
Balance at the End of the Year	22,040,487	10,107,767	18,891,846	8,123,494
Net Book Value	**3,148,641**	**1,443,967**	**6,297,282**	**2,707,831**

11. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES

11.1 Available for Sale Investments

	2014				2013			
	No. of Shares	SLR	No. of Shares	₹	No. of Shares	SLR	No. of Shares	₹
Quoted Equity Shares	36,064	5,189,610	36,064	2,379,955	36,064	4,727,990	36,064	2,033,035
Total Available for Sale Investments	36,064	5,189,610	36,064	2,379,955	36,064	4,727,990	36,064	2,033,036

11.2 Interest Bearing Loans and Borrowings

	2014 SLR	2014 ₹	2013 SLR	2013 ₹
Syndicated Project Loan (11.3)	343,680,538	157,611,894	946,181,101	406,857,873
Project Loan (11.4)	25,273,708	11,590,522	165,907,998	71,340,438
Short Term Loans (11.5)	1,409,336,475	646,321,707	948,229,225	407,738,566
Bank Overdrafts (14.2)	36,880,197	16,913,258	183,191,681	78,772,422
	1,815,170,919	**832,437,383**	**2,243,510,004**	**964,709,302**
Total Current	1,785,185,639	818,686,133	1,737,927,949	747,309,018
Total Non-Current	**29,985,280**	**13,751,250**	**505,582,055**	**217,400,284**

11.3 Syndicated Project Loan

	DFCC Bank SLR	Bank of Ceylon SLR	Hatton National Bank PLC SLR	Sampath Bank PLC SLR	Total SLR
As at 01 April 2013	271,805,801	222,224,207	227,175,880	224,975,213	946,181,101
New Loans Obtained	-	-	-	-	-
Repayments	(151,864,412)	(147,867,913)	(157,960,696)	(159,913,907)	(617,606,929)
Exchange Differences	-	5,099,843	5,093,264	4,913,259	15,106,366
As at 31 March 2014	**119,941,389**	**79,456,137**	**74,308,447**	**69,974,565**	**343,680,538**

	DFCC Bank ₹	Bank of Ceylon ₹	Hatton National Bank PLC ₹	Sampath Bank PLC ₹	Total ₹
As at 01 April 2013	116,876,494	95,556,409	97,685,628	96,739,342	406,857,873
New Loans Obtained	-	-	-	-	-
Repayments	(70,525,833)	(68,669,859)	(73,356,947)	(74,264,018)	(286,816,658)
Exchange Differences	8,654,459	9,552,034	9,749,173	9,615,012	37,570,679
As at 31 March 2014	**55,005,121**	**36,438,584**	**34,077,854**	**32,090,335**	**157,611,895**

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

Lending Institution	Nature of Facility	Interest Rate	Repayment Term	Maturity	Outstanding as at 31 March 2014		
					USD	SLR	₹
DFCC Bank	Syndicated Loan in SLR	AWDR + 4% & w.e.f. 01 August 2011 AWDR + 3%	72 equivalent installments effect from January 2010.	December 2016	-	119,941,389	55,005,121
Bank of Ceylon	Syndicated Loan in SLR	AWDR + 4% & w.e.f. 01 August 2011 AWDR + 3%	72 equivalent installments effect from January 2010.	December 2016	-	-	-
Hatton National Bank PLC	Syndicated Loan in SLR	AWDR + 4% & w.e.f. 01 August 2011 AWDR + 3%	72 equivalent installments effect from January 2010.	December 2016	-	-	-
Sampath Bank PLC	Syndicated Loan in SLR	AWDR + 4% & w.e.f. 01 August 2011 AWDR + 3%	72 equivalent installments effect from January 2010.	December 2016	-	-	-
Bank of Ceylon	Syndicated Loan Granted in USD	LIBOR + 4.%, floor Interest Rate of 6.5% & w.e.f. 01 August 2011 LIBOR + 4%,floor interest rate of 5%	Repayable by 2 monthly installments of USD 12,300/- commencing from December 2009 followed by 8 quarterly installments of USD 144,000/- and 12 quarterly installment of USD 200,000/- thereafter.	December 2014	607,579	79,456,137	36,438,584
Hatton National Bank PLC	Syndicated Loan Granted in USD	LIBOR + 4.%, floor Interest Rate of 6.5% & w.e.f. 01 August 2011 LIBOR + 4%,floor interest rate of 5%	Repayable by 3 monthly installments of USD 12,131/- commencing from December 2009 followed by 8 quarterly installments of USD 142,528/- and 11 quarterly installments of USD 207,314/- thereafter.	November 2014	568,216	74,308,447	34,077,854
Sampath Bank PLC	Syndicated Loan Granted in USD	LIBOR + 4.%, floor Interest Rate of 6.5% & w.e.f. 01 August 2011 LIBOR + 4%,floor interest rate of 5%	Repayable by 8 quarterly installments of US$ 145,000/- and 12 quarterly installment of US$ 193,350/- thereafter.	December 2014	535,076	69,974,565	32,090,335
					1,710,871	343,680,538	157,611,895

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

11.4 Project Loans

	DFCC Bank	Hatton National Bank PLC	Sampath Bank PLC	Total
	SLR	SLR	SLR	SLR
As at 01 April 2013	**29,166,677**	**73,429,266**	**63,312,055**	**165,907,998**
New Loans Obtained	-	-	-	-
Repayments	(29,166,677)	(56,623,419)	(58,744,205)	(144,534,300)
Exchange Differences	-	2,123,704	1,776,307	3,900,011
As at 31 March 2014	**-**	**18,929,551**	**6,344,157**	**25,273,708**

	DFCC Bank	Hatton National Bank PLC	Sampath Bank PLC	Total
	₹	₹	₹	₹
As at 01 April 2013	**12,541,671**	**31,574,584**	**27,224,184**	**71,340,439**
New Loans Obtained	-	-	-	-
Repayments	(13,545,005)	(26,295,916)	(27,280,809)	(67,121,729)
Exchange Differences	1,003,334	3,402,424	2,966,055	7,371,813
As at 31 March 2014	**-**	**8,681,092**	**2,909,430**	**11,590,523**

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

Lending Institution	Nature of Facility	Maturity	Interest Rate	Repayment Terms	Outstanding as at 31 March 2014		
					USD	SLR	₹
DFCC Bank	Project Loan Granted in SLR	January 2016	AWPLR + 1% & w.e.f.01 August 2011 AWPLR + 0.35%	Repayable by 60 monthly installments after a grace period of 12 months from the date of first disbursement.	-	-	-
Sampath Bank PLC	Project Loan Granted in USD	June 2014	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/-	48,512	6,344,157	2,909,430
Hatton National Bank PLC	Project Loan Granted in USD	August 2014	LIBOR + 4%, floor Interest rate of 5%	55 monthly installments of USD 36,186/- each	144,749	18,929,551	8,681,092
					193,261	**25,273,708**	**11,590,523**

11.5 Short Term Loans

	Peoples' Bank	Commercial Bank of Ceylon PLC	Citibank N.A	Standard Chartered Bank	Sampath Bank PLC	Bank of Ceylon	DFCC Bank	Total
	SLR	SLR	SLR	SLR	SLR	SLR	SLR	SLR
As at 01 April 2013	-	146,229,225	432,000,000	370,000,000	-	-	-	948,229,225
New Loans Obtained	100,000,000	1,937,135,718	2,004,000,000	1,755,000,000	250,000,000	400,000,000	750,000,000	7,196,135,718
Repayments	-	(1,660,579,842)	(2,166,000,000)	(1,875,000,000)	(100,000,000)	(400,000,000)	(540,000,000)	(6,741,579,842)
Exchange Differences		6,551,375						6,551,375
As at 31 March 2014	**100,000,000**	**429,336,475**	**270,000,000**	**250,000,000**	**150,000,000**	**-**	**210,000,000**	**1,409,336,475**

	Peoples' Bank	Commercial Bank of Ceylon PLC	Citibank N.A	Standard Chartered Bank	Sampath Bank PLC	Bank of Ceylon	DFCC Bank	Total
	₹	₹	₹	₹	₹	₹	₹	₹
As at 01 April 2013	-	62,878,567	185,760,000	159,100,000	-	-	-	407,738,567
New Loans Obtained	46,440,000	899,605,827	930,657,600	815,022,000	116,100,000	185,760,000	348,300,000	3,341,885,427
Repayments	-	(771,173,279)	(1,005,890,400)	(870,750,000)	(46,440,000)	(185,760,000)	(250,776,000)	(3,130,789,679)
Exchange Differences	(580,000)	5,582,592	13,294,800	11,278,000	(870,000)	-	(1,218,000)	27,487,392
As at 31 March 2014	**45,860,000**	**196,893,707**	**123,822,000**	**114,650,000**	**68,790,000**	**-**	**96,306,000**	**646,321,707**

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

11.6 Fair Values

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

	Notes	Carrying Amount		Fair Value	
		2014 SLR	2013 SLR	2014 SLR	2013 SLR
Financial Assets					
Other Receivables	A	509,726	3,869,910	509,726	3,869,910
Trade and Other Receivables	B	1,117,189,980	1,044,786,442	1,117,189,980	1,044,786,442
Cash and Short Term Deposits	B	134,950,179	59,835,826	134,950,179	59,835,826
Total		**1,252,649,885**	**1,108,492,178**	**1,252,649,885**	**1,108,492,178**
Financial Liabilities					
Interest Bearing Loans and Borrowings (Non-Current)	A	29,985,280	505,582,055	29,985,280	505,582,055
Trade and Other Payables	B	1,043,101,577	1,083,355,631	1,043,101,577	1,083,355,631
Interest Bearing Loans and Borrowings (Current)	B	1,785,185,639	1,737,927,949	1,785,185,639	1,737,927,949
Total		**2,858,272,496**	**3,326,865,635**	**2,858,272,496**	**3,326,865,635**

	Notes	Carrying Amount		Fair Value	
		2014 ₹	2013 ₹	2014 ₹	2013 ₹
Financial Assets					
Other Receivables	A	233,760	1,664,061	233,760	1,664,061
Trade and Other Receivables	B	512,343,325	449,258,170	512,343,325	449,258,170
Cash and Short Term Deposits	B	61,888,152	25,729,405	61,888,152	25,729,405
Total		**574,465,237**	**476,651,637**	**574,465,237**	**476,651,637**
Financial Liabilities					
Interest Bearing Loans and Borrowings (Non-Current)	A	13,751,250	217,400,284	13,751,250	217,400,284
Trade and Other Payables	B	478,366,383	465,842,921	478,366,383	465,842,921
Interest Bearing Loans and Borrowings (Current)	B	818,686,134	747,309,018	818,686,134	747,309,018
Total		**1,310,803,766**	**1,430,552,223**	**1,310,803,766**	**1,430,552,223**

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

A Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, risk characteristics of the financed project etc.As at 31 March 2014, the carrying amounts of such borrowings are not materially different from their calculated fair values.

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

11.7 Fair Value Hierarchy

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

Fair value are determined according to the following hierarchy.

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

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

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

As at 31 March 2014, the Company held the following financial instruments carried at fair value on the statement of financial position.

Assets Measured at Fair Value	**2014 SLR**	**Level 1 SLR**	**Level 2 SLR**	**Level 3 SLR**
Available for Sale Financial Assets				
Quoted Equity Shares	5,189,610	5,189,610	-	-
	5,189,610	**5,189,610**	**-**	**-**

Assets Measured at Fair Value	**2014 ₹**	**Level 1 ₹**	**Level 2 ₹**	**Level 3 ₹**
Available for Sale Financial Assets				
Quoted Equity Shares	2,379,955	2,379,955	-	-
	2,379,955	**2,379,955**	**-**	**-**

12. INVENTORIES

	2014 SLR	**2014 ₹**	**2013 SLR**	**2013 ₹**
Raw Materials	358,125,605	164,236,403	284,454,959	122,315,632
Work in Progress	4,240,133	1,944,525	9,208,907	3,959,830
Finished Goods	828,052,614	379,744,929	900,178,984	387,076,963
Consumables and Spares	398,288,183	182,654,961	378,142,657	162,601,343
Stock in Transit	5,562,959	2,551,173	1,997,676	859,001
Less: Allowance for Obsolete and Slow Moving Inventory	(4,812,327)	(2,206,933)	(10,360,206)	(4,454,889)
Total Inventories at the Lower of Cost and Net Realizable Value	**1,589,457,169**	**728,925,057**	**1,563,622,977**	**672,357,880**

13. TRADE AND OTHER RECEIVABLES

	2014 SLR	2014 ₹	2013 SLR	2013 ₹
Trade Receivables	1,071,328,769	491,311,373	1,011,387,967	434,896,826
Less : Provision for Impairments	(21,707,241)	(9,954,941)	(17,421,816)	(7,491,381)
	1,049,621,528	481,356,433	993,966,151	427,405,445
Other Receivables	-	-	3,250,902	1,397,888
Advances	61,515,165	28,210,855	41,527,052	17,856,632
Loans to Company Officers	6,563,012	3,009,798	9,912,247	4,262,266
	1,117,699,706	512,577,085	1,048,656,352	450,922,231
Total Current	**1,117,189,980**	**512,343,325**	**1,044,786,442**	**1,044,786,442**
Total Non-Current	**509,726**	**233,760**	**3,869,910**	**1,664,061**

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

As at 31 March 2014 and 31 March 2013, the ageing analysis of trade receivables, is as follows:

	Total	Neither Past Due nor Impaired	< 60 Days	61-120 Days	121-180 Days	> 180 Days
	SLR.Mn	SLR.Mn	SLR.Mn	SLR.Mn	SLR.Mn	SLR.Mn
As at 31 March 2014	1,071	866	160	23	9	13
As at 31 March 2013	1,011	909	61	20	9	12

As at 31 March 2014 and 31 March 2013, the ageing analysis of trade receivables, is as follows:

	Total	Neither Past Due nor Impaired	< 60 Days	61-120 Days	121-180 Days	> 180 Days
	₹.Mn	₹.Mn	₹.Mn	₹.Mn	₹.Mn	₹.Mn
As at 31 March 2014	491	397	73	11	4	6
As at 31 March 2013	435	391	26	9	4	5

14. CASH AND SHORT TERM DEPOSITS

	2014 SLR	2014 ₹	2013 SLR	2013 ₹
14.1 Favourable Cash and Cash Equivalent Balances				
Cash at Bank and on Hand	134,950,179	61,888,152	59,835,826	25,729,405
	134,950,179	61,888,152	59,835,826	25,729,405
14.2 Unfavourable Cash and Cash Equivalent Balances				
Bank Overdraft (11.2)	(36,880,197)	(16,913,258)	(183,191,681)	(78,772,423)
Cash and Cash Equivalents for the Purpose of Cash Flow Statement	98,069,982	44,974,894	(123,355,855)	(53,043,018)

15. STATED CAPITAL

	2014 Number	2013 Number	2014 SLR	2013 SLR
15.1 Ordinary Shares	950,086,080	950,086,080	1,526,407,485	1,526,407,485

	2014 Number	2013 Number	2014 ₹	2013 ₹
15.1 Ordinary Shares	950,086,080	950,086,080	700,010,473	656,355,219

15.2 Rights, Preference and Restrictions of Classes of Capital

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

16. OTHER RESERVES

	2014 SLR	2014 ₹	2013 SLR	2013 ₹
Revaluation Reserve (16.1)	130,038,179	59,635,509	682,021,019	293,269,038
Available for Sale Reserve	4,928,251	2,260,096	4,466,631	1,920,651
	134,966,430	**61,895,605**	**686,487,650**	**295,189,690**

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

17. EMPLOYEE BENEFIT LIABILITY

17.1 Defined Benefit Obligation

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

	2014 SLR	2014 ₹	2013 SLR	2013 ₹
Balance at the Beginning of the Year	111,998,832	44,928,931	105,528,939	42,211,576
Interest cost	12,319,873	5,721,349	10,552,894	4,432,215
Current service cost	5,775,663	2,682,218	6,346,519	2,665,538
Benefits Paid during the Year	(17,993,219)	(8,356,051)	(7,610,021)	(3,196,209)
Actuarial losses/(gains) on Obligation	3,144,128	1,460,133	(2,819,499)	(1,184,190)
Balance at the End of the Year	**115,245,276**	**46,436,579**	**111,998,832**	**44,928,931**

17.2 Messrs. K. A. Pandit, Actuaries, carried out an actuarial valuation of the defined benefit plan - gratuity as of 31 March 2014. Appropriate and compatible assumptions were used in determining the cost of retirement benefits. The principal assumptions used as at 31 March 2014 and 31 March 2013 are as follows:

	2014	2013
Method of actuarial valuation:	Projected Unit Credit method	Projected Unit Credit method
Discount rate:	11%	11%
Future salary increases:	8.5% + salary scales	8.5% + salary scales
Retirement age:	55 Years	55 Years
Attrition Rate:	2%	2%
Mortality table:	A1967-70 Mortality Table for Assured Lives	LIC (1994-96) Ultimate Mortality Table

17.3 Sensitivity of Assumptions Employed in Actuarial Valuation

The following table demonstrates the sensitivity to a reasonable possible change in the key assumptions employed with all other variables held constant in the employment benefit liability measurement, in respect of the year 2014.

