



Piramal Glass
knowledge action care

Annual Report 2014 - 2015
Piramal Glass Ceylon PLC

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CORPORATE *Information***The Board of Directors**

Vijay Shah – Chairman
 Dr. C.T.S.B Perera
 R.M.S. Fernando
 Sanjay Tiwari – CEO / Executive Director
 Sandeep Umesh Arora (Resigned on 02.04.2015)
 Samit Datta (Appointed on 28.04.2015)

Audit Committee

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

Remuneration Committee

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

Senior Management Team

Sanjay Tiwari – CEO / Executive Director
 U.P. Hettige – Vice President (Operations)
 Niloni Boteju – Financial Controller
 A.K.M Fowzin – Head of Human Resources
 Palitha Piyanandana - Head of Supply Chain
 B.L. Reddy – GM (Operations)
 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 -4
 Fax:+94 112 635 484
 E-mail: pgc.info@piramal.com
 Web: www.piramalglassceylon.com

Factory

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

Marawila Road, Nattandiya.

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

Auditors

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

Internal

Messrs. SJMS Associates
 Chartered Accountants
 No.04, Castle Lane, Colombo 04.

Bankers

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

Company Secretary

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

Registrars

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

Legal Advisors

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

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 60th Annual General Meeting of Piramal Glass Ceylon PLC and share with you the achievements and progress we have made during the past year and the prospects for the future.

The financial year ending 31st March 2015 has been relatively a good year with the company achieving a revenue of Rs. 5,792 Mn with a growth of 11% as against Rs. 5,220 Mn in the previous year. The Profit After tax was at Rs. 439 Mn as against Rs.283 Mn (restated to make it comparable) in the previous year.

The revenue growth was mainly contributed by the recovery in the domestic market. It was indeed exciting and heartening to see the improvement in the domestic market after almost a three year lull period. It also reflected the general feeling of optimism in the economy in the country. The domestic market, considered the back bone of our business, reflected a growth of 17%. The total domestic sale as percentage to total sale improved from 68% in the previous year to 76% during the current year. PGC has always fulfilled its commitment to cater to 100% of the domestic market requirement.

All segments in the domestic market contributed towards the growth whilst the food & liquor segment made special contribution. In the food sector the growth was not in the existing traditional segments but in the new area of bottles for the virgin coconut oil exports from Sri Lanka. On the other hand the beverage and beer market is unfortunately rapidly shifting towards the trendy plastic and aluminum can packaging, however harmful to the environment from a sustainability point of view as also dependent on imported input materials. We hope good sense will prevail soon and the regulators will take appropriate steps to veer the markets to more environment friendly options.

The company continued its strategy of doing business in the niche high value added Specialty segment of glass bottles in the International market. Even amidst the capacity constrains we were able to maintain previous year volumes in the export market. Also we have started exports to several new markets including USA, Philippines, Israel, Nepal & Kenya, in addition to our recent foray into Australia and New Zealand. These exports markets act as important buffers to the fluctuation in demand in the domestic market.

The Production facility too continued its performance gaining better productivity compared to previous year thus servicing the increased demand. Further improvements were achieved in the quality parameters. The plant had to undergo several stringent customer audits from international buyers which has helped us to further improve and enhance our product quality. The company achieved Level 3 Status of Manufacturing Excellence after a rigorous 3rd Party Audit process, which further confirms the high standards maintained in the production facility and its processes and systems.

CHAIRMAN'S *Statement*

The high level of contributions made by the sales & production was partially marred by the continued high furnace oil prices. The rapidly reversing trend in the world crude oil prices was not reflected in terms of drop in local Furnace oil price, which has remained static since 2012, due to price regulation by the Government. The global crude oil price which hit USD \$ 110/- a barrel in 2011 has reduced to approximately USD\$ 50-60 on average during the year yet the furnace oil price in Sri Lanka has not undergone major change. This state of affairs has affected our competitiveness in the international market as also of other energy intensive Glass and Ceramic industry in the country. When in the neighboring countries such as India , furnace oil price remains at INR 25 per liter (equivalent to LKR 53/-) we as local manufactures remain uncompetitive in the market with Furnace oil at LKR 80/- per liter.

