Piramal Glass

Annual Report 2017 - 2018

Piramal Glass Ceylon PLC

CONTENTS

CORPORATE *Information*

The Board of Directors

Vijay Shah - Chairman
Dr. C.T.S.B Perera
R.M.S. Fernando
Sanjay Tiwari - CEO/ Executive Director
Samit Datta

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

Related Party Transactions Review Committee

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

Senior Management Team

Sanjay Tiwari - CEO/ Executive Director
Mukesh Agarwal - Vice President (Operations)
Reetesh Srivastava - Vice President (Commercial)
Niloni Boteju - Financial Controller
A.K.M Fowzin - Head of Human Resources
Palitha Piyanandana - Head of Supply Chain
Thushara Deshapriya - Head of Domestic Marketing
Damitha Dasanayake - Head of Export Marketing
Sanjeewa Mahendra - Head of Quality Assurance

Company Registration Number

PQ 190

Registered Office

148, Maligawa Road, Borupana, Ratmalana
Telephone: +94 112 635 481-83/ +94 117 800 200
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
Fax:+94 322 255 193

Auditors

Statutory

Messrs. Ernst & Young
Chartered Accountants
201, De Saram Place
P.O.Box 101,
Colombo 10.

Internal

Messrs. KPMG
Chartered Accountants
32 A, Sir Mohamed Macan Markar Mawatha,
Colombo 03.

Bankers

Citi Bank, N.A
Commercial Bank of Ceylon PLC
DFCC Bank PLC
People's Bank
Standard Chartered Bank

Company Secretary and Senior Manager Legal

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

Registrars

Messrs. P W Corporate Secretarial (Pvt) Ltd
No. 3/17, Kynsey Road, Colombo 08
Telephone: +94 114 897 711/ +94 114 640 360-3
Fax: +94 114 740 588

Legal Advisors

Messrs. FJ&G de Saram
216, De Saram Place, Colombo 10
Telephone: +94 114 718 200

CHAIRMAN'S *Statement*

Dear Shareholders,

Warm greetings to you all!

It is with great pleasure that I welcome you on behalf of the Board of Directors to the 63rd Annual General Meeting of Piramal Glass Ceylon PLC (PGC) and share with you the successes and advancement we have made during the past year and our future aspirations as also the challenges.

F18 has been a very challenging year for Piramal Glass Ceylon. The relining & capacity enhancement completed in F17 stabilized during this year. The furnace operations has settled well and is performing as per expected efficiencies and within the operational parameters. Yet we were not able to reap full benefit of the increased capacities due to the domestic market condition.

This total revenue in F18 is Rs. 6,816 million as against Rs.6,783 million of the previous year F17. The turnover was contributed by Rs. 4,680 Million from the Domestic Market & Rs.2,136 Million from the Export Market. These figures reflect a 77% growth in the Export Market and a 16% de growth in the domestic market as against the previous year.

The domestic market which normally takes over 75% of the capacity of the company witnessed considerable decline during the year which impacted the company's revenue mix. The capacity utilization for domestic market dropped to less than 70%, and this was experienced in all segments of the market. This was mainly contributed by the introduction of new taxes & levies on the beverage & liquor segment of the market as it made the final products a lot more expensive. This resulted in the decline in consumer demand which ultimately reflected in the reduction of domestic sales in food, beverage & liquor segments. This was further aggravated by the adverse weather conditions which effected the agro segment.

The management has tried its best to channel the extra capacity towards the export market to bridge the gap due to the loss of domestic volumes. The sale to USA, Canada, Australia and neighboring markets showed exceptional increase which partly helped to reduce the gap. PGC is focusing on developing these potential market to contract the incremental capacity added in the year F17.

The export to US has grown by over 150%, Australia by 72% and a six fold increase in the Canadian markets.The company is gaining entry into several new markets such as Malaysia, Africa and Vietnam. PGC also commenced export trading business to Myanmar which opened up a new dimension of international business for the company.

The Gross Profit for the year improved from Rs. 1,371 Mn to Rs. 1,422 Mn reflecting a marginal increase in GP margins from 20% to 21%. Also, the Operating Profits increased from 11% to 13% from Rs. 779 Mn to Rs. 869 Mn.These results were achieved despite the high impact of depreciation and Interest on the investments made during the year. The depreciation increased by 31% from Rs. 553 Mn to Rs. 722 Mn.The annualized impact of the interest on the long term loan of Rs. 3 Bn taken for the relining & upgradation of the facility at Horana is reflected in the year under review. The interest cost was Rs. 328 Mn as against Rs.176 Mn of the previous year. The profitability was further affected by an increase in energy prices.

CHAIRMAN'S *Statement*

The impact of high furnace oil prices and fluctuating LPG prices continued during the period under review. The year ended with the Profit After Tax of Rs. 344 Mn as against Rs. 485 Mn in the previous year.

Piramal Glass Ceylon made an entry towards the use of Renewable Energy with its investment of Rs. 350Mn in a 3MW Roof top Solar Power plant at its Glass plant at Horana. The company has been looking at an alternate source of energy which would be reliable, cost effective & environment friendly. This project was done under the initiative of the Sri Lanka Government together with the Ministry of Power & Renewable Energy's 'Soorya Bala Sangramaya ("Battle for Solar energy") Programme to promote Solar Energy, with the plan of building solar power plants of 3,000 MW in the next ten years.

Piramal Glass 3 MW solar installation has been recognized by Ceylon Electricity Board as the largest solar roof top project completed in Sri Lanka. This capacity is equivalent to 15% of the total electricity consumption at our manufacturing base, Horana .

We at Piramal Glass Ceylon believe this is our own little way of helping "Mother Earth" to preserve its Energy Resources and thereby help reduce the global warming.

LOOKING AHEAD

In continuation of our policy of distributing 50% of operating distributable profits, the Board of Directors has proposed a final dividend of 18% for the year ended 31st March 2018 for the approval of the shareholders.

With one of the most challenging years behind us we are looking forward with much expectations towards the new year expecting to reap the harvest of the in-roads that we have made in the new international markets, specially USA, Australia & Canada and the strategic initiatives taken in the domestic market.

The Company is also looking into further investment in a new Production line which would facilitate the requirements of the Export market. This would also help us to attain the maximum utilization of the production capacity.

APPRECIATION

The 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, for their valuable contribution and guidance during the past year. 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 reposed in us.

I also wish to thank Piramal Glass Corporate Team from India for the help and cooperation extended in managerial and operational aspects at all times to the operations here in Sri Lanka.

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. I thank you for your continued faith in us over the past years. We look forward to your support in the coming years too.

I would like to reiterate that our Company's path to excellence is rooted in our core values of Knowledge, Action, Care and Impact which drive us towards creating long term value for all our stakeholders.

Vijay Shah
Chairman
08th May 2018

REPORT ON THE AFFAIRS *of the Company*

TO THE SHAREHOLDERS

The Board of Directors have pleasure in presenting the 63rd Annual Report and the Audited Financial Statement of the Company for the year ended 31st March 2018.

REVIEW OF THE YEAR

The Chairman's statement describes in brief of the Company's affairs and the performance during the year and also mentions the events occurring after the reporting date.

PRINCIPAL ACTIVITY

Principal activity of the Company is the manufacturing and sale of Glass Containers.

The Company's ownership of Land and Building are as follows,

		Extent (Acres)	Value (Gross) LKR Mn	Buildings Nos.
Ratmalana	- Freehold Land	0.7	33.9	02
Nattandiya	- Freehold Land	54	99.0	05
Horana	- Leasehold Land	31	34.3	08
Nattandiya	- Leasehold Land	09	5.4	05

CURRENCY

All figures appearing in the Financial Statements are in Sri Lanka Rupees and denoted as"LKR"

FINANCIAL RESULTS	**2018 LKR 000'**	**2017 LKR 000'**
Revenue	6,815,727	6,783,010
Cost of Sales	(5,393,587)	(5,411,696)
Gross Profit	1,422,140	1,371,314
Other Operating Income	57,754	29,204
Selling and Distribution Expenses	(152,824)	(212,247)
Administrative Expenses	(458,155)	(409,437)
Operating Profit	868,915	778,834
Finance Costs	(328,499)	(176,423)
Finance Income	634	429
Profit before Tax	541,050	602,840
Income Tax Expense	(197,168)	(117,364)
Profit for the Year	343,882	485,476

REPORT ON THE AFFAIRS *of the Company*

SALES HIGHLIGHTS

A total turnover of Rs. 6,816 was achieved in F18 as against Rs. 6,783 Million of F17.

The Domestic market was at Rs. 4,680 Million as against Rs. 5,574 Million of the previous year with a decline of 16% which was mainly contributed by the Beverage & Liquor industry.

The Export market growth was significant at 77% from Rs. 1,209Mn in F17 to Rs. 2,136 Million in F18. The Exports to USA, Canada and Australia grew significantly whilst the company entered into several new markets which include Malaysia, Africa, Vietnam and Myanmar.

PRODUCTION HIGHLIGHTS

The furnace & the operation has settled well after the relining done last year. We are able to provide the high quality demanded by the export market with the new infrastructure now in place. Yet the capacity utilisation was restricted due to the decline in the domestic market & the available product portfolio. A total production of 75,932 tonnes were produced during the year as against 60,099 tonnes of the previous year. Several new initiatives were done in the production area with roof top solar power generation of 3MW taking the lead.

EMPLOYMENT	**2018**	**2017**
Total employment as at 31st March	443	425

CAPITAL EXPENDITURE AND INVESTMENTS

During the year the Company's cash out flow on Property, Plant and Equipment was to the aggregate value of LKR 623,042,011/- (Year Ended 31 March 2017 LKR 2,961,584,592/-)
The capital commitments as at the reporting date are disclosed in Note 19.1 to the Financial Statements.

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	**2018**	**2017**
Registered Shareholders as at 31st March	12,428	12,989

The distribution of shares is indicated in page 62.

EVENTS OCCURRING AFTER THE REPORTING DATE

The events occurring after the reporting date are disclosed in Note 21 to the Financial Statements. No events have taken place since the Reporting date which would require any adjustments or disclosures other than the above.

THE BOARD OF DIRECTORS

Vijay Shah - Chairman
Dr. C. T. S. B. Perera
R. M. S. Fernando
Sanjay Tiwari - CEO / Executive Director
Samit Datta

REPORT ON THE AFFAIRS *of the Company*

APPOINTMENT OF NEW DIRECTORS

New directors were not appointed during the financial year.

PERSONS WHO CEASED TO BE DIRECTORS

No directors were ceased from the board during the financial year.

DIRECTORS' INTEREST REGISTER

The Directors have made declarations as provided for in section 192 (2) of the Companies Act No. 7 of 2007. The related entries were made in the interest register during the year under review. The related party disclosures are referred to in Note 18.1 to the Financial Statements. The share ownership of directors is indicated below.

DIRECTORS' SHAREHOLDINGS

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

	2018	**2017**
Dr. C. T. S. B. Perera	50,000	50,000
Sanjay Tiwari (Jointly with Spouse)	100,000	100,000

DIRECTORS' EMOLUMENTS

The remunerations and other benefits made to the Directors during the year are disclosed in Note 18.2

DONATIONS

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

AUDITORS

The Financial Statements have been audited by Messrs. Ernst & Young, Chartered Accountants of Sri Lanka, who have indicated their willingness to continue in office and a resolution relating to their reappointment, will be proposed at the Annual General Meeting.

Fees paid/ provided as at 31st March	**2018**	**2017**
Audit Fees	LKR 838,284	LKR 727,650
Taxation Services	LKR 403,613	LKR 343,242

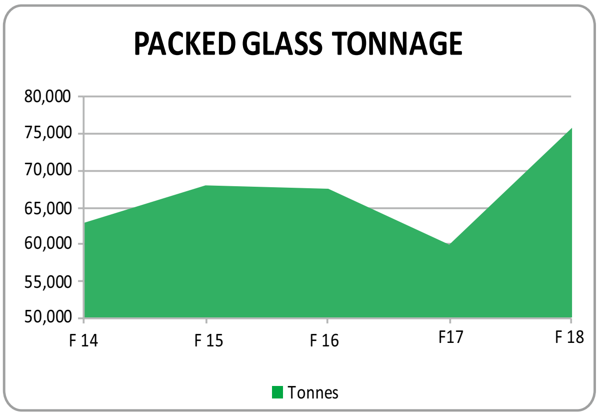
As far as the Directors are aware, the auditors do not have any other relationship with the Company or any of its affiliate company.