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

A one percentage point change in the assumed rate of increase in salary escalation rate would have the following effects:

2014	Increase SLR	Decrease SLR	Increase ₹	Decrease ₹
Effect on the aggregate current service cost and interest cost	670,431	(375,903)	311,348.16	(174,569.35)
Effect on the actuarial losses/(gains) on obligation	6,850,789	(4,802,172)	3,181,506.41	(2,230,128.68)
Effect on the defined benefit obligation	7,521,220	(5,178,075)	3,492,854.57	(2,404,698.03)

A one percentage point change in the assumed discount rate would have the following effects:

2014	Increase SLR	Decrease SLR	Increase ₹	Decrease ₹
Effect on the aggregate current service cost and interest cost	(361,499)	662,345	(167,880.14)	307,593.02
Effect on the actuarial losses/(gains) on obligation	(4,634,421)	6,764,532	(2,152,225.11)	3,141,448.66
Effect on the defined benefit obligation	(4,995,920)	7,426,877	(2,320,105.25)	3,449,041.68

17. EMPLOYEE BENEFIT LIABILITY (Contd.)

17.5 Changes in the Defined Benefit Obligation

The following table demonstrates the changes in the defined benefit obligation.

2014	Amounts Charged to Profit or Loss					Remeasurement Gains/(Losses) in Other Comprehensive Income					
	01 April 2013	Service Cost	Interest Cost	Sub Total included in Profit or Loss	Benefits Paid	Actuarial Changes arising form Changes in Demographic Assumptions	Actuarial Changes arising from Changes in Financial Assumptions	Experience Adjustments	Subtotal Included in OCI	Contributions by the Employer	31 March 2014
	SLR	SLR	SLR	SLR	SLR	SLR	SLR	SLR	SLR	SLR	SLR
Defined Benefit Obligation	111,998,832	5,775,663	12,319,872	18,095,535	(17,993,219)	(122,425)	-	3,266,553	3,144,128	-	115,245,276
Benefit Liability	111,998,832	5,775,663	12,319,872	18,095,535	(17,993,219)	(122,425)	-	3,266,553	3,144,128	-	115,245,276

2014	Amounts Charged to Profit or Loss					Remeasurement Gains/(Losses) in Other Comprehensive Income					
	01 April 2013	Service Cost	Interest Cost	Sub Total included in Profit or Loss	Benefits Paid	Actuarial Changes arising form Changes in Demographic Assumptions	Actuarial Changes arising from Changes in Financial Assumptions	Experience Adjustments	Subtotal Included in OCI	Contributions by the Employer	31 March 2014
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Defined Benefit Obligation	44,799,533	2,682,218	5,721,349	8,403,566	(8,356,051)	(56,854)	-	1,516,987	1,460,133	-	52,851,484
Benefit Liability	44,799,533	2,682,218	5,721,349	8,403,566	(8,356,051)	(56,854)	-	1,516,987	1,460,133	-	52,851,484

17. EMPLOYEE BENEFIT LIABILITY (Contd.)

17.5 Changes in the Defined Benefit Obligation

The following table demonstrates the changes in the defined benefit obligation.

2013	Amounts Charged to Profit or Loss					Remeasurement Gains/(Losses) in Other Comprehensive Income					
	01 April 2013	Service Cost	Interest Cost	Sub Total included in Profit or Loss	Benefits Paid	Actuarial Changes arising form Changes in Demographic Assumptions	Actuarial Changes arising from Changes in Financial Assumptions	Experience Adjustments	Subtotal Included in OCI	Contributions by the Employer	31 March 2014
	SLR	SLR	SLR	SLR	SLR	SLR	SLR	SLR	SLR	SLR	SLR
Defined Benefit Obligation	105,528,939	6,346,519	10,552,894	16,899,413	(7,610,021)	-	6,719,930	(9,539,429)	(2,819,499)	-	111,998,832
Benefit Liability	105,528,939	6,346,519	10,552,894	16,899,413	(7,610,021)	-	6,719,930	(9,539,429)	(2,819,499)	-	111,998,832

2013	Amounts Charged to Profit or Loss					Remeasurement Gains/(Losses) in Other Comprehensive Income					
	01 April 2013	Service Cost	Interest Cost	Sub Total included in Profit or Loss	Benefits Paid	Actuarial Changes arising form Changes in Demographic Assumptions	Actuarial Changes arising from Changes in Financial Assumptions	Experience Adjustments	Subtotal Included in OCI	Contributions by the Employer	31 March 2014
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Defined Benefit Obligation	45,377,444	2,947,323	4,900,764	7,848,087	(3,534,094)	-	3,120,735	(4,430,111)	(1,309,375)	-	51,362,664
Benefit Liability	45,377,444	2,947,323	4,900,764	7,848,087	(3,534,094)	-	3,120,735	(4,430,111)	(1,309,375)	-	51,362,664

17. EMPLOYEE BENEFIT LIABILITY (Contd.)

17.5 Following payments are expected contributions to the defined benefit plan obligation on the future years:

	2014 SLR	2014 ₹	2013 SLR	2013 ₹
Withing the next 12 Months	12,359,974	5,668,284.08	17,654,377	7,591,382.11
Between 2 and 6 Years	68,624,979	31,471,415.37	53,172,418	22,864,139.74
Between 6 and 10 Years	92,083,320	42,229,410.55	93,078,270	40,023,656.10
Total Expected Payments	**173,068,273**	**173,068,273**	**163,905,065**	**163,905,065**

18. TRADE AND OTHER PAYABLES

	2014 SLR	2014 ₹	2013 SLR	2013 ₹
Trade Payable - Related Party (18.1) - Others	25,897,749	11,876,707.59	59,279,157	25,490,037.51
- Others	311,136,611	142,687,249.68	281,943,759	121,235,816.37
Other Payables - Related Party (18.2)	398,783,508	182,882,116.95	474,152,701	203,885,661.43
Sundry Creditors including Accrued Expenses	307,283,709	140,920,308.87	267,980,014	115,231,406.02
	1,043,101,577	**478,366,383**	**1,083,355,631**	**465,842,921**

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

18.1 Trade Payables to Related Party

	Relationship	2014 SLR	2014 ₹	2013 SLR	2013 ₹
Piramal Glass Limited - India	Parent Company	25,897,749	11,876,707.59	59,279,157	25,490,037.51
		25,897,749	**11,876,708**	**59,279,157**	**25,490,038**

18.1 Other Payables - Related Party

	Relationship	2014 SLR	2014 ₹	2013 SLR	2013 ₹
Piramal Glass Limited - India	Parent Company	398,783,508	182,882,116.95	474,152,701	203,885,661.43
		398,783,508	**182,882,117**	**474,152,701**	**203,885,661**

19. DIVIDENDS PAYABLE

	2014 SLR	2014 ₹	2013 SLR	2013 ₹
Unclaimed Dividends	23,341,734	10,704,519	18,538,805	7,971,686
	23,341,734	**10,704,519**	**18,538,805**	**7,971,686**

20. RELATED PARTY DISCLOSURES

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

20.1 Transaction with Group Companies

Name of Companies	Relationship	2014 SLR	2014 ₹	2013 SLR	2013 ₹
Piramal Glass Limited - India	Parent Company				
Nature of Transactions					
Purchasing of Bottles		88,679,963	41,182,975.04	164,108,784	68,925,689.39
Purchasing of Lids		352,816	163,847.95	-	-
Purchasing of Raw Material		5,392,448	2,504,252.68	-	-
Purchasing of Moulds		3,144,480	1,460,296.57	-	-
Sale of Bottles		9,226,385	4,284,733.27	-	-
Technical Fees		106,082,887	49,264,892.72	258,516,301	108,576,846.42

The sales to and purchases from related parties are made at terms equivalent to those that prevail in arm's length transactions. The amounts payable to the above related party as at 31 March 2014 and 31 March 2013 are disclosed in Notes 18.1 and 18.2.

20.2 Transactions with Directors/Key Management Personnel *

	2014 SLR	2014 ₹	2013 SLR	2013 ₹
Short term Employee Benefits	71,461,649	33,186,789.72	53,929,605	22,650,434.10
Post - Employment Benefits	-		-	
Other Long term Benefits	-		-	
Termination Benefits	-		-	
Share Based Payment	-		-	
Total Compensation paid to Key Management Personnel	**71,461,649**	**33,186,790**	**53,929,605**	**22,650,434**

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

21. COMMITMENTS AND CONTINGENCIES

21.1 Capital Expenditure Commitments

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

21.2 Contingent Liabilities

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

22. ASSETS PLEDGED

The Carrying value of property, plant and equipment pledged by the Company as security for facilities obtained from banks is as follows.

Nature of Assets	Nature of Liability	Carrying Value of Assets Pledged			
		2014 SLR	2014 ₹	2013 SLR	2013 ₹
Immovable Properties	First/Secondary Mortgage for Loans and Borrowings	3,552	1,629	3,415	1,468
		3,552	**1,629**	**3,415**	**1,468**

23. EVENTS OCCURRING AFTER THE REPORTING DATE

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

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

24.1 Introduction

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

a. Market risk

b. Interest rate risk

c. Foreign currency risk

d. Commodity price risk

e. Equity price risk

f. Equity price risk

g. Credit risk

h. Liquidity risk

24.1.1 Market Risk

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

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

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

24.1.2 Commodity Price Risk

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

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

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

24.1.3 Interest Rate Risk

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

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

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

	2014			
Increase/(Decrease) in Interest Rate	**Effect on Income Statement**	**Effect on Statement of Financial Position**	**Effect on Income Statement**	**Effect on Statement of Financial Position**
	SLR	**SLR**	**₹**	**₹**
1%	(220,108,951)	220,108,951	(102,218,596.67)	100,941,964.76
-1%	(183,424,126)	183,424,126	(85,182,163.89)	84,118,303.96

24.1.4 Exchange Rate Risk

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

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

	2014			
Increase/(Decrease) in Exchange Rate	**Effect on Income Statement**	**Effect on Statement of Financial Position**	**Effect on Income Statement**	**Effect on Statement of Financial Position**
	SLR	**SLR**	**₹**	**₹**
1%	(21,921,382)	(24,947,773)	(10,180,289.64)	(11,441,048.77)
-1%	21,487,295	24,453,758	9,978,699.75	11,214,493.35

24.1.5 Liquidity Risk

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

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

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

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

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

Below table illustrates the maturity periods of liabilities in due.

Type of Loan	1 - 6 Months	6 - 12 Months	1 - 5 Years	Total
	SLR	SLR	SLR	SLR
Syndicated loans (USD)	152,492,502	71,246,653	-	223,739,155
Syndicated loans (SLR)	44,978,052	44,978,052	29,985,280	119,941,384
Project loans (USD)	25,273,707	-	-	25,273,707
Short Term Loans	1,409,336,475	-	-	1,409,336,475
Bank Overdraft	36,880,197	-	-	36,880,197
	1,668,960,933	116,224,705	29,985,280	1,815,170,919

Type of Loan	1 - 6 Months	6 - 12 Months	1 - 5 Years	Total
	₹	₹	₹	₹
Syndicated loans (USD)	69,933,061	32,673,715	-	102,606,776
Syndicated loans (SLR)	20,626,935	20,626,935	13,751,249	55,005,119
Project loans (USD)	11,590,522	-	-	11,590,522
Short Term Loans	646,321,707	-	-	646,321,707
Bank Overdraft	16,913,258	-	-	16,913,258
	765,385,484	53,300,650	13,751,249	832,437,383

24.1.6 Equity Price Risk

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

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

24.1.7 Credit Risk

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

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

24.2 Capital Management

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

Directors' Report

The Directors of Piramal Glass International Inc. have pleasure in presenting their Report together with the Audited Accounts for the financial year ended March 31, 20104.

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 2014 and as at 31st March 2013 have been done using closing rate of 1 US $ = 59.92 ₹ (B/S items) and 1 US $ = 60.48 ₹ (P&L items - 12 Months Avg.) and 1 US $ = 54.31 ₹ (B/S items) and 1 US $ = 54.32 ₹ (P&L items – 12 Months Avg.) as of respective dates.

FINANCIAL RESULTS

TURNOVER AND PROFIT / (LOSS)	Year ended 31 March, 2014 USD	Year ended 31 March, 2014 ₹ in Mio	Year ended 31 March, 2013 USD	Year ended 31 March, 2013 ₹ in Mio
Operating Income	906,912	54.85	657,408	35.71
Profit before Income Tax	43,175	2.61	31,305	1.70
Profit / (Loss) after Taxation	34,041	2.06	24,604	1.34

REVIEW OF OPERATIONS

During the year, the Company has earned an income of USD 906,912 (₹ 54.85 mio) as against the previous year income of USD 657,408 (₹ 35.71 mio) and the profit after tax is USD 34,041 (₹ 2.06 mio) as against USD 24,604 (₹ 1.34 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, 2014.

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, 2014 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 14, 2014.

Report of Independent Accountants

Board of Directors

Piramal Glass International Inc.

We have audited the accompanying financial statements of Piramal Glass International Inc. ('the company') which comprise the balance sheets as of March 31, 2014 and March 31, 2013 and the related statements of comprehensive income, stockholders' equity and cash flows for the years then ended and the related notes to the financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair representation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of the Company as of March 31, 2014 and March 31, 2013 and the results of its operations and the cash flows for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

Atlanta, USA

April 14, 2014

KNAV P.A.

Certified Public Accountants

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Balance Sheet

as at March 31, 2014 and March 31, 2013

	As at March 31, 2014 USD	As at March 31, 2014 ₹	As at March 31, 2013 USD	As at March 31, 2013 ₹
ASSETS				
Current assets				
Cash and cash equivalents	43,002	2,576,680	51,268	2,784,365
Accounts receivable, due from Parent	475,543	28,494,537	191,598	10,405,687
Accounts receivable, net of allowances (held on behalf of Parent)	2,000,631	119,877,810	2,335,699	126,851,813
Inventories, net of provision (held on behalf of Parent)	2,525,319	151,317,114	2,276,890	123,657,896
Other current assets	238	14,261		-
Total current assets	**5,044,733**	**302,280,401**	**4,855,455**	**263,699,761**
Other asset	2,643	158,369	2,643	143,487
Total assets	**5,047,376**	**302,438,770**	**4,858,098**	**263,843,248**
LIABILITIES AND STOCKHOLDER'S EQUITY				
Current liabilities				
Accounts payable, due to Parent	4,750,830	284,669,734	4,604,342	250,061,814
Other current liabilities	62,162	3,724,747	53,413	2,900,751
Total current liabilities	**4,812,992**	**288,394,481**	**4,657,755**	**252,962,565**
Total liabilities	**4,812,992**	**288,394,481**	**4,657,755**	**252,962,565**
Stockholder's equity				
Common stock of $ 1 par				
150,000 shares authorized				
25,000 shares issued and outstanding	25,000	1,084,750	25,000	1,084,750
Accumulated earnings	209,384	11,252,139	175,343	9,193,340
Exchange Fluctuation		1,707,400		602,593
Total stockholder's equity	234,384	14,044,289	200,343	10,880,683
Total liabilities and stockholder's equity	**5,047,376**	**302,438,770**	**4,858,098**	**263,843,248**

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

Rupee equivalent of US$ in audited statement as at March 2014 and as at March 2013 has been done using closing rate of 1 US$ = 59.92 ₹ (B/S items) and 1 US$ = 60.48 ₹ (P&L items-12 months avg.) and 1 US$ = 54.31 ₹ (B/S items) and 1 US$ = 54.32 ₹ (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, 2014 and March 31, 2013

	Year ended March 31, 2014 USD	Year ended March 31, 2014 ₹	Year ended March 31, 2013 USD	Year ended March 31, 2013 ₹
Revenues				
Operating revenues	906,912	54,850,038	657,408	35,710,403
Total revenues	**906,912**	**54,850,038**	**657,408**	**35,710,403**
Cost and expenses				
Selling, general and administrative expenses	863,737	52,238,814	626,103	34,009,915
Exchange Fluctuation				
Total cost and expenses	**863,737**	**52,238,814**	**626,103**	**34,009,915**
Income before income tax	**43,175**	**2,611,224**	**31,305**	**1,700,488**
Income tax expense	9,134	552,424	6,701	363,998
Comprehensive income	**34,041**	**2,058,800**	**24,604**	**1,336,489**

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

Rupee equivalent of US$ in audited statement as at March 2014 and as at March 2013 has been done using closing rate of 1 US$ = 59.92 ₹ (B/S items) and 1 US$ = 60.48 ₹ (P&L items-12 months avg.) and 1 US$ = 54.31 ₹ (B/S items) and 1 US$ = 54.32 ₹ (P&L items-12 months avg.) as of respective dates.