LOOKING AHEAD

In continuation of our policy of distributing 50% of operating distributable profits the Board of Directors has proposed a final dividend of 23% for the year ended 31st March 2015.

With a very motivating year behind us we are looking forward with much expectations towards the New Year. The furnace at Horana which commenced operations in December 2007 is nearing the end of its life. All preparations are underway to reline the furnace during the financial year FY 16 - 17. The exact timing would depend on the condition of the furnace which is being monitored on a regular basis.

Along with relining, management is working towards finalizing the increase in capacity looking at the expectation of growth in domestic and export business. We will also do modifications and enhancements to bring in additional flexibility for innovation to make varied designs and sizes of bottles . Further augmentation would be done to quality related machinery as well to ensure a superior product being produced at our manufacturing facility.

APPRECIATION

This 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 specially thank Mr. Sandeep Arora who has ceased to be a Director of the company with effect from 28th April 2015. He has been on the Board since 2009 and has guided the company for the past six years by his valuable advice. I would like to put on record our sincere appreciation of the valuable contribution made by him. I welcome Mr. Samit Datta, President Corporate Supply Chain & IT, Piramal Glass Limited to the Board of Directors of Piramal Glass Ceylon plc. He brings with him a wealth of experience especially in the field of Logistics & Supply Chain. We are privileged to have him on our Board.

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

Vijay Shah

Chairman

28th April 2015

REPORT ON THE AFFAIRS *of the Company***TO THE SHAREHOLDERS**

The Board of Directors have pleasure in presenting the 60th Annual Report and the Audited Financial Statements of the Company for the year ended 31st March 2015.

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 manufacture 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	39	01
Nattandiya - Freehold Land	54	99	05
Horana - Leasehold Land	31	29.9	08
Nattandiya - Leasehold Land	09	1.2	05

CURRENCY

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

FINANCIAL RESULTS

	2015 LKR 000'	2014 LKR 000' (Restated)
Revenue	5,791,988	5,220,116
Cost of Sales	<u>(4,674,852)</u>	<u>(4,395,263)</u>
Gross Profit	1,117,136	824,853
Other Operating Income	6,510	13,277
Profit on Disposal of Investment Property	-	100,378
Selling and Distribution Expenses	(106,503)	(97,516)
Administrative Expenses	<u>(382,488)</u>	<u>(350,864)</u>
Operating Profit	634,655	490,128
Finance Costs	(126,849)	(201,767)
Finance Income	<u>762</u>	<u>984</u>
Profit Before Tax	508,568	289,345
Income Tax Expense	<u>(69,151)</u>	<u>(6,089)</u>
Profit for the Year	<u><u>439,417</u></u>	<u><u>283,256</u></u>

REPORT ON THE AFFAIRS *of the Company***SALES HIGHLIGHTS**

F 15 was a successful year with an overall turnover of Rs. 5,792Mn depicting a growth of 11% against preceding year turnover of Rs. 5,220Mn. The Domestic market saw a marked improvement during the year under review. It crossed an annual sale of Rs. 4 Billion with a growth of 17% which was mainly contributed by the Food & Beverage segment.

The export market too thrived with the company entering into several new markets namely USA, Philippines, Israel, Nepal & Kenya.

PRODUCTION HIGHLIGHTS

The Production facility performed better productivity compared to previous year thus facilitating the increased local demand. Several new Products were successfully developed for the international market in various sizes, designs & colours.

EMPLOYMENT

	<u>2015</u>	<u>2014</u>
Total employment as at 31 st March	411	402

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 321,639,223/- (Year Ended 31 March 2014 LKR 304,434,757/-)

The capital commitments as at the reporting date are disclosed in Note 20.1 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

	<u>2015</u>	<u>2014</u>
Registered Shareholders as at 31st March	13,469	14,229

The distribution of shares is indicated in page 57.