Sgd. Sanjay Tiwari
CEO / Executive Director

Sgd. R.M.S. Fernando
Director

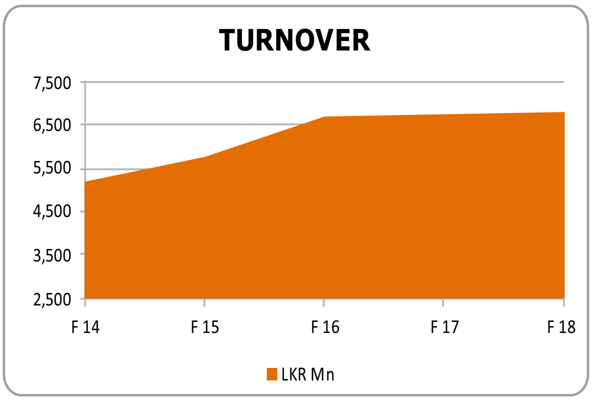
Sgd. Sagarika Jayasundera
Company Secretary

08th May 2018



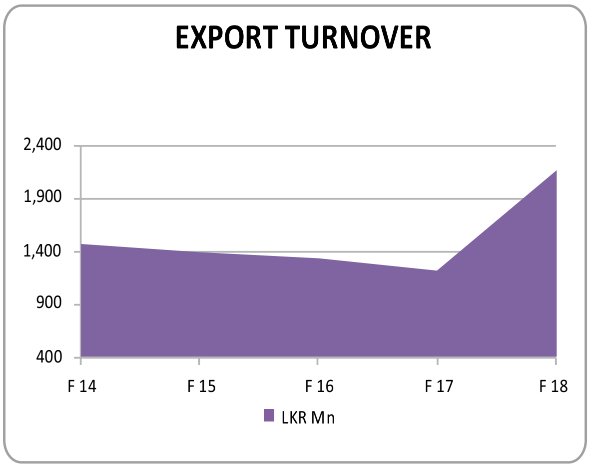
All figures in Tonnes

	F 14	F 15	F 16	F17	F18
PACKED	63,032	67,966	67,533	60,099	75,932



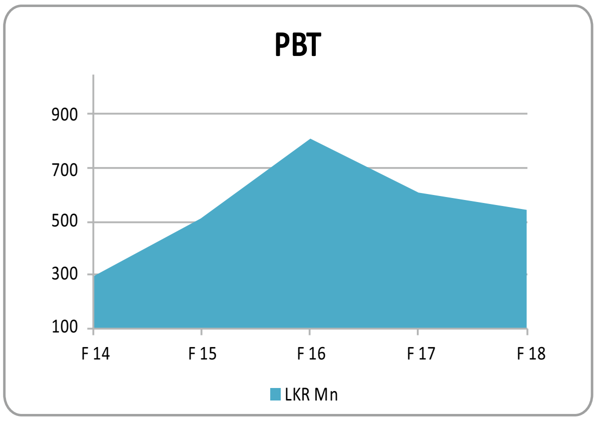
All figures in LKR Mn

	F 14	F 15	F 16	F17	F18
TURNOVER	5,147	5,708	6,652	6,678	6,732



All figures in LKR Mn

	F 14	F 15	F 16	F17	F18
EXPORT	1,446	1,371	1,320	1,209	2,136



All figures in LKR Mn

	F 14	F 15	F 16	F17	F18
PBT	289	509	805	603	541

BOARD OF DIRECTORS

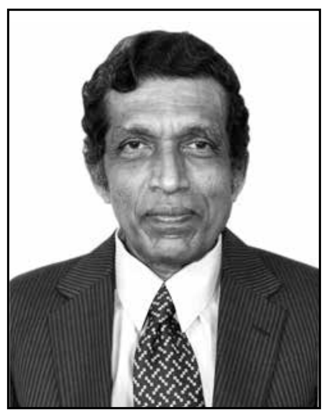
VIJAY SHAH
Chairman
Non Executive, Independent Director

Vijay Shah is presently Executive Director at Piramal Enterprises Ltd. He is also a member of Financial Services Advisory Committee and the Pharma Operations Board at Piramal Enterprises Ltd. He is also a Director at Piramal Glass (Private) Limited formerly known as Piramal Glass Limited. He was appointed to the Board of Piramal Glass Ceylon PLC (formerly known as Ceylon Glass Company Ltd) in 1999.

Vijay Shah started his career in 1982 as Senior Consultant with Management Structure & Systems Pvt. Ltd. – a management consultancy organization providing services for large organizations such as Larsen & Toubro (L&T), Siemens, etc. Post this he joined Piramal Group's Strategic Planning function in 1988 and later moved to Piramal Glass as Managing Director. Under his leadership, Piramal Glass's sales grew from Rs.26 cr in FY1992 to Rs.238 cr in FY2000 (CAGR of 32%). Post his successful stint at Piramal Glass, he was entrusted the responsibility of Pharmaceutical formulations business at Piramal Healthcare in 1999. Under his leadership, the company moved from Rank 23 to Rank 4 in Indian Pharma industry achieving sales of Rs.932 cr in FY2006 (CAGR of ~28% during his tenure). Post this turnaround at Piramal Healthcare, he moved back to Piramal Glass Ltd as Managing Director in 2006, where again during his tenure the sales grew at CAGR of 20% (between FY2006-11).

Mr. Shah has done his B.Com (1980) and is a rank holder of the Institute of Chartered Accountants of India (May 1981). He has also done a Management Education Programme from IIM, Ahmedabad (1987) and the Advanced Management Program (AMP) from the Harvard Business School, Boston, USA (Nov. 1997).

C. T. S. B. PERERA
Non Executive, Independent Director



Appointed to the Board of Piramal Glass Ceylon PLC (formerly known as Ceylon Glass Company Ltd) in 2003. Dr Perera has served as the Managing Director of Ceylon Glass Company Ltd from July 1995 to March 2002. He served as the first Chairman of SME Bank, Additional Director General of Board of Investment, Sri Lanka and former Chairman of Industrial Development Board and former deputy chairman of Public Utilities Commision. Presently serves as a Director of Kelani Cables PLC and Director on Board of several reputed Companies.

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

SANJAY TIWARI
CEO/ Executive Director
Executive, Non Independent Director

Appointed to the Board of Piramal Glass Ceylon PLC (formerly known as Ceylon Glass Company Ltd) in December 2005 as CEO and Executive Director. Since 1st June 2013, Mr. Tiwari has been designated as the Chief Operating Officer In Piramal Glass (Private) Ltd formerly known as Piramal Glass Limited, India to oversee the operations of the Plants in Vadodara, Gujarat, India, in addition to existing responsibilities. 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.

Mr. Tiwari, an alumini of London Business School, holds a Bachelors Degree in Commerce from India and is a fellow member of the Institute of Chartered Accountants of India. He has done Advance Financial Management & General Management from the Indian Institute of Management, Ahmedabad, India, and is qualified in Executive Management from the University of Michigan, USA and Senior Executive Management from London Business School, UK.

Mr Tiwari is currently the President of the Sri Lanka Ceramic and Glass Council, the Chairman of Center for Technical Excellence in Ceramics (CENTEC) and Vice President of Indo Lanka Chamber of Commerce, Sri Lanka.

R. M. S. FERNANDO
Non Executive, Independent Director

Appointed to the Board of Piramal Glass Ceylon PLC (Formerly known as Ceylon Glass Company Ltd) on 8th October 2007.

Mr. Fernando has worked at the DFCC Bank 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.

He is a fellow of the Chartered Institute of Bankers, United Kingdom, Companion of the Chartered Institute of Management in UK and a fellow of the Chartered Institute of Management Accountants in UK. He holds an honours degree in Law from the University of Colombo and is also an Attorney - at - Law. He is currently the chairman of Sri Lankan Airlines.

SAMIT DATTA
Non Executive, Non Independent Director

Appointed to the Board of Piramal Glass Ceylon PLC (Formerly known as Ceylon Glass Company Ltd) on 28th April 2015.

Mr. Samit Datta is working with Piramal Glass (Private) Ltd formerly known as Piramal Glass Limited since December 2005 and is currently the Head of Global Supply Chain Management, IT, Digital. He has recently taken charge of the Manufacturing Excellence program within Piramal Glass globally.

He has worked in various capacities handling Strategic Planning, Corporate Logistics, Global Supply Chain Management, IT & Digital Transformation. He has over 23 years of experience in diverse industries including Consulting, Engineering, Automobile, Textiles, IT, Pharmaceuticals & Packaging.

He is holding BE (Hons) in Mechanical Engineering from NIT, Durgapur, India and a MBA in Manufacturing Management from SP Jain Institute of Management & Research, Mumbai, India. He has also completed a Senior Executive Leadership Program (SELP-I) from Harvard Business School in 2018.

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 (a)	Independent Directors	Two or one third of Non-Executive Directors, whichever is higher should be independent.	Compliant	Three of the Four Non-Executive Directors are independent.
7.10.2 (b)	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 14 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 9-10 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 02.
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 three 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 02.
		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 57
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 02.
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 three are independent.
		Chief Executive Officer and the Chief Financial Officer should attend Audit Committee Meetings.	Compliant	CEO/Executive Director and the Financial 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 02.
		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 *Compliance Table (Contd....)*

Rule No.	Subject	Application Requirement	Compliance Status	Details
9.2.1	Related Party Transactions Review Committee	A Listed Company shall have a Related Party Transactions Review Committee with effect from 01.01.2016	Compliant	Names of the members of the RPT Review Committee are available in page 02.
9.2.2	Composition of Related Party Transactions Review Committee	Shall comprise a combination of non-executive directors and independent non-executive directors. The composition of the Committee may also include executive directors at the option of the Listed Entity.	Compliant	RPT Review Committee consists of three independent Non-Executive directors.
		One Independent non-executive director shall be appointed as Chairman of the Committee.	Compliant	The Chairman of the RPT Review Committee is an Independent non-executive director.
9.2.4	Functions of Related Party Transactions Review Committee	Should be as outlined in the sections 9.2.4 of the Listing Rules	Compliant	Please refer page 15
9.3.2	Disclosure in the Annual Report relating to Related Party Transactions Review Committee	a) Names of the Directors comprising the Related Party Transactions Review Committee	Compliant	Please refer page 02.
		b) A Statement to the effect that the Committee has reviewed the Related Party Transactions during the financial year and has communicated the comments/ observations to the Board of Directors.	Compliant	Please refer page 15.
		c) The Policies and procedures adopted by the Committee for reviewing the Related Party Transactions.	Compliant	Please refer page 15.
		d) The number of times the Committee has met during the Financial Year.	Compliant	Please refer page 13.
		e) A declaration by the Board of Directors in the Annual Report as an affirmative statement of the Compliance with these Rules pertaining to Related Party Transactions or negative statement in the event the Entity has not entered into any Related Party Transaction/ s.	Compliant	Please refer page 17

Recurrent Related Party Transactions

Name of the Related Party	Relationship	Nature of the Transaction	Aggregate value of RPT entered into during the Financial Year	Aggregate value of RPT as a % of Net Revenue/ Income	Terms & Conditions of the RPT
			LKR		
Piramal Glass (Private) Limited - India (Formerly known as Piramal Glass Limited)	Parent Company	Purchase of Bottles	641,491,736	9.4%	Note 1
		Purchase of Lids	244,188	0.0%	Note 1
		Purchase of Moulds	6,214,792	0.1%	Note 1
		Purchasing of Machines	7,542,301	0.1%	Note 1
		Technical Fees	145,086,190	2.1%	Note 2
Piramal Glass - USA, INC.	Fellow Subsidiary	Sale of Bottles	408,875,132	6.0%	Note 1
Piramal Enterprises Limited	Other Related Company	Sale of Bottles	527,024	0.0%	Note 1

Note 1 - At terms equivalent to those that prevail in arm's length transactions.
Note 2 - As per the agreement entered into between the two companies. Refer Audited Financial statement Note 4.4.

CORPORATE GOVERNANCE

ATTENDANCE OF DIRECTORS AT MEETING

AT BOARD MEETINGS

The Board of the Company met five (05) times during the financial year 2017 - 18 , on the following dates:

(1) 02nd May, 2017 (2) 23rd June, 2017 (3) 19th July, 2017 (4) 31st October, 2017 (5) 08th February, 2018

The attendance of the Directors at the Board Meetings and the last Annual General Meeting held on 23rd June, 2017 were as under:

Name of Director	Board Meetings		AGM
	Held during their tenure	Attended	
Vijay Shah - Chairman	5	5	✓
C.T.S.B.Perera	5	5	✓
Sanjay Tiwari - CEO & MD	5	5	✓
R.M.S.Fernando	5	5	✓
Samit Datta	5	5	✓

AT AUDIT COMMITTEE MEETINGS

During the financial year 2017-18, four (04) Audit Committee Meetings were held on the following dates:

(1) 02nd May, 2017 (2) 19th July, 2017 (3) 31st October, 2017 (4) 08th February, 2018

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) Vijay Shah	Chairman	Non - Executive Independent Director	4	4
(2) C.T.S.B.Perera	Member	Non - Executive Independent Director	4	4
(3) R.M.S.Fernando	Member	Non - Executive Independent Director	4	4

The Company Secretary is the Secretary to the Committee.

AT REMUNERATION COMMITTEE MEETINGS

The Remuneration Committee met on 02nd May, 2017 for the financial year 2017 - 18.

The constitution of the committee and the attendance of each member of the committee is given below;

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

AT RELATED PARTY TRANSACTIONS REVIEW COMMITTEE MEETINGS,

During the financial year 2017-18, four (04) RPT Review Committee Meetings were held on the following dates:

(1) 02nd May, 2017 (2) 19th July, 2017 (3) 31st October, 2017 (4) 08th February 2018

The constitution of the committee and the attendance of each member of the committee is given below;

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

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 three 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 in page 57. The members of the Remuneration Committee are disclosed in page 02.