Statements of stockholder's equity and accumulated earnings
as of March 31, 2014 and March 31, 2013

Particulars	Common Stock				Accumulated earnings	Total stockholders' equity
	Authorized		Issued & Outstanding			
	Shares	USD	Shares	USD	USD	USD
Balance as on April 1, 2012	**150,000**	**150,000**	**25,000**	**25,000**	**150,739**	**175,739**
Comprehensive income for the year	—	—	—	—	24,604	24,604
Balance as at March 31, 2013	**150,000**	**150,000**	**25,000**	**25,000**	**175,343**	**200,343**
Balance as on April, 1, 2013	**150,000**	**150,000**	**25,000**	**25,000**	**175,343**	**200,343**
Comprehensive income for the year	—	—	—	—	34,041	34,041
Balance as at March 31, 2014	**150,000**	**150,000**	**25,000**	**25,000**	**209,384**	**234,384**

(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, 2012	**150,000**	**6,508,500**	**25,000**	**1,084,750**	**7,856,850**	**8,941,600**
Comprehensive income for the year	—	—	—	—	1,336,489	1,336,489
Balance as at March 31, 2013	**150,000**	**6,508,500**	**25,000**	**1,084,750**	**9,193,340**	**10,278,090**
Balance as on April, 1, 2013	**150,000**	**6,508,500**	**25,000**	**1,084,750**	**9,193,340**	**10,278,090**
Comprehensive income for the year	—	—	—	—	2,058,800	2,058,800
Balance as at March 31, 2014	**150,000**	**6,508,500**	**25,000**	**1,084,750**	**11,252,139**	**12,336,889**

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

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Mr. Sandeep Arora — Director

Statements of Cash Flow

for the period ended March 31, 2014 and March 31, 2013

	Year ended March 31, 2014 USD	Year ended March 31, 2014 ₹	Year ended March 31, 2013 USD	Year ended March 31, 2013 ₹
Cash flow from operating activities				
Net income	34,041	2,058,800	24,604	1,336,489
Adjustments to reconcile net income to net cash provided by/(used in) operating activities				
Deferred tax expense	—	—	—	—
Changes in assets and liabilities				
Increase in accounts receivable, due from parents	(283,945)	(18,088,849)	(47,408)	(3,069,300)
Accounts receivable, held on behalf of Parent	335,068	6,974,003	(47,613)	(10,433,997)
Inventories, held on behalf of Parent	(248,429)	(27,659,219)	137,962	(790,023)
Other current assets	(238)	(14,261)	1,087	55,307
Accounts payable, due to Parent	146,488	34,607,920	(211,921)	5,010,251
Other current liabilities	8,749	823,996	36,578	2,044,187
Net cash provided by/(used in) operating activities	**(8,266)**	**(1,297,611)**	**(106,711)**	**(5,847,087)**
Cash flow from investing activities	—		—	
Net cash from investing activities	—		—	
Cash flow from financing activities	—		—	
Net cash provided by financing activities	—		—	
Net decrease in cash and cash equivalents	(8,266)	(1,297,611)	(106,711)	(5,847,087)
Cash at the beginning of the year	51,267	2,784,365	157,978	8,037,921
Cash Inflow/ (Outflow) on account of Exchange Gain/ Loss		1,089,925		593,531
Cash and cash equivalents at the end of the year	**43,001**	**2,576,680**	**51,267**	**2,784,365**
Supplemental cash flow information				
Income taxes paid	13,486		1,500	

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

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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, 2013 to March 31, 2014 and previous year April 01, 2012 to March 31, 2013.

3. Estimates and assumptions

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

4. Cash and cash equivalents

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

5. Revenue recognition

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

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

6. Accounts receivable & allowance for doubtful accounts:

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

7. Inventories

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

8. Income taxes

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

NOTE B – CASH AND CASH EQUIVALENTS

Cash and cash equivalents of the company comprise of:

	As at March 31, 2014 USD	As at March 31, 2014 ₹	As at March 31, 2013 USD	As at March 31, 2013 ₹
Checking account with Wells Fargo	16,667	998,687	24,932	1,354,057
Savings account with Wells Fargo	26,335	1,577,993	26,336	1,430,308
Total	**43,002**	**2,576,680**	**51,268**	**2,784,365**

Cash balances on deposits with bank are insured by the Federal Deposit Insurance Corporation up to an aggregate of $ 250,000.

NOTE C – ACCOUNTS RECEIVABLE, NET OF ALLOWANCES

The company's accounts receivables relate to marketing commission due from the parent company. Accounts receivables accounted by the Company on behalf of its parent company relate to goods sold to customers on behalf of the Parent and include reimbursable expenses invoiced to customers.

	As at March 31, 2014 USD	As at March 31, 2014 ₹	As at March 31, 2013 USD	As at March 31, 2013 ₹
Account receivable, due from parent	475,543	28,494,537	191,598	10,405,687
Account receivable,(held on behalf of parent)	2,176,267	130,401,919	2,335,699	126,851,813
Less : Allowance for doubtful accounts	(175,636)	(10,524,109)	-	-
Account receivables (Net)	**2,476,174**	**148,372,346**	**2,527,297**	**137,257,500**

The Company provides for doubtful account on behalf of its parent company. The activity in the allowance for doubtful accounts is given below:

	As at March 31, 2014 USD	As at March 31, 2014 ₹	As at March 31, 2013 USD	As at March 31, 2013 ₹
Balance at beginning of the year	-	-	-	-
Addition to allowance for the year	175,636	10,524,109	-	-
Less : Allowance written off during the year	-	-	-	-
Balance at the end of the year	**175,636**	**10,524,109**	**-**	**-**

NOTE D – INVENTORIES, HELD ON BEHALF OF PARENT

Inventories held on behalf of the parent consist of

	As at March 31, 2014 USD	As at March 31, 2014 ₹	As at March 31, 2013 USD	As at March 31, 2013 ₹
Glass products	1,785,047	106,960,016	1,566,790	85,092,365
Goods in transit	787,663	47,196,767	710,100	38,565,531
Less : Allowance for slow moving inventories	(47,391)	(2,839,669)	-	-
Total	**2,525,319**	**151,317,114**	**2,276,890**	**123,657,896**

During the year the Company wrote off glass products and charged its parent company $ 258,513 ₹ 15,490,098 on account of rejection. (March 31, 2013 – NIL). Further the Company has created allowance for slow moving inventories on behalf of its parent company.

NOTE E – OTHER CURRENT ASSETS

Other current assets comprise of:

	As at March 31, 2014 USD	As at March 31, 2014 ₹	As at March 31, 2013 USD	As at March 31, 2013 ₹
Advance taxes	238	14,261	-	-
Total	**238**	**14,261**	**-**	**-**

NOTE F – OTHER ASSETS

Other assets comprise of:

	As at March 31, 2014 USD	As at March 31, 2014 ₹	As at March 31, 2013 USD	As at March 31, 2013 ₹
Security deposit	2,643	158,369	2,643	143,541
Total	**2,643**	**158,369**	**2,643**	**143,541**

NOTE G – ACCOUNTS PAYABLE

Accounts payable represent amounts payable to PGL India.

	As at March 31, 2014 USD	As at March 31, 2014 ₹	As at March 31, 2013 USD	As at March 31, 2013 ₹
Account payable,due to parent company	4,750,830	284,669,734	4,604,342	250,061,814
Total	**4,750,830**	**284,669,734**	**4,604,342**	**250,061,814**

NOTE H – ACCOUNTS PAYABLE

Other current liabilities include:

	As at March 31, 2014 USD	As at March 31, 2014 ₹	As at March 31, 2013 USD	As at March 31, 2013 ₹
Accrued liabilities	62,162	3,724,747	49,299	2,677,429
Taxes payable	-	-	4,114	223,431
Total	**62,162**	**3,724,747**	**53,413**	**2,900,860**

NOTE I – INCOME TAXES

The provision for income tax expense is as follows:

	As at March 31, 2014 USD	As at March 31, 2014 ₹	As at March 31, 2013 USD	As at March 31, 2013 ₹
State				
Current	2,892	174,908	2,122	115,267
Deferred	-	-	-	-
Federal				
Current	6,242	377,516	4,579	248,731
Deferred	-	-	-	-
Total	**9,134**	**552,424**	**6,701**	**363,998**

The company does not have any deferred tax asset or deferred tax liability as on March 31, 2014 (March 31, 2013 – NIL)

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 2010 to 2012 remain subject to examination by the taxing authorities.

NOTE J – 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, 2014 USD	As at March 31, 2014 ₹	As at March 31, 2013 USD	As at March 31, 2013 ₹
Purchase of glass products from PGL India	6,552,864	396,317,215	7,463,499	405,417,266
Marketing Commission	906,912	54,850,038	657,408	35,710,403
Account payable, due to parent company	4,750,830	284,669,734	4,604,342	250,061,814
Account receivable, due from parent company *	475,543	28,494,537	191,598	10,405,687

*Includes allowance for doubtful accounts (Refer Note C) and allowance for slow moving inventories (Refer Note D).

NOTE K - SEGMENT INFORMATION

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

NOTE L - CONCENTRATIONS OF RISKS

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.

The Company concentrates its revenues and receivables from Parent for marketing services provided which accounts 100% of the Company's revenue.

The Company also holds account receivable on behalf of Parent; however if the financial condition or operations of the Company's customers deteriorate, the risk associated on account of bad debts or shortfall in collection will be directly transferred to the Parent. As of March 31, 2014, one of the customers accounted for 77% (March 31, 2013: 86%) of the accounts receivable.

NOTE M - STOCKHOLDER'S EQUITY

Common stock issued

Consequent to a subscription agreement entered into with PGL India in October 2002, PGI received subscriptions towards common stock amounting to $ 25,000 ₹ 1,084,750 during October 2002.

Voting

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

Liquidation

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

NOTE N – SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 14, 2014 which is the date the financial statements were issued. No material subsequent event has been noted.

Directors' Report

The Directors of Piramal Glass USA, Inc. have pleasure in presenting their Report together with the Audited Accounts for the financial year ended March 31, 2014.

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 2014 and as at 31st March 2013 have been done using closing rate of 1 US $ = 59.92 ₹ (B/S items) and 1 US $ = 60.48 ₹ (P&L items - 12 Months Avg.) and 1 US $ = 54.31 ₹ (B/S items) and 1 US $ = 54.32 ₹ (P&L items – 12 Months Avg.) as of respective dates.

FINANCIAL RESULTS

TURNOVER AND PROFIT / (LOSS)	Year ended 31 March, 2014		Year ended 31 March, 2013	
	USD	₹ in Mio	USD	₹ in Mio
Net Turnover	85,475,627	5,169.57	86,044,294	4,673.93
Profit before Tax	87,848	5.31	1,300,659	70.65
Profit / (Loss) after Tax	44,614	2.70	2,091,229	113.60

REVIEW OF OPERATIONS

The Company ended the year with sales of US$ 85.48 mio (₹ 5,169.57 mio) as against US$ 86.04 mio (₹ 4,673.93 mio) in previous period. The profit after tax for the current year is US$ 0.04 mio (₹ 2.70 mio) as against the profit of US$ 2.09 mio (₹ 113.60 mio) in previous year.

In 2014 23.3% of Sales by the company were from products Sourced from groups India facility.

CAPITAL EXPENDITURE AND INVESTMENTS

The Company spent an amount of US$ 1,262,336 (₹ 76.35 mio) on capital expenditure during the year as against US$ 5,184,910 (₹ 281.64 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, 2014.

POST BALANCE SHEET EVENTS

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

DIRECTORATE

The Directors of the Company are:

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

Mr. Sandeep Arora

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, 2014 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 29, 2014

Independent Auditor's Report

Board of Directors

Piramal Glass-USA, Inc.

We have audited the accompanying financial statements of Piramal Glass-USA, Inc. ('the Company') which comprise the balance sheets as of March 31, 2014 and March 31, 2013 and the related statements of income, changes in stockholder's equity, and cash flows for the years then ended and the related notes to financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of the Company as of March 31, 2014 and March 31, 2013 and the results of its operations and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis-of-matter

As discussed in Note B.1.a. in the notes to the financial statements, the Company reported its investments in PGUI Williamstown, LLC and PGUI Flat River, LLC, all wholly owned subsidiaries, on the cost method of accounting based upon reporting obligations in India. In our opinion, accounting principles generally accepted in the United States of America required that all majority-owned subsidiaries be accounted for as consolidated subsidiaries. Those users of the financial statements are directed to the consolidated financial statements as the primary financial statements of the Company.

Atlanta, Georgia
April 29, 2014

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Balance Sheet

as at March 31, 2014 and March 31, 2013

	As at March 31, 2014 USD	As at March 31, 2014 ₹	As at March 31, 2013 USD	As at March 31, 2013 ₹
ASSETS				
Current assets				
Cash and cash equivalents	4,576,982	274,252,761	5,743,522	311,930,680
Accounts receivable, net of allowances	9,308,474	557,763,762	9,260,900	502,959,479
Inventories, including goods-in-transit	22,857,089	1,369,596,773	20,442,403	1,110,226,907
Prepaid expenses	915,847	54,877,552	1,332,479	72,366,934
Other current assets	371,048	22,233,196	156,544	8,501,905
Total current assets	**38,029,440**	**2,278,724,045**	**36,935,848**	**2,005,985,905**
Investments	5,739,095	343,886,572	5,739,095	311,690,249
Other non-current assets	262,200	15,711,024	553,754	30,074,380
Deferred tax assets	798,945	47,872,784	797,231	43,297,616
Property, plant and equipment, net	10,605,379	635,474,310	12,825,075	696,529,823
Total assets	**55,435,059**	**3,321,668,735**	**56,851,003**	**3,087,577,973**
LIABILITIES AND STOCKHOLDER'S DEFICIT				
Current liabilities				
Accounts payable	7,372,880	441,782,970	8,879,109	482,224,410
Short term debt	30,000,000	1,797,600,000	30,000,000	1,629,300,000
Current portion of long term debt	9,998,000	599,080,160	—	—
Other current liabilities	4,209,824	252,252,654	4,164,153	226,155,149
Total current liabilities	**51,580,704**	**3,090,715,784**	**43,043,262**	**2,337,679,559**
Long term debt	30,002,000	1,797,719,840	40,000,000	2,172,400,000
Total liabilities	**81,582,704**	**4,888,435,624**	**83,043,262**	**4,510,079,559**
Stockholder's deficit				
Common stock, $10 par, 500,000 shares authorized;				
500,000 shares issued and outstanding	5,000,000	226,000,000	5,000,000	226,000,000
Accumulated deficit	(31,147,645)	(1,342,017,440)	(31,192,259)	(1,344,715,695)
Exchange Gain / Loss		(450,749,449)		(303,785,891)
Total stockholder's deficit	**(26,147,645)**	**(1,566,766,889)**	**(26,192,259)**	**(1,422,501,586)**
Total liabilities and stockholder's deficit	**55,435,059**	**3,321,668,735**	**56,851,003**	**3,087,577,973**

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

Rupee equivalent of US$ in audited statement as at March 2014 and as at March 2013 has been done using closing rate of 1 US$ = 59.92 ₹ (B/S items) and 1 US$ = 60.48 ₹ (P&L items-12 months avg.) and 1 US$ = 54.31 ₹ (B/S items) and 1 US$ = 54.32 ₹ (P&L items-12 months avg.) as of respective dates.

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

Statements of Income

for the periods ended March 31, 2014 and March 31, 2013

	Year ended March 31, 2014 USD	Year ended March 31, 2014 ₹	Year ended March 31, 2013 USD	Year ended March 31, 2013 ₹
Revenues, net of allowances & rebates	85,475,627	5,169,565,921	86,044,294	4,673,926,050
Cost of revenues	76,602,401	4,632,913,212	76,217,286	4,140,122,976
Gross profit	**8,873,226**	**536,652,708**	**9,827,008**	**533,803,075**
Costs and expenses				
Selling, general and administrative	4,970,005	300,585,902	4,769,786	259,094,776
Depreciation	—	—	8,610	467,695
Interest	3,815,373	230,753,759	3,747,953	203,588,807
Total costs and expenses	**8,785,378**	**531,339,661**	**8,526,349**	**463,151,278**
Profit before income tax	**87,848**	**5,313,047**	**1,300,659**	**70,651,797**
Provision for tax				
Current tax expense	44,949	2,718,516	18,138	985,256
Deferred tax expense/(benefit)	(1,715)	(103,723)	(808,708)	(43,929,019)
Net profit	**44,614**	**2,698,255**	**2,091,229**	**113,595,559**
Other comprehensive income				
Interest rate swaps gain	—	—	12,631	686,116
Total comprehensive income	**44,614**	**2,698,255**	**2,103,860**	**114,281,675**

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

Rupee equivalent of US$ in audited statement as at March 2014 and as at March 2013 has been done using closing rate of 1 US$ = 59.92 ₹ (B/S items) and 1 US$ = 60.48 ₹ (P&L items-12 months avg.) and 1 US$ = 54.31 ₹ (B/S items) and 1 US$ = 54.32 ₹ (P&L items-12 months avg.) as of respective dates.

