



Horana Glass Factory



Nattandiya Sand Processing Plant and Polythene Plant



ANNUAL
REPORT
2010-2011

Piramal Glass Ceylon PLC

Head Office: Piramal Glass Ceylon PLC, 148, Maligawa Road, Borupana, Ratmalana

Phone: +94 112 635 481-83/+94 117 800 200-4 • **Fax:** +94 112 635 484 • **Web:** www.piramalglassceylon.com

Factory: Wagawatte Road, Poruwadanda, Horana. **Phone:** +94 344 938 965-67/+94 347 800 200 • **Fax:** +94 342 258 120

Marawila Road Nattandiya **Phone:** +94 327 800 200 -4 • **Fax:** +94 322 255 193

You define the moment
or the moment defines you.

Piramal Glass Ceylon PLC

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CORPORATE *Information*

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

Audit Committee

Vijay Shah – Chairman
Dr. C.T.S.B Perera
R.M.S Fernando

Remuneration Committee

Vijay Shah – Chairman
Dr. C.T.S.B Perera
R.M.S Fernando

Senior Management Team

Sanjay Tiwari – CEO / Executive Director
U.P. Hettige – General Manager-Operations
Niloni Boteju – Financial Controller
A.K.M Fowzin – Head of Human Resources
Palitha Priyanandana – AGM-Supply Chain
B.L. Reddy – DGM-Operations

Company Name

The Company has changed the name from “CEYLON GLASS COMPANY PLC” to “PIRAMAL GLASS CEYLON PLC” with effect from 26th August 2008 (in accordance with Section 8 of Companies Act No. 07 of 2007)

Company Registration Number

PQ 190

Registered Office

148, Maligawa Road, Borupana, Ratmalana
Telephone: +94 112 635 481-83/+94 117 800 200 -4
Fax:+94 112 635 484
E-mail: pgc.info@piramal.com
Web: www.piramalglassceylon.com

Factory

Wagawatte Road, Poruwadanda, Horana.
Telephone: +94 344 938 965-67/+94 347 800 200
Fax:+94 342 258 120

Marawila Road, Nattandiya.

Telephone: +94 327 800 200 -4
Fax:+94 322 255 193

Auditors

Statutory
Messrs. Ernst & Young
Chartered Accountants
P.O.Box 101, Colombo 10

Internal

Messrs. S.J.M.S. Associates
No.04, Castle Lane, Colombo 04.

Bankers

Bank of Ceylon
Citi Bank, N.A
Commercial Bank of Ceylon PLC
Development Finance Corporation of Ceylon PLC
Hatton National Bank PLC
People’s Bank
Standard Chartered Bank
Sampath Bank PLC

Company Secretary

Mrs. Sagarika Jayasundera (Attorney-at-Law)
148, Maligawa Road, Borupana, Ratmalana
Telephone: +94 117 800 200-4 Ext: 604

Registrars

P.W. Corporate Secretarial (Pvt) Ltd
No.3/17, Kynsey Road, Colombo 08
Telephone: +94 114 897 711-44

Legal Advisors

Messrs. F.J. & G. de Saram
216, De Saram Place , Colombo 10
Telephone: +94 114 718 200-4

CHAIRMAN'S *Statement*



Dear Shareholders,

It gives me immense pleasure to share with you key developments of our company in the year gone by. FY2011 marked a turning point in the history of Piramal Glass, Ceylon.

The financial year ending 31st March 2011 has been a record year in the journey of the company. Revenue achieved for the year was Rs.4.16 Bn, forging an impressive growth of 18% as against Rs.3.52 Bn for the previous year. The domestic market contributed significantly with a positive growth of 34% from Rs. 2.35 Bn to Rs3.16 Bn.

I am pleased to inform you that the momentum gained in the export market has continued with the company achieving over Rs. 1 billion of sales consistently. More importantly, the quality of exports mix is changing towards higher value added products.

Production has shown a positive performance both in terms of tonnage and productivity. The tonnage

reflected a growth of 11.3% over last year. These factors helped the company in maintaining the margins in spite of cost escalations especially in Furnace Oil, L.P.Gas and electricity tariffs during the year.

The culture of superlative standards imbibed within the company was further re-inforced when Piramal Glass Ceylon PLC was accredited with the prestigious ISO 22000:2005 certifications by BVQS India in January 2011. ISO 22000:2005 is International Standard for ensuring safety in food and its packaging. Piramal Glass already holds the certification for 9001:2008 Quality Management System. These accreditations are an assurance to the outside world on the systems & processes followed by the company when producing their packing material.

Several recognitions from external agencies was an endorsement of world class processes adopted by Piramal Glass, Ceylon. This includes, Gold Medal awarded for Industrial Excellence, Manufacturing Excellence and Silver Award for being Tech Savvy company by reputed Industry / Trade Associations in Srilanka.

LOOKING AHEAD

Keeping in mind the significant financial achievement of our company, the board of Directors has proposed a final dividend of 30% for the year ended 31st March 2011.

We are confident that with growing domestic markets coupled with the increasing potential of high value added export market our company is, poised to achieve excellent performance in the future too.

In this new era in which Sri Lanka pursues its goal of being the 'Wonder of Asia', we are confident that PGC would play a key role in realizing this dream. Piramal Glass Ceylon reiterates its commitment towards this

CHAIRMAN'S *Statement*

dream by its mission of fully serving the domestic market whilst increasing the business in the specialized liquor and beverage segment in the international markets, thus accomplishing its vision of being "The most preferred Speciality Glass Packaging solutions provider in Asia by meeting customer expectation through innovative designs and manufacturing".

In conclusion, I'd like to re-iterate that our company's path to excellence is rooted in our core values of knowledge, action and care which drive us towards creating long term value for all our stakeholders.

Vijay Shah
Chairman

APPRECIATION

The stellar performance of our company, during the year, could not have been achieved without the untiring efforts, dedication and commitment of all our employees. I take this opportunity to express my gratitude to them. I also thank our valued customers for their unflinching patronage and support.

I also wish to convey my gratitude to the Board of Directors, who have continuously help steer the company particularly in the difficult times in the last few years. I also appreciate the management team for their valuable contribution during the financial year. I would fail in my duty if I do not thank our shareholders, for the confidence in us.

I particularly like to thank Piramal Glass Corporate Team from India for the help and cooperation extended in managerial & operational aspects to further improve and stabilize the operations here in Srilanka .

I take this opportunity to thank the various departments of the Government of Sri Lanka, Board of Investment, Banks, other institutions and clients that extended assistance to Piramal Glass Ceylon PLC and encouraged us to make additional investments in the Company. I thank you for your continued faith in us over the past years. As we embark upon a new journey, we look forward to your support in the coming years.

REPORT ON THE AFFAIRS *of the Company***To the Shareholders**

The Board of Directors have pleasure in presenting the 56th Annual Report and the Audited Accounts of the Company for the year ended 31st March 2011.

REVIEW OF YEAR

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

PRINCIPAL ACTIVITY

Principal activity of the Company is the manufacture and sale of Glass Containers. The Company owns Freehold Land at Ratmalana (21 acres-LKR 700M) and Nattandiya (54 acres-LKR 99M) and Leasehold Land at Horana (25 acres-LKR 22.3M) and Nattandiya (9 acres-LKR 1.2M).

CURRENCY

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

FINANCIAL RESULTS

	2011 LKR 000'	2010 LKR 000'
Revenue	4,163,266	3,518,763
Cost of Sales	<u>(2,897,996)</u>	<u>(2,619,315)</u>
Gross Profit	1,265,270	899,448
Other Operating Income	11,567	3,365
Admin & Distribution Cost	(378,414)	(382,719)
Finance Cost	<u>(306,470)</u>	<u>(581,186)</u>
Profit/ (Loss) Before Tax	591,953	(61,092)
Income Tax Expense	<u>(13,279)</u>	<u>-</u>
Profit/ (Loss) for the Year	578,674	(61,092)

SALES HIGHLIGHTS

The Total revenue for the year ending 31st March 2011 grew by 18.3% to Rs. 4,163.3 million as against Rs 3,518.8 million in the previous year. Domestic market was the main contributor towards this growth and it has reported Rs 3,159 million in the current year compared to Rs 2,353 million reported in previous year which is reflected a growth of 34.3%. The momentum gained in the export market has continued with the company achieving over Rs. 1 billion of sales consistently.

PRODUCTION HIGHLIGHTS

With the ongoing improvements and stabilization of the plant, the total production in packed tons for the current year was 68,910 tons as against 61,859 tons in the previous year. The daily production of glass tonnage drawn from the furnace has increased from 218 tonnes in previous year to 234 tonnes in current year, with efficiency too increasing by over 2%. The new furnace at Horana has a designed capacity of 205 tons per day which can go up to 250 tons per day.

EMPLOYMENT

The Company employed a total of 412 persons as at 31st March 2011. (2010 was 384)

CAPITAL EXPENDITURE AND INVESTMENTS

The Company invested a total of LKR 172,630,912 /- at Property, Plant and Equipment. (2010 was LKR 48,411,389/-). The capital commitments as at the balance sheet date are disclosed in Note 4.7 to the Accounts.

SHARE CAPITAL

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

SHARE HOLDINGS

There were 12,910 registered shareholders as at 31st March 2011, and the distribution of shares is indicated in page 39.

REPORT ON THE AFFAIRS *of the Company*

THE POST BALANCE SHEET EVENTS

The Post Balance Sheet events are disclosed in Note 26 to the Accounts. No events have taken place since the Balance Sheet date which would require any adjustments or disclosures other than what is disclosed in Note 26.

THE BOARD OF DIRECTORS

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

APPOINTMENT OF NEW DIRECTOR

None

PERSONS WHO CEASED TO BE DIRECTORS

None

DIRECTORS' INTEREST REGISTER

The Directors have made declarations as provided for in section 192 (2) of the Companies Act No. 7 of 2007. The related entries were made in the interest register during the year under review. The related party disclosures are referred to in Note 27 to the Financial Statements. Mr.Vijay Shah, Chairman of the Company is the Managing Director of Piramal Glass Ltd. The share ownership of directors is indicated below.

DIRECTORS' SHAREHOLDINGS

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

	2011	2010
Dr.C.T.S.B.Perera	50,000	50,000
Mr.R.M.S. Fernando	1,000,000	-

DIRECTORS' EMOLUMENTS

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

DONATIONS

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

AUDITORS

The Accounts have been audited by Messrs. Ernst & Young, Chartered Accountants of Sri Lanka, who have indicated their willingness to continue in office and a resolution relating to their reappointment, will be proposed at the Annual General Meeting. Audit fees and expenses paid to Messrs. Ernst & Young for the FY 11 is LKR 600,000/- (2010 LKR 565,325/-) and fees and expenses for taxation services is LKR 241,182/- (2010 LKR 177,460/-). As far as the Directors are aware, the auditors do not have any other relationship with the Company or any of its subsidiaries.