Sgd. Vijay Shah
Chairman

08th May 2018

INDEPENDENT DIRECTORS

The Independent directors are Dr.C.T.S.B. Perera, Mr.R.M.S.Fernando and Mr. Vijay Shah. The board is of the opinions that they are independent directors, notwithstanding the fact that they have been directors of the Company continuously for periods exceeding nine years. It has been so determined taking to account the experiences, qualifications and the industry experiences they 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 independent Directors. The members of the Audit Committee are disclosed in page 02.

Meetings of Audit Committee

Four meetings were held during the year ended 31st March 2018. The Internal Auditors attended three of these meetings.

Internal Auditors

The internal audit function is outsourced to Messrs. KMPG Sri Lanka 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 2019.

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.

CORPORATE GOVERNANCE

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

A Listed Company shall have a Related Party Transactions Review Committee on a mandatory basis with effect from 01st January 2016.The Rules relevant to RPT Review Committee are stated under 9.2 of the CSE Listing Rules.

The RPT Review Committee is established for the purpose of reviewing transfer of resources, services or obligations between related parties regardless of whether a price is charged.

According to the section 9.3.2 of the Listing Rules the Listed Entity has to disclose the Related Party Transactions in the Annual Report in the case of Non– recurrent Related Party Transactions, if aggregate value of the non-recurrent Related Party Transactions exceeds 10% of the Equity or 5% of the Total Assets, whichever is lower. In the case of Recurrent Related Party Transactions, if the aggregate value of the recurrent Related Party Transactions exceeds 10% of the gross revenue /income (or equivalent term in the Income Statement and in the Case of group entity consolidated revenue) as per the Latest Audited Financial Statements the Listed Entity must disclose the aggregate value of the Related party Transactions entered into with the same Related Party. The formats are given in the Listing Rules.

The company has not entered into any Non-recurrent Related Party Transactions during the Financial year 2017-18. All the Recurrent Related Party Transactions entered by the company are disclosed in page 12 in the Annual Report.

The RPT Review Committee is a sub Committee of the Board and the Company's RPT Review Committee shall comprise of a combination of non-executive directors and independent non-executive directors. The composition of the committee may also include executive directors as the option of the Listed Entity. One independent non-executive director shall be appointed as Chairman of the committee.

The Company's RPT Review Committee consists of three non-executive independent directors .The members of the RPT Review Committee are disclosed in page 02.

Meeting of the RPT Review Committee

The RPT Review Committee shall meet at least once a calendar quarter. The RPT Review Committee of the company has held four meetings for the quarter ended 31st March 2018.

The RPT Review Committee has reviewed the Related Party Transactions during the financial year and has communicated the comments/ observations to the Board of Directors. The policies and Procedures adopted by the committee for reviewing the Related Party Transactions are set out as per the section 9.3.2 (c) of the new Listing Rules. They are as Follows,

- A Comprehensive report is submitted by the CFO at the end of each quarter to the related party transaction review committee.
- The report consist of detailed information of sales, procurements and all other transactions that has occurred during the given period.
- The Parent Company - Piramal Glass (Private) Limited, India (PGPL), Piramal Glass USA (PG USA) and Piramal Enterprises Limited are considered as related parties. PG USA is a 100% owned subsidiary of Piramal Glass (Private) Limited and Piramal Enterprises Limited is a other related party company.
- The Activities and views of the committee have been communicated to the Board of Directors by tabling the minutes of the Committee Meetings.

Sgd. Vijay Shah
Chairman

08th May 2018

MATERIAL *foreseeable Risk Factors*

(As per Rule No 7.6 (VI) of the Listing Rules of the CSE)

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 risk arises 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.

Material Issues Pertaining to Employees and Industrial Relations Pertaining to the Entity (As per Rule No 7.6 (vii) of the Listing Rules of CSE)

There were no material issues pertaining to employees and industrial relations pertaining to the company that occurred during the year under review which needs to be disclosed.

DIRECTORS' *Responsibilities for the Preparation of Financial Statements*

The responsibilities of the Directors, in relation to the Financial Statements of Piramal Glass Ceylon PLC are set out in this Statement. The Auditors' Report sets out the respective responsibilities of the Directors and the External Auditors relating to the Financial Statements and this statement provides additional information. The responsibilities of the Auditors, in relation to the Financial Statements, are set out in the Auditors' Report on pages 20-23 of the Annual Report. The external auditors M/s Ernst & Young, appointed in accordance with the resolution passed at the last Annual General Meeting, were provided with every opportunity to undertake whatever inspections they consider appropriate to enable them to form their opinion on the financial statements.

The directors are required by relevant statutory provisions to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the company for that period. The Financial Statement for the year 2017/2018 prepared and presented in this Annual report have been prepared based on new Sri Lanka Accounting Standards (SLFRS) which came to effect from 01st January 2012, are in agreement with the underlying books of account and are in conformity with the requirements of the Sri Lanka Accounting Standards, Companies Act No. 7 of 2007, Sri Lanka Accounting and Auditing Standards Act No. 15 of 2000 and the New Listing Rules of the Colombo Stock Exchange. The responsibility of the Directors, in relation to the Financial Statements, is set out in the following statement.

Under section 151 (1) of the Companies Act No. 7 of 2007, the Directors of the Company have responsibilities for ensuring that the Company keeps proper books of account of all the transactions and prepares financial statements that give a true and fair view of the state of affairs of the Company and the profit or loss or income and expenditure for the accounting period ending on that balance sheet date. The Directors consider that these Financial Statements have been prepared using appropriate accounting policies, applied consistently, and supported by reasonable and prudent judgments and estimates and is in compliance with applicable Sri Lanka Accounting Standards and provide the information required by the Companies Act, as relevant. Any change to accounting policies and reasons for such change, is disclosed in the "Notes to the Financial Statements".

The Directors are responsible for keeping proper accounting records, and to take reasonable steps as far as practicable to ensure the accuracy and reliability of accounting records, to enable the preparation of financial statements. The Directors have general responsibilities to take reasonable steps to safeguard the assets of the Company and in this regard to give proper consideration to the establishment of appropriate internal control systems with a view of preventing and detecting fraud and other irregularities.

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

The Board is fully committed to ensure the existence of an effective system of internal control and risk management within the Company and continuously reviews and evaluates the adequacy of and integrity of the systems.

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 further confirm that the company is compliance with the Listing Rules Pertaining to Related Party Translations as mentioned in section 9.3.2 of the New Listing Rules. The company has not entered into any Non-recurrent Related Party Transactions during the Financial year 2017-18. All the Recurrent Related Party Transactions entered by the company are disclosed in page 12 in the Annual Report.

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

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

By order of the Board

SAGARIKA JAYASUNDERA
Company Secretary & Senior Manager Legal
Piramal Glass Ceylon PLC

08th May 2018

Annual get together

Supervisory Skill Development Workshop

CSR Project

Donation for flood at Horana

Inter Company Cricket match

Rooftop Solar Power Generation Project Horana

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Ernst & Young
Chartered Accountants
201 De Saram Place
P.O. Box 101
Colombo 10
Sri Lanka

Tel : +94 11 2463500
Fax Gen : +94 11 2697369
Tax : +94 11 5578180
eysl@lk.ey.com
ey.com

NDeS/MTF/MHT/DM

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

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Piramal Glass Ceylon PLC ("the Company"), which comprise the statement of financial position as at 31 March 2018, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2018 and its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards ("SLASs").

Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards ("SLAuSs"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issue by The Institute of Chartered Accountant of Sri Lanka ("Code of Ethics") and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

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Key audit matter	How our audit addressed the key audit matter
Allowance for inventory obsolescence	
As at the reporting date, the company's inventory consists of finished goods amounting to Rs. 929 million before an allowance being made for slow moving inventory amounting to Rs. 38 million as described in note 10. The allowance is made for identified custom made inventory, based on the alternative use of the goods identified as described in note 2.4(f) to the financial statements. As the process of determining the allowance for inventory involved significant estimates, we have considered this as a key audit matter.	Our audit procedures were designed to measure the reasonableness of the allowance for inventory. We performed following specific procedures, among others; • assessed the reasonableness of the estimates used, by comparing with recent purchases of the comparable items and Company's historical experience in yields. • considered the adequacy of related disclosures given in note 2.4(f) and note 10 to the financial statements.

Other information included in the Company's 2017/18 Annual Report

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The Management is responsible for the other information. Other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with SLASs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

(Contd...)

Building a better working world

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

The Institute of Chartered Accountant of Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 1864.

Ernst & Young

08 May 2018
Colombo

STATEMENT *of Profit or Loss for the year ended 31 March 2018*

	Notes	2018 LKR	2017 LKR
Revenue	3.1	6,815,727,286	6,783,010,087
Cost of Sales		(5,393,586,969)	(5,411,696,115)
Gross Profit		1,422,140,316	1,371,313,972
Other Operating Income	4.1	57,753,750	29,203,729
Selling and Distribution Expenses		(152,824,417)	(212,247,221)
Administrative Expenses		(458,155,159)	(409,436,554)
Operating Profit		868,914,491	778,833,926
Finance Costs	4.3	(328,498,998)	(176,423,532)
Finance Income	4.2	633,923	429,376
Profit before Tax	4.4	541,049,416	602,839,770
Income Tax Expense	5.1	(197,167,726)	(117,363,813)
Profit for the Year		343,881,690	485,475,957
Earnings Per Share - Basic/Diluted	6	0.36	0.51
Dividend Per Share	6	0.26	0.35

The accounting policies and notes on pages 29 through 60 form an integral part of the financial statements.

STATEMENT *of Other Comprehensive Income for the year ended 31 March 2018*

	Notes	2018 LKR	2017 LKR
Profit for the Year		343,881,690	485,475,957
Other Comprehensive Income			
Other Comprehensive Income to be Reclassified to Profit or Loss in Subsequent Periods:			
Gain/(Loss) on Available for Sale Financial Assets		100,979	(905,206)
Net Other Comprehensive Income/(Loss) to be Reclassified to Profit or Loss in Subsequent Periods		100,979	(905,206)
Other Comprehensive Income not to be Reclassified to Profit or Loss in Subsequent Periods:			
Actuarial Gains/(Losses) on Defined Benefit Plans		(24,444,763)	(10,133,873)
Income Tax Effect	5.2	5,077,177	1,824,097
Net Other Comprehensive Income/(Loss) not to be Reclassified to Profit or Loss in Subsequent Periods		(19,367,586)	(8,309,776)
Other Comprehensive Income/(Loss) for the Year Net of Tax		(19,266,607)	(9,214,982)
Total Comprehensive Income for the Year Net of Tax		324,615,083	476,260,975

The accounting policies and notes on pages 29 through 60 form an integral part of the financial statements.

STATEMENT *of Financial Position as at 31 March 2018*

		2018	2017
ASSETS	**Notes**	**LKR**	**LKR**
Non-Current Assets			
Property, Plant and Equipment	7	6,020,760,600	6,177,790,707
Prepaid lease rent	8	22,830,777	23,687,732
Available for Sale Investments	9.1	4,752,275	4,651,296
Other Receivables	11	2,091,667	3,451,243
		6,050,435,320	6,209,580,978
Current Assets			
Inventories	10	1,686,376,741	1,445,845,147
Trade and Other Receivables	11	1,513,405,957	1,097,884,692
Prepayments		7,334,717	6,702,597
Income Tax Receivable		69,087,200	32,091,154
Cash and Short Term Deposits	12	121,953,785	273,599,499
		3,398,158,399	2,856,123,089
Total Assets		9,448,593,719	9,065,704,067
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	13	1,526,407,485	1,526,407,485
Reserves	14	105,023,477	129,467,811
Retained Earnings		2,632,841,074	2,555,349,350
Total Equity		4,264,272,036	4,211,224,646
Non-Current Liabilities			
Interest Bearing Loans and Borrowings	9.2	1,990,750,000	2,719,151,788
Deferred Tax Liabilities	5.4	495,058,523	276,971,448
Employee Benefit Liability	15	175,563,223	142,441,079
		2,661,371,747	3,138,564,315
Current Liabilities			
Trade and Other Payables	16	835,794,354	922,566,065
Dividends payable	17	49,221,020	43,890,376
Interest Bearing Loans and Borrowings	9.2	1,637,934,563	749,458,665
		2,522,949,937	1,715,915,106
Total Equity and Liabilities		9,448,593,719	9,065,704,067

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

……………………………

Niloni Boteju
Financial Controller

The Board of Directors is responsible for these financial statements. Signed for and on behalf of the Board by:

……………………………..
Sanjay Tiwari
CEO/Executive Director

……………………………..
C.T.S.B. Perera
Director

The accounting policies and notes on pages 29 through 60 form an integral part of the financial statements.