EVENTS OCCURRING AFTER THE REPORTING DATE

The events occurring after the reporting date are disclosed in Note 25 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

C. T. S. B. Perera

R. M. S. Fernando

Sanjay Tiwari - CEO / Executive Director

Sandeep Umesh Arora (Resigned on 02.04.2015)

Samit Datta (Appointed on 28.04.2015)

APPOINTMENT OF NEW DIRECTORS

Samit Datta was appointed as a Director on 28.04.2015

REPORT ON THE AFFAIRS *of the Company***PERSONS WHO CEASED TO BE DIRECTORS**

Sandeep Umesh Arora has resigned from the Board on 02.04.2015

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 19.1 to the Financial Statements. The share ownership of directors is indicated below.

DIRECTORS' SHAREHOLDINGS

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

	2015	2014
C. T. S. B. Perera	50,000	50,000

DIRECTORS' EMOLUMENTS

The remunerations and other benefits made to the Directors during the year are disclosed in Note 19.2

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	2015	2014
Audit Fees	LKR 660,000	LKR 630,000
Taxation Services	LKR 257,500	LKR 230,000

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

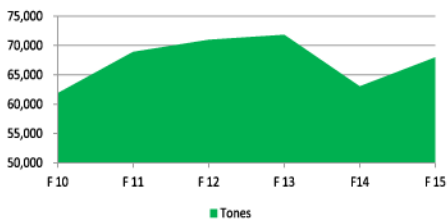
Sgd. Sanjay Tiwari
CEO / Executive Director

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

Sgd. Sagarika Jayasundera
Company Secretary

28th April 2015

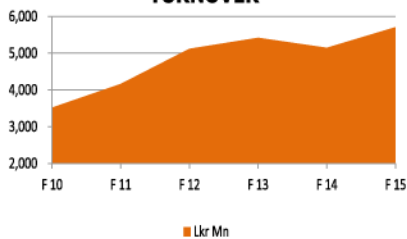
PACKED GLASS TONNAGE



All figures in Tonnes

	F 10	F 11	F 12	F 13	F14	F15
PACKED	61,859	68,910	70,968	71,827	63,032	67,966

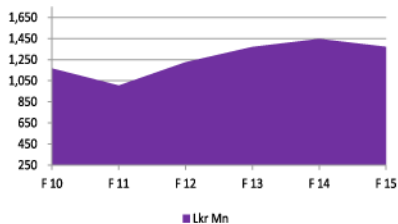
TURNOVER



All figures in LKR Mn

	F 10	F 11	F 12	F 13	F14	F15
TURNOVER	3,518	4,163	5,120	5,420	5,147	5,708

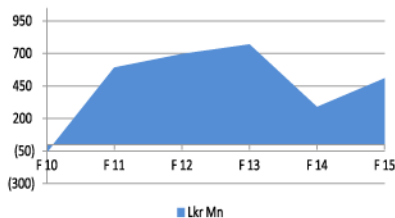
EXPORT TURNOVER



All figures in LKR Mn

	F 10	F 11	F 12	F 13	F14	F15
EXPORT	1,166	1,004	1,225	1,370	1,446	1,371

PBT



All figures in LKR Mn

	F 10	F 11	F 12	F 13	F14	F15
PBT	(61)	592	696	770	289	509

BOARD OF DIRECTORS



VIJAY SHAH
Chairman
Non Executive, Independent Director

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

He has resigned from the post of Managing Director of Piramal Glass Limited, India with effect from 31st December 2011 and will continue to be a member of the Board of Directors, as a Non-Executive Director. With effect from 1st January 2012, once again he has been appointed as Executive Director & Chief Operating Officer for Piramal Healthcare Limited (Presently known as Piramal Enterprises Limited) with overall responsibility of Pharma Solutions and Pharmaceutical Care Business.

He holds Bachelor's Degree in Commerce, Rank holder and member of "The Institute of Chartered Accountants of India" (May 1981). He has also done a Management Education Program from IIM Ahmedabad in 1987 and the Advance Management Program (AMP) from the Harvard Business School Boston, USA in 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 Commission. 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 Staffordshire UK, BSc University of Ceylon and Fellow of the Institute of Metal, Materials & Mining (UK), Is, BSc University of Ceylon.



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 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 alumni 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.



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 at Present the Chairman of the Urban Development Authority, Sri Lanka.