Sgd. Mr.Sanjay Tiwari
CEO / Executive Director

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

Sgd.Ms.Sagarika Jayasundera
Company Secretary

03rd May 2011

DIRECTORS' Responsibilities for the Preparation of Financial Statements

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

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

The directors are required by relevant statutory provisions to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the company for that period. The Financial Statements for the year 2010/2011 prepared and presented in this report are consistent with the underlying books of account and are in conformity with the requirements of the Sri Lanka Accounting Standards, Companies Act No. 7 of 2007, Sri Lanka Accounting and Auditing Standards Act No. 15 of 2000 and the New Listing Rules of the Colombo Stock Exchange. The responsibilities of the Directors, in relation to the Financial Statements, is set out in the following statement.

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

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

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

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

The Directors 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 the going concern basis.

By order of the Board

SAGARIKA JAYASUNDERA
Company Secretary
Piramal Glass Ceylon PLC

03rd May 2011

THE BOARD of Directors



MR. VIJAY SHAH

Chairman

Non Executive, Non Independent Director

Appointed to the Board in the year 1999. Took over as Chairman of Piramal Glass Ceylon PLC (formerly known as Ceylon Glass Company) since 2002. Joined Piramal Group in 1988. Since September 1992 he took over as Managing Director of Piramal Glass. Since August 99, Mr. Shah was assigned responsibility as Executive Director and Chief Operating Officer of Nicholas Piramal India Limited. He was a Senior Associate at Management Structure & Systems Pvt Ltd. - a Management Consultancy organization from 1982 to 1987. Mr Shah has been instrumental in several mergers & acquisitions and consequent integration globally in the Piramal Group. He is a Director in Piramal Glass UK Ltd, Piramal Glass - USA Inc., Allergan India Limited etc.

He holds Bachelor's Degree in Commerce Rank holder and member of "The Institute of Chartered Accountants of India". Also completed Advance Management program of Harvard Business School Boston, USA in 1981 and Management Education Programme from IIM Ahmedabad in 1987.

DR. C. T. S. B. PERERA

Non Executive, Independent Director

Appointed to the Board of Piramal Glass Ceylon PLC (formerly known as Ceylon Glass Company) in 2003. Dr Perera has served as the Managing Director of Piramal Glass Ceylon PLC from July 1995 to March 2002. He served as first Chairman of SME Bank. Additional Director General Board of Investment, Sri Lanka. Presently serves as Managing Director of Samson Rajarata Tiles and Director on Board of many reputed Companies.

He holds a PhD-CNAA - North Staffordshire UK, BSc(Hons) CNAA – North Staffordshire UK, BSc University of Ceylon and Fellow of the Institute of Metal, Materials & Mining (UK), Is, BSc University of Ceylon.



MR. SANJAY TIWARI

CEO / Executive Director

Executive, Non Independent Director

Appointed to the Board of Piramal Glass Ceylon PLC (formerly known as Ceylon Glass Company) in December 2005 as CEO and Executive Director. Joined Piramal Group in June 2004 as Vice President - Finance & Commercial, heading Accounts, Finance, IT, Logistics and Supply Chain of Piramal Glass Ltd till Nov 2005. Before joining the Piramal Group worked with Zydus Cadila Healthcare Ltd and Torrent Group as CFO and General Manager Commercial for 12 years. Diversified experience in various positions in different Industries – Textile, Colour Chemicals, Cables, Pharmaceuticals, Bulk Drugs and Glass.

He holds a Bachelors Degree in Commerce, Fellow member of "The Institute of Chartered Accountants of India", completed AFM & GMP programs from IIM Ahmedabad, Executive Management Program from University of Michigan.

THE BOARD of Directors



MR. R. M. S. FERNANDO

Non Executive, Independent Director

Appointed to the Board of Piramal Glass Ceylon PLC (formerly known as Ceylon Glass Company) on 8th October 2007. Mr. Fernando has worked at the DFCC for 10 years and joined the National Development Bank in 1989 and was the CEO of the National Development bank from 1989-2001. He also served as the Secretary to the Ministry of Investment Promotions, Industrial Policy, and constitutional Affairs during 2002-2004. Mr. Fernando has been an international consultant and advisor to the World Bank and the Asian Development Bank and is a member of the Board of Trustees in Women's World Banking, New York.

Member of Chartered Institute of Bankers, United Kingdom, Companion of the Chartered Institute of Management in UK and Chartered Institute of Management Accountants UK.

MR. SANDEEP ARORA

Non Executive, Non Independent Director

45 years, appointed to the Board of Piramal Glass Ceylon PLC (formerly known as Ceylon Glass Company) on 07th October 2009. Mr. Sandeep holds a Bachelor Degree in Commerce and is a Member of "The Institute of Chartered Accountants of India". He is the CFO of Piramal Glass Ltd heading the Finance and Accounts functions for the Piramal Glass group business. He was earlier with Piramal Healthcare Ltd. He has over 20 years of experience in multiple industries like Industrial yarn, Cosmetics, Food and Healthcare with Indian and Multinational Companies based in India.



OFFICIAL ENDORSEMENT!

Piramal Glass Ceylon declares a 30% dividend
Page 5

World of wooden toys for heart, head and hands
Page 7

Piramal Glass Ceylon declares a 30% di

Primal Glass shines with best ever performance in 2010/11

Piramal Glass reports quarterly results



Sanjay Tiwari
Chairman of Piramal Glass Ceylon PLC

Piramal Glass Ceylon PLC (PGC), a manufacturer of flaconage (glass containers) for food and beverages, pharmaceuticals, cosmetics and perfumery, has reported its best quarter ever to date. Net sales for the quarter ending December 31, 2010 grew by 28% to Rs. 1106 million, while gross profits grew by 30% to Rs. 360 million and net profit for the period was Rs. 190 million.

Piramal reports best quarter ever

Piramal Glass Ceylon PLC (PGC), a manufacturer of flaconage (glass containers) for food and beverages, pharmaceuticals, cosmetics and perfumery, has reported its best quarter ever to date. Net sales for the quarter ending December 31, 2010 grew by 28% to Rs. 1106 million, while gross profits grew by 30% to Rs. 360 million and net profit for the period was Rs. 190 million.

Piramal Glass Ceylon records profits, crosses Rs. 4bn revenue-mark

- Declares a 30 percent dividend
- Post-conflict economic revival boosts domestic sales

Piramal Glass Ceylon PLC (PGC) made record profits for the financial year ended March 31, 2011, after recording a Rs. 41 million loss the previous year, on revenue growth of 24 percent, taking after-tax profits to Rs. 378 million.

Believing its current financial state the company said that revenue for the year (FY11) was Rs. 4.16 billion, a growth of 18 percent as against Rs. 3.52 billion the previous year. Profit after tax (PAT) amounted to Rs. 378 million, equating to 14 percent of turnover as against the loss of Rs. 41 million recorded in FY10. With this exception at performance the board of directors has declared a first and final dividend of 30 percent.

PGC's Chief Executive Officer and Executive Director Sanjay Tiwari said this quarter has vindicated their investments and hard work. "We have invested in some strategic initiatives in the last few years and put in a lot of effort in turning around PGC. We have improved our manufacturing efficiency and realigned our portfolio offerings. We have a major focus on manufacturing excellence in view of achieving Sigma and the Green implementation of IALU. As a result, we achieved 84 percent factory efficiency," said Tiwari.

The company's revenue growth of 24 percent over Rs. 3.52 billion to Rs. 4.16 billion, while gross profit grew by 30 percent to Rs. 360 million. Volume-wise sales were a growth of 33 percent.

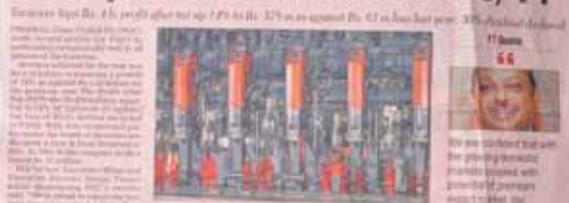
The main contributor to the profitability was the expansion of the export market. The company reported that the export sales crossed the Rs. 1 billion mark for the second consecutive year. Several new products were designed and launched in the export market which yielded high realizations in the pharmaceutical.

The export product portfolio saw a gradual shift from basic market to high end premium market requiring visiting higher realizations. Specialty high-end market segment grew by 34 percent in volume. Home & personal care segment saw a 24 percent increase. The introduction of new capacity process namely LFG Gas, Electrolyte AC/DC & F-uronic oil has supported the cover all cost of production.

During the year PGC was accredited with ISO 22000:2006 and ISO 14001:2004 for food and safety. The Company has already received certification for compliance with ISO 9001:2008 Quality Management System. This new accreditation is a testimony to the best in class systems & processes followed by the company.

Best quarter for Primal

Piramal Glass Ceylon PLC (PGC), a manufacturer of flaconage (glass containers) for food and beverages, pharmaceuticals, cosmetics & perfumery, has reported its best quarter ever to date. Net sales for the quarter ending December, 2010 grew by 28% to Rs. 1106 million, while gross profit grew by 38% to Rs. 360 million and Net profit for the period was Rs. 190 million. PGC's Executive Officer and Director, Sanjay Tiwari announcing PGC's results.



Piramal Glass Ceylon PLC (PGC) has reported its best ever performance in 2010/11. The company's revenue growth of 24 percent over Rs. 3.52 billion to Rs. 4.16 billion, while gross profit grew by 30 percent to Rs. 360 million. Volume-wise sales were a growth of 33 percent.

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During the year PGC was accredited with ISO 22000:2006 and ISO 14001:2004 for food and safety. The Company has already received certification for compliance with ISO 9001:2008 Quality Management System. This new accreditation is a testimony to the best in class systems & processes followed by the company.

Piramal Glass posts best ever quarter in December

Piramal Glass PLC last week posted its best quarter ever in December. Net sales for the quarter ending December 31, 2010 grew by 28% to Rs. 1106 million, while gross profit grew by 38% to Rs. 360 million and Net profit for the period was Rs. 190 million.

Piramal glass "flies high" at 18th NCE awards



Piramal Glass Ceylon PLC (PGC) has been awarded the 'Merit award' at the 18th National Consumer Excellence Awards (NCEA) for its outstanding performance in 2010/11.

Piramal Glass rev. up 28% to Rs. 1.1 bln in last quarter

Piramal Glass Ceylon PLC (PGC), a manufacturer of flaconage (glass containers) for food and beverages, pharmaceuticals, cosmetics and perfumery, has reported its best quarter ever to date. Net sales for the quarter ending December 31, 2010 grew by 28% to Rs. 1106 million, while gross profits grew by 30% to Rs. 360 million and net profit for the period was Rs. 190 million.

This quarter has vindicated our investments and hard work. We have invested in some strategic initiatives in the last few years and put in a lot of effort in turning around PGC. We have improved our manufacturing efficiency and realigned our portfolio offerings.

PGC's Chief Executive Officer and Executive Director Sanjay Tiwari said, "This quarter has vindicated our investments and hard work. We have invested in some strategic initiatives in the last few years and put in a lot of effort in turning around PGC. We have improved our manufacturing efficiency and realigned our portfolio offerings."