08 May 2018
Colombo

STATEMENT *of Changes in Equity for the year ended 31 March 2018*

	Stated Capital	Revaluation Reserves	Retained Earnings	Available for Sale Reserve	Total
	LKR	LKR	LKR	LKR	LKR
As at 01 April 2016	1,526,407,485	125,886,317	2,410,444,854	4,755,143	4,067,493,799
Profit for the Year	-	-	485,475,957	-	485,475,957
Revaluation Impact Eliminated on Disposal of Property, Plant and Equipment	-	(268,443)	268,443	-	-
Other Comprehensive Income	-	-	(8,309,776)	(905,206)	(9,214,982)
Total Comprehensive Income	-	(268,443)	477,434,624	(905,206)	476,260,975
Dividends Paid	-	-	(332,530,128)	-	(332,530,128)
As at 31 March 2017	1,526,407,485	125,617,874	2,555,349,350	3,849,937	4,211,224,646
Profit for the Year	-	-	343,881,690	-	343,881,690
Other Comprehensive Income	-	-	(19,367,586)	100,979	(19,266,607)
Total Comprehensive Income	-	-	324,514,104	100,979	324,615,083
Deferred Tax Effect	-	(24,545,313)	-	-	24,545,313
Dividends Paid	-	-	(247,022,381)	-	(247,022,381)
As at 31 March 2018	1,526,407,485	101,072,561	2,632,841,074	3,950,916	4,264,272,036

The accounting policies and notes on pages 29 through 60 form an integral part of the financial statements.

STATEMENT *of Cash Flows for the year ended 31 March 2018*

	Notes	2018 LKR	2017 LKR
Cash Flow from Operating Activities			
Net Profit before Tax		541,049,416	602,839,770
Non-cash Adjustment to Reconcile Profit before Tax to Net Cash Flows:			
Depreciation of Property, Plant and Equipment	7.2	721,774,749	552,836,347
Amortization of Leasehold Property	8	856,955	1,323,036
Exchange Difference Adjustment		5,412,811	10,711,833
Provision for Employee Benefit Liability	15.1	29,936,257	23,087,061
Provision for slow moving inventories	10	3,080,014	30,312,953
Other Operating Income	4.1	(24,403,972)	(29,203,729)
Finance Costs	4.3	328,498,998	176,423,532
Finance Income	4.2	(633,923)	(429,376)
Loss/(Profit) on Sale of Property, Plant and Equipment		(98,703)	1,304,520
Operating Profit before Working Capital Changes		1,605,472,601	1,369,205,947
Working Capital Adjustments:			
(Increase) / Decrease in Inventories		(185,321,621)	(32,094,049)
(Increase) / Decrease in Trade and Other Receivables and Prepayments		(452,553,375)	190,798,198
Increase / (Decrease) in Trade and Other Payables		(85,320,497)	(512,866,830)
Cash Generated from Operations		882,277,108	1,015,043,266
Income Tax Paid		-	(45,458,986)
Employee Benefit Liability Cost Paid	15.1	(21,258,874)	(11,811,650)
Interest Paid	4.3	(328,498,998)	(176,423,532)
Net Cash Flow Generated from Operating Activities		532,519,236	781,349,098
Cash Flows from Investing Activities			
Acquisition of Property, Plant and Equipment	7	(623,042,011)	(2,961,584,592)
Purchase of Equity Shares on un quoted investment		-	(540,000)
Proceeds from Sale of Property, Plant and Equipment		106,086	346,957
Sundry Income	4.1	24,228,766	29,044,922
Dividends Received		175,206	158,807
Finance Income		633,923	429,376
Loans & Advances Granted to Company Officers during the Year		(6,045,333)	(9,490,000)
Repayment of Loans & Advances by Company Officers during the Year		6,808,852	7,573,256
Net Cash Flow Generated from/(Used in) Investing Activities		(597,134,511)	(2,934,061,274)
Cash Flows from Financing Activities			
Proceeds from Interest Bearing Loans and Borrowings	9.2.1	3,446,000,000	4,968,630,000
Dividends Paid		(241,691,737)	(324,898,404)
Repayment of Bank Loans	9.2.1	(3,784,113,325)	(2,371,011,563)
Net Cash Flow Generated from/(Used) in Financing Activities		(579,805,062)	2,272,720,033
Net Increase/(Decrease) in Cash and Cash Equivalents		(644,420,338)	120,007,857
Net Foreign Exchange Difference		(4,323,724)	(1,752,814)
Cash and Cash Equivalent at the Beginning of the Year	12	257,763,284	139,508,241
Cash and Cash Equivalent at the End of the Year	12	(390,980,778)	257,763,284

The accounting policies and notes on pages 29 through 60 form an integral part of the financial statements.

NOTES *to the Financial Statement Year ended 31 March, 2018*

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 principal place of business is located at No. 148, Maligawa Road, Borupana, Ratmalana and the production facility is located in Horana.

1.2 Principal Activities and Nature of Operations

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

1.3 Parent Entity and Ultimate Parent Entity

The Company's parent undertaking is Piramal Glass Private Limited (Formerly known as Piramal Glass Limited), which is incorporated in India.

1.4 Directors' Responsibility Statement

The Board of Directors is responsible for Financial Statements of the company as per Sri Lanka Accounting Standards and the provisions of the Companies Act No 7 of 2007.

1.5 Date of Authorization for Issue

The financial statements of Piramal Glass Ceylon PLC for the year ended 31 March 2018 were authorized for issue in accordance with a resolution of the Board of Directors on 08 May 2018.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The Financial Statements of the Company, which comprise the Statement of Financial Position, Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Financial Statements have been prepared and presented in accordance with Sri Lanka Accounting Standards (SLFRSs and LKASs) laid down by the Institute of Chartered Accountants of Sri Lanka and in compliance with the requirements of the Companies Act No 7 of 2007.

2.1.1 Basis of Measurement

The Financial Statements of the Company have been prepared on the historical cost basis, except for the following items in the Statement of Financial Position:

- Available for sale investments are measured at fair value
- The liability for Defined Benefit Obligations are actuarially valued and recognized at the present value

2.1.2 Going Concern

The Directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, Board is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern and they do not intend either to liquidate or to cease operations of the Company. Therefore, the Financial Statements continue to be prepared on the going concern basis.

2.2 Functional and Presentation Currency

The Financial Statements are presented in Sri Lanka Rupees, which is the Company's functional and presentation currency. There was no change in the Company's presentation and functional currency during the current year.

2.3 Comparative Information

The accounting policies have been consistently applied by the Company and, are consistent with those used in the previous year. Previous year's figures and phrases have been rearranged whenever necessary to conform to the current presentation.

NOTES *to the Financial Statements Year ended 31 March, 2018*

2.4 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

Estimates and Assumptions

The preparation of Financial Statements of the Company in conformity with Sri Lanka Accounting Standards, requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The most significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have most significant effect on the amounts recognized in the Financial Statements of the Company are as follows:

a) Employee Benefit Liability

The cost as well as the present value of defined benefit plans - gratuity is determined using Actuarial Valuations. The Actuarial Valuation involves making assumptions about discount rates, future salary increases and other important related data. Due to the long term nature of employee benefits, such estimates are subject to significant uncertainty. Further details of assumptions together with an analysis of their sensitivity as carried out by the management in relation to the above key assumptions and the results of the sensitivity analysis are given in Note 15.2 & 15.3.

(b) Transfer Pricing Regulation

The Company is subject to income taxes and other taxes including transfer pricing regulations. The management has taken steps to carry out the required study in respect of transfer pricing regulation and has accordingly used critical judgments and estimates in applying the regulations in aspects including but not limited to estimation of the respective arm's length prices and selection of appropriate pricing mechanism. The current tax charge is subject to such judgments. Differences between estimated income tax charge and actual payable may arise as a result of management's interpretation and application of transfer pricing regulation.

(c) Deferred Taxes

The Company is liable to Income Tax on the manufacturing operations from 9th December 2012. Significant judgments were required to determine the taxable and deductible temporary differences which extend beyond the tax exemption period.

Accordingly, the Company recognized assets and liabilities for deferred taxes based on such estimates of tax consequences commencing from 9th December 2012.Where the final tax outcome of these matters is different from the amounts recorded, such differences will impact the income and deferred tax amounts in the period in which the determination is made.

Deferred tax assets are recognized in respect of tax losses to the extent that it is probable that future taxable profits will be available against which such tax losses can be utilized. Judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits, together with the future tax-planning strategies.

(d) Impairment losses on Trade & Other Receivables

The Company reviews its individually significant Receivables at each reporting date to assess whether an impairment loss should be recorded in the Statement of Profit or Loss. In particular, management's judgment is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the impairment allowance.

Receivables that have been assessed individually and found not to be impaired and all individually insignificant Receivables are then assessed collectively, in groups of assets with similar risk characteristics, to determine whether provision should be made due to incurred loss events for which there is objective evidence, but the effects of which are not yet evident.

The impairment loss on Trade & Other Receivables is disclosed in Notes 2.5.8.2 and 11.2.

NOTES *to the Financial Statements Year ended 31 March, 2018*

(e) Useful Life-time of the Property, Plant and Equipment

As described in 2.5.4 below The Company review the residual values, useful lives and methods of depreciation of Property, Plant and Equipment at each reporting date. Judgment of the management is exercised in the estimation of these values, rates, methods and hence they are subject to uncertainty.

(f) Allowance for Slow moving inventories:

The Management of the company has identified and allowance for slow moving inventory as disclosed in Note 10 to the financial statements based on the alternative use of the inventory. The available alternative use is to scrap the bottles and use it as cullets in producing new bottles. Recent bulk purchase prices for cullets which is in the range of Rs.2.50 to Rs.8.75 per kilogram and yield of cullet per used bottle which varies with the weight of the bottle had been used as a basis.

As Management uses present conditions and historical information as the a basis to determine the future recoverability, actual future losses on inventories could vary from the allowance made in these financial statements.

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.5.1 Foreign Currency Translation

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

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

2.5.2 Revenue Recognition

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

a) Sale of Goods

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

b) Interest Income

Interest is recognised on a time proportion basis that takes in to account the effective interest rate on asset.

c) Dividends

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

d) Others

Other income is recognized on an accrual basis.

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

NOTES *to the Financial Statements Year ended 31 March, 2018*

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

2.5.3 Taxation

Current Income Tax

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the Inland Revenue Act No 10 of 2006 and the amendments there to.

Pursuant to agreement dated 19 July 2006 entered into with Board of Investment, the Company is exempted from income tax on the manufacturing operations for a period of 5 years from 10 December 2007. This exemption expired on 9 December 2012.

Upon the expiration of above tax exemption period, the Company's profits arising from Manufacturing Operations are taxable at a concessionary rate of 10% for a period of 2 years and at the rate of 20% thereafter.

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the Commissioner General of Inland Revenue. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

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

Deferred Tax

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

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

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

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

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

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

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

NOTES *to the Financial Statements Year ended 31 March, 2018*

2.5.4 Property, Plant and Equipment

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

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

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

Capital expenditure incurred in relation to fixed assets which are not completed as at the Reporting date are shown as capital work-in-progress and is stated at cost. On completion, the related assets are transferred to property, plant and equipment. Depreciation on such assets commences when the assets are ready for their intended use.

2.5.5 Prepaid Lease Rent

Operating leases, where the lessor effectively retains substantially all of the risk and benefits of ownership over the term of the lease are classified as operating leases. Operating lease payments are recognized as an operating expense in the Statement of Profit or Loss on a straight-line basis over the lease term.

2.5.6 Borrowing Costs

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

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

2.5.7 Intangible Assets

Computer Software

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

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

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

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

NOTES *to the Financial Statements Year ended 31 March, 2018*

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

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

2.5.8 Financial Instruments - Initial Recognition and Subsequent Measurement

2.5.8.1 Financial Assets

Initial Recognition and Measurement

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

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

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

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

Subsequent Measurement

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

a) Financial Assets at Fair Value through Profit or Loss

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

Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with changes in fair value recognized in finance income or finance costs in the income statement.

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

b) Loans and Receivables

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

c) Held-to-Maturity Investments

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

The Company did not have any held-to-maturity investments during the years ended 31 March 2017 and 31 March 2018.

d) Available-for-Sale Financial Investments

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

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

Interest income on available-for-sale debt securities is calculated using the effective interest method and is recognized in profit or loss.

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

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

Derecognition

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

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

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

NOTES *to the Financial Statements Year ended 31 March, 2018*

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

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

2.5.8.2 Impairment of Financial Assets

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

a) Financial Assets Carried at Amortised Cost

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

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

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

b) Available-for-Sale Financial Investments

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

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

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

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

2.5.8.3 Financial Liabilities

Initial Recognition and Measurement

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

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

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

Subsequent Measurement

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

a) Financial Liabilities at Fair Value through Profit or Loss

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

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

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

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

b) Loans and Borrowings

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

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

Derecognition

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

NOTES *to the Financial Statements Year ended 31 March, 2018*

2.5.8.4 Offsetting of Financial Instruments

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

2.5.8.5 Fair Value of Financial Instruments

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

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

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

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 9.6

2.5.9 Inventories

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

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

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

2.5.10 Impairment of Non-Financial Assets

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

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

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

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

2.5.11 Cash and Short Term Deposits

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

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

2.5.12 Dividend Distributions

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

2.5.13 Provisions

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

2.5.14 Employee Benefit Liability

a) Defined Benefit Plan - Gratuity

The Company measures the present value of the promised retirement benefits of gratuity obligation which is a defined benefit plan with the advice of an actuary every financial year using Projected Unit Credit Method as recommended by LKAS 19 – "Employee benefits". The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability. The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions.