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Mr. Niraj Tipre — Director & Chief Executive Officer

Statement of stockholder's deficit

for the year ended March 31, 2014 and March 31, 2013

Particulars	Common Stock				Accumulated (deficit)	Total stockholders (deficit)
	Authorized		Issued & Outstanding			
	Shares	USD	Shares	USD	USD	USD
Balance as at April 1, 2012	**500,000**	**5,000,000**	**500,000**	**5,000,000**	**(33,296,119)**	**(28,296,119)**
Comprehensive income for the year					2,103,860	2,103,860
Balance as at March 31, 2013	**500,000**	**5,000,000**	**500,000**	**5,000,000**	**(31,192,259)**	**(26,192,259)**
Balance as at April 1, 2013	**500,000**	**5,000,000**	**500,000**	**5,000,000**	**(31,192,259)**	**(26,192,259)**
Comprehensive income for the year					44,614	44,614
Balance as at March 31, 2014	**500,000**	**5,000,000**	**500,000**	**5,000,000**	**(31,147,645)**	**(26,147,645)**

(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, 2012	**500,000**	**226,000,000**	**500,000**	**226,000,000**	**(1,458,997,370)**	**(1,232,997,370)**
Comprehensive income for the year					114,281,675	114,281,675
Balance as at March 31, 2013	**500,000**	**226,000,000**	**500,000**	**226,000,000**	**(1,344,715,695)**	**(1,118,715,695)**
Balance as at April 1, 2013	**500,000**	**226,000,000**	**500,000**	**226,000,000**	**(1,344,715,695)**	**(1,118,715,695)**
Comprehensive income for the year					2,698,255	2,698,255
Balance as at March 31, 2014	**500,000**	**226,000,000**	**500,000**	**226,000,000**	**(1,342,017,440)**	**(1,116,017,440)**

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

Statements of Cash Flows

for the year ended March 31, 2014 and March 31, 2013

	March 31, 2014 USD	March 31, 2014 ₹	March 31, 2013 USD	March 31, 2013 ₹
Cash flows from operating activities				
Net profit	**44,614**	**2,698,255**	**2,091,229**	**113,595,559**
Adjustments to reconcile net profit to net cash provided by operating activities				
Depreciation	3,482,032	210,593,295	2,632,654	143,005,765
Deferred tax expense/(benefit)	(1,715)	(103,723)	(808,708)	(43,929,019)
Changes in operating assets and liabilities				
Accounts receivable, net of allowances	(47,574)	(54,804,283)	(862,192)	(75,633,216)
Inventory, including goods-in-transit	(2,414,686)	(259,369,866)	1,605,899	11,590,699
Prepaid expenses and other assets	493,683	18,121,446	(155,012)	(14,893,736)
Accounts payable	(1,506,229)	(40,441,440)	(2,809,102)	(112,471,766)
Other current liabilities	45,671	2,736,606	(24,793)	(1,346,508)
Net cash generated from operating activities	**95,796**	**(120,569,710)**	**1,669,975**	**19,917,779**
Cash flows from investing activities				
Purchase of property and equipment	(1,262,336)	(76,346,081)	(5,184,910)	(281,644,311)
Net cash used in investing activities	**(1,262,336)**	**(76,346,081)**	**(5,184,910)**	**(281,644,311)**
Cash flows from financing activities				
Short term debt				
– Proceeds	—	—	—	—
Long Term Debt:				
– Proceeds	—	—	20,000,000	1,086,200,000
– Repayments	—	—	(13,161,611)	(714,938,710)
Net cash generated from financing activities	—	—	**6,838,389**	**371,261,290**
Net increase / (decrease) in cash and cash equivalents	**(1,166,540)**	**(196,915,791)**	**3,323,454**	**109,534,758**
Cash and cash equivalents, beginning of year	5,743,522	311,930,679	2,420,068	123,133,060
Cash Inflow / Outflow on account of foreign Exchange Difference.	-	159,237,873	-	79,262,861
Cash and cash equivalents, end of the year	**4,576,982**	**274,252,761**	**5,743,522**	**311,930,679**
Supplemental cash flow information				
Interest paid	2,651,326	160,352,196	2,598,456	141,148,130
Income taxes paid	41,271	2,496,070	23,441	1,273,315

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

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

Notes to Financial Statements

NOTE A - NATURE OF OPERATIONS

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

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

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

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

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. **Financial statements**

   a) **Basis of preparation**

   The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). The Company reported its investments in Piramal Glass Williamstown, LLC and Piramal Glass Flat River, LLC using the cost method of accounting. Accounting principles generally accepted in the United States of America require that all majority-owned subsidiaries be accounted for as consolidated subsidiaries; however, PGL asked for separate financial statements for the Company. If the financial statements of Piramal Glass Williamstown, LLC and Piramal Glass Flat River, LLC had been consolidated with those of PGL, total assets and total liabilities would have increased and investments in wholly owned subsidiary would have decreased as of March 31, 2014 and March 31, 2013. Total revenues and total expenses would have changed for each of the years then ended. All amounts are stated in U.S. Dollars, unless specified otherwise.

   The financial statements are for the years from April 1, 2013 to March 31, 2014 and April 1, 2012 to March 31, 2013.

   b) **Estimates and assumptions**

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

   c) **Going concern issue**

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

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

2. **Cash and cash equivalents**

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

3. Revenue recognition

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

4. Inventories

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

5. Shipping and handling costs

The Company classifies shipping and handling costs as selling expenses.

6. Income taxes

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

7. Property, plant and equipment

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

The estimated useful lives of assets are as follows:

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

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

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

8. Derivatives

The Company uses interest rate swap contracts as cash flow hedges to eliminate the cash flow exposure of interest rate movements on floating rate debt. The Company adopted the provisions of Financial Accounting Standards Board ("FASB") Accounting Standard Codification ("ASC") 815 to account for interest rate swap contracts from April 1, 2010. The Company records the swaps at their fair values on the balance sheet. The Company has recorded an unrecognized swap gain of $ NIL (previous year - $ 12,360 ₹ 671,395) as other comprehensive gain (loss) for the year ended March 31, 2014.

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,	
		2014	2013
Derivatives designated as hedging instruments			
Liability derivatives			
Interest rate swap	Other current liabilities	—	—
	Income Statement location	**Gain/(Loss) recognized during the year ended**	
		2014	**2013**
Derivatives designated as hedging instruments			
Interest rate swap	Other comprehensive income	—	12,360

NOTE C - CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

Particulars	As at March 31, 2014 USD	As at March 31, 2014 ₹	As at March 31, 2013 USD	As at March 31, 2013 ₹
Bank balance	4,576,982	274,252,761	5,743,522	311,930,680
Total	**4,576,982**	**274,252,761**	**5,743,522**	**311,930,680**

Cash balances on deposit with bank are insured by the Federal Deposit Insurance Corporation up to $ 250,000 ₹ 14,980,000 (previous year $ 250,000 ₹ 13,577,500). There are no cash equivalents at March 31, 2014 and March 31, 2013.

NOTE D - ACCOUNTS RECEIVABLE

Accounts receivable as at March 31, 2013 represent due from customers of $ 9,968,913 ₹ 597,337,266 (previous year $ 10,020,107 ₹ 544,192,011), representing amounts receivable on product sales. The Company maintains an allowance for returns on all account receivable, based on present and prospective financial condition of the customer and ageing of accounts receivable after considering historical experience and the current economic environment. Accounts receivables are currently not secured.

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

Particulars	As at March 31, 2014 USD	As at March 31, 2014 ₹	As at March 31, 2013 USD	As at March 31, 2013 ₹
Opening balance	759,207	45,491,683	1,002,819	54,463,100
Add : During the year provision	—	—	326,718	17,744,055
Less : During the year write off	(98,768)	(5,918,179)	(570,330)	(30,974,622)
Closing balance	**660,439**	**39,573,505**	**759,207**	**41,232,532**

NOTE E - INVENTORIES

Major classes of inventory are as follows:

Particulars	As at March 31, 2014 USD	As at March 31, 2014 ₹	As at March 31, 2013 USD	As at March 31, 2013 ₹
Finished goods	17,218,195	1,031,714,244	13,910,546	755,481,753
Raw material	1,378,427	82,595,346	1,649,651	89,592,546
Packaging	1,255,278	75,216,258	1,181,734	64,179,974
Molds	1,819,303	109,012,636	1,298,434	70,517,951
Goods-in-transit	1,185,886	71,058,289	2,402,038	130,454,684
Total	**22,857,089**	**1,369,596,773**	**20,442,403**	**1,110,226,907**

NOTE F - PROPERTY, PLANT AND EQUIPMENT

Property and equipment comprise the following:

Particulars	As at March 31, 2014 USD	As at March 31, 2014 ₹	As at March 31, 2013 USD	As at March 31, 2013 ₹
Computers	984,636	58,999,389	984,636	53,475,581
Furniture and fixtures	402,981	24,146,622	402,981	21,885,898
Plant and machinery	27,540,061	1,650,200,455	26,461,397	1,437,118,471
Vehicles	312,679	18,735,726	312,679	16,981,596
Capital work in progress	—	—	—	—
Less: Accumulated depreciation	(18,634,978)	(1,116,607,882)	(15,336,618)	(832,931,724)
Property, plant and equipment, net	**10,605,379**	**635,474,310**	**12,825,075**	**696,529,823**

Depreciation expense for the year ended March 31, 2014 is $ 3,482,032 ₹ 210,593,295 (previous year $ 2,632,654 ₹ 143,005,765). Of the total depreciation of $ 3,482,032 ₹ 210,593,295 (previous year $ 2,632,654 ₹ 143,005,765) depreciation included in cost of goods sold is $ 3,482,032 ₹ 210,593,295 (previous year $ 2,624,044 ₹ 142,538,070).

NOTE G - BORROWINGS

Borrowings comprise of the following:

Particulars	As at March 31, 2014 USD	As at March 31, 2014 ₹	As at March 31, 2013 USD	As at March 31, 2013 ₹
Short term debt	30,000,000	1,797,600,000	30,000,000	1,629,300,000
Long term debt:				
– non-current	30,002,000	1,797,719,840	40,000,000	2,172,400,000
– Current	9,998,000	599,080,160	—	—
Total	**70,000,000**	**4,194,400,000**	**70,000,000**	**3,801,700,000**

Short term debt from banks

The Company obtained working capital loan of $ 30,000,000 ₹ 1,797,600,000 for regular working capital facility. $ 15,000,000 ₹ 898,800,000 loan is secured by Standby Letter of Credit which is secured by counter guarantee of Piramal Glass Limited and a pari passu first charge on fixed assets of Piramal Glass Limited. Balance $15,000,000 ₹ 898,800,000 loan is secured by Standby Letter of Credit which is secured by fixed assets and current assets of the Company and a counter guarantee of Piramal Glass Limited.

The short term debt repayment schedule is as follows:

Date	Loan amount	
	USD	₹
June 2014	5,000,000	299,600,000
August 2014	15,000,000	898,800,000
January 2015	5,000,000	299,600,000
February 2015	5,000,000	299,600,000

The weighted-average interest rate for working capital loan as at March 31, 2014 and March 31, 2013 is 1.6% and 2.3% respectively.

Long term debt from banks

The Company obtained long term loan of $ 40,000,000 ₹ 2,396,800,000 for meeting its regular capital expenditure. $ 20,000,000 ₹ 1,198,400,000 loan is secured by Standby Letter of Credit which is secured by first pari passu charge on the fixed assets of Piramal Glass Limited, both present and future. Balance $ 20,000,000 ₹ 1,198,400,000 loan is secured by a corporate guarantee of Piramal Glass Limited and is further secured by an exclusive first charge on fixed assets and current assets of the Company.

The weighted-average interest rate for long term loan as at March 31, 2014 and March 31, 2013 5.3% and 5.27% respectively.

The Long term debt repayment schedule is as follows:

Year ended March 31	Amount	
	USD	₹
2015	9,998,000	599,080,160
2016	16,664,000	998,506,880
2017	11,664,000	698,906,880
2018	1,674,000	100,306,080

NOTE H - INCOME TAXES

The provision for income tax expense is as follows:

Particulars	As at March 31, 2014 USD	As at March 31, 2014 ₹	As at March 31, 2013 USD	As at March 31, 2013 ₹
State				
Current tax expense	44,949	2,718,516	18,138	985,256
Deferred tax expense/(benefit)	(1,715)	(103,723)	(808,708)	(43,929,019)
Total	**43,234**	**2,614,792**	**(790,570)**	**(42,943,762)**

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

Particulars	As at March 31, 2014 USD	As at March 31, 2014 ₹	As at March 31, 2013 USD	As at March 31, 2013 ₹
Current deferred tax assets				
Accounts receivable	251,574	15,074,314	286,362	15,552,320
Inventory	435,730	26,108,942	843,739	45,823,465
Accrued expenses and provisions	1,034,313	61,976,035	607,351	32,985,233
Disallowed interest carryover	567,126	33,982,190	-	-
Current deferred tax assets	**2,288,743**	**137,141,481**	**1,737,452**	**94,361,018**
Non-current deferred tax assets				
Net operating losses	10,748,669	644,060,246	11,932,495	648,053,803
AMT Credit	60,880	3,647,930	18,756	1,018,638
Non-current deferred tax assets	**10,809,549**	**647,708,176**	**11,951,251**	**649,072,442**
Less valuation allowance	(9,950,505)	(596,234,260)	(10,051,662)	(545,905,763)
Non-current deferred tax assets, net	**859,044**	**51,473,916**	**1,899,589**	**103,166,679**
Net deferred tax assets	3,147,787	188,615,397	3,637,041	197,527,697
Non-current deferred tax liability				
Property, plant and equipment	(2,348,842)	(140,742,613)	(2,839,810)	(154,230,081)
Net deferred tax assets/ (liability)	**798,945**	**47,872,784**	**797,231**	**43,297,616**

The Company has provided a valuation allowance $ 9,950,505 and $ 10,051,662 as of March 31, 2014 and as of March 31, 2013, respectively, against the net deferred tax assets. The change in valuation allowance is $ 101,156 (previous year - $ 1,910,232) as on March 31, 2014.

In assessing the realization of deferred tax assets, the likelihood of whether it is more likely than not that some portion or all of the deferred tax assets will not be realized must be considered. The ultimate realization of deferred tax assets is dependent on the generation of future taxable income during the periods in which temporary difference become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment. Based on the level of projections for next 3 years and recent history of book profits, management believes that there is reasonable certainty regarding the realization of the deferred tax asset to the extent of profitability projected for next 3 years.

Accounting for uncertain tax position

The Company follows the accounting guidance in ASC 740 regarding “Accounting for Uncertain Tax Positions”. The 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 2011 to 2013 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, 2014 was $ 673,869 ₹ 40,755,597 (previous year - $ 618,718 ₹ 33,608,762).

At March 31, 2014 future rental commitments for the non-cancelable leases are as follows:

Year	Rental	
	USD	₹
2015	682,783	40,912,357
2016	1,305,144	78,204,228
2017	1,280,248	76,712,460
2018	1,270,654	76,137,588
2019	1,199,699	71,885,964
Total	**5,738,528**	**343,852,598**

b) Employment contracts

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

c) Environmental issues

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

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

NOTE J - RELATED PARTY TRANSACTIONS

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

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

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

Piramal Glass Limited

During the year the Company purchased glass from PGL amounting to $ 12,585,243 ₹ 761,155,496 (previous year – $ 14,560,775 ₹ 790,941,298). An amount of $ 3,073,086 ₹ 184,139,313 (March 31, 2013 – $ 5,392,767 ₹ 292,881,176) is payable at year end March 31, 2014.

During the year, reimbursable expenses were incurred by PGL - $ 740,004 ₹ 44,755,441 (previous year – $ 706,588 ₹ 38,381,860) and the Company - $ 583,211 ₹ 35,272,601 (previous year - $ 530,349 ₹ 28,808,558) of which payable at year end is $ 434,228 ₹ 26,018,941 (March 31, 2013 - $ 324,629 ₹ 17,633,847) and receivable is $ NIL (March 31, 2013 - $ 529,299 ₹ 28,751,522). Reimbursable expense incurred by PGL includes $ 596,154 ₹ 36,055,393 (previous year - $ 559,217 ₹ 30,376,667) paid to banks towards fees for Standby Letters of Credit secured by counter guarantee of PGL, to enable the Company to secure term loan from banks.

Piramal Glass Flat River, LLC

During the year, the Company incurred lease rent expense amounting to $ 257,960 ₹ 15,601,420 (March 31, 2013 – $ 257,960 ₹ 14,012,387) payable to Piramal Glass Flat River LLC and property taxes were paid by the Company on behalf of Piramal Glass Flat River, LLC, amounting to $ 70,280 ₹ 4,250,534 (March 31, 2013 – $ 111,191 ₹ 6,039,895). The net payable as of March 31, 2014 was $ 1,437,354 ₹ 86,126,251 (March 31, 2013 – $ 1,249,674 ₹ 67,869,795).

Piramal Glass Williamstown, LLC

During the year the Company incurred lease rent expense amounting to $ 184,664 ₹ 11,168,478 (March 31, 2013 – $ 184,664 ₹ 10,030,948) payable to Piramal Glass Williamstown LLC and property taxes were paid by the Company on behalf of Piramal Glass Williamstown, LLC, amounting to $ 77,430 ₹ 4,682,966 (March 31, 2013 – $ 58,382 ₹ 3,171,310). The net payable as of March 31, 2014 was $ 622,579 ₹ 37,304,933 (March 31, 2013 – $ 515,345 ₹ 27,988,387).

Piramal Critical Care Inc

During the year, the Company sold glass to PCCI amounting to $ 512,150 ₹ 30,974,832 (previous year – $ 765,690 ₹ 41,592,281) of which $ 26,352 ₹ 1,579,011 (March 31, 2013 – $ 230,454 ₹ 12,515,957) is receivable as at March 31, 2014.

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, 2014 was $ 780,041 ₹ 47,176,879 (previous year - $ 769,841 ₹ 41,817,763).