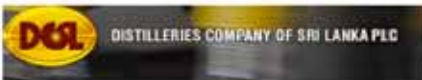
OUR NEW PRODUCT RANGE



IN RECOGNITION OF OUR COMMITMENT



CUSTOMER BRANDS



CORPORATE GOVERNANCE Compliance Table (Colombo Stock Exchange Circular No. 02/2009 and New Listing Rules)

Rule No.	Subject	Applicable Requirement	Compliance Status	Details
7.10.1	Non-Executive Directors	At least two non-executive directors or; at least one third of the total number of directors whichever is higher should be Non-Executive Directors.	Compliant	Four out of Five Directors are Non-Executive Directors.
7.10.2	Independent Directors	Two or one third of Non-Executive Directors, whichever is higher should be independent.	Compliant	Two of the Four Non-Executive Directors are independent.
7.10.3	Independent Directors	Each Non-Executive Director should submit a declaration of independence / non-independence in the prescribed format.	Compliant	Non-Executive Directors have submitted the declarations.
7.10.3 (a)	Disclosure relating to Directors	Names of independent Directors should be disclosed in the Annual Report.	Compliant	Please refer page 8-9 in the Annual Report.
7.10.3 (c)	Disclosure relating to Directors	A brief resume of each Director should be included in the Annual Report including the area of Expertise.	Compliant	Please refer page 8-9 in the Annual Report.
7.10.5	Remuneration Committee	A listed company shall have a Remuneration Committee.	Compliant	Names of the members of the Remuneration Committee are available in page 2.
7.10.5 (a)	Composition of Remuneration Committee	Shall comprise of Non-Executive Directors a majority of whom can be independent.	Compliant	Remuneration Committee consists of three Non-Executive Directors of which two are independent.
7.10.5 (b)	Functions of Remuneration Committee	The Remuneration Committee shall recommend the remuneration of Chief Executive Officer and Executive Directors.	Compliant	Please refer the Remuneration Committee Report on page 14.
7.10.5 (c)	Disclosure in the Annual Report relating to Remuneration Committee	The Annual Report should set out;		
		a) Names of Directors comprising the Remuneration Committee.	Compliant	Please refer page 2.
		b) Statement of Remuneration Policy.	Compliant	Please refer the Remuneration Committee Report on page 14 for a brief statement of policy.
		c) Aggregate remuneration paid to Executive & Non-Executive Directors.	Compliant	Please refer page 38.
7.10.6	Audit Committee	The Company shall have an Audit Committee.	Compliant	Names of the members of the Audit Committee is available on page 2.
7.10.6 (a)	Composition of Audit Committee	Shall comprise of Non-Executive Directors a majority of whom can be independent.	Compliant	Audit Committee consists of three Non-Executive Directors of which two are independent.
		Chief Executive Officer and the Chief Financial Officer should attend Audit Committee Meetings.	Compliant	CEO/Executive Director and the Finance Controller attend by invitation.
		The Chairman of the Audit Committee or one member should be a member of a professional accounting body.	Compliant	Chairman of the Audit Committee and one member are members of a professional accounting body.
7.10.6 (b)	Audit Committee Functions	Should be as outlined in the Section 7.10.6(b) of the Listing Rules.	Compliant	Please refer page 14.
7.10.6 (c)	Disclosure in the Annual Report relating to Audit Committee	a) Names of the Directors comprising the Audit Committee.	Compliant	Please refer page 2.
		b) The Audit Committee shall make a determination of the independence of the Auditors and disclose the impacts for such determination.	Compliant	Please refer Audit Committee Report on page 14.
		c) The Annual Report shall contain a Report of the Audit Committee setting out the manner of Compliance of the functions.	Compliant	Please refer Audit Committee Report on page 14.

CORPORATE GOVERNANCE**ATTENDANCE OF DIRECTORS *At Meetings.*****ATTENDANCE OF DIRECTORS AT BOARD MEETINGS.**

The Board of the Company met six (6) times during the financial year, on the following dates:

- (1) 21st April, 2010 (2) 24th May, 2010 (3) 19th July, 2010
 (4) 06th September, 2010 (5) 25th October, 2010 (6) 17th January, 2011

The attendance of the Directors at the Board Meetings and the last Annual General Meeting held on 6th September, 2010 were as under:

Name of Director	Board Meetings		AGM
	Held during their tenure	Attended	
Vijay Shah - Chairman	6	6	✓
Dr.C.T.S.B.Perera	6	6	✓
Sanjay Tiwari - CEO	6	6	✓
R.M.S.Fernando	6	6	✓
S.U.Arora	6	6	✓

ATTENDANCE OF DIRECTORS AT AUDIT COMMITTEE MEETINGS.

During the financial year 2010-11, four Audit Committee Meetings were held on the following dates:

- (1) 21st April, 2010 (2) 19th July, 2010 (3) 25th October, 2010
 (4) 17th January, 2011

The constitution of the Committee and the attendance of each member of the Committee is given below:

Name of the Director	Designation	Category	Audit Committee Meeting	
			Held during their tenure	Attended
(1) V.K.Shah	Chairman	Non-Executive Director	4	4
(2) Dr.C.T.S.B.Perera	Member	Independent Director	4	4
(3) R.M.S.Fernando	Member	Independent Director	4	4

The Company Secretary is the Secretary to the Committee.

ATTENDANCE OF DIRECTORS AT REMUNERATION COMMITTEE MEETINGS.

The Remuneration Committee met on 24th May, 2010 for the financial year 2010-11.

Name of the Director	Designation	Category	Remuneration Committee Meeting	
			Held during their tenure	Attended
(1) V.K.Shah	Chairman	Non-executive Director	1	1
(2) Dr.C.T.S.B.Perera	Member	Independent Director	1	1
(3) R.M.S.Fernando	Member	Independent Director	1	1

CORPORATE Governance

REMUNERATION COMMITTEE REPORT

A Listed Company shall have a Remuneration Committee in conformity with the following requirements.

This committee shall comprise of a minimum of two independent non-executive directors (in instances where a company has only two directors on its Board); or Non-executive directors, a majority of whom shall be independent, whichever shall be higher. One non-executive director shall be appointed as Chairman of the Committee by the Board of Directors.

The Remuneration Committee is a sub-committee of the Board and the Company's Remuneration Committee consists of three non-executive directors of which two are independent Directors.

The Remuneration Committee shall recommend the remuneration payable to the Executive Directors and Chief Executive Officer of the listed company and/or equivalent position thereof, to the board of the listed company, which will make the final determination upon consideration of such recommendations.

The Committee has acted within the parameters set by its terms of reference.

The CEO/Executive Director attends the Committee meetings by invitation. However, he does not participate in any discussion pertaining to his remuneration.

The remuneration packages linked to the individual performances are aligned with the Company's long-term strategy.

The Term "remuneration" shall make reference to cash and all non-cash benefits whatsoever received in consideration of employment with the listed company (excluding statutory entitlements such as Employees Provident Fund and Employees Trust Fund).

The aggregate remuneration paid to Executive and Non Executive Directors are disclosed on page 38 The members of the Remuneration Committee are disclosed in page 2.

Sgd. Mr.Vijay Shah
Chairman

03rd May 2011

INDEPENDENT DIRECTORS

The independent directors are Dr.C.T.S.B.Perera and Mr.R.M.S.Fernando. The board is of the opinion that Dr.C.T.S.B. Perera is an independent director, notwithstanding the fact that he has been a director of the Company continuously for a period exceeding nine years. It has been so determined taking to account the experience, qualifications and the industry experience he possess.

AUDIT COMMITTEE REPORT

A Listed Company shall have an Audit Committee. The Audit Committee is established for the purpose of assisting the Board in fulfilling their oversight responsibilities regarding the integrity of the Financial Statements, risk management, internal control and compliance with legal & regulatory requirements, assessment of the independence and performance of the external auditors and internal audit function, make recommendations to the board pertaining to appointment, re-appointment and removal of external auditors and to approve the remuneration and terms of engagement of the external auditors.

The Audit Committee is formally constituted as a Sub-Committee of the Main Board, to which it is accountable.

Audit committee shall comprise of a minimum of two independent non-executive directors (in instances where a company has only two directors on its Board); or Non-executive directors, a majority of whom shall be independent, whichever shall be higher. One non-executive director shall be appointed as Chairman of the Committee by the Board of Directors.

The Company's Audit Committee consists of three non-executive directors of which two are independent Directors. The members of the Audit Committee are disclosed in page 2.

Meetings of Audit Committee

Four meetings were held during the year ended 31st March 2011. The Internal Auditors attended all these meetings.

Internal Auditors

The internal audit function is outsourced to Messrs. SJMS Associates, a firm of Chartered Accountants. Internal Auditors directly submitted their findings to Audit Committee quarterly and their reports are made available to External Auditors.

External Auditors

The Audit committee reviews the independence and objectivity of the external auditors and conducts a formal review of effectiveness of the external audit process. The committee reviewed the non audit services and its impact on the independence of the external auditors. The Audit Committee has recommended to the Board of Directors that Messers Ernst & Young to be continued as the auditors for the financial year ending 31st March 2012.

Audit Committee Performance

The Annual Performance of Audit Committee was evaluated by other members of the Board of Directors and was deemed to be satisfactory.

Conclusion

The Audit Committee is satisfied that the effectiveness of the organizational structure of the Company and of the implementation of the Company's accounting policies and operational controls provide reasonable assurance that the affairs of the Company are managed in accordance with Company's policies and that Company's assets are properly accounted for and adequately safeguarded.

Sgd. Mr.Vijay Shah
Chairman

3rd May 2011

RISK Management

Risks are the uncertain events, which could have an adverse effect on the achievement of the organization's operational and financial objectives. Risk Management is the practice of managing the resources of the operation in such way to maintain an acceptable level of risk. The Board of Directors of the Company places special emphasis on the management of business risk, providing assurance that sound system of control are in place in order to manage and mitigate the potential impact of such risks.

Piramal Glass Ceylon PLC, being in the Glass Manufacturing industry is exposed to a multitude of risks.

Operational Risk

The Company has designed and implemented a sound system of internal control to prevent operational risks that may arise in day to day activities. The quality and effectiveness of such systems are subject to regular review by the Management and updated with appropriate changes where necessary to suit the changing business environment. Regular internal audits are carried out to ensure that these systems and procedures are being adhered to.

Credit Risk

Credit risk is the potential financial loss arising from the Company's debtors defaulting or failing to pay for goods purchased from the Company within the agreed period. During the year Company was able to manage the Credit Risk whilst capitalizing the good long term relationship built up with the customers.

Liquidity Risk

Liquidity refers to the ability of the Company to meet financial obligations as they become due without affecting the normal operation. During the year under review Company has successfully met its all financial obligations without affecting its day to day operation.

Interest Rate Risk

The exposure to interest rate risk is managed successfully by negotiating better rates by offering sound security and making repayment of loans on time.

Legal Risk

Legal risks arise from legal consequences of a transaction or any other legal implications which may result in unexpected

losses to the Company. The Company has placed special emphasis on this and has set up of obtaining outside Experts'/consultants' opinion regularly.

Reputation Risk

In today's environment, reputation has become an organization's most valuable asset. The Company has recognized the need of maintaining good reputation and in order to protect itself ensure the compliance with all legal and statutory requirements and maintain high standard of ethics and increasing transparency.