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 Limited since December 2005 and is currently the Head of Global Supply Chain Management and IT for the Piramal Group.

He has worked in various capacities handling strategic planning, corporate logistics, Global supply Chain management & IT. He has over 20 years experience in diverse industries including automobile, garment, IT & 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.



SANDEEP ARORA

Non Executive, Non Independent Director

Appointed to the Board of Piramal Glass Ceylon PLC (formerly known as Ceylon Glass Company Ltd) on 07th October 2009. He has appointed as President Finance and Accounts in Piramal Enterprises Limited with effect from 1st July 2014. Mr. Sandeep holds a Bachelor Degree in Commerce and is a Member of "The Institute of Chartered Accountants of India". He was the CFO of Piramal Glass Ltd heading the Finance and Accounts functions for the Piramal Glass group business. He was earlier with Piramal Healthcare Ltd. He has over 20 years of experience in multiple industries like Industrial yarn, Cosmetics, Food and Healthcare with Indian and Multinational Companies based in India. He has resigned from the board on 2nd April 2015.

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 13 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 13.
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 13 for a brief statement of policy.
		c) Aggregate remuneration paid to Executive & Non-Executive Directors.	Compliant	Please refer page 52.
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 Finance Controller attend by invitation.
		The Chairman of the Audit Committee or one member should be a member of a professional accounting body.	Compliant	Chairman of the Audit Committee and one member are members of a professional accounting body.
7.10.6 (b)	Audit Committee Functions	Should be as outlined in the Section 7.10.6(b) of the Listing Rules.	Compliant	Please refer page 13.
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 13.
		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 13.

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

The Board of the Company met six (6) times during the financial year 2014-15, on the following dates:

- (1) 21st April, 2014 (2) 29th May, 2014 (3) 30th June, 2014 (4) 10th July, 2014
 (5) 15th October 2014 (6) 23rd January 2015

The attendance of the Directors at the Board Meetings and the last Annual General Meeting held on 30th June, 2014 were as under:

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

ATTENDANCE OF DIRECTORS AT AUDIT COMMITTEE MEETINGS.

During the financial year 2014-15, for Audit Committee Meetings were held on the following dates:

- (1) 21st April, 2014 (2) 10th July, 2014 (3) 15th October, 2014 (4) 23rd January, 2015

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 Director	4	4
(2) C.T.S.B.Perera	Member	Independent Director	4	4
(3) R.M.S.Fernando	Member	Independent Director	4	4

The Company Secretary is the Secretary to the Committee.

ATTENDANCE OF DIRECTORS AT COMMITTEE MEETINGS

The Remuneration Committee met on 29th May, 2014 for the financial year 2014-15.

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

CORPORATE GOVERNANCE

REMUNERATION COMMITTEE REPORT

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

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

The Remuneration Committee is a sub-committee of the Board and the Company's Remuneration Committee consists of three non-executive directors of which 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 52. The members of the Remuneration Committee are disclosed in page 02.

Sgd. Vijay Shah
Chairman

28th April 2015

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 opinion that Dr.C.T.S.B. Perera is an independent director, notwithstanding the fact that he has been a director of the Company continuously for a period exceeding nine years. It has been so determined taking into account the experience, qualifications and the industry experience he possesses.

AUDIT COMMITTEE REPORT

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

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

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

The Company's Audit Committee consists of three non-executive directors of which three are 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 2015. The Internal Auditors attended all these meetings.

Internal Auditors

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

External Auditors

The Audit committee reviews the independence and objectivity of the external auditors and conducts a formal review of effectiveness of the external audit process. The committee reviewed the non audit services and its impact on the independence of the external auditors. The Audit Committee has recommended to the Board of Directors that Messrs Ernst & Young to be continued as the auditors for the financial year ending 31st March 2015.

Audit Committee Performance

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

Conclusion

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

Sgd. Vijay Shah
Chairman

28th April 2015

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 page 18 & 19 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 2014/2015 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 believe, after reviewing the financial position and the cash flow of the Company, that the Company has adequate resources to continue in operation for the foreseeable future and therefore, these Financial Statements are prepared on a going concern basis.