The Company also contributes to two 401(k) plans for salaried and eligible union personnel. The contribution for the year ended March 31, 2014 was $ 141,461 ₹ 8,555,561 (previous year - $ 147,887 ₹ 8,033,222). At March 31, 2014, 401(k) savings – employer includes $ 5,562 ₹ 336,389 (March 31, 2013 - $ 979 ₹ 53,179) due under these plans.

NOTE L - SHIPPING AND HANDLING COSTS

The amount of shipping and handling costs for the year ended March 31, 2014 was $ 1,909,237 ₹ 115,470,653 (previous year - $ 1,441,293 ₹ 78,291,036).

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 34% (previous year - 29.48%) of total sales and 39% (previous year - 27%) of accounts receivables. No single customer accounted for more than 10 % of the total sales and only one single customer accounted for more than 10% of accounts receivable as at March 31, 2014.

The Company buys certain raw materials from a limited number of suppliers. Management believes that other suppliers could provide these materials on comparable terms. 68.47% (previous year - 71.43%) of total employees are subjected to collective bargaining agreement.

NOTE O - STOCKHOLDER'S DEFICIT

Common stock issued

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

Voting

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

Liquidation

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

NOTE P - SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 29, 2014 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, 2014.

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 2014 and as at 31st March 2013 have been done using closing rate of 1 US $ = 59.92 ₹ (B/S items) and 1 US $ = 60.48 ₹ (P&L items - 12 Months Avg.) and 1 US $ = 54.31 ₹ (B/S items) and 1 US $ = 54.32 ₹ (P&L items – 12 Months Avg.) as of respective dates.

FINANCIALRESULTSTURNOVER AND PROFIT / (LOSS)	Year ended March 31, 2014 USD	Year ended March 31, 2014 ₹ in Mio	Year ended March 31, 2013 USD	Year ended March 31, 2013 ₹ in Mio
Operating Income	257,960	15.60	257,960	14.01
Profit before Income Tax	84,336	5.10	43,425	2.36
Profit / (Loss) after Taxation	84,336	5.10	43,425	2.36

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 (₹ 15.60 mio) as against USD 257,960 (₹ 14.01 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 84,336 (₹ 5.10 mio) as against USD 43,425 (₹ 2.36 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, 2014.

POST BALANCE SHEET EVENTS

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

DIRECTORATE

The Directors of the Company are:
Mr. Vijay Shah Mr. Niraj Tipre – Chief Executive Officer
Mr. Sandeep Arora

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, 2014 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 29, 2014.

Report of Independent Accountants

To the managing members of

Piramal Glass Flat River, LLC

We have audited the accompanying financial statements of Piramal Glass Flat River, LLC ('the Company') which comprise the balance sheets as at March 31, 2014 and March 31, 2013 and the related statements of income, member's equity and cash flows for the years then ended and the related notes to financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, 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, 2014 and March 31, 2013 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 29, 2014.

KNAV P.A.
Certified Public Accountants
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Suite 601, Duluth, GA 30097
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E admin@knavcpa.com

Balance Sheet

as at March 31, 2014 and March 31, 2013

	As at March 31, 2014 USD	As at March 31, 2014 ₹	As at March 31, 2013 USD	As at March 31, 2013 ₹
ASSETS				
Current assets				
Cash and cash equivalents	500	29,960	500	27,155
Receivable from Piramal Glass-USA, Inc., net	1,437,354	86,126,252	1,249,674	67,869,795
Total current assets	**1,437,854**	**86,156,212**	**1,250,174**	**67,896,950**
Land and buildings, net	2,666,718	159,789,743	2,770,062	150,442,067
Total assets	**4,104,572**	**245,945,954**	**4,020,236**	**218,339,017**
MEMBER'S EQUITY				
Member's contribution	3,459,716	156,379,163	3,459,716	156,379,163
Accumulated surplus	644,856	30,996,465	560,520	25,895,824
Exchange Gain / (Loss)		58,570,326		36,064,030
Total member's equity	**4,104,572**	**245,945,954**	**4,020,236**	**218,339,017**

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

Rupee equivalent of US$ in audited statement as at March 2014 and as at March 2013 has been done using closing rate of 1 US$ = 59.92 ₹ (B/S items) and 1 US$ = 60.48 ₹ (P&L items-12 months avg.) and 1 US$ = 54.31 ₹ (B/S items) and 1 US$ = 54.32 ₹ (P&L items-12 months avg.) as of respective dates.

KNAV P. A.
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Mr. Niraj Tipre — Director & Chief Executive Officer

Statement of Income

for the period ended March 31, 2014 and March 31, 2013

	Year ended March 31, 2014 USD	Year ended March 31, 2014 ₹	Year ended March 31, 2013 USD	Year ended March 31, 2013 ₹
Revenues	257,960	15,601,421	257,960	14,012,387
Less: Cost of revenue	(103,344)	(6,250,245)	(103,344)	(5,613,646)
Gross profit	**154,616**	**9,351,176**	**154,616**	**8,398,741**
Costs and expenses				
General and administrative	70,280	4,250,534	111,191	6,039,895
Total cost and expenses	**70,280**	**4,250,534**	**111,191**	**6,039,895**
Net income	**84,336**	**5,100,641**	**43,425**	**2,358,846**

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

Rupee equivalent of US$ in audited statement as at March 2014 and as at March 2013 has been done using closing rate of 1 US$ = 59.92 ₹ (B/S items) and 1 US$ = 60.48 ₹ (P&L items-12 months avg.) and 1 US$ = 54.31 ₹ (B/S items) and 1 US$ = 54.32 ₹ (P&L items-12 months avg.) as of respective dates.

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Director & Chief Executive Officer

Statement of changes

in member's equity for the period ended March 31, 2014 and March 31, 2013

Particulars	Member's equity USD	Accumulated surplus USD	Total member's equity USD
Balance as at April 1, 2012	**3,459,716**	**517,095**	**3,976,811**
Net income for the year	—	43,425	43,425
Balance as at March 31, 2013	**3,459,716**	**560,520**	**4,020,236**
Balance as at April 1, 2013	**3,459,716**	**560,520**	**4,020,236**
Net income for the year	—	84,336	84,336
Balance as at March 31, 2014	**3,459,716**	**644,856**	**4,104,572**

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

Statement of changes
in member's equity for the period ended March 31, 2014 and March 31, 2013

Particulars	Member's equity ₹	Accumulated surplus ₹	Total member's equity ₹
Balance as at April 1, 2012	**156,379,163**	**23,536,978**	**179,916,141**
Net income for the year	—	2,358,846	2,358,846
Balance as at March 31, 2013	**156,379,163**	**25,895,824**	**182,274,987**
Balance as at April 1, 2013	**156,379,163**	**25,895,824**	**182,274,987**
Net income for the year	—	5,100,641	5,100,641
Balance as at March 31, 2014	**156,379,163**	**30,996,465**	**187,375,628**

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

Statement of Cash Flow
for the period ended March 31, 2014 and March 31, 2013

	March 31, 2014 USD	March 31, 2014 ₹	March 31, 2013 USD	March 31, 2013 ₹
Cash flow from operating activities				
Net income	84,336	5,100,641	43,425	2,358,846
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation	103,344	6,250,245	103,344	5,613,646
Changes in assets and liabilities				
Receivable from Piramal Glass –USA Inc.	(187,680)	(18,256,457)	(146,769)	(11,753,938)
Net cash provided by operating activities	**-**	**(6,905,570)**	**-**	**(3,781,446)**
Cash flow from investing activities	—	—	—	—
Net cash provided by investing activities	—	—	—	—
Cash flow from financing activities	—	—	—	—
Net cash provided by financing activities	—	—	—	—
Net increase in cash and cash equivalents	—	(6,905,570)	—	(3,781,446)
Cash Inflow / (Outflow) on account of Exchange Gain / Loss		6,908,375		3,783,161
Cash and cash equivalents at the beginning of the year	**500**	**27,155**	**500**	**25,440**
Cash and cash equivalents at the end of the year	**500**	**29,960**	**500**	**27,155**
Supplemental cash flow information		2,805		
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, 2014 and March 31, 2013

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 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 period from April 1, 2013 through March 31, 2014 and April 01, 2012 through March 31, 2013.

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, 2014 USD	As at March 31, 2014 ₹	As at March 31, 2013 USD	As at March 31, 2013 ₹
Land	415,166	24,876,747	415,166	22,547,665
Buildings	3,094,138	185,400,749	3,094,138	168,042,635
Less: accumulated depreciation	(842,586)	(50,487,753)	(739,242)	(40,148,233)
Land and buildings, net	**2,666,718**	**159,789,743**	**2,770,062**	**150,442,067**

Depreciation expense, as a part of cost of revenue, for the year ended March 31, 2014 was $ 103,344 ₹ 62,50,245 (previous year $ 103,344 ₹ 5,612,613).

NOTE C – INCOME TAXES

For federal and state income tax purposes, the Company is treated as a disregarded entity. Accordingly, as a flow through entity, federal and state income taxes are not provided as the income or loss of the Company is included in the parent's corporate income tax return.

NOTE D – RELATED PARTY TRANSACTIONS

During the year, the Company earned lease rent income from Piramal Glass – USA Inc. ("PGUI"), amounting to $ 257,960 ₹ 15,601,420 (previous year $ 257,960 ₹ 14,012,387). During the year, property taxes were paid by PGUI on behalf of the Company, amounting to $ 70,280 ₹ 4,250,534 (previous year – $ 111,191 ₹ 6,039,895). Net receivable from PGUI as at March 31, 2014, is $ 1,437,354 ₹ 86,126,251(previous year – $ 1,249,674 ₹ 67,869,795).

NOTE E – SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 29, 2014 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, 2014.

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 2014 and as at 31st March 2013 have been done using closing rate of 1 US $ = 59.92 ₹ (B/S items) and 1 US $ = 60.48 ₹ (P&L items - 12 Months Avg.) and 1 US $ = 54.31 ₹ (B/S items) and 1 US $ = 54.32 ₹ (P&L items – 12 Months Avg.) as of respective dates.

FINANCIAL RESULTS

TURNOVER AND PROFIT / (LOSS)	Year ended 31 March, 2014		Year ended 31 March, 2013	
	USD	₹ in Mio	USD	₹ in Mio
Operating Income	184,664	11.17	184,664	10.03
Profit before Income Tax	26,906	1.63	45,954	2.50
Profit / (Loss) after Taxation	26,906	1.63	45,954	2.50

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 (₹ 11.17 mio) as against USD 184,664 (₹ 10.03 mio) in previous period from the lease of its land and building at Williamstown to its parent company. The profit after tax is USD 26,906 (₹ 1.63 mio) as against USD 45,954 (₹ 2.50 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, 2014.

POST BALANCE SHEET EVENTS

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

DIRECTORATE

The Directors of the Company are:

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

Mr. Sandeep Arora

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, 2014 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 29, 2014.

Report of Independent Accountants

To the managing members of

Piramal Glass Williamstown, LLC

We have audited the accompanying financial statements of Piramal Glass Williamstown, LLC ('the Company') comprising of the balance sheets as at March 31, 2014 and March 31, 2013 and the related statements of income, member's equity and cash flows for the years then ended and related notes to financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of Piramal Glass Williamstown, LLC as at March 31, 2014 and March 31, 2013 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 29, 2014.

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Balance sheets

as at March 31, 2014 and March 31, 2013

	As at March 31, 2014 USD	As at March 31, 2014 ₹	As at March 31, 2013 USD	As at March 31, 2013 ₹
ASSETS				
Current assets				
Cash and cash equivalents	500	29,960	500	27,155
Receivable from Piramal Glass-USA, Inc., net	622,579	37,304,934	515,345	27,988,387
Total current assets	**623,079**	**37,334,894**	**515,845**	**28,015,542**
Land and buildings, net	2,027,430	121,483,606	2,107,758	114,472,337
Total assets	**2,650,509**	**158,818,499**	**2,623,603**	**142,487,879**
MEMBER'S EQUITY				
Member's capital	2,279,379	103,027,931	2,279,379	103,027,931
Accumulated surplus	371,130	17,612,882	344,224	15,985,607
Exchange Gain / (Loss)		38,177,686		23,474,341
Total member's equity	**2,650,509**	**158,818,499**	**2,623,603**	**142,487,879**

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

Rupee equivalent of US$ in audited statement as at March 2014 and as at March 2013 has been done using closing rate of 1 US$ = 59.92 ₹ (B/S items) and 1 US$ = 60.48 ₹ (P&L items-12 months avg.) and 1 US$ = 54.31 ₹ (B/S items) and 1 US$ = 54.32 ₹ (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, 2014 and March 31, 2013

	Year Ended March 31, 2014 USD	Year Ended March 31, 2014 ₹	Year Ended March 31, 2013 USD	Year Ended March 31, 2013 ₹
Revenues	184,664	11,168,479	184,664	10,030,948
Cost of revenue	80,328	4,858,237	80,328	4,363,417
Gross profit	**104,336**	**6,310,241**	**104,336**	**5,667,532**
Costs and expenses				
General and administrative	77,430	4,682,966	58,382	3,171,310
Total cost and expenses	**77,430**	**4,682,966**	**58,382**	**3,171,310**
Net income	**26,906**	**1,627,275**	**45,954**	**2,496,221**

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

Rupee equivalent of US$ in audited statement as at March 2014 and as at March 2013 has been done using closing rate of 1 US$ = 59.92 ₹ (B/S items) and 1 US$ = 60.48 ₹ (P&L items-12 months avg.) and 1 US$ = 54.31 ₹ (B/S items) and 1 US$ = 54.32 ₹ (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, 2014 and March 31, 2013

Particulars	Member's equity USD	Accumulated surplus USD	Total member's equity USD
Balance as at April 1, 2012	**2,279,379**	**298,269**	**2,577,648**
Net income for the year		45,954	45,954
Balance as at March 31, 2013	**2,279,379**	**344,224**	**2,623,603**
Balance as at April 1, 2013	**2,279,379**	**344,224**	**2,623,603**
Net income for the year		26,906	26,906
Balance as at March 31, 2014	**2,279,379**	**371,130**	**2,650,509**

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

Statements of changes

in member's equity for the year ended March 31, 2014 and March 31, 2013

Particulars	Member's equity ₹	Accumulated surplus ₹	Total member's equity ₹
Balance as at April 1, 2012	**103,027,931**	**13,489,386**	**116,517,317**
Net income for the year		2,496,221	2,496,221
Balance as at March 31, 2013	**103,027,931**	**15,985,607**	**119,013,538**
Balance as at April 1, 2013	**103,027,931**	**15,985,607**	**119,013,538**
Net income for the year		1,627,275	1,627,275
Balance as at March 31, 2014	**103,027,931**	**17,612,882**	**120,640,813**

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

Statements of Cash Flows

for the year ended March 31, 2014 and March 31, 2013

	March 31, 2014 USD	March 31, 2014 ₹	March 31, 2013 USD	March 31, 2013 ₹
Cash flow from operating activities				
Net income	**26,906**	**1,627,275**	**45,954**	**2,496,221**
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation	80,328	4,858,237	80,328	4,363,417
Changes in assets and liabilities				
Receivable from Piramal Glass –USA Inc.	(107,234)	(9,316,547)	(126,282)	(8,192,912)
Net cash provided by operating activities	—	2,831,034)	—	(1,333,274)
Cash flow from investing activities	—	—	—	—
Net cash provided by investing activities	—	—	—	—
Cash flow from financing activities	—	—	—	—
Net cash provided by financing activities	—	—	—	—
Net increase in cash and cash equivalents	**—**	**(2,831,034)**	**—**	**(1,333,274)**
Cash Inflow / (Outflow) on account of Exchange Gain / Loss	—	2,833,839	—	1,334,989
Cash and cash equivalents at the beginning of the year	**500**	**27,155**	**500**	**25,440**
Cash and cash equivalents at the end of the year	**500**	**29,960**	**500**	**27,155**
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

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 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 period from April 1, 2013 through March 31, 2014 and April 01, 2012 through March 31, 2013.

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, 2014 USD	As at March 31, 2014 ₹	As at March 31, 2013 USD	As at March 31, 2013 ₹
Land	273,525	16,389,618	273,525	14,855,143
Building	2,404,991	144,107,061	2,404,991	130,615,061
Less: accumulated depreciation	(651,086)	(39,013,073)	(570,758)	(30,997,867)
Land and building, net	**2,027,430**	**121,483,606**	**2,107,758**	**114,472,337**

Depreciation expense, as a part of cost of revenue, for the year ended March 31, 2014 was $ 80,328 ₹ 4,858,237 (previous year $ 80,328 ₹ 4,363,417).

NOTE C - INCOME TAXES

For federal and state income tax purposes, the Company is treated as a disregarded entity. Accordingly, as a flow through entity, federal and state income taxes are not provided as the income or loss of the Company is included in the parent's corporate income tax return.

NOTE D - RELATED PARTY TRANSACTIONS

During the year, the Company earned lease rent income from Piramal Glass – USA Inc. ("PGUI"), amounting to $ 184,664 ₹ 11,168,478 (previous year – $ 184,664 ₹ 10,030,948). During the year, property taxes were paid by PGUI on behalf of the Company, amounting to $ 77,430 ₹ 4,682,966 (previous year – $ 58,382 ₹ 3,171,310). The net receivable from PGUI as of March 31, 2014 is $ 622,579 ₹ 37,304,933 (previous year – $ 515,345 ₹ 27,988,387).