AUDITORS' Report



Chartered Accountants

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P.O. Box 101
Colombo 10
Sri Lanka

Tel : (0) 11 2463500
Fax Gen : (0) 11 2697369
Tax : (0) 11 5578180
eysl@lk.ey.com

APAG/NAPJ/HLW/AD

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PIRAMAL GLASS CEYLON PLC

Report on the Financial Statements

We have audited the accompanying financial statements of Piramal Glass Ceylon PLC which comprise the balance sheet as at 31 March 2011, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Scope of Audit and Basis of Opinion

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

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by 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 2011 and the financial statements give a true and fair view of the Company's state of affairs as at 31 March 2011 and its profit and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Report on Other Legal and Regulatory Requirements

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

Sgd. **ERNST & YOUNG**
Chartered Accountants
Colombo.
21st April 2011

Partners : A D B Talwatte FCA FCMA M P D Cooray FCA FCMA R N De Saram ACA FCMA Ms. Y A De Silva ACA W R H Fernando FCA FCMA
W K B S P Fernando FCA ACMA A P A Gunasekera FCA FCMA A Herath FCA D K Hulangamuwa FCA FCMA LLB (Lond)
H M A Jayasinghe FCA FCMA Ms. G G S Manatunga ACA Ms. L C G Nanayakkara FCA FCMA B E Wijesuriya ACA ACMA

BALANCE Sheet as at 31st March, 2011

	Note	2011 LKR	2010 LKR (Restated)
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	4	4,140,343,713	4,386,344,675
Leasehold Property	5	23,524,910	24,629,990
Investment Property	6	666,130,000	666,130,000
Long Term Investment	7	261,359	261,359
		<u>4,830,259,982</u>	<u>5,077,366,024</u>
Current Assets			
Inventories	8	806,022,536	633,656,806
Trade and Other Receivables	9	783,251,770	1,018,304,343
Income Tax Receivables		23,139,430	28,001,636
Cash and Bank Balances	18	205,101,327	44,057,834
		<u>1,817,515,063</u>	<u>1,724,020,619</u>
Total Assets		<u><u>6,647,775,045</u></u>	<u><u>6,801,386,643</u></u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	10	1,526,407,485	1,526,407,485
Reserves	11	688,535,043	688,535,043
Retained Earnings		578,697,447	23,379
Total Equity		<u>2,793,639,975</u>	<u>2,214,965,907</u>
Non-Current Liabilities			
Interest Bearing Loans and Borrowings	12	1,691,150,877	1,773,967,786
Deferred Tax Liabilities	14	18,979,577	18,979,577
Retirement Benefit Obligations	15	99,543,230	86,925,218
		<u>1,809,673,684</u>	<u>1,879,872,581</u>
Current Liabilities			
Trade and Other Payables	16	822,962,963	795,077,359
Dividends Payable	17	3,952,361	10,860,992
Interest Bearing Loans and Borrowings	12	1,217,546,062	1,900,609,806
		<u>2,044,461,386</u>	<u>2,706,548,156</u>
Total Equity and Liabilities		<u><u>6,647,775,045</u></u>	<u><u>6,801,386,643</u></u>

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

Sgd: Mrs. Niloni Boteju
Financial Controller

The Board of Directors is responsible for the preparation and presentation of these Financial statements. Signed for and on behalf of the board by.

Sgd: Mr. Sanjay Tiwari
CEO/Executive Director

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

The accounting policies and notes on pages 21 through 38 form an integral part of the financial statements.

Colombo
21st April 2011

INCOME Statement for the year ended 31st March, 2011

	Note	2011 LKR	2010 LKR
Revenue	3	4,163,266,245	3,518,763,226
Cost of Sales		<u>(2,897,996,308)</u>	<u>(2,619,315,579)</u>
Gross Profit		1,265,269,937	899,447,647
Other Operating Income	19	11,567,370	3,365,143
Distribution Costs		(97,704,397)	(101,339,564)
Administrative Expenses		(280,709,814)	(281,379,111)
Finance Cost	20	<u>(306,469,768)</u>	<u>(581,185,991)</u>
Profit/(Loss) Before Tax		591,953,328	(61,091,876)
Income Tax (Expense) / Reversal	13	(13,279,260)	-
Profit/(Loss) for the Period		<u><u>578,674,068</u></u>	<u><u>(61,091,876)</u></u>
Earning/(Loss) Per Share - Basic	22	0.61	(0.06)

The accounting policies and notes on pages 21 through 38 form an integral part of the financial statements.

STATEMENT of Changes in Equity for the year ended 31st March, 2011

	Note	Stated Capital LKR	Other Reserves LKR	Revaluation Reserve LKR	Retained Earnings/(Losses) LKR	Total LKR
Balance as at 1 April 2009		1,526,407,485	21,502,500	667,032,543	61,115,255	2,276,057,783
Net Loss for the Period		-	-	-	(61,091,876)	(61,091,876)
Balance as at 31 March 2010		1,526,407,485	21,502,500	667,032,543	23,379	2,214,965,907
Net Profit for the Period	21	-	-	-	578,674,068	578,674,068
Balance as at 31 March 2011		<u>1,526,407,485</u>	<u>21,502,500</u>	<u>667,032,543</u>	<u>578,697,447</u>	<u>2,793,639,975</u>

The accounting policies and notes on pages 21 through 38 form an integral part of the financial statements.

CASH Flows Statement for the year ended 31st March, 2011

Cash Flows from/(used in) Operating Activities	Note	2011 LKR	2010 LKR
Cash Flow from Operating Activities			
Net Profit/(Loss) before tax		591,953,328	(61,091,876)
Adjustments for			
Dividends unclaimed written back	19	(6,843,445)	-
Depreciation	4	415,026,841	348,571,119
Work-in-progress / Asset write off		-	676,950
Amortisation of Leasehold Property	5	1,105,080	1,105,080
Provision for Retirement Benefit Obligations	15	15,334,520	5,581,701
Investment Income	19	(767,584)	(348,023)
Profit on Sale of Property, Plant & Equipment	21	(5,701,989)	-
Exchange Difference Adjustment in respect of Interest Bearing Liabilities	12	(31,535,010)	(2,975,387)
Finance Cost	20	306,469,768	581,185,991
Operating Profit/ Loss Before Working Capital Changes		<u>1,285,041,510</u>	<u>872,705,555</u>
(Increase)/Decrease in Inventories		(172,365,731)	24,742,512
(Increase)/Decrease in Trade and Other Receivables		235,052,574	(67,340,458)
Increase/(Decrease) in Trade and Other Payables		27,885,604	146,299,428
Cash Generated from Operations		<u>1,375,613,957</u>	<u>976,407,037</u>
Income Tax Paid		(8,417,054)	(7,577,404)
Retirement Benefit Obligations Costs Paid	15	(2,716,508)	(3,156,752)
Interest Paid	20	(306,469,768)	(581,185,991)
Cash Flow from Operating Activities		<u>1,058,010,627</u>	<u>384,486,890</u>
Cash Flow from Investing Activities			
Acquisition of Property, Plant and Equipment	4	(172,630,912)	(48,411,389)
Proceeds from Sale of Property, Plant and Equipment		9,307,022	227,477
Interest Received	19	661,144	257,863
Dividend Received	19	106,440	90,160
Net Cash Flows used in Investing Activities		<u>(162,556,306)</u>	<u>(47,835,890)</u>
Cash Flow from Financing Activities			
Proceeds from Interest Bearing Loans and Borrowings	12	2,173,307,186	5,543,400,331
Principal Payment under Finance Lease Liability	12	(1,174,113)	(1,934,201)
Dividends Paid		(65,185)	(20,141)
Repayment of Bank Loans	12	(2,922,393,318)	(5,806,907,792)
Net Cash Flows from/(used in) Financing Activities		<u>(750,325,430)</u>	<u>(265,461,803)</u>
Net Increase/ (Decrease) in Cash and Cash Equivalents		145,128,891	71,189,198
Cash and Cash Equivalent at the beginning of the period	18	<u>(209,864,819)</u>	<u>(281,054,017)</u>
Cash and Cash Equivalent at the end of the period	18	<u>(64,735,928)</u>	<u>(209,864,819)</u>

The accounting policies and notes on pages 21 through 38 form an integral part of the financial statements.

SIGNIFICANT Accounting Policies year ended 31st March, 2011

1. CORPORATE INFORMATION

1.1 General

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

1.2 Principal Activities and Nature of Operations

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

1.3 Parent Enterprise and Ultimate Parent Enterprise

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

1.4 Date of Authorization for Issue

The Financial Statements of Piramal Glass Ceylon PLC for the year ended 31 March 2011 was authorized for issue in accordance with a resolution of the Board of Directors on 21 April 2011.

2.1 BASIS OF PREPARATION

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

2.1.1 Statement of Compliance

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

2.2 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous audited financial year except where the Company has made voluntary changes. The principal effects of this decision are discussed below and in Note 23.

Voluntary Change in Accounting Policy for the Recognition of Moulds and Neckring Equipment

The Company changed its policy in accounting for Moulds and Neckring Equipment with effect from 1 April 2010 to be consistent with the policy changes of its parent company. Under the new policy Moulds and Neckring Equipment are accounted under Property, Plant and Equipment and would be depreciated according to the usage. Previously Moulds and Neckring Equipment were accounted as inventories and was charged to the income statement according to the usage.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.3.1 Foreign Currency Translation

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

2.3.2 Taxation

Current Taxes

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

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

SIGNIFICANT Accounting Policies year ended 31st March, 2011 (Contd.)

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

Deferred Taxation

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

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

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

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

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

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

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

Sales Tax

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

2.3.3 Borrowing Costs

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

2.3.4 Inventories

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

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

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

SIGNIFICANT Accounting Policies year ended 31st March, 2011 (Contd.)

2.3.5 Trade and Other Receivables

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

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

2.3.6 Cash and Cash Equivalents

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

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

2.3.7 Property, Plant and Equipment Cost and Valuation

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

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

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

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

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

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

2.3.8 Leases -Company as a lessee

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

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

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

SIGNIFICANT Accounting Policies year ended 31st March, 2011 (Contd.)

2.3.9 Leasehold Property

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

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

2.3.10 Investments

Long Term Investments

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

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

2.3.11 Investment Properties

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

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

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

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

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

2.3.12 Provisions

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

2.3.13 Retirement Benefit Obligations

a) Defined Benefit Plan – Gratuity

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

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

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

SIGNIFICANT Accounting Policies year ended 31st March, 2011 (Contd.)

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

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

2.3.14 Impairment of Assets

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

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

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

2.3.15 Income Statement

Revenue Recognition

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

a) Sale of Goods

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

b) Interest

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

c) Dividends

Dividend income is recognized on cash basis.

d) Others

Other income is recognized on an accrual basis.

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

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

SIGNIFICANT Accounting Policies year ended 31st March, 2011 (Contd.)

2.4 FUTURE CHANGES IN ACCOUNTING POLICIES

a) The following standards have been issued by the Institute of Chartered Accountants of Sri Lanka.