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

By order of the Board

SAGARIKA JAYASUNDERA
Company Secretary
Piramal Glass Ceylon PLC

28th April 2015



Ernst & Young
Chartered Accountants
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Sri Lanka

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eysl@lk.ey.com
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NDes/TAVG/TIF

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

We have audited the accompanying financial statements of Piramal Glass Ceylon PLC, ("the Company"), which comprise the statement of financial position as at 31 March 2015, and the statement of profit or loss, statement of other comprehensive income, statement of changes in equity and, cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information (set out on pages 3 to 38).

Board's Responsibility for the Financial Statements

The Board of Directors ("Board") is responsible for the preparation of these financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Board, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2015, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

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

A member firm of Ernst & Young Global Limited

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we state the following:

- a) The basis of opinion, scope and limitations of the audit are as stated above;
- b) In our opinion:
 - 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, and
 - the financial statements of the Company comply with the requirements of section 151 of the Companies Act No. 07 of 2007.

Ernst & Young
 28 April 2015
 Colombo

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

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STATEMENT of Profit or Loss for the Year ended 31 March, 2015

	Notes	2015 LKR	2014 LKR Restated
Revenue	3.1	5,791,987,624	5,220,116,160
Cost of Sales		(4,674,851,809)	(4,395,262,893)
Gross Profit		<u>1,117,135,815</u>	<u>824,853,266</u>
Other Operating Income	4.1	6,510,256	13,277,498
Profit on Disposal of Investment Property		-	100,378,280
Selling and Distribution Expenses		(106,502,947)	(97,516,069)
Administrative Expenses		(382,488,253)	(350,864,452)
Operating Profit		<u>634,654,871</u>	<u>490,128,523</u>
Finance Costs	4.3	(126,849,414)	(201,766,538)
Finance Income	4.2	761,827	983,631
Profit before Tax	4.4	<u>508,567,284</u>	<u>289,345,617</u>
Income Tax Expense	5.1	(69,151,029)	(6,088,872)
Profit for the Year		<u><u>439,416,255</u></u>	<u><u>283,256,745</u></u>
Earnings Per Share - Basic / Diluted	6	0.46	0.30

The accounting policies and notes on pages 25 through 55 form an integral part of financial statements.

STATEMENT of Other Comprehensive Income for the year ended 31 March, 2015

	Notes	2015 LKR	2014 LKR Restated
Profit for the Year		439,416,255	283,256,745
Other Comprehensive Income			
Other Comprehensive Income to be Reclassified to Profit or Loss in Subsequent Periods:			
Gain/(Loss) on Available for Sale Financial Assets	4.5	2,264,819	461,620
Income Tax Effect	5.2	-	-
Net Other Comprehensive Income to be Reclassified to Profit or Loss in Subsequent Periods		<u>2,264,819</u>	<u>461,620</u>
Other Comprehensive Income not to be Reclassified to Profit or Loss in Subsequent Periods:			
Actuarial Gains/(Losses) on Defined Benefit Plans	4.5	(4,895,087)	(3,144,128)
Income Tax Effect	5.2	979,017	628,826
Net Other Comprehensive Loss not to be Reclassified to Profit or Loss in Subsequent Periods		<u>(3,916,070)</u>	<u>(2,515,302)</u>
Other Comprehensive Loss for the Year Net of Tax		<u>(1,651,251)</u>	<u>(2,053,683)</u>
Total Comprehensive Income for the Year Net of Tax		<u>437,765,005</u>	<u>281,203,062</u>

The accounting policies and notes on pages 25 through 55 form an integral part of the financial statements.