NOTE E - SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 29, 2014 which is the date the financial statements were issued.

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Report of Independent Accountants

Board of Directors

Piramal Glass-USA, Inc and Subsidiaries

We have audited the accompanying financial statements of Piramal Glass-USA, Inc. and its Subsidiaries ('the Company') which comprise the consolidated balance sheets as of March 31, 2014 and March 31, 2013 and the related consolidated statements of income, change in stockholders' equity, and cash flows for the years then ended and the related notes to financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly in all material respects, the consolidated financial position of the Company as of March 31, 2014 and March 31, 2013 and the results of its operations and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Atlanta, Georgia

April 29, 2014

KNAV P.A.

Certified Public Accountants

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Balance Sheets

as at March 31, 2014 and March 31, 2013

	As at March 31, 2014 USD	As at March 31, 2014 ₹	As at March 31, 2013 USD	As at March 31, 2013 ₹
ASSETS				
Current assets				
Cash and cash equivalents	4,577,982	274,312,681	5,744,522	311,984,990
Accounts receivable, net of allowances	9,308,474	557,763,762	9,260,900	502,959,479
Inventories, including goods-in-transit	22,857,089	1,369,596,773	20,442,403	1,110,226,907
Prepaid expenses	915,847	54,877,552	1,332,479	72,366,934
Other current assets	371,047	22,233,136	156,544	8,501,905
Total current assets	**38,030,439**	**2,278,783,905**	**36,936,848**	**2,006,040,215**
Other non-current assets	262,200	15,711,024	553,754	30,074,380
Deferred tax asset	798,945	47,872,784	797,231	43,297,616
Property, plant and equipment, net	15,299,527	916,747,658	17,702,895	961,444,227
Total assets	**54,391,111**	**3,259,115,371**	**55,990,728**	**3,040,856,438**
LIABILITIES AND STOCKHOLDER'S DEFICIT				
Current liabilities				
Accounts payable	5,312,947	318,351,784	7,114,090	386,366,228
Short term debt	30,000,000	1,797,600,000	30,000,000	1,629,300,000
Current portion of long term debt	9,998,000	599,080,160	-	-
Other current liabilities	4,209,823	252,252,594	4,164,153	226,155,149
Total current liabilities	**49,520,770**	**2,967,284,538**	**41,278,243**	**2,241,821,377**
Long term debt	30,002,000	1,797,719,840	40,000,000	2,172,400,000
Total liabilities	**79,522,770**	**4,765,004,378**	**81,278,243**	**4,414,221,377**
Stockholder's (deficit)				
Common stock, $10 par, 500,000 shares authorized;				
500,000 shares issued and outstanding	5,000,000	226,000,000	5,000,000	226,000,000
Accumulated deficit	(30,131,659)	(1,220,649,670)	(30,287,515)	(1,230,075,841)
Exchange Gain / Loss		(511,239,337)		(369,289,099)
Total stockholder's deficit	**(25,131,659)**	**(1,505,889,007)**	**(25,287,515)**	**(1,373,364,940)**
Total liabilities and stockholder's deficit	**54,391,111**	**3,259,115,371**	**55,990,728**	**3,040,856,437**

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

Rupee equivalent of US$ in audited statement as at March 2014 and as at March 2013 has been done using closing rate of 1 US$ = 59.92 ₹ (B/S items) and 1 US$ = 60.48 ₹ (P&L items-12 months avg.) and 1 US$ = 54.31 ₹ (B/S items) and 1 US$ = 54.32 ₹ (P&L items-12 months avg.) as of respective dates.

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

Consolidated Statements of Income

for the periods ended March 31, 2014 and March 31, 2013

	Year ended March 31, 2014 USD	Year ended March 31, 2014 ₹	Year ended March 31, 2013 USD	Year ended March 31, 2013 ₹
Revenues, net of allowances & rebates	85,475,627	5,169,565,921	86,044,294	4,673,926,050
Less: Cost of revenues	(76,786,073)	(4,644,021,695)	(76,400,958)	(4,150,100,039)
Gross profit	**8,689,554**	**525,544,226**	**9,643,336**	**523,826,012**
Costs and expenses				
Selling, general and administrative	4,675,091	282,749,504	4,496,735	244,262,645
Depreciation	-	-	8,610	467,695
Interest	3,815,373	230,753,759	3,747,953	203,588,807
Total costs and expenses	**8,490,464**	**513,503,263**	**8,253,298**	**448,319,147**
Profit before income tax	**199,090**	**12,040,963**	**1,390,038**	**75,506,864**
Provision for tax				
Current tax expense	44,949	2,718,516	18,138	985,256
Deferred tax expense/(benefit)	(1,715)	(103,723)	(808,708)	(43,929,019)
Net profit	**155,856**	**9,426,171**	**2,180,608**	**118,450,627**
Other comprehensive income				
Interest rate swap gain	-	-	12,631	685,990
Total comprehensive income	**155,856**	**9,426,171**	**2,193,239**	**119,136,616**

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

Rupee equivalent of US$ in audited statement as at March 2014 and as at March 2013 has been done using closing rate of 1 US$ = 59.92 ₹ (B/S items) and 1 US$ = 60.48 ₹ (P&L items-12 months avg.) and 1 US$ = 54.31 ₹ (B/S items) and 1 US$ = 54.32 ₹ (P&L items-12 months avg.) as of respective dates.

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Consolidated statements of stockholder's (deficit)

for the year ended March 31, 2014 and March 31, 2013

Particulars	Common Stock				Accumulated (deficit)	Total stockholder's (deficit)
	Authorized		Issued & Outstanding			
	Shares	USD	Shares	USD	USD	USD
Balance as at April 1, 2012	**500,000**	**5,000,000**	**500,000**	**5,000,000**	**(32,480,754)**	**(27,480,754)**
Comprehensive income for the year					2,193,239	2,193,239
Balance as at March 31, 2013	**500,000**	**5,000,000**	**500,000**	**5,000,000**	**(30,287,515)**	**(25,287,515)**
Balance as at April 1, 2013	**500,000**	**5,000,000**	**500,000**	**5,000,000**	**(30,287,515)**	**(25,287,515)**
Comprehensive income for the year					155,856	155,856
Balance as at March 31, 2014	**500,000**	**5,000,000**	**500,000**	**5,000,000**	**(30,131,659)**	**(25,131,659)**

(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, 2012	**500,000**	**226,000,000**	**500,000**	**226,000,000**	**(1,349,212,457)**	**(1,123,212,457)**
Comprehensive income for the year					119,136,616	119,136,616
Balance as at March 31, 2013	**500,000**	**226,000,000**	**500,000**	**226,000,000**	**(1,230,075,841)**	**(1,004,075,841)**
Balance as at April 1, 2013	**500,000**	**226,000,000**	**500,000**	**226,000,000**	**(1,230,075,841)**	**(1,004,075,841)**
Comprehensive income for the year					9,426,171	9,426,171
Balance as at March 31, 2014	**500,000**	**226,000,000**	**500,000**	**226,000,000**	**(1,220,649,670)**	**(994,649,670)**

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

Consolidated statements of Cash Flow

for the periods ended March 31, 2014 and March 31, 2013

	March 31, 2014 USD	March 31, 2014 ₹	March 31, 2013 USD	March 31, 2013 ₹
Cash flows from operating activities				
Net profit	**155,856**	**9,426,171**	**2,180,608**	**118,450,627**
Adjustments to reconcile net profit to net cash provided by operating activities				
Depreciation	3,482,032	210,593,295	2,816,326	152,982,828
Deferred tax expense/(benefit)	(1,715)	(103,723)	(808,708)	(43,929,019)
Changes in operating assets and liabilities				
Accounts receivable	(47,574)	(54,804,283)	(862,192)	(75,633,216)
Inventories	(2,414,686)	(259,369,866)	1,605,899	11,590,699
Prepaid expenses and other assets	493,685	18,121,506	(155,012)	(14,893,685)
Accounts payable	(1,801,143)	(68,014,444)	(3,082,153)	(132,418,616)
Other current liabilities	45,671	26,097,445	(24,793)	(1,346,508)
Net cash generated from operating activities	**(87,875)**	**(118,053,899)**	**1,669,975**	**14,803,111**
Cash flows from investing activities				
Purchase of property and equipment	(1,078,664)	(65,237,599)	(5,184,910)	(281,644,311)
Net cash used in investing activities	**(1,078,664)**	**(65,237,599)**	**(5,184,910)**	**(281,644,311)**
Cash flows from financing activities				
Long term debt:				
Proceeds	-	-	20,000,000	1,086,400,000
Repayments	-	-	(13,161,612)	(714,938,764)
Net cash generated from financing activities	**-**	**-**	**6,838,388**	**371,461,236**
Net increase/(decrease) in cash and cash equivalents	**(1,166,539)**	**(183,291,497)**	**3,323,453**	**104,620,036**
Cash and cash equivalents, beginning of year	5,744,521	311,984,990	2,421,068	123,183,940
Cash inflow/ Outflow on account of exchange Gain /Loss		145,619,189		84,181,014
Cash and cash equivalents at the end of the year	**4,577,982**	**274,312,681**	**5,744,521**	**311,984,990**
Supplemental cash flow information				
Interest paid	2,651,326	160,352,196	2,598,456	141,148,130
Income taxes paid	41,271	2,496,070	23,441	1,273,315

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

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Notes to Consolidated Financial Statements

NOTE A - NATURE OF OPERATIONS

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

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

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

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

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Financial statements

a) Basis of preparation

The accompanying consolidated financial statements are prepared under the historical cost convention on accrual basis of accounting in accordance with the accounting and reporting requirements of generally accepted accounting principles in the United States ('US GAAP') to reflect the consolidated financial position, results of operations and cash flows. All amounts are stated in U.S. dollars, except as otherwise specified.

b) Basis of consolidation

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

The consolidated financial statements of the Company and its Subsidiaries are for the years April 1, 2013 through March 31, 2014 and from April 1, 2012 through March 31, 2013. All material inter-company transactions and balances between the Company and its Subsidiaries have been eliminated. The Company and its Subsidiaries are collectively referred as the Group and these consolidated financial statements are referred to as the consolidated financial statements of the Group.

c) Estimates and assumptions

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

d) Going concern issue

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

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

2. **Cash and cash equivalents**

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

3. **Revenue recognition**

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

4. **Inventories**

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

5. **Shipping and handling costs**

The Company classifies shipping and handling costs as selling expenses.

6. **Income taxes**

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

7. **Property, plant and equipment**

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

The estimated useful lives of assets are as follows:

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

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

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

8. Derivatives

The Company uses interest rate swap contracts as cash flow hedges to eliminate the cash flow exposure of interest rate movements on floating rate debt. The Company adopted the provisions of Financial Accounting Standards Board ("FASB") Accounting Standard Codification ("ASC") 815 to account for interest rate swap contracts from April 1, 2010. The Company records the swaps at their fair values on the balance sheet. The Company has recorded an unrecognized swap gain of $ Nil as other comprehensive gain for the year ended March 31, 2014 (previous year - $ 12,360 ₹ 671,272).

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,	
		2014	2013
Derivatives designated as hedging instruments			
Liability derivatives			
Interest rate swap	Other current liabilities	—	—
	Income Statement location	**Gain / (Loss) recognized March 31,**	
		2014	**2013**
Derivatives designated as hedging instruments			
Interest rate swap	Other comprehensive income	—	12,360

NOTE C - CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

Particulars	As at March 31, 2014 USD	As at March 31, 2014 ₹	As at March 31, 2013 USD	As at March 31, 2013 ₹
Bank balance	4,577,982	274,312,681	5,744,522	311,984,990
Total	**4,577,982**	**274,312,681**	**5,744,522**	**311,984,990**

Cash balances on deposit with bank are insured by the Federal Deposit Insurance Corporation up to $ 250,000 ₹ 14,980,000 (previous year - $ 250,000 ₹ 13,577,500). There are no cash equivalents at March 31, 2014 and March 31, 2013.

NOTE D - ACCOUNTS RECEIVABLE

Accounts receivable as at March 31, 2014 represent due from customers of $ 9,968,913 ₹ 597,337,266 (previous year - $ 10,020,107 ₹ 544,192,011), representing amounts receivable on product sales. The Company maintains an allowance for returns on all account receivable, based on present and prospective financial condition of the customer and ageing of accounts receivable after considering historical experience and the current economic environment. Accounts receivables are currently not secured.

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

Particulars	As at March 31, 2014 USD	As at March 31, 2014 ₹	As at March 31, 2013 USD	As at March 31, 2013 ₹
Opening balance	759,207	45,491,683	1,002,819	54,463,100
Add : During the year provision	-	-	326,718	17,744,055
Less : During the year write off	(98,768)	(5,918,179)	(570,330)	(30,974,622)
Closing balance	**660,440**	**39,573,505**	**759,207**	**41,232,532**

NOTE E - INVENTORIES

Major classes of inventory are as follows:

Particulars	As at March 31, 2014 USD	As at March 31, 2014 ₹	As at March 31, 2013 USD	As at March 31, 2013 ₹
Finished goods	17,218,195	1,031,714,244	13,910,546	755,481,753
Raw material	1,378,427	82,595,346	1,649,651	89,592,546
Packaging	1,255,278	75,216,258	1,181,734	64,179,974
Molds	1,819,303	109,012,636	1,298,434	70,517,951
Goods-in-transit	1,185,886	71,058,289	2,402,038	130,454,684
Total	**22,857,089**	**1,369,596,773**	**20,442,403**	**1,110,226,907**

NOTE F - PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment comprise the following:

Particulars	As at March 31, 2014 USD	As at March 31, 2014 ₹	As at March 31, 2013 USD	As at March 31, 2013 ₹
Land	688,691	41,266,365	688,691	37,402,808
Building	5,499,129	329,507,810	5,499,129	298,657,696
Computers	984,636	58,999,389	984,636	53,475,581
Furniture and fixtures	402,981	24,146,622	402,981	21,885,898
Plant and machinery	27,540,061	1,650,200,455	26,461,397	1,437,118,471
Vehicles	312,679	18,735,726	312,679	16,981,596
Less: Accumulated depreciation	(20,128,650)	(1,206,108,708)	(16,646,618)	(904,077,824)
Property, plant and equipment, net	**15,299,527**	**916,747,658**	**17,702,895**	**961,444,227**

Depreciation expense for the year ended March 31, 2014 is $ 3,482,032 ₹ 208,643,357 (previous year - $ 2,816,326 ₹ 152,954,665). Of the total depreciation of $ 3,482,032 ₹ 208,643,357 (previous year - $ 2,816,326 ₹ 152,954,665) depreciation included in cost of revenues is $ 3,482,032 ₹ 208,643,357 (previous year - $ 2,807,716 ₹ 152,487,056).

NOTE G - BORROWINGS

Borrwoings comprises of the following:

Particulars	As at March 31, 2014 USD	As at March 31, 2014 ₹	As at March 31, 2013 USD	As at March 31, 2013 ₹
Short term debt	30,000,000	1,797,600,000	30,000,000	1,629,300,000
Long term debt				
– non-current	30,002,000	1,797,719,840	40,000,000	2,172,400,000
– current	9,998,000	599,080,160	-	-
Total	**70,000,000**	**4,194,400,000**	**70,000,000**	**3,801,700,000**

Short term debt from banks

The Company obtained working capital loan of $ 30,000,000 for regular working capital facility. $ 15,000,000 loan is secured by Standby Letter of Credit which is secured by counter guarantee of Piramal Glass Limited and a pari passu first charge on fixed assets of Piramal Glass Limited. Balance $ 15,000,000 loan is secured by Standby Letter of Credit which is secured by fixed assets and current assets of the Company and a counter guarantee of Piramal Glass Limited.

The short term debt repayment schedule is as follows:

Date	Loan amount	
	USD	₹
June 2014	5,000,000	299,600,000
August 2014	15,000,000	898,800,000
January 2015	5,000,000	299,600,000
February 2015	5,000,000	299,600,000

The weighted-average interest rate for working capital loan as at March 31, 2014 and March 31, 2013 is 1.6% and 2.3%, respectively.

Long term debt from banks

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

The weighted-average interest rate for long term loan as at March 31, 2014 and March 31, 2013 is 5.3% and 5.27%, respectively.