Key assumptions used in determining the defined retirement benefit obligations are given in Note 15. Any changes in these assumptions will impact the carrying amount of defined benefit obligations.

Actuarial gains and losses are recognized in other comprehensive income (OCI) in the period in which it arises. The liability is not funded.

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

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

c) Lump-sum Payments to Employees

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

2.6 EFFECT OF SRI LANKA ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

Certain new accounting standards and amendments / improvements to existing standards have been published, that are not mandatory for 31 March 2018 reporting periods. None of those have been early adopted by the Company.

SLFRS 9 Financial Instruments

In December 2014, the Institute of Chartered Accountant of Sri Lanka issued the final version of SLFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces LKRS 39 Financial Instruments, Recognition and Measurement. The standard introduces new requirements for classification and measurement of impairment, and hedge accounting. SLFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required. But comparative information is not compulsory. Management is yet to quantify the possible impact from SLFRS 9.

SLFRS 15 Revenue from Contracts with Customers

The objective of this Standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.

SLFRS 15 will become effective on 01 January 2018.Management is yet to quantify the possible impact from SLFRS 15.

SLFRS 16- Leases

The Institute of Chartered Accountant of Sri Lanka issued the new standard for accounting for leases - SLFRS 16 Leases in January 2016. The new standard does not significantly change the accounting for leases for lessors. However, it does require lessees to recognise most leases on their balance sheets as lease liabilities, with the corresponding right-off - use assets. Lessees must apply a single model for all recognised leases, but will have the option not to recognise 'short-term' leases and leases of 'low-value' assets. Generally, the profit or loss recognition pattern for recognised leases will be similar to today's finance lease accounting, with interest and depreciation expense recognised separately in the statement of profit or loss.

SLFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity applies IFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs.

Management is yet to quantify the possible impact from SLFRS 16.

NOTES *to the Financial Statements year ended 31 March, 2018*

3. SEGMENT INFORMATION

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

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

3.1 Revenue	2018 LKR	2017 LKR
Net Revenue	6,731,705,151	6,677,640,752
Add : NBT on Sales	84,022,135	105,369,335
Gross Revenue	6,815,727,286	6,783,010,087

3.2 Sale of Goods		
Local Sales		
- In House Production	3,951,546,141	3,403,407,402
- Trading	643,947,775	2,065,140,099
Total Local Sales	4,595,493,916	5,468,547,501
Export Sales		
- In House Production	1,860,134,361	1,201,091,553
- Trading	276,076,873	8,001,698
Total Export Sales	2,136,211,235	1,209,093,251
	6,731,705,151	6,677,640,752

4. OTHER INCOME/EXPENSES

4.1 Other Operating Income	2018 LKR	2017 LKR
Income from Investments - Quoted	175,206	158,807
Scrap Sales	24,228,766	29,044,922
Income from Solar Power Generation	33,349,778	-
	57,753,750	29,203,729

4.2 Finance Income		
Interest Income	151,874	15,174
Interest Income on Loans Given to Company Officers	482,049	414,202
	633,923	429,376

4.3 Finance Costs		
Interest Expense on Overdrafts	16,079,313	1,517,884
Interest Expense on Short Term Borrowings	42,991,193	21,963,987
Interest Expense on Long Term Borrowings	269,428,491	152,941,662
	328,498,998	176,423,532

NOTES *to the Financial Statements Year ended 31 March, 2018*

4. OTHER INCOME/EXPENSES *(Contd...)*

4.4 Profit Before Tax

	2018 LKR	2017 LKR
Stated after Charging/(Crediting)		
Included in Cost of Sales		
Depreciation of Property, Plant & Equipment	718,655,517	550,929,352
Personnel Costs including the following;		
- Employee Benefit Plan Costs - Gratuity	26,837,731	21,561,410
- Defined Contribution Plan Costs - EPF & ETF	37,122,886	28,904,574
Included in Administration Expenses		
Directors' Fees and Emoluments	96,210,123	83,154,451
Audit Fees - Charge for the Year	838,284	727,650
Technical Fee*	145,086,190	114,946,939
Depreciation of Property, Plant & Equipment	3,119,230	1,907,102
Personnel Costs including the following;		
- Employee Benefit Plan Costs - Gratuity	3,098,526	1,525,651
- Defined Contribution Plan Costs - EPF & ETF	4,700,883	3,990,651
(Gain)/ Loss on Sale of Property, Plant and Equipment	(98,703)	1,304,520
Donations	858,410	1,408,545
Exchange (Gain)/Loss	(6,350,851)	15,085,293
Included in Selling and Distribution Costs		
Advertising Costs	4,710,560	9,709,439
Provision for Impairments - Trade Receivables	57,513,729	114,728,077

*Technical Fee represents the amount payable to Piramal Glass (Private) Limited - India (Formerly known as Piramal Glass Limited) 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 the Company achieved positive Profit before Interest, Depreciation and Tax, the amount payable is 2.5% of the Net Sales Value of the locally manufactured products.

NOTES *to the Financial Statements Year ended 31 March, 2018*

5. INCOME TAX

The major components of income tax expense for the Years ended 31 March 2018 and 31 March 2017 are:

5.1 Statement of Profit & Loss

	2018 LKR	2017 LKR
Current income tax:		
Current Tax Expense on Other Income and Trading Profit for the Year	87,733	1,614,332
Under/(Over) Provision of Current Taxes in respect of Prior Year	(1,538,946)	(13,793,888)
Deferred tax:		
Deferred Taxation Charge/(Reversal)	198,618,939	129,543,369
Income Tax Expense Reported in the Statement of Profit or Loss	197,167,726	117,363,813

5.2 Statement of Other Comprehensive Income

Actuarial Gains/(Losses) on Defined Benefit Plans	(5,077,177)	(1,824,097)
Income Tax Charged Directly to Other Comprehensive Income	(5,077,177)	(1,824,097)

The Company's profits arising from Manufacturing Operations are taxable at a concessionary rate of of 20% and all other profits and income are taxed at the Statutory tax rate.

5.3 A Reconciliation between Tax Expense and the Product of Accounting Profit Multiplied by the Statutory Tax Rates for the Years Ended 31 March 2018 and 31 March 2017 are as follows:

	2018 LKR	2017 LKR
Accounting Profit before Income Tax	541,049,416	602,839,770
Aggregate Disallowed Items	838,262,485	673,830,206
Aggregate Allowable Expenses	(1,642,168,369)	(1,433,562,077)
Other Sources of Income	(482,049)	(8,869,953)
Profits and Income Exempt from Tax	(151,874)	(15,174)
Taxable Profit/ (Loss) from Trade	(263,490,391)	(165,777,228)
Other Sources of Income	482,049	8,869,953
Less : Qualifying Payments and Other Allowable Deductions	(168,717)	(3,104,483)
Taxable Income	313,332	5,765,470
Taxable Profits Liable @ 12%	-	-
Taxable Profits Liable @ 20%	-	-
Taxable Other Sources of Income Liable @ 28%	313,332	5,765,470
Statutory Tax Rate - Business Profit on Manufactured & Exports	12%	12%
- Business Profit on Manufactured & Locally Sale	20%	20%
- Trading Profit and other sources of Income	28%	28%
Current Income Tax Expense	87,733	1,614,332

NOTES *to the Financial Statements Year ended 31 March, 2018*

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

5.4 Deferred Tax

Deferred income taxes are calculated on all temporary differences under the liability method and are measured using an effective tax rate. The movement on the deferred tax account is as follows:

Reconciliation of Net Deferred Tax Liability	2018 LKR	2017 LKR
Balance as at the Beginning of the Year	276,971,448	149,252,176
Charged / (Released) to Statement of Profit or Loss	198,618,939	129,543,369
Tax Effect on Revaluation Reserve	24,545,313	-
Income Tax Effect Relating to Components of Other Comprehensive Income	(5,077,177)	(1,824,097)
Balance as at the End of the Year	495,058,523	276,971,448

5.5 Deferred Tax Assets , Liabilities and Deferred Income Tax relate to the following:

	Statement of Financial Position		Statement of Profit or Loss and Statement of Other Comprehensive Income	
	2018 LKR	2017 LKR	2018 LKR	2017 LKR
Deferred Tax Liability				
Property, Plant and Equipment	616,900,692	383,135,260	233,765,432	181,694,179
Tax Effect on Revaluation Reserve	24,545,313	-	-	-
	641,446,006	383,135,260	233,765,432	181,694,179
Deferred Tax Assets				
Employee Benefit Liability	(36,456,230)	(26,209,159)	(10,247,071)	(3,939,309)
Provision for Impairment - Trade Receivables	(14,860,415)	(50,022,868)	35,162,453	(20,103,813)
Unabsorbed Tax Losses	(87,137,394)	(29,931,785)	(57,205,609)	(29,931,785)
Stock Provision	(7,933,444)	-	(7,933,444)	-
	(146,387,482)	(106,163,812)	(40,223,670)	(53,974,907)
Deferred Income Tax (Income) / Expense reported in the Statement of Profit or Loss			198,618,939	129,543,369
Deferred Income Tax (Income) / Expense reported in the Statement of Other Comprehensive Income			(5,077,177)	(1,824,097)
Net Deferred Tax Liability reported in the Statement of Financial Position	495,058,523	276,971,448		

NOTES *to the Financial Statements Year ended 31 March, 2018*

6. EARNINGS PER SHARE

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

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

	2018	2017
	LKR	LKR
Amount Used as the Numerator:		
Net Earnings Attributable to Equity Shareholders	343,881,690	485,475,957
Number of Ordinary Shares Used as the Denominator:	**Number**	**Number**
Weighted Average Number of Ordinary Shares in Issue	950,086,080	950,086,080

7. PROPERTY, PLANT AND EQUIPMENT

7.1

	Balance as at 01.04.2017	Additions/ During the Year	Transfers During the Year	Disposals/ During the Year	Balance as at 31.03.2018
At Cost	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**
Freehold Land	132,870,000	-	-	-	132,870,000
Buildings	1,866,446,636	855,000	24,449,479	-	1,891,751,115
Plant and Machinery	4,403,065,274	17,805,260	37,999,871	-	4,458,870,405
Electrical Power Installation	867,932,744	-	-	-	867,932,744
Furnace	1,504,359,707	-	19,243,723	-	1,523,603,430
Motor Vehicles	14,155,510	-	-	-	14,155,510
Tools and Implements	33,261,709	3,565,454	-	-	36,827,163
Office Equipments	199,695,214	6,060,479	7,432,881	(1,111,637)	212,076,938
Gas Station	21,116,708	-	-	-	21,116,708
Solar Power Generation	-	333,293,531	-	-	333,293,531
Moulds and Neckring Equipment	870,217,249	135,928,594	(58,289,986)	(699,214,107)	248,641,751
	9,913,120,751	497,508,319	30,835,969	(700,325,744)	9,741,139,295
In the Course of Construction					
Capital Work-in-Progress	37,483,559	125,533,693	(89,125,954)	-	73,891,297
	37,483,559	125,533,693	(89,125,954)	-	73,891,297
Total Gross Carrying Amount	9,950,604,310	623,042,011	(58,289,986)	(700,325,744)	9,815,030,592

7.2 **Depreciation**

	Balance as at 01.04.2017	Charge for the Year	Transfers During the Year	Disposals/ Transfers for the year	Balance as at 31.03.2018
	Rs.	**Rs.**	**Rs.**	**Rs.**	**Rs.**
Buildings	368,848,274	46,924,974	-	-	415,773,248
Plant and Machinery	1,972,264,431	277,199,660	-	-	2,249,464,091
Electrical Power Installation	471,647,703	36,839,039	-	-	508,486,742
Furnace	170,870,981	176,850,008	-	-	347,720,989
Motor Vehicles	9,930,864	3,218,036	-	-	13,148,900
Tools and Implements	16,025,297	2,912,828	-	-	18,938,125
Office Equipment	117,857,700	22,395,969	-	(1,104,253)	139,149,416
Gas Station	6,895,980	527,918	-	-	7,423,898
Solar Power Generation	-	7,739,652	-	-	7,739,652
Moulds and Neckring Equipment	638,472,373	147,166,666	-	(699,214,107)	86,424,932
	3,772,813,603	721,774,749	-	(700,318,360)	3,794,269,992
Total Depreciation	3,772,813,603	721,774,749	-	(700,318,360)	3,794,269,992

NOTES *to the Financial Statements Year ended 31 March, 2018*

7. PROPERTY, PLANT AND EQUIPMENT *(Contd...)*

7.3 Net Book Values

At Cost	**2018 LKR**	**2017 LKR**
Freehold Land	132,870,000	132,870,000
Buildings	1,475,977,867	1,497,598,361
Plant and Machinery	2,209,406,314	2,430,800,843
Electrical Power Installation	359,446,002	396,285,042
Furnace	1,175,882,441	1,333,488,726
Motor Vehicles	1,006,610	4,224,646
Tools and Implements	17,889,038	17,236,412
Office Equipment	72,927,522	81,837,514
Gas Station	13,692,810	14,220,728
Solar Power Generation	325,553,879	-
Moulds and Neckring Equipment	162,216,819	231,744,876
	5,946,869,303	6,140,307,148
In the Course of Construction		
Capital Work-in-Progress	73,891,297	37,483,559
Total Carrying Amount of Property, Plant and Equipment	6,020,760,600	6,177,790,707

7.4 The Rates of Depreciation is Estimated as follows;

		2018	2017
Buildings		2.5% on cost	2.5% on cost
Plant and Machinery		5.6% & 7.5% on cost	5.6% & 7.5% on cost
Electrical Power Installation		4% & 5% on cost	4% & 5% on cost
Furnace	- Steel	7.5% on cost	7.5% on cost
	- Refractories	12.5% on cost	12.5% on cost
Motor Vehicles		7.7% & 15% on cost	7.7% & 15% on cost
Tools and Implements		10% on cost	10% on cost
Office Equipment	- Furniture	10% on cost	10% on cost
	- IT Related Equipment	25% on cost	25% on cost
	- Laptops	25% - 33 1/3%	25% on cost
		10%, 12.5% & 25% on cost	10%, 12.5% & 25% on cost
Gas Station		2.5% on cost	2.5% on cost
Moulds and Neckring Equipment		Based on units of production	Based on units of production

7.5 Property, Plant and Equipment includes fully depreciated assets having a gross carrying amount of Rs 529,827,845/- (As at 31 March 2017 Rs. 474,764,545/-).