- Sri Lanka Accounting Standard 44 Financial Instruments; Presentation (SLAS 44)
- Sri Lanka Accounting Standard 45 Financial Instruments; Recognition and Measurement (SLAS 45)
- Sri Lanka Accounting Standard 39 Share Based Payments (SLAS 39)

The effective date of SLAS 44, 45 and 39 was changed during the year to be effective for financial periods beginning on or after 01 January 2012. These three standards have been amended and forms a part of the new set of financial reporting standards mentioned under note (b) below.

b) Following the convergence of Sri Lanka Accounting Standards with the International Financial Reporting Standards, the Council of the Institute of Chartered Accountants of Sri Lanka has adopted a new set of financial reporting standards that would apply for financial periods beginning on or after 01 January 2012. The application of these financial reporting standards is substantially different to the prevailing standards.

NOTES to the Accounting - year ended 31st March, 2011**3. REVENUE**

	2011 LKR	2010 LKR
3.1 Summary		
Revenue (3.2)	4,163,266,245	3,518,763,226
	<u>4,163,266,245</u>	<u>3,518,763,226</u>
3.2 Segmental Information		
Local Sales	3,159,094,181	2,352,476,608
Export Sales	1,004,172,064	1,166,286,618
	<u>4,163,266,245</u>	<u>3,518,763,226</u>

4. PROPERTY, PLANT AND EQUIPMENT

4.1 At Cost	Balance as at 01.04.2010 LKR	Additions/ Transfers LKR	Transfers/ Disposals LKR	Balance as at 31.03.2011 LKR
Buildings	1,269,624,096	13,815,999	-	1,283,440,095
Plant and Machinery	1,431,900,022	37,538,143	(3,866,490)	1,465,571,675
Electrical Power Installation	645,538,479	10,119,878	-	655,658,357
Furnace	784,860,669	-	-	784,860,669
Motor Vehicles	51,496,799	148,500	(6,833,988)	44,811,311
Tools and Implements	8,207,034	5,480,107	-	13,687,141
Office Equipment	105,308,842	14,512,933	-	119,821,775
Gas Station	21,116,708	-	-	21,116,708
Moulds and Neckring Equipment	341,524,102	75,217,164	-	416,741,266
	<u>4,659,576,750</u>	<u>156,832,724</u>	<u>(10,700,478)</u>	<u>4,805,708,998</u>
At Valuation				
Freehold Land	132,870,000	-	-	132,870,000
Buildings	90,292,720	-	-	90,292,720
Plant and Machinery	867,280,845	-	-	867,280,845
Electrical Power Installation	97,186,780	-	-	97,186,780
	<u>1,187,630,345</u>	<u>-</u>	<u>-</u>	<u>1,187,630,345</u>
Assets on Finance Leases				
Plant and Machinery	14,335,027	-	-	14,335,027
	<u>14,335,027</u>	<u>-</u>	<u>-</u>	<u>14,335,027</u>
Total Value of Assets	<u>5,861,542,122</u>	<u>156,832,724</u>	<u>(10,700,478)</u>	<u>6,007,674,370</u>
4.2 In the Course of Construction				
	Balance as at 01.04.2010 LKR	Incurred During the period LKR	Transfers LKR	Balance as at 31.03.2011 LKR
Capital Work-in-Progress	1,560,410	97,413,747	(81,615,561)	17,358,596
	<u>1,560,410</u>	<u>97,413,747</u>	<u>(81,615,561)</u>	<u>17,358,596</u>
Total Gross Carrying Amount	<u>5,863,102,532</u>	<u>254,246,471</u>	<u>(92,316,038)</u>	<u>6,025,032,966</u>

NOTES to the Accounting - year ended 31st March, 2011 (Contd.)

4. PROPERTY, PLANT AND EQUIPMENT (Contd..)

4.3 Depreciation	Balance as at 01.04.2010 LKR	Charge for the period LKR	Disposals/ Transfers LKR	Balance as at 31.03.2011 LKR
At Cost				
Buildings	67,792,615	31,823,806	-	99,616,421
Plant and Machinery	109,090,902	106,299,486	(821,100)	214,569,288
Electrical Power Installation	90,244,677	32,530,649	-	122,775,326
Furnace	206,130,064	89,898,121	-	296,028,185
Motor Vehicles	35,810,274	4,492,382	(6,274,345)	34,028,311
Tools and Implements	4,364,323	956,128	-	5,320,451
Office Equipment	62,924,689	18,726,733	-	81,651,422
Gas Station	3,200,554	527,918	-	3,728,472
Moulds and Neckring Equipment	241,270,257	58,766,255	-	300,036,512
	<u>820,828,354</u>	<u>344,021,478</u>	<u>(7,095,445)</u>	<u>1,157,754,388</u>
At Valuation				
Buildings	32,373,459	2,238,872	-	34,612,331
Plant and Machinery	559,036,341	62,904,810	-	621,941,151
Electrical Power Installation	54,038,132	4,821,946	-	58,860,078
	<u>645,447,932</u>	<u>69,965,628</u>	<u>-</u>	<u>715,413,560</u>
Assets on Finance Leases				
Plant and Machinery	10,481,571	1,039,735	-	11,521,306
	<u>10,481,571</u>	<u>1,039,735</u>	<u>-</u>	<u>11,521,306</u>
Total Depreciation	<u>1,476,757,857</u>	<u>415,026,841</u>	<u>(7,095,445)</u>	<u>1,884,689,253</u>

4.4 Net Book Values	2011 LKR	2010 LKR
At Cost		
Buildings	1,183,823,675	1,201,831,481
Plant and Machinery	1,251,002,388	1,322,809,120
Electrical Power Installation	532,883,031	555,293,801
Furnace	488,832,484	578,730,605
Motor Vehicles	10,783,000	15,686,525
Tools and Implements	8,366,690	3,842,711
Office Equipment	38,170,353	42,384,153
Gas Station	17,388,236	17,916,154
Moulds and Neckring Equipment	116,704,754	100,253,845
	<u>3,647,954,611</u>	<u>3,838,748,396</u>
At Valuation/Cost Incurred since Last Revaluation		
Freehold Land	132,870,000	132,870,000
Buildings	55,680,389	57,919,261
Plant and Machinery	245,339,694	308,244,504
Electrical Power Installation	38,326,702	43,148,648
	<u>472,216,785</u>	<u>542,182,413</u>
On Finance Leases		
Plant and Machinery	2,813,721	3,853,456
	<u>2,813,721</u>	<u>3,853,456</u>
In the Course of Construction	4,122,985,117	4,384,784,265
	<u>17,358,596</u>	<u>1,560,410</u>
Total Carrying Amount of Property, Plant and Equipment	<u>4,140,343,713</u>	<u>4,386,344,675</u>

NOTES to the Accounting - year ended 31st March, 2011 (Contd.)**4. PROPERTY, PLANT AND EQUIPMENT (Contd..)****4.5 The rates of depreciation is estimated as follows.**

	2011	2010
Buildings and Gas Station	2.5% on cost	2.5% on cost
Plant and Machinery	10% on cost	10% on cost
Plant and Machinery - New Project	7.5% on cost	7.5% on cost
New Project – Furnace – Steel	7.5% on cost	7.5% on cost
New Project – Refectories	12.5% on cost	2.5% on cost
Electric Power Installation	15% on cost	15% on cost
Electric Power Installation - New Project	05% on cost	05% on cost
Office Equipments		
- Computer Systems	25% on cost	25% on cost
- Others	10% on cost	10% on cost
Tools and Implements	10% on cost	10% on cost
Motor Vehicles	15% on cost	15% on cost
Moulds and Neckring Equipment	Based on usage for production	Based on usage for production

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

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

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

Class of Asset	Cost	Cumulative	Net	Net
		Depreciation	Carrying	Carrying
		If assets were	Amount	Amount
	LKR	carried at cost	2011	2010
		2011	LKR	LKR
Freehold Land	11,651,585	-	11,651,585	11,651,585
Buildings	12,831,883	6,415,941	6,415,942	6,736,739
Plant and Machinery	66,199,323	66,199,323	-	-
Electrical Power Installation	7,876,358	7,876,358	-	393,819

- 4.7** During the period the Company acquired Property, Plant and Equipment to the aggregate value of Rs.172,630,912/- (31.03.2010 - Rs.48,411,389/-).

- 4.8** Property, Plant and Equipment includes fully depreciated assets having a gross carrying amount of Rs.85,215,045/- (31.03.2010 - Rs.83,517,539/-).

5. LEASEHOLD PROPERTY

	2011	2010
	LKR	LKR
Balance at the beginning of the year	24,629,990	25,735,070
Amortisation during the year	(1,105,080)	(1,105,080)
Balance at the end of the year	<u>23,524,910</u>	<u>24,629,990</u>

6. INVESTMENT PROPERTY

	2011	2010
	LKR	LKR
Balance at the beginning of the year	666,130,000	666,130,000
Balance at the end of the year	<u>666,130,000</u>	<u>666,130,000</u>

NOTES to the Accounting - year ended 31st March, 2011 (Contd.)

6. INVESTMENT PROPERTY (Contd..)

- 6.1** During the year 2007/2008 the Company relocated its production facility from Rathmalana to Horana. Due to the relocation the land previously utilised for the production has been classified under Investment Property as per SLAS 40 as held for "un determined future use". No Management decision had been taken on the future intended utilisation of this land as at the date of the balance sheet.
- 6.2** Fair value of the Investment Property as at 31 March 2011 is assessed at Rs.700,000,000/- by Mr.K.T.D. Tissera (Chartered Valuation Surveyor).

7. LONG TERM INVESTMENT

7.1 Investments in Equity Securities - Quoted

	No of Shares		2011		2010	
	2011	2010	Carrying Value LKR	Market Value LKR	Carrying Value LKR	Market Value LKR
DFCC Bank	18,032	18,032	261,359	3,097,898	261,359	3,259,284

8. INVENTORIES	2011	2010
	LKR	LKR
Raw Materials	329,039,140	289,285,900
Work in Progress	11,571,481	15,481,230
Finished Goods	219,932,355	125,367,411
Consumables and Spares	250,291,887	208,334,592
Less: Allowance for obsolete and slow moving inventory	(4,812,327)	(4,812,327)
	<u>806,022,536</u>	<u>633,656,806</u>

9. TRADE AND OTHER RECEIVABLES

9.1 Summary	2011	2010
	LKR	LKR
Trade Debtors	761,525,593	951,999,304
Less : Allowance for Doubtful Debts	(23,327,296)	(39,424,906)
	<u>738,198,297</u>	<u>912,574,398</u>
Other Debtors	2,865,466	44,088,707
Advances and Prepayments	35,820,372	55,054,186
Loans to Company Officers (9.2)	6,367,635	6,587,052
	<u>783,251,770</u>	<u>1,018,304,343</u>

9.2 Loans to Company Officers

Balance as at the beginning of the year	6,587,052	10,277,132
Loans granted during the year	3,817,916	2,897,000
	<u>10,404,968</u>	<u>13,174,132</u>
Less: Repayments	(4,037,333)	(6,587,080)
Balance at the end of the year	<u>6,367,635</u>	<u>6,587,052</u>

10. STATED CAPITAL

	2011	2010
	Number	Number
Ordinary Shares	<u>950,086,080</u>	<u>950,086,080</u>
	LKR	LKR
Ordinary Shares	<u>1,526,407,485</u>	<u>1,526,407,485</u>