The long term debt repayment schedule is as follows:

Year ended March 31	Amount	
	USD	₹
2015	9,998,000	599,080,160
2016	16,664,000	998,506,880
2017	11,664,000	698,906,880
2018	1,674,000	100,306,080

NOTE H - INCOME TAXES

The provision for income tax expense is as follows:

Particulars	As at March 31, 2014 USD	As at March 31, 2014 ₹	As at March 31, 2013 USD	As at March 31, 2013 ₹
State				
Current tax expense	44,949	2,718,516	18,138	985,256
Deferred tax expense/(benefit)	(1,715)	(103,723)	(808,708)	(43,929,019)
Total	**43,234**	**2,614,792**	**(790,570)**	**(42,943,762)**

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

Particulars	**As at March 31, 2014 USD**	**As at March 31, 2014 ₹**	**As at March 31, 2013 USD**	**As at March 31, 2013 ₹**
Current deferred tax assets				
Accounts receivable	251,574	15,074,314	286,362	15,552,320
Inventory	435,730	26,108,942	843,739	45,823,465
Accrued expenses and provisions	1,034,313	61,976,035	607,351	32,985,233
Disallowed interest carryover	567,126	33,982,190	-	-
Current deferred tax assets	**2,288,743**	**137,141,481**	**1,737,452**	**94,361,018**
Non-current deferred tax assets				
Net operating losses	10,748,669	644,060,246	11,932,495	648,053,803
AMT credit	60,880	3,647,930	18,756	1,018,638
Non-current deferred tax assets	**10,809,549**	**647,708,176**	**11,951,251**	**649,072,442**
Less: Valuation allowance	(9,950,505)	(596,234,260)	(10,051,662)	(545,905,763)
Non-current deferred tax assets, net	859,044	51,473,916	1,899,589	103,166,679
Net deferred tax assets	**3,147,787**	**188,615,397**	**3,637,041**	**197,527,697**
Non-current deferred tax liability				
Property, plant and equipment	(2,348,842)	(140,742,613)	(2,839,810)	(154,230,081)
Net deferred tax assets/ (liability)	**798,945**	**47,872,784**	**797,231**	**43,297,616**

The Company provided a valuation allowance $ 9,950,505 and $ 10,051,662 as of March 31, 2014 and as of March 31, 2013, respectively, against the net deferred tax assets. The change in valuation allowance is $ 101,156 as on March 31, 2014 (previous year - $ 1,910,232).

In assessing the realization of deferred tax assets, the likelihood of whether it is more likely than not that some portion or all of the deferred tax assets will not be realized must be considered. The ultimate realization of deferred tax assets is dependent on the generation of future taxable income during the periods in which temporary difference become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment. Based on the level of projections for next 3 years and recent history of book profits, management believes that there is reasonable certainty regarding the realization of the deferred tax asset to the extent of profitability projected for next 3 years.

Accounting for uncertain tax position

The Company follows the accounting guidance in ASC 740 regarding "Accounting for Uncertain Tax Positions". The 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 2011 to 2013 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, 2014 was $ 675,498 ₹ 40,854,119 (previous year - $ 618,718 ₹ 33,608,762).

At March 31, 2014 future rental commitments for the non-cancelable leases are as follows:

Year	Rental	
	USD	₹
2015	682,783	40,912,357
2016	1,305,144	78,204,228
2017	1,280,248	76,712,460
2018	1,270,654	76,137,588
2019	1,199,699	71,885,964
Total	**5,738,528**	**343,852,598**

b) Employment contracts

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

c) Environmental issues

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

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

NOTE J - RELATED PARTY TRANSACTIONS

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

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

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

Piramal Glass Limited

During the year the Company purchased glass from PGL amounting to $ 12,585,243 ₹ 761,155,496 (previous year – $ 14,560,775 ₹ 790,941,298). An amount of $ 3,073,086 ₹ 184,139,313 is payable at year end March 31, 2014 (March 31, 2013 – $ 5,392,767 ₹ 292,881,176).

During the year, reimbursable expenses were incurred by PGL - $ 740,004 ₹ 44,755,441 (previous year – $ 706,588 ₹ 38,381,860) and the Company - $ 583,211 ₹ 35,272,601 (previous year - $ 530,349 ₹ 28,808,558) of which payable at year end is $ 434,228 ₹ 26,018,941 (March 31, 2013 - $ 324,629 ₹ 17,633,847) and receivable is $ Nil (March 31, 2013 - $ 529,299 ₹ 28,751,522). Reimbursable expense incurred by PGL includes $ 596,154 ₹ 36,055,393 (previous year - $ 559,217 ₹ 30,376,667) paid to banks towards fees for Standby Letters of Credit secured by counter guarantee of PGL, to enable the Company to secure term loan from banks.

Piramal Critical Care Inc

During the year, the Company sold glass to PCCI amounting to $ 512,150 ₹ 30,974,832 (previous year – $ 765,690 ₹ 41,592,281) of which $ 26,352 ₹ 1,579,011 is receivable as at March 31, 2014 (March 31, 2013 – $ 230,454 ₹ 12,515,957).

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, 2014 was $ 780,041 ₹ 47,176,879 (previous year - $ 769,841 ₹ 41,817,763).

The Company also contributes to two 401(k) plans for salaried and eligible union personnel. The contribution for the year ended March 31, 2014 was $ 141,461 ₹ 8,555,561 (previous year - $ 147,887 ₹ 8,033,222). At March 31, 2014, 401(k) savings – employer includes $ 5,562 ₹ 336,389 (March 31, 2013 - $ 979 ₹ 53,179) due under these plans.

NOTE L - SHIPPING AND HANDLING COSTS

The amount of shipping and handling costs for the year ended March 31, 2014 was $ 1,909,237 ₹ 115,470,653 (previous year - $ 1,441,293 ₹ 78,291,036).

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 34% (previous year - 29.48%) of total sales and 39% (previous year - 27%) of accounts receivables. No single customer accounted for more than 10 % of the total sales and only one single customer accounted for more than 10% of accounts receivable as at March 31, 2014.

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

68.47% (previous year - 71.43%) of total employees are subjected to collective bargaining agreement.

NOTE O - STOCKHOLDER'S DEFICIT

Common stock issued

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

Voting

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

Liquidation

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

NOTE P - SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 29, 2014 which is the date the consolidated financial statements were issued.

Directors' Report

The directors present their report and the financial statements for the year ended 31 March 2014.

DIRECTORS

The directors who held office during the year were as follows:
Mr V Shah
Mr S Arora

PRINCIPAL ACTIVITIES

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

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

Fair review of the business

During the year ended 31 March 2014, the overall business has been consistent. Management is making concerted effort to add new customers both in the UK and rest of Europe. The company anticipates maintaining its gross profit margins and continuing improving its operating profits and cash flows. In addition, the ultimate parent undertaking has confirmed to provide their ongoing support for meeting any shortfalls in the working capital and assist with any cash requirments of the business.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

DISCLOSURE OF INFORMATION TO THE AUDITOR

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditor is unaware of.

REAPPOINTMENT OF AUDITORS

The auditors Kajaine Limited are deemed to be reappointed under section 487(2) of the Companies Act 2006.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

STATEMENT OF 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 these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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.

Registered office:
57-67 High Street
Edgware
Middlesex
HA8 7DD

Signed by order of the directors

Mr. Sandeep Arora
Company Secretary

Approved by the Board on 22 April 2014 and signed on its behalf by:

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 2014, set out on pages 6 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON THE 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 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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.

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

22 April 2014

Profit and Loss Account

Year ended March 31, 2014 and March 31, 2013

	Note	Year Ended March 2014 GBP	Year Ended March 2014 ₹	Year Ended March 2013 GBP	Year Ended March 2013 ₹
TURNOVER		581,034	55,889,660	518,222	44,541,181
Cost of sales		(451,092)	(43,390,539)	409,656	35,209,933
GROSS PROFIT		**129,942**	**12,499,121**	**108,566**	**9,331,248**
Administrative expenses		(39,554)	(3,804,699)	46,982	4,038,103
EXCHANGE Gain / Loss					
OPERATING PROFIT		**90,388**	**8,694,422**	**61,584**	**5,293,145**
Interest receivable	**4**	49	4,713	37	3,180
Interest payable and similar charges		-	-		
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**90,437**	**8,699,135**	**61,621**	**5,296,325**
Tax on profit on ordinary activities	**5**	(7)	(673)		
PROFIT FOR THE FINANCIAL YEAR		**90,430**	**8,698,462**	**61,621**	**5,296,325**
Balance brought forward		(618,231)	(50,387,356)	(679,852)	(55,683,681)
Balance carried forward		(527,801)	(41,688,895)	(618,231)	(50,387,356)

Turnover and operating profit derive wholly from continuing operations.

The company has no recognised gains or losses for the year other than the results above

Rupee Equivalent to GBP in audited Profit & Loss Account as at March 31, 2014 has been done using average rate of 1 GBP = 96.19 ₹

KAJAINE LIMITED
Chartered Accountants
& Registered Auditors

Vijay Shah — Director
Sandeep Arora — Director & Company Secretary

Balance Sheet

As at March 31, 2014 and March 31, 2013

	Note	31 March 2014 GBP	31 March 2014 ₹	31 March 2013 GBP	31 March 2013 ₹
FIXED ASSETS					
Tangible assets		-	-	-	-
CURRENT ASSETS					
Stocks		100,147	9,974,641	124,682	10,238,886
Debtors	6	186,065	18,532,074	237,526	19,505,635
Cash at bank		83,209	8,287,616	123,933	10,177,378
		369,421	36,794,332	486,141	39,921,899
CREDITORS: Amounts falling due within one year	7	22,676	2,258,530	229,825	18,873,229
NET CURRENT ASSETS		346,745	34,535,802	256,316	21,048,670
TOTAL ASSETS LESS CURRENT LIABILITIES		**346,745**	**34,535,802**	**256,316**	**21,048,670**
CREDITORS: Amounts falling due after more than one year	8	724,546	72,164,782	724,547	59,499,800
		(377,801)	**(37,628,980)**	**(468,231)**	**(38,451,130)**
CAPITAL AND RESERVES					
Called-up equity share capital	9	150,000	11,594,000	150,000	11,594,000
Profit and loss account	10	(527,801)	(41,688,895)	(618,231)	(50,387,356)
Foreign Exchange Reserve			(7,534,085)		342,227
DEFICIT		**(377,801)**	**(37,628,980)**	**(468,231)**	**(38,793,356)**

These accounts have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Approved and authorised for issue by the Board on 22 April 2014 and signed on its behalf by:

* Rupee equivalent of GBP in audited statement as at March 31, 2014 and as at March 31, 2013 has been done using closing rate of 1 GBP = 99.60 ₹ (B/S items) and 1 GBP = 96.19 ₹ (P&L items - 12 months avg.) and 1 GBP = 82.12 ₹ (B/S items) and 1 GBP = 85.95 ₹ (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.

Fundamental accounting concept

The company is dependent on continuing finance being available by its parent company to enable it to continue operarting 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

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers.

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

Depreciation

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

Asset class	Depreciation method and rate
Office equipment	33.33% straight line basis.

Stock

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

Deferred tax

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS19.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

Foreign currency

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as 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

During the year 0.14% of the company's turnover related to exports (2013 - 0.17%).

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	Year Ended 1 Apr 2013 to 31 Mar 2014 GBP	Year Ended 1 Apr 2013 to 31 Mar 2014 ₹	Year Ended 1 Apr 2012 to 31 Mar 2013 GBP	Year Ended 1 Apr 2012 to 31 Mar 2013 ₹
Auditor's remuneration - The audit of the company's annual accounts	3,800	365,522	3,800	326,610
Foreign currency (gains)/losses	(306)	(29,434)	804	69,104
	3,494	**336,088**	**4,604**	**395,714**

4. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	Year Ended 1 Apr 2013 to 31 Mar 2014 GBP	Year Ended 1 Apr 2013 to 31 Mar 2014 ₹	Year Ended 1 Apr 2012 to 31 Mar 2013 GBP	Year Ended 1 Apr 2012 to 31 Mar 2013 ₹
Bank interest receivable	49	4,713	38	3,266
	49	**4,713**	**38**	**3,266**

5. TAXATION

Tax on profit on ordinary activities

	Year Ended 1 Apr 2013 to 31 Mar 2014 GBP	Year Ended 1 Apr 2013 to 31 Mar 2014 ₹	Year Ended 1 Apr 2012 to 31 Mar 2013 GBP	Year Ended 1 Apr 2012 to 31 Mar 2013 ₹
Current tax				
Adjustments in respect of previous years	7	673	-	-
	7	**673**	**-**	**-**

6. DEBTORS

	31 March 2014 GBP	31 March 2014 ₹	31 March 2013 GBP	31 March 2013 ₹
Trade debtors	52,952	5,274,019	235,977	19,378,431
Amounts owed by parent undertaking	131,531	13,100,488	-	-
Other debtors	1,582	157,567	1,550	127,286
	186,065	**18,532,074**	**237,527**	**19,505,717**

7. CREDITORS: Amounts falling due within one year

	31 March 2014 GBP	31 March 2014 ₹	31 March 2013 GBP	31 March 2013 ₹
Trade creditors	5,654	563,138	43,159	3,544,217
Amounts owed to parent undertaking	-	-	146,312	12,015,141
Other taxes and social security	11,841	1,179,364	22,064	1,811,896
Other creditors	5,181	516,028	18,291	1,502,057
	22,676	**2,258,530**	**229,826**	**18,873,311**

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

	31 March 2014 GBP	31 March 2014 ₹	31 March 2013 GBP	31 March 2013 ₹
Amounts due to parent undertaking	724,546	72,164,782	724,547	59,499,800

9. SHARE CAPITAL

Alloted,called up and fully paid shares

	31 March 2014 GBP	31 March 2014 ₹	31 March 2013 GBP	31 March 2013 ₹
Ordinary shares of £1 each	150,000	11,594,000	150,000	11,594,000

10. RESERVES

	31 March 2014 GBP	31 March 2014 ₹	31 March 2013 GBP	31 March 2013 ₹
At 1 April 2013	(618,231)	(50,387,356)	(679,852)	(55,683,681)
Profit for the year	90,430	8,698,462	61,621	5,296,325
At 31 March 2014	(527,801)	(41,688,895)	(618,231)	(50,387,356)

11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	31 March 2014 GBP	31 March 2014 ₹	31 March 2013 GBP	31 March 2013 ₹
Profit attributable to the members of the company	90,430	8,698,462	61,621	5,296,325
Net addition to shareholders' funds	90,430	8,698,462	61,621	5,296,325
Shareholders' deficit at 1 April	(468,231)	(38,793,356)	(529,852)	(43,198,834)
Shareholders' deficit at 31 March	(377,801)	(37,628,980)	(468,231)	(38,451,130)

12 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in FRS8 “Related Party Disclosures” from disclosing transactions with other members of the group.

Amounts due from the parent undertaking is an amount of £184,960 ₹ 18,422,016 (2013: credit balance of £146,312 ₹ 12,015,141) due from Piramal Glass Limited.

The company also owed Piramal Glass Limited an amount of £724,546 ₹ 72,164,782 (2013: 724,547 ₹ 59,499,800) at the year end.

13 ULTIMATE PARENT COMPANY

The company is controlled by the immediate and ultimate parent undertaking, 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, 2014.

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 2014 and as at 31st March 2013 have been done using closing rate of 1 Euro = 82.26 ₹ (B/S items) and 1 Euro = 81.07 ₹ (P&L items - 12 Months Avg.) and 1 Euro = 69.59 ₹ (B/S items) and 1 Euro = 70.08 ₹ (P&L items - 12 Months Avg.) as of respective dates.

FINANCIAL RESULTS

TURNOVER AND PROFIT / (LOSS)	Year ended 31 March, 2014		Year ended 31 March, 2013	
	EUR	₹ in Mio	EUR	₹ in Mio
Net Turnover	8,696,749	705.05	9,004,184	631.01
Profit before Tax	(276,188)	(22.39)	474,296	33.24
Profit / (Loss) after Tax	(183,162)	(14.85)	315,032	22.08

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 8,696,749 (₹ 705.05 mio) as against Euro 9,004,184 (₹ 631.01 mio) in the previous year and the Loss after tax is Euro 183,162 (₹ 14.85 mio) as against the profit after tax Euro 315,032 (₹ 22.08 mio) in the previous year.

CAPITAL EXPENDITURE AND INVESTMENTS

The Company spent an amount of Euro 764 (₹ 0.06 mio) on capital expenditure during the year as against Euro 499 (₹ 0.03 mio) in previous period. No other investments have been made by the Company during the year.

SHARE CAPITAL

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

DIVIDEND

No dividend has been declared for the year ended March 31, 2014.

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, 2014 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 24, 2014.

Independent Auditor's Report

Board of Directors

Piramal Glass Europe SARL

We have audited the accompanying financial statements of Piramal Glass Europe SARL ("the Company") which comprise the balance sheet as at March 31, 2014, and the statement of profit and loss account and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the generally accepted accounting principles in India,. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements of Piramal Glass Europe SARL for the year ended March 31, 2014 are prepared, in all material respects, in accordance with accounting principles generally accepted in India.

a) In the case of the balance sheet, of the state of affairs of the Company as at March 31, 2014; and

b) In the case of the statement of profit and loss, of the loss for the year ended March 31, 2014; and

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

Atlanta, Georgia
April 24, 2014

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

Balance Sheet

as at March 31, 2014 and March 31, 2013

	Notes	As at March 31, 2014 EUR	As at March 31, 2014 ₹	As at 31 March 2013 EUR	As at March 31, 2013 ₹
Equity and liabilities					
Shareholders' funds					
Share capital	**4**	50,000	3,130,000	50,000	3,130,000
Reserves and surplus	**5**	379,173	23,516,334	562,335	38,365,278
Exchange Reserve			8,657,437		1,117,115
		429,173	**35,303,771**	**612,335**	**42,612,393**
Non-current liabilities					
Long-term provision	**6**	20,707	1,703,358	13,687	952,478
Current liabilities					
Short-term borrowings	**7**	829,611	68,243,801	1,146,337	79,773,592
Trade payables		3,720,885	306,080,000	3,140,480	218,546,003
Other current liabilities	**8**	11,753	966,802	11,542	803,208
Short-term provisions	**9**	12,996	1,069,051	88,243	6,140,830
		4,575,245	**376,359,654**	**4,386,602**	**305,263,633**
Total		**5,025,125**	**413,366,783**	**5,012,624**	**348,828,504**
Assets					
Non-current assets					
Fixed assets					
Tangible assets	**10**	1,089	89,581	1,062	73,905
		1,089	**89,581**	**1,062**	**73,905**
Long term advances	**11**	550	45,243	550	38,275
Current assets					
Inventories	**12**	2,302,988	189,443,793	2,018,629	140,476,392
Trade receivables	**13**	1,906,703	156,845,389	2,634,322	183,322,468
Cash and bank balances	**14**	95,231	7,833,702	64,881	4,515,069
Short-term advances	**15**	706,509	58,117,430	293,180	20,402,396
Other Current Assets	**16**	12,055	991,644	—	—
		5,023,486	**413,231,958**	**5,011,012**	**348,716,325**
Total		**5,025,125**	**413,366,783**	**5,012,624**	**348,828,504**

See accompanying notes to the financial statements

Rupee equivalent of EUR in audited statement as at March 2014 and as at March 2013 has been done using closing rate of 1 EUR = 82.26 ₹ (B/S items) and 1 EUR = 81.07 ₹ (P&L items-12 months avg.) and 1 EUR = 69.59 ₹ (B/S items) and 1 EUR = 70.08 ₹ (P&L items-12 months avg.) as of respective dates.