7.6 Intangible Assets

Intangible Assets having a gross carrying amount of Rs. 25,189,128 is fully ammortized as at 31 March 2018 and 31 March 2017.

NOTES *to the Financial Statements Year ended 31 March, 2018*

8. PREPAID LEASE RENT

	2018 LKR	2017 LKR
Cost		
Balance at the Beginning of the Year	39,696,684	39,696,684
Balance at the End of the Year	39,696,684	39,696,684
Amortization and Impairment		
Balance at the Beginning of the Year	16,008,952	14,685,916
Additions during the Year	856,955	1,323,036
Balance at the End of the Year	16,865,907	16,008,952
Net Value	**22,830,777**	**23,687,732**

9. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES

9.1 Available for Sale Investments

	2018		2017	
	No. of Shares	LKR	No. of Shares	LKR
Quoted Investments				
DFCC Bank PLC	36,064	4,212,275	36,064	4,111,296
Unquoted Investments				
Centre for Technical Excellence in Ceramics-CENTEC Limited	54,000	540,000	54,000	540,000
Total	90,064	4,752,275	90,064	4,651,296

9.2 Interest Bearing Loans and Borrowings

	As at 31.03.2018			As at 31.03.2017		
	Amount Repayable Within 1 Year Rs.	Amount Repayable After 1 Year Rs.	Total Rs.	Amount Repayable Within 1 Year Rs.	Amount Repayable After 1 Year Rs.	Total Rs.
Long Term Loans (9.3)	25,000,000	12,500,000	37,500,000	69,872,450	137,901,788	207,774,238
Project Loan (9.4)	603,000,000	1,978,250,000	2,581,250,000	418,750,000	2,581,250,000	3,000,000,000
Short Term Loans (9.5)	497,000,000	-	497,000,000	245,000,000	-	245,000,000
Bank Overdrafts (12.2)	512,934,563	-	512,934,563	15,836,215	-	15,836,215
	1,637,934,563	**1,990,750,000**	**3,628,684,563**	**749,458,665**	**2,719,151,788**	**3,468,610,453**

NOTES *to the Financial Statements Year ended 31 March, 2018*

9. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES *(Contd...)*

9.2.1 Summary

	Balance as at 01.04.2017	New Loans Obtained	Repayments	Exchange Adjustment	Balance as at 31.03.2018
Long Term Loans (9.3)	207,774,237	-	(171,363,325)	1,089,088	37,500,000
Project Loan (9.4)	3,000,000,000	-	(418,750,000)	-	2,581,250,000
Short Term Loans (9.5)	245,000,000	3,446,000,000	(3,194,000,000)	-	497,000,000
	3,452,774,237	**3,446,000,000**	**(3,784,113,325)**	**1,089,088**	**3,115,750,000**

9.3 Long Term Loans

(a) Loan amount USD 1,510,000

	Standard Charted Bank	Total
	LKR	LKR
As at 01 April 2017	157,774,238	157,774,238
New Loans Obtained	-	-
Repayments	(158,863,325)	(158,863,325)
Exchange Differences	1,089,088	1,089,088
As at 31 March 2018	-	-

Maturity	Interest Rate	Repayment Terms	Outstanding balance as at 31 March 2018 USD	Outstanding balance as at 31 March 2018 LKR
September 2019	3 Months LIBOR + 3.875% p.a. reprised quarterly	16 installments USD 94,375/- each to be paid quarterly ,from December 2015	-	-
			-	-

Security - Primary mortgage over land, building and machinery at Pahala Walahapitiya Village, Nattandiya for USD 1,650,000/-.

(b) Term Loan Facility - LKR 50 Mn

	Commercial Bank of Ceylon PLC	Total
	LKR	LKR
As at 01 April 2017	50,000,000	50,000,000
Repayments	(12,500,000)	(12,500,000)
As at 31 March 2018	37,500,000	37,500,000

Interest Rate	AWPLR + 0.5% (Monthly Review) (Cap rate 9.25% per annum & Floor rate 7.4% per annum)
Repayment Terms	8 equal quarterly installments of LKR 6,250,000/- each followed by the grace period of 2 years from the first drawdown.
Tenor	04 Years
Security	New furnace plant, machinery & equipment together with land & building at Wagawatta Industrial Park, Horana.

9. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES *(Contd...)*

9.4 Project Loan - Relining & Modernization of Furnace

(a) Loan Amount - LKR 2,000 Mn (Floating rate)

	Commercial Bank of Ceylon PLC	Total
	LKR	LKR
As at 01 April 2017	2,000,000,000	2,000,000,000
Repayments	(335,000,000)	(335,000,000)
As at 31 March 2018	1,665,000,000	1,665,000,000

Interest Rate	AWPLR + 0.5% (Monthly Review) (Cap rate 9.25% per annum & Floor rate 7.4% per annum)
Repayment Terms	59 equal monthly installments of LKR 33,500,000/- each and a final installment of LKR 23,500,000/- followed by the grace period of 1 1/2 years from the first drawdown.
Tenor	06 1/2 Years (including grace period)
Security	New furnace plant, machinery & equipment together with land & building at Wagawatta Industrial Park, Horana.

(b) Loan Amount - LKR 1,000 Mn (Fixed rate)

	Commercial Bank of Ceylon PLC	Total
	LKR	LKR
As at 01 April 2017	1,000,000,000	1,000,000,000
Repayments	(83,750,000)	(83,750,000)
As at 31 March 2018	916,250,000	916,250,000

Interest Rate	9% per annum (Fixed)
Repayment Terms	59 equal quarterly installments of LKR 16,750,000/- each & LKR 11,750,000 as final installment followed by the grace period of 1 1/2 years from the first drawdown.
Tenor	06 1/2 Years (including grace period)
Security	New furnace plant, machinery & equipment together with land & building at Wagawatta Industrial Park, Horana

NOTES *to the Financial Statements Year ended 31 March, 2018*

9. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES *(Contd...)*

9.5 Short Term Loan	Citibank N.A.	Standard Chartered Bank	Peoples' Bank	Commercial Bank of Ceylon PLC	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
As at 01 April 2017	245,000,000	-	-	-	245,000,000
New Loans Obtained	1,251,000,000	1,175,000,000	550,000,000	470,000,000	3,446,000,000
Repayments	(1,496,000,000)	(1,175,000,000)	(200,000,000)	(323,000,000)	(3,194,000,000)
As at 31 March 2018	**-**	**-**	**350,000,000**	**147,000,000**	**497,000,000**

9.6 Fair Values

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

9.7 Fair Value Hierarchy

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

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

Fair value are determined according to the following hierarchy.

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

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

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

As at 31 March 2018, the Company held the following financial instruments carried at fair value on the statement of financial position.

Assets Measured at Fair Value	2018	Level 1	Level 2	Level 3
	LKR	LKR	LKR	LKR
Available for Sale Financial Assets				
Quoted Equity Shares	4,752,275	4,752,275	-	-
	4,752,275	4,752,275	-	-

During the reporting Year ending 31 March 2018, there were no transfers between Level 1 and Level 2 fair value measurements.

NOTES *to the Financial Statements Year ended 31 March, 2018*

10. INVENTORIES

	2018 LKR	2017 LKR
Raw Materials	293,121,035	337,092,265
Work in Progress	19,660,834	21,047,566
Finished Goods (10.1)	929,433,986	745,693,660
Consumables and Spares	469,876,865	366,978,007
Stock in Transit	12,489,315	10,158,929
Less: Allowance for Obsolete and Slow Moving Inventory	(38,205,294)	(35,125,280)
	1,686,376,741	1,445,845,147

10.1 The Finished Goods consists of Slow moving items amounting to Rs 73,619,385/- (2017 - 73,619,385/-) for which 36,809,693/- (2017 - 14,140,338) has been provided for as at 31st March 2018.

11. TRADE AND OTHER RECEIVABLES

		2018 LKR	2017 LKR
Trade Receivables	- Related Party (11.1)	189,523,866	44,959,536
	- Others	1,291,514,076	1,261,336,304
Less : Allowance for Impairments (11.2)		(71,563,689)	(271,863,416)
		1,409,474,253	1,034,432,424
Advances and Other Receivables		97,003,391	57,120,012
Loans to Company Officers	- Current	6,928,313	6,332,256
	- Non Current	2,091,667	3,451,243
		1,515,497,625	1,101,335,935
Total Current		1,513,405,957	1,097,884,692
Total Non - Current		2,091,667	3,451,243
		1,515,497,624	1,101,335,935

Trade receivables are non-interest bearing and are generally on terms up to 45 days for domestic customers and export sales are generally on terms up to 90 days depending on the circumstances.

11.1 Trade Receivables includes amounts due from related parties as follows.

	Relationship		
Piramal Glass USA Inc	Fellow Subsidiary	184,966,635	42,272,224
Piramal Glass Private Limited (Formerly known as Piramal Glass Limited)	Parent Company	4,281,549	2,687,312
Piramal Enterprises Limited	Other Related Company	275,682	-
		189,523,866	44,959,536

NOTES *to the Financial Statements Year ended 31 March, 2018*

11. TRADE AND OTHER RECEIVABLES *(Contd...)*

11.2 As at 31 March 2018 and 31 March 2017, the ageing analysis of trade receivables, is as follows:

	Total	Neither Past Due nor Impaired	Past Due < 60 Days	Past Due 61-120 Days	Past Due 121-180 Days	Past Due > 180 Days
	LKR Mn	LKR Mn	LKR Mn	LKR Mn	LKR Mn	LKR Mn
As at 31 March 2018	1,481	1,008	212	161	22	78
As at 31 March 2017	1,306	966	87	18	8	227

11.3 Provision for Impairments

	2018 Rs.	2017 Rs.
Balance as at beginning of the year	(271,863,416)	(162,603,557)
Written off during the Year	257,813,456	-
(Provision)/Reversal for Bad & Doubtful Debts	(57,513,729)	(109,259,859)
Balance as at end of the year	(71,563,689)	(271,863,416)

12. CASH AND SHORT TERM DEPOSITS

	2018 Rs.	2017 Rs.
12.1 Favourable Cash and Cash Equivalent Balances		
Cash at Bank and on Hand	121,953,785	273,599,499
	121,953,785	273,599,499
12.2 Unfavourable Cash and Cash Equivalent Balances		
Bank Overdrafts (9.2)	(512,934,563)	(15,836,215)
Cash and Cash Equivalents for the Purpose of Cash Flow Statement	(390,980,778)	257,763,284

13. STATED CAPITAL

	As at 2018 Number	As at 2017 Number	As at 2018 Rs.	As at 2017 Rs.
13.1 Ordinary Shares	950,086,080	950,086,080	1,526,407,485	1,526,407,485

13.2 Rights, Preference and Restrictions of Classes of Capital

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

NOTES *to the Financial Statements Year ended 31 March, 2018*

14. OTHER RESERVES

	2018 Rs.	2017 Rs.
Revaluation Reserve (14.1)	101,072,561	125,617,874
Available for Sale Reserve	3,950,916	3,849,937
	105,023,477	129,467,811

14.1		
Balance as at beginning of the year	125,617,874	125,886,317
Revaluation Impact Eliminated on Disposal of Property, Plant and Equipment	-	(268,443)
Deferred Tax effect on Revaluation Reserve	(24,545,313)	-
Balance as at end of the year	101,072,561	125,617,874

Revaluation reserve consists of net surplus resulting from the revaluation of property, plant and equipment before the date of transition to SLFRS in relation to assets still in use.