10.1 Rights, Preference and Restrictions of Classes of Capital

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

NOTES to the Accounting - year ended 31st March, 2011 (Contd.)**11. OTHER RESERVES**

	2011 LKR	2010 LKR
General Reserve (11.1)	21,502,500	21,502,500
Revaluation Reserve (11.2)	667,032,543	667,032,543
	<u>688,535,043</u>	<u>688,535,043</u>

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

11.2 Revaluation Reserve

	2011 LKR	2010 LKR
On: Property, Plant and Equipment		
As at 1 April	667,032,543	667,032,543
Revaluation surplus during the period/year	-	-
As at 31 March	<u>667,032,543</u>	<u>667,032,543</u>

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

12. INTEREST BEARING LOANS AND BORROWINGS

	2011			2010		
	Amount Repayable Within 1 Year LKR	Amount Repayable After 1 Year LKR	Total LKR	Amount Repayable Within 1 Year LKR	Amount Repayable After 1 Year LKR	Total LKR
Finance Leases (12.1)	-	-	-	1,174,113	-	1,174,113
Syndicated Project Loan (12.2)	287,418,065	1,395,046,242	1,682,464,307	690,354,337	1,319,985,457	2,010,339,794
Project Loan (12.3)	147,790,742	296,104,635	443,895,377	151,474,698	453,982,329	605,457,026
Short Term Loans (12.4)	512,500,000	-	512,500,000	803,684,005	-	803,684,005
Bank Overdrafts (18.2)	269,837,255	-	269,837,255	253,922,653	-	253,922,653
	<u>1,217,546,062</u>	<u>1,691,150,877</u>	<u>2,908,696,939</u>	<u>1,900,609,806</u>	<u>1,773,967,786</u>	<u>3,674,577,591</u>

12.1 Finance Lease

	As At 01.04.2010 LKR	New Leases Obtained LKR	Repayments LKR	As At 31.03.2011 LKR
Finance Leases	1,174,113	-	(1,174,113)	-
	<u>1,174,113</u>	<u>-</u>	<u>(1,174,113)</u>	<u>-</u>
Gross Liability	1,193,955			-
Finance Charges allocated to future periods	(19,842)			-
Net Liability	<u>1,174,113</u>			<u>-</u>

12.2 Syndicated Project Loan

	As At 01.04.2010 LKR	New Loans Obtained LKR	Repayments LKR	Exchange Difference Adjustment LKR	As At 31.03.2011 LKR
DFCC Bank	534,722,212	-	(39,304,188)	-	495,418,024
Bank of Ceylon	482,419,255	-	(84,156,537)	(10,905,876)	387,356,842
Hatton National Bank PLC	495,939,880	-	(86,129,265)	(10,314,574)	399,496,041
Sampath Bank PLC	497,258,447	-	(86,750,488)	(10,314,559)	400,193,400
	<u>2,010,339,794</u>	<u>-</u>	<u>(296,340,477)</u>	<u>(31,535,010)</u>	<u>1,682,464,307</u>

NOTES to the Accounting - year ended 31st March, 2011 (Contd.)

12. INTEREST BEARING LIABILITIES (Cont.)

Lending Institution	Nature of Facility	Interest Rate	Repayment Terms	Outstanding USD	As At 31.03.2011 LKR
Syndicated Loan					
Upto 3 November 2009					
DFCC Bank	Syndicated Loan in LKR	AWDR + 4%	1st Instalment of Rs. 507 Million and the balance is payable in 59 equal instalments after a grace period of 24 months from the date of first disbursement.	-	-
Bank of Ceylon	Syndicated Loan in LKR			-	-
Hatton National Bank PLC	Syndicated Loan in LKR			-	-
Sampath Bank PLC	Syndicated Loan in LKR			-	-
After 3 November 2009					
DFCC Bank	Syndicated Loan in LKR	AWDR + 4%	72 equivalent installments with effect from January 2010	-	495,418,024
Bank of Ceylon	Syndicated Loan in LKR			-	71,452,025
Hatton National Bank PLC	Syndicated Loan in LKR			-	100,694,432
Sampath Bank PLC	Syndicated Loan in LKR			-	100,694,432
Bank of Ceylon	Syndicated Loan Granted in USD	LIBOR + 4.5% floor Interest Rate of 6.5%	Repayable by 2 monthly installments of USD 12,300/- commencing from December 2009 followed by 8 quarterly installments of USD 144,000/- and 12 quarterly installment of USD 200,000/- thereafter.	2,858,686	315,904,817
Hatton National Bank PLC	Syndicated Loan Granted in USD		Repayable by 3 monthly installments of USD 12,131/- commencing from December 2009 followed by 8 quarterly installments of USD 142,528/- and 11 quarterly installments of USD 207,314/- thereafter.	2,703,916	298,801,610
Sampath Bank PLC	Syndicated Loan Granted in USD		Repayable by 8 quarterly installment of US\$ 145,000/- and 12 quarterly installment of US\$ 193,350/- thereafter.	2,710,226	299,498,968
				<u>8,272,828</u>	<u>1,682,464,307</u>

NOTES to the Accounting - year ended 31st March, 2011 (Contd.)

12. INTEREST BEARING LIABILITIES (Cont.)

12.3 Project Loan

	As At 01.04.2010 LKR	New Loans Obtained LKR	Repayments LKR	As At 31.03.2011 LKR
DFCC Bank	179,166,661	-	(49,999,980)	129,166,681
Hatton National Bank PLC	214,879,723	-	(54,927,174)	159,952,549
Sampath Bank PLC	211,410,642	-	(56,634,495)	154,776,147
	<u>605,457,026</u>	<u>-</u>	<u>(161,561,649)</u>	<u>443,895,377</u>

Lending Institution	Nature of Facility	Interest Rate	Repayment Terms	Outstanding USD	As At 31.03.2011 LKR
Upto 3 November 2009					
Bank of Ceylon	Project Loan Granted in LKR	AWPLR + 1%	Repayable by 60 monthly installments after a grace period of 12 months from the date of first disbursement.	-	-
Hatton National Bank PLC	Project Loan Granted in LKR			-	-
Sampath Bank PLC	Project Loan Granted in LKR			-	-
After 3 November 2009					
DFCC Bank	Project Loan Granted in LKR	AWPLR + 1%	Repayable by 60 monthly installments after a grace period of 12 months from the date of first disbursement.	-	129,166,681
Sampath Bank PLC	Project Loan Granted in USD	LIBOR + 4.5%, floor Interest rate of 6.5%	52 monthly installments of USD 37,558/- each and a final installment of USD 10,954/-	1,400,600	154,776,147
Hatton National Bank PLC	Project Loan Granted in USD			55 monthly installments of USD 36,186/-.	1,447,443
				<u>2,848,043</u>	<u>443,895,377</u>

12.4 Short Term Loans

	As At 01.04.2010 LKR	New Loans Obtained LKR	Repayments LKR	As At 31.03.2011 LKR
Commercial Bank of Ceylon PLC	114,775,740	207,510,882	(202,286,622)	120,000,000
Peoples' Bank	80,973,378	237,758,762	(318,732,140)	-
Citibank N.A	390,000,001	1,144,000,000	(1,421,500,000)	112,500,001
Standard Chartered Bank	217,934,886	374,037,542	(521,972,428)	70,000,000
DFCC Bank	-	200,000,000	-	200,000,000
Bank of Ceylon	-	10,000,000	-	10,000,000
	<u>803,684,005</u>	<u>2,173,307,186</u>	<u>(2,464,491,191)</u>	<u>512,500,000</u>

13. INCOME TAX

	2011 LKR	2010 LKR
13.1 Current Tax Expense on Ordinary Activities for the period	-	-
Current Tax Expense on Other Income for the period	-	-
Under/(Over) provision of current taxes in respect of prior periods	13,279,260	-
Deferred Income Tax		
Deferred Taxation Charge/(Reversal)	-	-
Income tax expense reported in the Income Statement	<u>13,279,260</u>	<u>-</u>

NOTES to the Accounting - year ended 31st March, 2011 (Contd.)

13. INCOME TAX (Cont.)

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

After the said exemption period, the Company would be 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 is liable to pay income tax on the taxable income derived from other sources excluding from manufacturing operations.

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

13.3 The adjusted tax liability of Rs.13,279,260/- for the year of assessment 2009/10 was recorded in order to comply with the section 163(3) of the Inland Revenue Act No. 10 of 2006. This was the tax liability for the profits other than the exempted sources under BOI agreement, which covers under the Section 106 (11) of the Inland Revenue Act.

14. DEFERRED TAX

	2011 LKR	2010 LKR
Balance as at Beginning of the Year	18,979,577	18,979,577
Provision / (Reversal) Made During the Year	-	-
Balance as at the end of the Year	<u>18,979,577</u>	<u>18,979,577</u>

Due to the commencement of the tax exemption period for 5 years w.e.f 10th December 2007, the Deferred Tax has been computed up to 9th December 2007 and the reversal arose has been recognised in the Income Statement. The deferred tax reversal that arose during the tax exemption period amounting to Rs. 71,595,544/- was recognised under Retained Earnings during 2007/08 final period. Still the Company is enjoying the tax holiday period and as a result no movement is in the deferred taxation account.

15. RETIREMENT BENEFIT OBLIGATIONS

	As at 01.04.2010 LKR	Charge for the period LKR	Payments during the the period LKR	As at 31.03.2011 LKR
Provision for Gratuity	<u>86,925,218</u>	<u>15,334,520</u>	<u>(2,716,508)</u>	<u>99,543,230</u>
	<u>86,925,218</u>	<u>15,334,520</u>	<u>(2,716,508)</u>	<u>99,543,230</u>

15.1 Expense on Defined Benefit Plan

	2011 LKR	2010 LKR
Current Service Cost	1,994,481	7,225,702
Interest Cost on Benefit Obligation	8,692,522	8,450,027
Net Actuarial (Gain) / Loss	<u>4,647,517</u>	<u>(10,094,028)</u>
Total Expenses	<u>15,334,520</u>	<u>5,581,701</u>

Defined Benefit Obligation

Balance as at the beginning of the year

Balance as at 1 April	86,925,218	84,500,270
Current Service Cost	1,994,481	7,225,702
Interest Cost on Benefit Obligation	8,692,522	8,450,027
Actuarial Losses / (Gain) on Obligation	4,647,517	(10,094,028)
Benefit Paid	<u>(2,716,508)</u>	<u>(3,156,752)</u>
Balance as at 31 March	<u>99,543,230</u>	<u>86,925,218</u>

NOTES to the Accounting - year ended 31st March, 2011 (Contd.)**15. RETIREMENT BENEFIT OBLIGATIONS (Cont.)**

15.2 Messrs. K.A.Pandit, Actuaries, carried out an actuarial valuation of the defined benefit plan - gratuity on 31st March 2011. Appropriate and compatible assumptions were used in determining the cost of retirement benefits. The principal assumptions used as at 31.03.2011 are as follows:

	2011	2010
Discount rate assumed (%)	10%	10%
Future salary increase (%)	8.5% + salary scales	8.5% + salary scales
Method of actuarial valuation	Projected Unit Cost method	Projected Unit Cost method