STATEMENT of Financial position as at 31 March, 2015


ASSETS	Notes	2015 LKR	2014 LKR
Non-Current Assets			
Property, Plant and Equipment	7	3,561,401,698	3,678,212,775
Leasehold Properties	8	26,333,804	27,656,840
Intangible Assets	9	-	3,148,641
Available for Sale Investments	10.1	7,454,429	5,189,610
Other Receivables	12	-	509,726
		<u>3,595,189,931</u>	<u>3,714,717,592</u>
Current Assets			
Inventories	11	1,433,135,167	1,589,457,169
Trade and Other Receivables	12	1,260,178,832	1,117,189,980
Prepayments		8,249,380	6,853,792
Income Tax Recoverable		41,177,420	30,701,118
Cash and Short Term Deposits	13	127,804,428	134,950,179
		<u>2,870,545,227</u>	<u>2,879,152,238</u>
Total Assets		<u>6,465,735,158</u>	<u>6,593,869,830</u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	14	1,526,407,485	1,526,407,485
Reserves	15	134,604,387	134,966,430
Retained Earnings		1,964,954,934	1,887,860,597
Total Equity		<u>3,625,966,806</u>	<u>3,549,234,512</u>
Non-Current Liabilities			
Interest Bearing Loans and Borrowings	10.2	176,149,050	29,985,280
Deferred Tax Liabilities	5.4	111,999,922	47,775,812
Employee Benefit Liability	16	129,648,619	115,245,276
		<u>417,797,591</u>	<u>193,006,368</u>
Current Liabilities			
Trade and Other Payables	17	869,878,813	1,043,101,577
Dividends Payable	18	32,462,858	23,341,734
Interest Bearing Loans and Borrowings	10.2	1,519,629,090	1,785,185,639
		<u>2,421,970,761</u>	<u>2,851,628,950</u>
Total Equity and Liabilities		<u>6,465,735,158</u>	<u>6,593,869,830</u>

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 the preparation and presentation of 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 25 through 55 form an integral part of the financial statements.

28 April 2015
Colombo

STATEMENT of Changes in Equity for the year ended 31 March, 2015

	Stated Capital LKR	Revaluation Reserves LKR	Retained Earnings LKR	Available for Sale Reserve LKR	Total LKR
As at 01 April 2013	1,526,407,485	682,021,019	1,416,169,023	4,466,631	3,629,064,158
Profit for the Year	-	-	283,256,745	-	283,256,745
Revaluation Impact Eliminated on Disposal of Investment Property	-	(551,982,840)	551,982,840	-	-
Other Comprehensive Income	-	-	(2,515,302)	461,620	(2,053,682)
Total Comprehensive Income	-	(551,982,840)	832,724,283	461,620	281,203,063
Dividends Paid	-	-	(361,032,710)	-	(361,032,710)
As at 31 March 2014	<u>1,526,407,485</u>	<u>130,038,179</u>	<u>1,887,860,596</u>	<u>4,928,251</u>	<u>3,549,234,512</u>
Profit for the Year	-	-	439,416,255	-	439,416,255
Revaluation Impact Eliminated on Disposal of Property, Plant and Equipment	-	(2,626,862)	2,626,862	-	-
Other Comprehensive Income	-	-	(3,916,070)	2,264,819	(1,651,251)
Total Comprehensive Income	-	(2,626,862)	438,127,048	2,264,819	437,765,005
Dividends Paid	-	-	(361,032,710)	-	(361,032,710)
As at 31 March 2015	<u>1,526,407,485</u>	<u>127,411,317</u>	<u>1,964,954,934</u>	<u>7,193,070</u>	<u>3,625,966,806</u>

The accounting policies and notes on pages 25 through 55 form an integral part of the financial statements.