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Statements of Profit & Loss

for the period ended March 31, 2014 and March 31, 2013

	Notes	Year ended 31 March 2014 EUR	Year ended 31 March 2014 ₹	Year ended 31 March 2013 EUR	Year ended 31 March 2013 ₹
Income					
Revenue from operations	**17**	8,696,749	705,045,441	9,004,184	631,013,215
Total revenue		**8,696,749**	**705,045,441**	**9,004,184**	**631,013,215**
Expenses					
Cost of traded goods sold	**18**	8,413,972	682,120,710	7,842,858	549,627,489
Changes in inventory of finished goods	**19**	(506,282)	(41,044,282)	(116,705)	(8,178,686)
Employee benefit expenses	**20**	167,448	13,575,009	147,809	10,358,455
Depreciation expenses	**10**	737	59,749	**1,534**	**107,503**
Other expenses	**21 & 22**	897,062	72,724,816	654,392	45,859,791
Total expenses		**8,972,937**	**727,436,003**	**8,529,888**	**597,774,551**
Profit before tax		**(276,188)**	**(22,390,561)**	**474,296**	**33,238,664**
Tax expense					
Current tax		(93,026)	(7,541,618)	159,264	11,161,221
Profit for the year		**(183,162)**	**(14,848,943)**	**315,032**	**22,077,443**
Earnings per share					
Equity share					
– Basic		63.01		46.35	
– Diluted		63.01		46.35	
– Number of equity shares					
– Basic		5,000		5,000	
– Diluted		5,000		5,000	

See accompanying notes to the financial statements

Rupee equivalent of EUR in audited statement as at March 2014 and as at March 2013 has been done using closing rate of 1 EUR = 82.26 ₹ (B/S items) and 1 EUR = 81.07 ₹ (P&L items-12 months avg.) and 1 EUR = 69.59 ₹ (B/S items) and 1 EUR = 70.08 ₹ (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, 2014 and March 31, 2013

	Year ended March 31, 2014 EUR	Year ended March 31, 2014 ₹	Year ended March 31, 2013 EUR	Year ended March 31, 2013 ₹
Cash flow from operating activities				
Net (Loss) / profit before taxation	(276,188)	(22,390,561)	474,296	33,238,664
Non cash adjustment to reconcile profit before tax to net cash flows:				
Depreciation expense	737	59,749	1,534	107,503
Adjustments for changes in :				
Decrease / (increase) in trade receivables	727,618	26,477,079	(871,270)	(63,593,607)
Increase in inventories	(284,359)	(48,967,401)	(312,522)	(24,614,598)
Increase in advances	(161,038)	(37,715,034)	(55,637)	(4,270,851)
Increase in other current assets	(12,055)	(991,644)		
Increase/(decrease) in trade payables	580,406	87,533,997	(121,534)	(2,977,368)
Increase/(decrease) in other current liabilities	211	163,594	2,941	219,114
Increase in short term borrowings	(316,726)	(11,529,791)	1,095,762	76,339,044
Decrease in provisions	(68,227)	(4,320,900)	(52,685)	(3,429,590)
Increase in long term provisions			1,754	142,108
Cash provided by/(used in) operations	**190,379**	**(11,680,913)**	**162,639**	**11,160,419**
Taxes paid (net of refunds)	(159,264)	(12,911,532)	(159,264)	(11,161,221)
Net cash (used in)/provided by operating activities	**31,115**	**(24,592,445)**	**3,375**	**(802)**
Cash flows from investing activities				
Purchase of fixed assets	(764)	(61,937)	(499)	(34,970)
Net cash used in investing activities	**(764)**	**(61,937)**	**(499)**	**(34,970)**
Cash flows from financing activities				
Net cash generated from financing activities	**-**	**-**	**-**	**-**
Net(decrease)/increase in cash and cash equivalents	**30,351**	**(24,654,383)**	**2,876**	**(35,772)**
Cash and cash equivalents at the beginning of the year	64,880	4,515,069	62,004	4,210,759
Exchange Gain / Loss		27,973,016		340,082
Cash and cash equivalents at the end of the year	**95,231**	**7,833,702**	**64,880**	**4,515,069**
Components of cash and cash equivalents				
Balance with scheduled banks	95,231		64,881	
Bank interest receivable	-		-	

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 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 Indian Companies (Accounting Standards) Rules, 2006. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

a Presentation and disclosure of financial statements

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the revised Schedule VI to the Indian 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.

Previous year's numbers have been regrouped wherever necessary.

3. SIGNIFICANT ACCOUNTING POLICIES

a 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.

b Inventories

Inventories consist of glass products purchased from PGL India, and are stated at cost or net realizable value, whichever is lower. Cost of inventories comprise 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.

c 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.

d Trade receivable & allowance for doubtful accounts

The Company follows specific identification method for recognizing bad debts. Management analyzes trade 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.

e) Depreciation

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

f) Earnings per share

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

g) 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.

h) 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 on account of fluctuations are accounted for in the profit and loss account. Functional currency of the Company is Euro.

i) Taxes on income

Provision on current taxes is made 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, 2014 EUR	As at March 31, 2014 ₹	As at March 31, 2013 EUR	As at March 31, 2013 ₹
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, 2014		Equity Shares March 31, 2013	
	Number	Amount	Number	Amount
Equity Shares of Euro 10 par value				
Shares outstanding at the beginning of the year	5,000	50,000	5,000	50,000
Shares issued during the year	—	—	—	—
Shares outstanding at the end of the year	**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, 2014		As at March 31, 2013	
	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 31,2014		As at March 21, 2013	
	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, 2014 EUR	As at March 31, 2014 ₹	As at March 31, 2013 EUR	As at March 31, 2013 ₹
Legal reserve	5,000	347,950	5,000	347,950
Surplus in statement of profit & loss				
Opening balance	557,335	38,017,328	242,303	15,939,885
Add:(Loss) Profit for the year	(183,162)	(14,848,943)	315,032	22,077,443
Closing balance	374,173	23,168,384	557,335	38,017,328
Total	**379,173**	**23,516,334**	**562,335**	**38,365,278**

6. LONG TERM PROVISIONS

	As at March 31, 2014 EUR	As at March 31, 2014 ₹	As at March 31, 2013 EUR	As at March 31, 2013 ₹
Provision for employee benefits	20,707	1,703,358	13,687	952,478
Total	**20,707**	**1,703,358**	**13,687**	**952,478**

7. SHORT-TERM BORROWINGS

	As at March 31, 2014 EUR	As at March 31, 2014 ₹	As at March 31, 2013 EUR	As at March 31, 2013 ₹
Unsecured				
Loan from bank	829,611	68,243,801	1,146,337	79,773,592
Total	**829,611**	**68,243,801**	**1,146,337**	**79,773,592**

8. OTHER CURRENT LIABILITIES

	As at March 31, 2014 EUR	As at March 31, 2014 ₹	As at March 31, 2013 EUR	As at March 31, 2013 ₹
Other payables	11,753	966,802	11,542	803,208
Total	**11,753**	**966,802**	**11,542**	**803,208**

9. SHORT TERM PROVISIONS

	As at March 31, 2014 EUR	As at March 31, 2014 ₹	As at March 31, 2013 EUR	As at March 31, 2013 ₹
Provision for employee benefits				
Leave encashment	9,885	813,140	11,432	795,553
Provision for salary	2,786	229,176	2,057	143,147
Medical reimbursements	325	26,735	181	12,596
Provision for taxes	-	-	74,573	5,189,535
Total	**12,996**	**1,069,051**	**88,243**	**6,140,830**

10. FIXED ASSETS

	As at March 31, 2014 EUR	As at March 31, 2014 ₹	As at March 31, 2013 EUR	As at March 31, 2013 ₹
Tangible assets				
Gross block	5,977	491,668	5,478	381,214
Additions during the period	764	61,937	499	34,970
Total	**6,741**	**553,606**	**5,977**	**416,184**
Less:				
Opening accumulated depreciation	4,915	404,308	3,381	235,284
During the year depreciation	737	60,626	1,534	106,751
Closing accumulated depreciation	5,652	464,934	4,915	342,035
Exchange gain / (loss)		(909)		244
Net block	**1,089**	**89,581**	**1,062**	**73,905**

11. LONG TERM ADVANCES

	As at March 31, 2014 EUR	As at March 31, 2014 ₹	As at March 31, 2013 EUR	As at March 31, 2013 ₹
Unsecured and considered good				
Security deposits	550	45,243	550	38,275
Total	**550**	**45,243**	**550**	**38,275**

13. TRADE RECEIVABLES

	As at March 31, 2014 EUR	As at March 31, 2014 ₹	As at March 31, 2013 EUR	As at March 31, 2013 ₹
Unsecured and considered good	1,906,703	156,845,389	2,634,322	183,322,468
Total	**1,906,703**	**156,845,389**	**2,634,322**	**183,322,468**

14. CASH AND CASH EQUIVALENT

	As at March 31, 2014 EUR	As at March 31, 2014 ₹	As at March 31, 2013 EUR	As at March 31, 2013 ₹
Cash and cash equivalents				
Balance with bank	95,231	7,833,702	64,881	4,515,069
Total	**95,231**	**7,833,702**	**64,881**	**4,515,069**

15. SHORT TERM LOANS & ADVANCES

	As at March 31, 2014 EUR	As at March 31, 2014 ₹	As at March 31, 2013 EUR	As at March 31, 2013 ₹
VAT receivable	447,436	36,806,085	258,211	17,968,903
Company tax	234,025	19,250,897	-	-
Other taxes	23,500	1,933,110	17,535	1,220,261
Prepaid expense	1,491	122,650	16,434	1,143,642
– Advance on salary	57	4,689	1,000	69,590
Total	**706,509**	**58,117,430**	**293,180**	**20,402,396**

16. OTHER CURRENT ASSETS

	As at March 31, 2014 EUR	As at March 31, 2014 ₹	As at March 31, 2013 EUR	As at March 31, 2013 ₹
Other debtors	12,055	991,644	-	
Total	**12,055**	**991,644**	**-**	**-**

17. REVENUE FROM OPERATIONS

	Year ended March 31, 2014 EUR	Year ended March 31, 2014 ₹	Year ended March 31, 2013 EUR	Year ended March 31, 2013 ₹
Revenue from operations				
Sale of products				
Finished goods	8,462,913	696,159,223	8,765,274	609,975,418
Mold sales	149,621	12,129,774	148,278	10,391,322
Other sales	84,215	6,827,310	90,632	6,351,491
Revenue from operations (net)	**8,696,749**	**715,116,308**	**9,004,184**	**626,718,230**

18. COST OF MATERIALS CONSUMED

	Year ended March 31, 2014 EUR	Year ended March 31, 2014 ₹	Year ended March 31, 2013 EUR	Year ended March 31, 2013 ₹
Cost of goods sold	7,244,351	587,299,536	7,096,552	497,326,364
Decorating charges	753,066	61,051,061	395,977	27,750,068
Carriage inwards	200,994	16,294,584	166,493	11,667,829
Cost of mould purchased	149,108	12,088,186	129,558	9,079,425
Custom duty	64,705	5,245,634	46,495	3,258,370
Cost of samples	1,748	141,710	7,783	545,433
Total	**8,413,972**	**682,120,710**	**7,842,858**	**549,627,489**

19. CHANGES IN INVENTORIES OF FINISHED GOODS

	Year ended March 31, 2014 EUR	Year ended March 31, 2014 ₹	Year ended March 31, 2013 EUR	Year ended March 31, 2013 ₹
Opening stock of finished goods	1,509,390	105,038,450	1,392,685	96,916,949
Closing stock of finished goods	2,015,672	165,809,179	1,509,390	105,038,450
Exchange Gain / loss		(19,726,447)		57,185
Increase in inventory of finished goods	**(506,282)**	**(41,044,282)**	**(116,705)**	**(8,178,686)**

20. EMPLOYEE BENEFIT EXPENSES

	Year ended March 31, 2014 EUR	Year ended March 31, 2014 ₹	Year ended March 31, 2013 EUR	Year ended March 31, 2013 ₹
Wages	102,223	8,287,219	97,534	6,835,183
Social security	30,345	2,460,069	28,115	1,970,299
Temporary wages	24,530	1,988,647	-	-
Pension	7,433	602,593	7,130	499,670
Staff walfare	2,917	236,481	15,030	1,053,302
Total	**167,448**	**13,575,009**	**147,809**	**10,358,455**

21. FINANCE COST

	Year ended March 31, 2014 EUR	Year ended March 31, 2014 ₹	Year ended March 31, 2013 EUR	Year ended March 31, 2013 ₹
Bank interest	93,765	7,601,529	32,498	2,277,460
	93,765	**7,601,529**	**32,498**	**2,277,460**

22. OTHER EXPENSES

	Year ended March 31, 2014 EUR	Year ended March 31, 2014 ₹	Year ended March 31, 2013 EUR	Year ended March 31, 2013 ₹
Transport cost	197,485	16,010,109	144,039	10,094,253
Storage Cost	162,437	13,168,768	111,846	7,838,168
Management fees	160,480	13,010,114	155,400	10,890,432
Carriage sampling	57,948	4,697,844	31,215	2,187,547
Accounting fees	56,648	4,592,453	55,462	3,886,777
Exhibition cost	45,010	3,648,961	31,110	2,180,189
Returnable & non-returnable packing	42,932	3,480,497	-	-
Payment to Auditors				
Audit fees	18,715	1,517,225	21,450	1,503,216
Rates and taxes	16,228	1,315,604	25,578	1,792,506
Offfice items	9,131	740,250	6,680	468,134
Bank charges	9,057	734,251	9,020	632,122
Office rent	7,260	588,568	8,519	597,012
Travelling expense	5,267	426,996	9,019	632,052
Utilities	5,249	425,536	2,531	177,372
Other fees	3,610	292,663	1,516	106,241
Postage and communication	2,009	162,870	5,211	365,187
Training expenses	1,382	112,039	1,415	99,163
Legal fees	1,168	94,690	1,455	101,966
Foreign exchange loss	833	67,531	-	-
Insurance	448	36,319	428	29,994
Total	**803,297**	**65,123,288**	**621,894**	**43,582,332**

23. 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:

Related party with whom transactions have taken place during the year:

– **Piramal Glass Limited** – **Parent company**

Summary of transactions with related parties is as follows:

Particulars	Year ended March 31, 2014 EUR	Year ended March 31, 2014 ₹	Year ended March 31, 2013 EUR	Year ended March 31, 2013 ₹
Transactions during the year				
Purchases of glass products from PGL India	6,760,382	548,064,169	7,096,552	497,326,364
Payment for management fees	160,480	13,010,114	155,400	10,890,432
Balance at year end				
Account payable,due to parent company	**3,067,619**	**248,691,872**	**2,764,111**	**193,708,899**

24. DEFERRED TAX

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

Particulars	Year ended March 31, 2014 EUR	Year ended March 31, 2014 ₹	Year ended March 31, 2013 EUR	Year ended March 31, 2013 ₹
Deferred tax asset				
Social contribution to solidarity	4,642	376,327	2,467	172,887
Deferred tax asset	4,642	376,327	2,467	172,887
Deferred tax recognized	**Nil**	**Nil**	**Nil**	**Nil**

In the absence of reasonable 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.

25. EARNINGS PER SHARE

Earnings per share are calculated by dividing the net (loss)/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, 2014	For the year ended March 31, 2013
Net (loss) profit after tax	(183,162)	315,032
Weighted average number of equity shares outstanding during	5,000	5,000
Earnings per share	**(36.63)**	**63.01**

26. 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.

27. In the opinion of the management, the current assets, loans & advances have been stated at realizable value. Provision for all the known liabilities is adequate and not in excess of the amount reasonably necessary.

28. SUBSEQUENT EVENT NOTE

Subsequent events have been evaluated through April 24, 2014 which is the date the financial statements were issued. No material subsequent event has been noted.

Piramal Glass
knowledge action care

CIN: L28992MH1998PLC113433

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