16. TRADE AND OTHER PAYABLES

	2011	2010
	LKR	LKR
Trade Payable - Related Party (16.1)	22,660,002	10,615,304
- Others	270,411,629	260,039,772
Other Payables - Related Party (16.2)	332,912,213	359,217,720
Sundry Creditors including Accrued Expenses	196,979,118	165,204,563
	<u>822,962,963</u>	<u>795,077,359</u>

16.1 Trade Dues to Related Party

	Relationship	2011	2010
		LKR	LKR
Piramal Glass Limited - India	Parent Company	22,660,002	10,615,304
		<u>22,660,002</u>	<u>10,615,304</u>

16.2 Other Payables - Related Party

	Relationship	2011	2010
		LKR	LKR
Piramal Glass Limited - India	Parent Company	332,912,213	359,217,720
		<u>332,912,213</u>	<u>359,217,720</u>

17. DIVIDENDS PAYABLE

	2011	2010
	LKR	LKR
Unclaimed Dividends	3,952,361	10,860,992
	<u>3,952,361</u>	<u>10,860,992</u>

18. CASH AND CASH EQUIVALENTS

	2011	2010
	LKR	LKR
18.1 Favourable Cash and Cash Equivalents Balance		
Cash and Bank Balances	205,101,327	44,057,834
	<u>205,101,327</u>	<u>44,057,834</u>
18.2 Unfavourable Cash and Cash Equivalents Balance		
Bank Overdraft (Note 12)	(269,837,255)	(253,922,653)
Cash and cash equivalents for the purpose of Cash Flow Statement	<u>(64,735,928)</u>	<u>(209,864,819)</u>

19. OTHER INCOME

	2011	2010
	LKR	LKR
Income from Investments - Quoted	106,440	90,160
Interest Income	661,144	257,863
Written back of Unclaimed Dividend	6,843,445	-
Sundry Income	3,956,341	3,017,120
	<u>11,567,370</u>	<u>3,365,143</u>

NOTES to the Accounting - year ended 31st March, 2011 (Contd.)**20. FINANCE COST**

	2011	2010
	LKR	LKR
Interest Expense on Overdrafts	30,541,062	42,234,799
Finance Charges on Lease Liabilities	19,842	112,578
Interest Expense on Short Term Loans	74,815,194	127,376,761
Interest Expense on Project Loan	201,093,670	411,461,853
	<u>306,469,768</u>	<u>581,185,991</u>

21. PROFIT/(LOSS) BEFORE TAX

	2011	2010
	LKR	LKR
Stated after Charging/(Crediting)		
Included in Cost of Sales		
Depreciation	410,859,915	393,779,354
Personnel Costs including the following;		
- Defined Benefit Plan Costs -Gratuity	14,506,955	4,622,665
- Defined Contribution Plan Costs - EPF & ETF	15,579,406	14,392,625
Included in Administration Expenses		
Directors' Fees and Emoluments	34,868,549	31,085,545
Auditors' Remuneration - Fees and Expenses	600,000	565,325
- Under/(Over) Provision in respect of previous years	(200,192)	-
Technical Fees*	205,188,048	173,629,747
Depreciation	4,166,926	5,458,834
Personnel Costs including the following;		
- Defined Benefit Plan Costs -Gratuity	827,566	959,035
- Defined Contribution Plan Costs - EPF & ETF	1,839,025	1,557,370
Donations	1,111,899	129,747
Exchange (Gain) / Loss	(57,944,619)	4,972,544
Profit on sale of Property,Plant & Equipment	(5,701,989)	-
Included in Selling and Distribution Costs		
Advertising Costs	1,331,257	112,201
Allowance for Doubtful Debts	<u>34,267,098</u>	<u>32,024,632</u>

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

22. EARNINGS / (LOSS) PER SHARE

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

22.2 The following reflects the income and share data used in the Basic Earnings/(Loss) Per Share computations.

Amount Used as the Numerator:	2011	2010
	LKR	LKR
Net Earnings/(Loss)Attributable to Ordinary Shareholders for		
Basic Earnings/(Loss) Per Share	<u>578,674,068</u>	<u>(61,091,876)</u>
Number of Ordinary Shares Used as Denominator:	2011	2010
	Number	Number
Weighted Average number of Ordinary Shares in issue	<u>950,086,080</u>	<u>950,086,080</u>

NOTES to the Accounting - year ended 31st March, 2011 (Contd.)**23. EFFECT OF CHANGE IN ACCOUNTING POLICY**

As stated in 2.2, the Company adopted certain changes to accounting policy to comply with the Piramal Group policies. The accounting policies set out in 2.2 have been applied in preparing these Financial Statements for the year ended 31 March 2011 and the comparative information presented in these Financial Statements for the year ended 31 March 2010. In preparing these Financial Statements, the Company has adjusted amounts reported previously in Financial Statements prepared in accordance with the previous accounting policies.

Effect of change in accounting policy is set out in the following table

	Note	1 April 2009			1 April 2010	31 March 2011
		As reported previously LKR	Effect of change in accounting Policy LKR	Restated Balance LKR	Effect of Change in accounting Policy LKR	Effect of Change in accounting Policy LKR
Balance Sheet:						
Property, Plant & Equipment	4	4,587,154,987	-	4,587,154,987	100,253,845	116,704,754
- To comply with the group policy		<u>4,587,154,987</u>	<u>-</u>	<u>4,587,154,987</u>	<u>100,253,845</u>	<u>116,704,754</u>
Inventory	8	758,653,163	-	758,653,163	(100,253,845)	(116,704,754)
- To comply with the group policy		<u>758,653,163</u>	<u>-</u>	<u>758,653,163</u>	<u>(100,253,845)</u>	<u>(116,704,754)</u>
					Year Ended 31 March 2010	
					LKR	
Income Statement:					<u>Nil</u>	

23.1 Effect of Change in Accounting policy

The Company changed its policy in accounting for Moulds and Neckring Equipment with effect from 1 April 2010 to be consistent with the policy changes of its parent company. Under the new policy Moulds and Neckring Equipment are accounted under Property, Plant and Equipment and would be depreciated according to the usage. Previously Moulds and Neckring Equipment were accounted as inventories and was charged to the income statement according to the usage. There will be no impact on the income statement resulting from the change in the policy as the charge to the income statement remains same under both policies.

24. COMMITMENTS AND CONTINGENCIES**24.1 Capital Expenditure Commitments**

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

24.2 Contingent Liabilities

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

25. ASSETS PLEDGED

The following assets have been pledged as security for liabilities.

Nature of assets	Nature of Liability	Carrying Amount Pledged		Included under
		As at 31.03.2011 Rs Mn.	As at 31.03.2010 Rs Mn.	
Immovable Properties	First /Secondary Mortgage for Loans and Borrowings	4,249	4,666	Property, Plant & Equipment
		<u>4,249</u>	<u>4,666</u>	

26. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There have been no material events occurring after the Balance Sheet date that require adjustments to or disclosure in the financial statements, except the company has declared a 30% final dividend for the year ended 31 March 2011 amounted to Rs.285,025,824/- at its Board Meeting held on 21 April 2011.

27. RELATED PARTY DISCLOSURES

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

NOTES to the Accounting - year ended 31st March, 2011 (Contd.)

27. RELATED PARTY DISCLOSURES (Cont.)

27.1 Transactions with Group Companies

Name of Company	Relationship	2011	2010
		LKR	LKR
Piramal Glass Limited - India	Parent Company		
Nature of Transactions			
Purchase of Bottles		57,777,245	34,608,390
Purchase of Moulds		3,789,077	5,724,690
Technical Fees		205,188,048	173,629,747
		<u>205,188,048</u>	<u>173,629,747</u>

27.2 The amounts payable to the above related party as at 31 December 2010 and 31 March 2011 are disclosed in Notes 16.1 and 16.2.

27.3 Transactions with Directors/ Key Management Personnel *

	2011	2010
	LKR	LKR
Emoluments and Fees Including Other Benefits	34,868,549	31,085,545
Total compensation paid to key management personnel	<u>34,868,549</u>	<u>31,085,545</u>

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

SHAREHOLDERS' and Investor Information**1. STOCK EXCHANGE LISTING**

Issued Ordinary Shares of Piramal Glass Ceylon PLC are listed with Colombo Stock Exchange of Sri Lanka.

2. SHARE PRICE

Market price per share for the year	As at 31/03/2011	Date	As at 31/03/2010	Date
Highest Price	LKR 12.40	08/03/2011	LKR 2.60	18/02/2010
Lowest Price	LKR 2.20	05/04/2010	LKR 1.30	17/04/2009
Closing Price	LKR 11.10		LKR 2.20	

3. ORDINARY SHAREHOLDERS AS AT 31ST MARCH

From	To	No. of Holders		No. of Shares		%	
		2011	2010	2011	2010	2011	2010
1	1,000	2,225	1,285	1,112,481	626,216	0.12	0.07
1,001	10,000	8,998	8,485	27,453,630	25,160,574	2.88	2.65
10,001	100,000	1,375	1,290	46,710,860	43,439,467	4.92	4.57
100,001	1,000,000	267	290	71,435,822	77,904,967	7.52	8.20
Over 1,000,000		45	41	803,373,287	802,954,856	84.56	84.51
		<u>12,910</u>	<u>11,391</u>	<u>950,086,080</u>	<u>950,086,080</u>	<u>100.00</u>	<u>100.00</u>
		2011	2010	2011	2010	2011	2010
Local Individuals		12,595	11,158	234,062,733	162,703,742	24.64	17.13
Local Institutions		246	187	167,001,094	193,096,200	17.58	20.32
Foreign Individuals		63	41	2,960,373	27,357,458	0.31	2.88
Foreign Institutions		6	5	546,061,880	566,928,680	57.47	59.67
		<u>12,910</u>	<u>11,391</u>	<u>950,086,080</u>	<u>950,086,080</u>	<u>100.00</u>	<u>100.00</u>