15. EMPLOYEE BENEFIT LIABILITY

15.1 Defined Benefit Obligation

Changes of the defined benefit obligation are as follows:

	2018 LKR	2017 LKR
Balance at the Beginning of the Year	142,441,079	121,031,795
Interest Cost	18,517,340	14,523,815
Current Service Cost	11,418,917	8,563,246
Actuarial (Gains) / Losses on Obligation	24,444,763	10,133,873
Benefits Paid during the Year	(21,258,874)	(11,811,650)
Balance at the End of the Year	175,563,223	142,441,079

15.2 M/S Actuarial and Management Consultants (Pvt) Ltd, Actuaries carried out an actuarial valuation for defined benefit plan for the year ended 31 March 2018.The actuarial valuation involves making assumptions about discount rate, average expected future working lives, salary escalation rate, promotion rates and mortality rates. The key assumptions used by the actuary include the following.

	2018	2017
Method of actuarial valuation:	Projected Unit Credit method	Projected Unit Credit method
Discount rate:	10.5%	13.0%
Retirement age:	55 Years	55 Years
Salary Escalation Rate		
Non Executive	10%	9%
Executive	11%	11%
Attrition Rate		
Non Executive	3%	4%
Executive	8%	9%
Expected future working life (No of years)		
Non Executive	13.08	11.65
Executive	7.73	7.25
Mortality table:	A1967-70 Mortality Table for Assured Lives	A1967-70 Mortality Table for Assured Lives

NOTES *to the Financial Statements Year ended 31 March, 2018*

15. EMPLOYEE BENEFIT LIABILITY *(Contd...)*

15.3 Changes in the Defined Benefit Obligation

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

2018		Amounts Charged to Profit or Loss				Remeasurement Gains/(Losses) in Other Comprehensive Income					
	01 April 2017	Service Cost	Interest Cost	Sub Total included in Profit or Loss	Benefits Paid	Actuarial Changes arising from Changes in Demographic Assumptions	Actuarial Changes arising from Changes in Financial Assumptions	Experience Adjustments	Subtotal Included in OCI	Contributions by the Employer	31 March 2018
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Defined Benefit Obligation	142,441,079	11,418,917	18,517,340	29,936,257	(21,258,874)	(918,481)	22,388,209	2,975,035	24,444,763	-	175,563,225
Benefit Liability	142,441,079	11,418,917	18,517,340	29,936,257	(21,258,874)	(918,481)	22,388,209	2,975,035	24,444,763	-	175,563,225

2017		Amounts Charged to Profit or Loss				Remeasurement Gains/(Losses) in Other Comprehensive Income					
	01 April 2016	Service Cost	Interest Cost	Sub Total included in Profit or Loss	Benefits Paid	Actuarial Changes arising from Changes in Demographic Assumptions	Actuarial Changes arising from Changes in Financial Assumptions	Experience Adjustments	Subtotal Included in OCI	Contributions by the Employer	31 March 2017
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Defined Benefit Obligation	121,031,795	8,563,246	14,523,815	23,087,061	(11,811,650)	3,567,059	3,897,136	2,669,677	10,133,873	-	142,441,079
Benefit Liability	121,031,795	8,563,246	14,523,815	23,087,061	(11,811,650)	3,567,059	3,897,136	2,669,677	10,133,873	-	142,441,079

15. EMPLOYEE BENEFIT LIABILITY ***(Contd...)***

15.4 Sensitivity of Assumptions Employed in Actuarial Valuation

The following table demonstrates the sensitivity to a reasonable possible change in the key assumptions employed with all other variables held constant in the employment benefit liability measurement, in respect of the year 2018.

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

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

	Increase Rs.	Decrease Rs.
2018		
Effect on the defined benefit obligation	(10,673,575)	9,696,684

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

	Increase LKR	Decrease LKR
2018		
Effect on the defined benefit obligation	8,905,688	(9,973,834)

15.5 The expected maturity analysis of discounted retirement obligation is as follows:

	2018 Rs.	2017 Rs.
Within the Next 12 Months	29,778,032	24,539,869
Between 1 and 6 Years	83,877,109	73,320,149
Between 6 and 10 Years	30,008,473	28,862,043
Beyond 10 years	31,899,611	15,719,018
	175,563,225	142,441,079

16. TRADE AND OTHER PAYABLES

		2018 Rs.	2017 Rs.
Trade Payable	- Related Party (16.1)	137,756,661	100,768,733
	- Others	289,643,077	404,844,449
Other Payables	- Related Party (16.2)	45,770,923	84,037,978
Sundry Creditors including Accrued Expenses		362,623,694	332,914,905
		835,794,354	922,566,065

Trade payables are non-interest bearing and are normally settled on 30-90 day terms.

NOTES *to the Financial Statements Year ended 31 March, 2018*

16. TRADE AND OTHER PAYABLES *(Contd...)*

16.1 Trade Payables to Related Party

Trade Payables to Related Party	Relationship		
Piramal Glass Private Limited - India (Formerly known as Piramal Glass Limited)	Parent Company	137,756,661	100,768,733
		137,756,661	100,768,733

16.2 Other Payables - Related Party

Other Payables - Related Party	Relationship		
Piramal Glass Private Limited - India (Formerly known as Piramal Glass Limited)	Parent Company	45,770,923	84,037,978
		45,770,923	84,037,978

17. DIVIDENDS PAYABLE

	2018 Rs.	2017 Rs.
Unclaimed Dividends	49,221,020	43,890,376
	49,221,020	43,890,376

18. RELATED PARTY DISCLOSURES

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

18.1 Transaction with Group Companies

Name of Company	Relationship
Piramal Glass Private Limited - India (Formerly known as Piramal Glass Limited)	Parent Company

	2018 Rs.	2017 Rs.
Nature of Transactions		
Purchasing of Bottles	641,297,887	947,710,061
Purchasing of Bottles - In Transit	193,849	10,158,929
Purchasing of Lids	244,188	96,716
Purchasing of Moulds	6,214,792	-
Technical Fees	145,086,190	114,946,939
Sale of Scrap Cullet	-	27,153,927
Purchasing of Machines	7,542,301	-

NOTES *to the Financial Statements Year ended 31 March, 2018*

18. RELATED PARTY DISCLOSURES (Contd…)

		2018 Rs.	2017 Rs.
Name of Company	**Relationship**		
Piramal Glass - USA, Inc.	Fellow Subsidiary		
Nature of Transaction			
Sale of Bottles		408,875,132	157,913,121
Name of Company	**Relationship**		
Piramal Enterprises Limited	Other Related Company		
Nature of Transaction			
Sale of Bottles		527,024	-

The amounts payable to the above related party as at 31 March 2018 and 31 March 2017 are disclosed in Notes 16.1 and 16.2 and amounts receivable from the above related parties as at 31 March 2018 and 31 March 2017 are disclosed in Note 11.1.

The sales to and purchases from related parties are made at terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free.

18.2 Transactions with Directors/Key Management Personnel *

	2018 Rs.	2017 Rs.
Short term Employee Benefits	96,210,123	83,154,451
Post - Employment Benefits	-	-
Other Long term Benefits	-	-
Termination Benefits	-	-
Share Based Payments	-	-
Total Compensation paid to Key Management Personnel	96,210,123	83,154,451

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

19. COMMITMENTS AND CONTINGENCIES

19.1 Capital Expenditure Commitments

There are no capital expenditure commitments as at the reporting date.

19.2 Contingent Liabilities

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

NOTES *to the Financial Statements Year ended 31 March, 2018*

20. ASSETS PLEDGED

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

Nature of Assets	Nature of Liability	Carrying Value of Assets Pledged	
		2018	2017
		Rs Mn.	Rs Mn.
Immovable Properties	First/Secondary Mortgage for Loans and Borrowings	4,998	5,559
		4,998	5,559

21. EVENTS OCCURRING AFTER THE REPORTING DATE

There have been no material events occurring after the reporting date that require adjustments to or disclosure in the financial statements, except the Board of Directors of the Company has proposed the first and final dividend of Rs. 0.18 per share for the financial year ended 31 March 2018.

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

22.1 Introduction

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

a. Market risk
b. Commodity price risk
c. Interest rate risk
d.. Exchange rate risk
e. Liquidity risk
f. Equity price risk
g. Credit risk

22.1.1 Market Risk

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

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

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

22.1.2 Commodity Price Risk

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

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

NOTES *to the Financial Statements Year ended 31 March, 2018*

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

22.1.3 Interest Rate Risk

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

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

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

	2018	
Increase/(Decrease) in Interest Rate	**Effect on Statement of Profit or Loss**	**Effect on Statement of Financial Position**
	Rs.	**Rs.**
1%	(34,573,647)	(34,573,647)
-1%	34,573,647	34,573,647

22.1.4 Exchange Rate Risk

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

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

	2018	
Increase/(Decrease) in Exchange Rate	**Effect on Statement of Profit or Loss**	**Effect on Statement of Financial Position**
	Rs.	**Rs.**
1%	63,509	63,509
-1%	(63,509)	(63,509)

22.1.5 Liquidity Risk

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

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

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

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

The Below table summarises the maturity profile of the Company's financial liabilities as at 31 March 2018.

NOTES *to the Financial Statements Year ended 31 March, 2018*

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

Type of Loan	1 - 6 Months Rs.	6 - 12 Months Rs.	1 - 6 Years Rs.	Total Rs.
Term Loans	12,500,000	12,500,000	12,500,000	37,500,000
Project Loan - Relining & Modernization of Furnace	201,000,000	201,000,000	2,179,250,000	2,581,250,000
Short Term Loans	497,000,000	-	-	497,000,000
Trade and Other Payables	835,794,354	-	-	835,794,354
Bank Over Drafts	512,934,563	-	-	512,934,563
	2,059,228,918	213,500,000	2,191,750,000	4,464,478,918

22.1.6 Equity Price Risk

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

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

22.1.7 Credit Risk

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

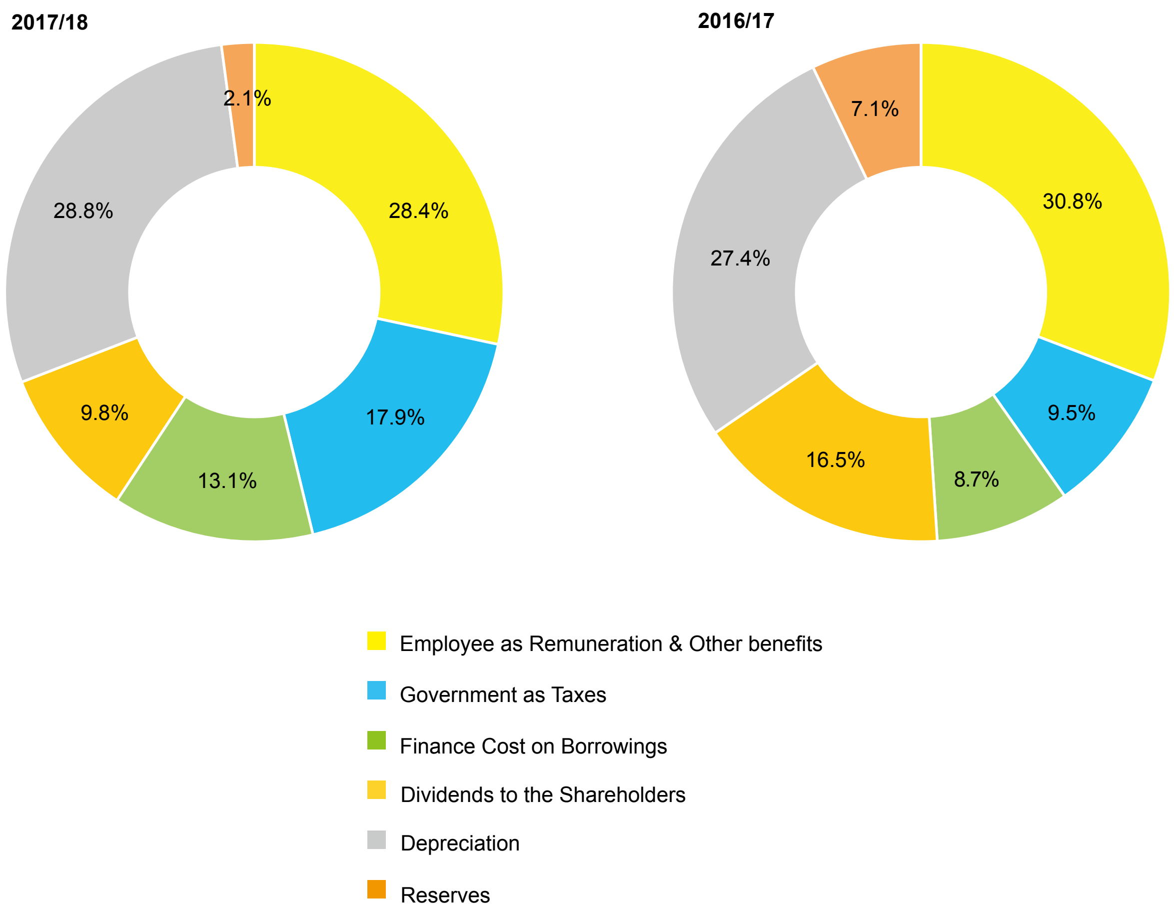
The company minimizes is credit risk towards its customers by having agreements with customers and having high level scrutiny before converting a cash customer to a credit customer. Also the company adheres to the policy of obtaining guarantees from new customers as the requirement may seem fit.