Percentage of Share held by the public – 43.44%

4. 20 MAJOR SHAREHOLDERS AS AT 31ST MARCH

Name of Shareholder	No. of Shares	2011		2010	
		%	No. of Shares	%	No. of Shares
1 Piramal Glass Limited	536,331,880	56.451	536,331,880	56.451	536,331,880
2 DFCC Vardhana Bank Ltd/ Mr. R FT Perera	62,202,000	6.547	50,000,000	5.263	50,000,000
3 Mr. M M Udeshi	52,257,300	5.500	-	-	-
4 DFCC Bank A/C 1	22,076,852	2.324	12,981,852	1.366	12,981,852
5 Employees Provident Fund	18,868,742	1.986	39,857,142	4.195	39,857,142
6 Mr. G Dangampola & Mrs. N P Dangampola	10,280,000	1.082	-	-	-
7 DFCC Vardhana Bank Ltd/ Mr. A J Tissera	9,925,000	1.045	-	-	-
8 Mr. C S J Perera	8,200,000	0.863	-	-	-
9 Aviva NDB Insurance PLC A/C No 07	7,406,400	0.780	5,337,500	0.562	5,337,500
10 Bangkok Glass Industry Company Limited	6,280,000	0.661	6,280,000	0.661	6,280,000
11 Mr M K Chandrasiri	5,000,000	0.526	5,000,000	0.526	5,000,000
12 Acuity Partners (Pvt) Ltd / Mrs. K A L Perera	5,000,000	0.526	-	-	-
13 Alpex Marine (PVT) Ltd	5,000,000	0.526	5,000,000	0.526	5,000,000
14 Mr. R FT Perera	4,500,000	0.474	-	-	-
15 Mr. D K Subasinghe & Mrs. S N Subasinghe	4,250,000	0.447	8,000,000	0.842	8,000,000
16 Mr. D N Hundlani & Mrs. R M Hundlani, Mrs. D D Hundlani	3,700,000	0.389	-	-	-
17 J B Cocoshell (PVT) Ltd	2,122,800	0.223	7,481,500	0.787	7,481,500
18 Aviva NDB Insurance PLC A/C No 03	2,050,000	0.216	6,900,400	0.726	6,900,400
19 Thurston Investment Limited	2,050,000	0.216	-	-	-
20 Seylan Bank PLC/Arunasalam Sithampalam	2,012,885	0.212	-	-	-
Mr. L M S H Alnaqib	-	-	25,000,000	2.631	25,000,000
Elgin Investments Limited	-	-	23,191,700	2.441	23,191,700
Sri Lanka Insurance Corporation Ltd-General Fund	-	-	10,539,428	1.109	10,539,428
Symphony Capital Ltd	-	-	10,063,600	1.059	10,063,600
Freudenberg Shipping Agencies Limited	-	-	5,156,571	0.543	5,156,571
The Ceylon Chamber of Commerce Account No 02	-	-	4,678,000	0.492	4,678,000
Mr. A J Tissera	-	-	3,850,500	0.405	3,850,500
Dr. T Senthilverl	-	-	3,481,200	0.366	3,481,200
Bank of Ceylon No. 1 Account	-	-	2,521,200	0.265	2,521,200
Sub Total	769,513,859	80.994	771,652,473	81.219	771,652,473
Others	180,572,221	19.006	178,433,607	18.781	178,433,607
Grand Total	<u>950,086,080</u>	<u>100.00</u>	<u>950,086,080</u>	<u>100.00</u>	<u>950,086,080</u>

Piramal Glass Ceylon PLC

TEN Year Financial Review

31st March	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
	LKR.'000	LKR.'000	LKR.'000	LKR.'000	LKR.'000	LKR.'000	LKR.'000	LKR.'000	LKR.'000	LKR.'000
Trading Results										
Revenue	844,665	920,209	1,261,291	1,274,173	1,555,783	1,857,186	2,014,128	2,936,155	3,518,763	4,163,266
Profit/(Loss) before Tax	140,628	140,959	159,752	338,558	272,558	184,082	49,174	(261,250)	(61,092)	591,953
Tax Expense/(Reversal)	50,947	46,030	46,948	106,547	102,458	80,076	14,031	(314)	-	13,279
Profit/(Loss) after Tax	89,681	94,928	112,804	232,011	170,129	104,006	35,142	(260,935)	(61,092)	578,674
SHARE CAPITAL AND RESERVES										
Share Capital	277,108	277,108	277,108	554,217	554,217	554,217	-	-	-	-
Share Premium	497,148	497,148	497,148	220,039	220,039	220,039	-	-	-	-
Stated Capital	-	-	-	-	-	-	1,526,407	1,526,407	1,526,407	1,526,407
Other Reserves	(24,148)	34,757	47,801	163,427	251,569	338,949	933,730	749,651	688,558	1,267,233
Shareholders' Funds	750,108	809,013	822,057	937,683	1,025,825	1,113,205	2,460,137	2,276,058	2,214,965	2,793,640
ASSETS LESS LIABILITIES										
Current Assets	496,143	512,898	599,861	667,724	774,195	1,188,304	1,462,651	1,747,296	1,824,274	1,817,515
Current Liabilities	(117,384)	(276,358)	(257,760)	(355,987)	(466,535)	(636,205)	(1,947,622)	(2,786,489)	(2,706,548)	(2,044,461)
Net Current Assets (Liabilities)	378,759	236,540	342,101	311,737	307,660	552,099	(484,971)	(1,039,193)	(882,274)	(226,946)
Long Term Assets and Investments	518,420	884,565	848,040	1,038,296	1,001,577	1,194,012	4,888,629	5,279,281	4,977,112	4,830,260
Total Assets Less Current Liabilities	897,179	1,121,105	1,190,141	1,350,033	1,309,237	1,746,111	4,403,658	4,240,088	4,094,838	4,603,314
Long Term & Deferred Liabilities	(147,071)	(312,692)	(368,084)	(412,350)	(283,413)	(632,906)	(1,943,521)	(1,964,031)	(1,879,873)	(1,809,674)
Net Assets	750,108	809,013	822,057	937,683	1,025,825	1,113,205	2,460,137	2,276,057	2,214,965	2,793,640
Ratios & Other Information										
Earning/(Loss) Per Share	3.24	3.43	2.04	0.45	0.31	0.17	0.05	(0.27)	(0.06)	0.61
Dividend Per Share	3.00	3.00	3.60	0.18	0.15	0.03	0.15	0.02	-	-
Market value per share	17.00	20.25	27.00	47.75	2.50	2.50	2.00	1.30	2.20	11.10
Price Earning Ratio	5.25	5.90	13.24	11.40	8.06	14.71	40.00	(4.81)	(36.66)	18.20
Interest Cover	25.74	19.02	7.00	13.56	9.57	8.06	1.22	0.60	0.89	2.93
Current Ratio	4.22	1.85	2.33	1.88	1.66	1.87	0.75	0.63	0.67	0.89
Liquid Ratio	2.27	1.13	1.32	1.01	0.93	1.29	0.51	0.35	0.40	0.49
Total Debt/Total Assets	0.26	0.42	0.43	0.45	0.43	0.53	0.61	0.68	0.67	0.58
Gearing Ratio	0.04	0.23	0.20	0.20	0.07	0.41	0.96	1.25	1.18	0.76
Net Asset per share	27.07	29.19	29.66	16.92	1.85	2.01	2.59	2.40	2.33	2.94

GLOSSARY of *Financial Terminology*

Earning/(Loss) Per share	:	Net Profit After Taxation / Number of Shares
Dividend Per share	:	Dividends paid during the year / Number of Shares
Price Earning Ratio	:	Market Value as at year end / Earning Per Share
Interest Cover	:	Profit Before Interest / Interest
Current Ratio	:	Current Asset / Current Liabilities
Liquid Ratio	:	(Current Asset - Stocks) / Current Liabilities
Total Debt/Total Assets	:	Total Liabilities / Total Assets
Gearing Ratio	:	Total Long Term Loans / Shareholders' Fund
Net Asset per share	:	Shareholders Funds / Number of Shares

NOTICE of Meeting

NOTICE IS HEREBY GIVEN that the Fifty Sixth (56th) Annual General Meeting of the Company will be held on the 19th of July 2011, at 10.30 am at Mount Lavinia Hotel, 100, Hotel Road, Mount Lavinia for the following purposes.

1. To receive and consider the Annual Report of the Board and the Financial Statements of the Company for the year ended 31st March 2011, together with the Report of the Auditors thereon.
2. To re-appoint Messrs, Ernst & Young, Chartered Accountants as Auditors of the Company until the next Annual General Meeting and to authorize the Directors to fix their remuneration.
3. To re-elect as a Director Mr. V.K. Shah, who retires by rotation in terms of Article 98 of the Articles of Association of the Company and being eligible has offered himself for re-election.
4. To approve and declare a final dividend of Rs. 0.30 per share as authorised by the directors.
5. To approve the donations and contributions made by the Directors during the year under review and to authorise the Board to determine donations and contributions for the ensuing year.

Note:

Any shareholder entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him.

A proxy need not be a shareholder. Instruments appointing proxies must be lodged with the Company not less than 48 hours before the meeting.

By Order of the Board

Ms. Sagarika Jayasundera
COMPANY SECRETARY
PIRAMAL GLASS CEYLON PLC.
148, Maligawa Road, Borupana,
Ratmalana.

Colombo on this 3rd day of May 2011.

ANNUAL GENERAL MEETING

1. Full Name of Shareholder	
2. National Identity Card Number of Shareholder	
3. Address of Shareholder	
Being a member/members of the Piramal Glass Ceylon PLC hereby appoint:	
4. Name of Proxy Holder	
5. National Identity Card Number of Proxy Holder	
6. Address of Proxy Holder	

"Failing him, Mr.Vijay Shah, the Chairman of Piramal Glass Ceylon PLC, or failing him, Dr.C.T.S.B.Perera or failing him, Mr.R.M.S. Fernando or failing him, Mr. S.U.Arora or failing him, Mr.Sanjay Tiwari as my/our proxy to speak/vote for me/us on me/our behalf at the 56th Annual General Meeting of the Company to be held on the 19th of July 2011 at Mount Lavinia Hotel and at any adjournment thereof and at every poll which may be taken in connection with such meeting and to vote as indicated below."

		For	Against
1.	To receive and consider the Annual Report of the Board and the Financial Statements of the Company for the year ended 31st March 2011, together with the Report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2.	To re-appoint Messrs, Ernst & Young, Chartered Accountants as Auditors of the Company until the next Annual General Meeting and to authorize the Directors to fix their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>
3.	To re-elect as a Director Mr.V.K.Shah, who retires by rotation in terms of Article 98 of the Articles of Association of the Company and being eligible has offered himself for re-election.	<input type="checkbox"/>	<input type="checkbox"/>
4.	To approve and declare a final dividend of Rs. 0.30 per share as authorised by the directors	<input type="checkbox"/>	<input type="checkbox"/>
5.	To approve the donations and contributions made by the Directors during the year under review and to authorise the Board to determine donations and contributions for the ensuing year.	<input type="checkbox"/>	<input type="checkbox"/>

6. Number of Shares held	Central Depository System		Non Central Depository System	
7. Signature of Shareholder				
Date				

ATTENDANCE SLIP

SHAREHOLDER - PLACE YOUR SIGNATURE ONLY IN THE SPACE PROVIDED
 PROXYHOLDER - PLACE YOUR NAME, NIC NO., SIGNATURE IN THE SPACE PROVIDED

SIGNATURE SHAREHOLDER	
SIGNATURE PROXYHOLDER	
PROXYHOLDER'S FULL NAME	
PROXYHOLDER'S NIC NUMBER	

Important: Please bring your National Identity Card when you attend the Meeting.

FORM *of Proxy*

A Proxy need not be a member of the Company.

INSTRUCTIONS FOR THE COMPLETION OF THE FORM OF PROXY

Shareholders are requested to:

1. Forward the completed form of proxy to the Registered Office of the Company, Piramal Glass Ceylon PLC at No.148, Maligawa Road, Borupana, Ratmalana, not less than 48 hours before the time appointed for the holding of the meeting.
2. Perfect the form of proxy by filling in all necessary details legibly, signing and dating.
3. Complete the form in capital letters.

If the Shareholder is a Company or a Corporate body the form of the proxy should be executed under the common seal in accordance with its Articles of Association.