22.2 Capital Management

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

STATEMENT *of Value Added*

	2017/18		2016/17	
	LKR Mn	%	LKR Mn	%
Gross Revenue	7,529		7,541	
Less : Cost of Material/ Service Provided	(5,019)		(5,525)	
Value Addition	**2,510**		**2,016**	
Employees as Remuneration & Other benefits	712	28.4%	621	30.8%
Government as Taxes	448	17.9%	191	9.5%
Providers of Capital				
Finance Cost on Borrowings	328	13.1%	176	8.7%
Dividends to the Shareholders	247	9.8%	333	16.5%
Retained in the Business as				
Depreciation	722	28.8%	553	27.4%
Reserves	53	2.1%	144	7.1%
	2,510	**100.0%**	**2,016**	**100.0%**



SHAREHOLDER'S *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 MAJOR SHAREHOLDERS AS AT 31 MARCH

		2018		2017	
	Name of Shareholder	**No. of Shares**	**%**	**No. of Shares**	**%**
1	Piramal Glass Private Limited	536,331,880	56.45	536,331,880	56.45
2	Employees Provident Fund	90,317,140	9.51	90,317,140	9.51
3	Citi Bank New York S/A Norges Bank Account 2	27,808,499	2.93	25,500,000	2.68
4	CB NY S/A Salient International Dividend Signal Fund	17,918,874	1.89	17,918,874	1.89
5	Union Assurance PLC/Account No.05 (Unit-Linked Life Insurance Fund-Equity Tracker Fund)	16,867,950	1.78	11,438,250	1.20
6	Mr.G Dangampola And Mrs.N P Dangampola	10,289,155	1.08	10,289,155	1.08
7	Mr.N Perera	8,350,000	0.88	8,350,000	0.88
8	Apposite Trading (Pvt) Ltd	6,959,677	0.73	1,234,939	0.13
9	Mr. M J Fernando	6,672,472	0.70	6,212,042	0.65
10	Cheerful Commercial Private Limited	6,574,763	0.69	2,159,415	0.23
11	Bangkok Glass Industry Company Limited	6,280,000	0.66	6,280,000	0.66
12	Mr. H M Udeshi	6,092,507	0.64	6,092,507	0.64
13	Seylan Bank PLC/ Pinnadoowage Aravinda De Silva	6,030,000	0.63	-	-
14	Peoples Bank	5,900,066	0.62	5,900,066	0.62
15	Union Assurance PLC / No - 01 A/c	5,103,984	0.54	1,874,100	0.20
16	Anverally And Sons (Pvt) Ltd A/c No 01	5,003,216	0.53	5,003,216	0.53
17	Mr. M Chandrasiri	5,000,000	0.53	5,000,000	0.53
18	DFCC Bank PLC A/c 1	5,000,000	0.53	5,000,000	0.53
19	Mr. A J Tissera	4,507,000	0.47	3,701,000	0.39
20	Mr. E Joseph And Mr. A J Tissera	4,140,000	0.43	4,020,000	0.42
	Mr. S D R Arudpragasam	-	-	9,400,000	0.99
	Alpex Marine (Pvt) Ltd	-	-	5,000,000	0.53
	Employees Trust Fund Board	-	-	3,780,256	0.40
	Bank of Ceylon No.1 A/c	-	-	3,288,600	0.35
	Sub Total	781,147,183	82.22	774,091,440	81.49
	Others	168,938,897	17.78	175,994,640	18.51
	Grand Total	**950,086,080**	**100.00**	**950,086,080**	**100.00**

3 SHAREHOLDING AS AT 31ST MARCH

From	To	No. of Holders		No. of Shares		%	
		2018	**2017**	**2018**	**2017**	**2018**	**2017**
1	1,000	2,908	2,987	1,315,459	1,388,593	0.14	0.15
1,001	10,000	8,095	8,381	24,007,900	25,147,464	2.52	2.65
10,001	100,000	1,156	1,325	38,953,408	44,458,785	4.10	4.68
100,001	1,000,000	229	249	61,078,212	65,561,637	6.43	6.90
Over 1,000,000		40	47	824,731,101	813,529,601	86.81	85.62
		12,428	**12,989**	**950,086,080**	**950,086,080**	**100.00**	**100.00**

Categories of Shareholders	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
Local Individuals	12,158	12,678	165,959,095	185,038,110	17.47	19.48
Local Institutions	201	232	172,553,831	168,933,810	18.16	17.78
Foreign Individuals	62	71	8,049,461	4,973,052	0.85	0.52
Foreign Institutions	7	8	603,523,693	591,141,108	63.52	62.22
	12,428	**12,989**	**950,086,080**	**950,086,080**	**100.00**	**100.00**
Percentage of Shares held by the public	43.54%	43.54%				
Number of Public Shareholders	12,425	12,986				

SHAREHOLDER'S *and Investor Information*

4 SHARE PRICE

Market price per share for the year	2017/18		2016/17	
Highest Price	LKR 6.40	01-11-2017	LKR 6.10	16-05-2016
Lowest Price	LKR 5.60	22-12-2017	LKR 5.00	07-07-2016
Closing Price	LKR 5.80		LKR 5.60	

5 SHARE TRADING

	2017/18	2016/17
Number of Shares Traded During the year	58,958,679	75,092,491
Value of Shares Traded during the year - LKR	364,182,808	410,822,976
Number of Transaction during the year	3,991	6,680

6 MARKET CAPITALIZATION

As at 31st March - LKR Mn.	5,510	5,320

TEN *Year Financial Review*

31st March	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
OPERATING RESULTS	**LKR '000**	**LKR '000**	**LKR '000**	**LKR '000**	**LKR '000** (Restated)	**LKR '000**	**LKR '000**	**LKR '000**	**LKR '000**	**LKR '000**
Revenue (Gross)	6,815,727	6,783,010	6,755,079	5,791,988	5,220,116	5,500,908	5,197,424	4,163,266	3,518,763	2,936,155
Profit/(Loss) before Tax	541,049	602,840	804,604	508,567	289,346	767,307	694,990	591,953	(61,092)	(261,250)
Tax Expenses/(Reversal)	197,168	117,364	150,202	69,151	6,089	45,750	9,678	13,279	-	(314)
Profit/(Loss) after Tax	343,882	485,476	654,402	439,416	283,257	721,557	685,312	578,674	(61,092)	(260,936)
SHARE CAPITAL & RESERVES										
Stated Capital	1,526,407	1,526,407	1,526,407	1,526,407	1,526,407	1,526,407	1,526,407	1,526,407	1,526,407	1,526,407
Other Reserves	2,737,865	2,684,817	2,541,086	2,099,559	2,022,827	2,102,657	1,719,644	1,318,396	688,558	749,651
Shareholders' Funds	4,264,272	4,211,224	4,067,493	3,625,966	3,549,234	3,629,064	3,246,051	2,844,803	2,214,965	2,276,058
ASSETS LESS LIABILITIES										
Current Assets	3,398,158	2,856,123	2,931,021	2,870,545	2,879,152	3,006,918	2,220,006	1,808,489	1,824,274	1,747,296
Current Liabilities	(2,522,950)	(1,715,915)	(1,846,721)	(2,421,971)	(2,851,629)	(2,845,007)	(2,344,684)	(2,044,461)	(2,706,548)	(2,786,489)
Net Current Assets/ (Liabilities)	875,208	1,140,208	1,084,300	448,574	27,523	161,911	(124,678)	(235,972)	(882,274)	(1,039,193)
Non Current Assets	6,050,435	6,209,581	3,725,054	3,595,190	3,714,718	4,103,714	4,634,140	4,890,448	4,977,112	5,279,281
Total Assets Less Current Liabilities	6,925,644	7,349,789	4,809,354	4,043,764	3,742,241	4,265,625	4,509,462	4,654,476	4,094,838	4,240,088
Non Current Liabilities	(2,661,372)	(3,138,564)	(741,860)	(417,798)	(193,006)	(636,560)	(1,263,410)	(1,809,674)	(1,879,873)	(1,964,031)
Net Assets	4,264,272	4,211,225	4,067,494	3,625,967	3,549,235	3,629,065	3,246,052	2,844,802	2,214,965	2,276,057
Ratios & Other information										
Earnings Per Share (LKR)	0.36	0.51	0.69	0.46	0.30	0.76	0.72	0.61	(0.06)	(0.27)
Dividend Per Share (LKR) - Paid	0.26	0.35	0.23	0.38	0.38	0.36	0.30	-	-	0.02
Return on Equity (%)	8	12	16	12	8	20	21	20	(3)	(11)
Dividend Payout ratio (%)	50	51	51	50	127	50	50	50	-	-
Market value per share (LKR)	5.80	5.60	5.10	5.70	3.40	6.10	6.10	11.10	2.20	1.30
Price Earning Ratio (times covered)	16.11	10.98	7.39	12.39	11.33	8.03	8.47	18.20	(36.66)	(4.81)
Interest Cover	2.04	3.75	9.79	4.46	2.40	3.81	4.09	2.93	0.89	0.60
Current Ratio (times covered)	1.35	1.66	1.59	1.19	1.01	1.06	0.95	0.88	0.67	0.63
Liquidity Ratio (times covered)	0.68	0.82	0.81	0.59	0.45	0.51	0.46	0.49	0.40	0.35
Gearing Ratio	0.61	0.76	0.13	0.06	0.10	0.31	0.54	0.75	1.18	1.25
Net Asset per share (LKR)	4.49	4.43	4.28	3.82	3.74	3.82	3.40	2.99	2.33	2.40

Note : Ten years financial information and ratios have been restated/recalculated for the year ended 31st of March 2011 and 2012 as per the revised SLFRS financial statements.

GLOSSARY *of Financial Terminology*

Earnings/ (Loss) Per share	:	Net Profit After Taxation/ Number of Shares
Dividend Per share	:	Dividends paid during the year/ Number of Shares
Return on Equity	:	Profit/(Loss) after Tax / Shareholders' Funds
Dividend Payout Ratio	:	Declared or Proposed Dividend for the year/ Profit after tax for the year
Price Earning Ratio	:	Market Value as at year end/ Earning Per Share
Interest Cover	:	Profit Before Interest/ Interest
Current Ratio	:	Current Asset/ Current Liabilities
Liquidity Ratio	:	(Current Asset - Stocks)/ Current Liabilities
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 Sixty Third (63rd) Annual General meeting of the Company will be held on the 07th August 2018 at 10.00 a.m. at Hotel Mount Lavinia ,100, Hotel Road, Mount Lavinia for the following purposes.

1. To receive and consider the Annual Report of the Board and the Financial Statement of the Company for the year ended 31st March 2018, 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. Samit Datta 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 re-elect as a director Mr.R.M.S.Fernando, who attained the age of 75 years on 29th September 2017 and retires pursuant to section 210 of the Companies Act. No.07 of 2007 and to resolve that the age limit of 70 years referred to in section 210 of the Companies Act No.07 of 2007 shall not be applicable to Mr. R.M.S.Fernando and that he shall accordingly be re-appointed.

5. To re-elect as a Director Dr. C.T.S.B.Perera who attained the age of 72 years on 16 th April 2017 and retires pursuant to section 210 of the companies Act No .07 of 2007 and to resolve that the age limit of 70 years referred to in section 210 of the Companies Act No. 07 of 2007 shall not be applicable to Dr. C.T.S.B.Perera and that he shall accordingly be re-appointed.

6. To approve and declare a final dividend of LKR 0.18 per share as authorized by the directors.

7. To approve the donations and contributions made by the directors during the year under review and to authorize 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 to be a shareholder. Instruments appointing proxies must be lodged with the Company not less than 48 hours before the meeting.

By Ordered of the Board

Ms.Sagarika Jayasundera
COMPANY SECRETARY & SENIOR MANAGER LEGAL
PIRAMAL GLASS CEYLON PLC
148, Maligawa Road, Borupana,
Rathmalana.

Colombo on this 08th May 2018

Piramal Glass Factory Locations

Sri Lanka

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
Fax: +94 322 255 193

India

Piramal Glass (Pvt.) Ltd, ONGC Road.,
Tarsadi Village,
Kosamba (R.S.), Dist. Surat,
PIN 394120 India

Piramal Glass (Pvt.) Ltd, Gajera Road,
Uchhad Village, Jambusar,
Dist.Bharuch, PIN 392150 India

USA

Flat River Glass, 1000 Taylor Avenue,
Park Hills, Missouri, MO 63601, USA

PGI Decora, 918E, Malaga Road, Williamstown,
NJ 08094, USA

Piramal
Glass

Piramal Glass Ceylon PLC
PQ 190

148, Maligawa Road, Borupana, Ratmalana, Sri Lanka
Tel: +94 112635481-83/ +94 117800200 | Fax: +94 112635484
Web: www.piramalglassceylon.com

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