STATEMENT of Cash Flows for the year ended 31 March, 2015

		2015	2014
Cash Flows Generated from Operating Activities	Notes	LKR	LKR
Cash Flow from Operating Activities			
Net Profit before Tax		508,567,284	289,345,617
Non-cash Adjustment to Reconcile Profit before Tax to Net Cash Flows:			
Depreciation of Property, Plant and Equipment	7	434,912,633	425,493,325
Amortization of Leasehold Property	8	1,323,036	1,286,385
Amortization of Intangible Assets	9	3,148,641	3,148,641
Exchange Difference Adjustment		8,095,497	24,700,766
Provision for Employee Benefit Liability	16	18,873,909	18,095,536
Other Operating Income	4.1	(6,510,256)	(13,277,498)
Profit on Disposal of Investment Property		-	(100,378,280)
Finance Costs	4.3	126,849,414	201,766,538
Finance Income	4.2	(761,827)	(983,631)
Profit on Disposal of Property, Plant & Equipment		997,252	(22,321)
Operating Profit before Working Capital Changes		1,095,495,584	849,175,077
Working Capital Adjustments:			
(Increase) / Decrease in Inventories		156,322,001	(25,834,191)
(Increase) / Decrease in Trade and Other Receivables and Prepayments		(157,639,354)	(104,274,950)
Increase / (Decrease) in Trade and Other Payables		(177,170,669)	(88,253,361)
Cash Generated from Operations		917,007,561	630,812,576
Employee Benefit Liability Costs Paid	16	(9,365,653)	(17,993,219)
Interest Paid	4.3	(126,849,414)	(201,766,538)
Net Cash Flow Generated from Operating Activities		780,792,494	411,052,818
Cash Flows from Investing Activities			
Acquisition of Property, Plant and Equipment	7	(321,639,223)	(304,434,757)
Acquisition of Leasehold Property	8	-	(7,628,475)
Proceeds from Sale of Property, Plant and Equipment		2,540,420	22,321
Proceeds from Sale of Investment Property		-	770,000,000
Payments Directly Attributable to Disposal of Investment Property		-	(2,238,286)
Sundry Income	4.1	6,316,125	9,734,304
Dividends Received		194,131	177,878
Loans & Advances Granted to Company Officers during the Year		(3,385,000)	(4,431,000)
Repayment of Staff Loans by Company Officers during the Year		6,673,337	7,780,235
Net Cash Flow Generated from/(Used in) Investing Activities		(309,300,210)	468,982,221
Cash Flows from Financing Activities			
Proceeds from Interest Bearing Loans and Borrowings		8,912,369,350	7,196,135,718
Dividends Paid		(351,911,586)	(352,864,465)
Repayment of Bank Loans		(9,023,472,405)	(7,503,721,072)
Finance Income	4.2	761,827	983,631
Net Cash Flow Used in Financing Activities		(462,252,815)	(659,466,188)
Net Increase/(Decrease) in Cash and Cash Equivalents		9,239,469	220,568,851
Net Foreign Exchange Difference		(176,677)	856,986
Cash and Cash Equivalent at the Beginning of the Year	13	98,069,982	(123,355,855)
Cash and Cash Equivalent at the End of the Year	13	107,132,774	98,069,982

The accounting policies and notes on pages 25 through 55 form an integral part of the financial statements.

NOTES to the Financial Statements Year ended 31 March 2015**1. CORPORATE INFORMATION****1.1 General**

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

1.2 Principal Activities and Nature of Operations

During the year, the 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 Limited, which is incorporated in India.

1.4 Directors' Responsibility Statement

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

1.5 Date of Authorization for Issue

The financial statements of Piramal Glass Ceylon PLC for the year ended 31 March 2015 were authorized for issue in accordance with a resolution of the Board of Directors on 28 April 2015.

2. ACCOUNTING POLICIES**2.1 Basis Of Preparation**

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

2.1.1 Basis of Measurement

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

The financial statements are presented in Sri Lanka Rupees.

2.1.2 Statement of Compliance

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

2.2 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS**2.2.1 Significant Judgments in Applying the Accounting Policies**

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

NOTES to the Financial Statements Year ended 31 March 2015**(a) Classification of Property**

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

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

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

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

2.2.2 Significant Accounting Estimates and Assumptions

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

(a) Employee Benefit Liability

The cost as well as the present value of defined benefit plans - gratuity is determined using Actuarial Valuations. The Actuarial Valuation involves making assumptions about discount rates, future salary increases and other important related data. Due to the long term nature of employee benefits, such estimates are subject to significant uncertainty. Further details of assumptions together with an analysis of their sensitivity as carried out by the management in relation to the above key assumptions and the results of the sensitivity analysis are given in Note 16.2.

(b) Deferred Taxation

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

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.3.1 Foreign Currency Translation

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

NOTES to the Financial Statements Year ended 31 March 2015**Transactions and Balances**

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

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

2.3.2 Revenue Recognition

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

a) Sale of Goods

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

b) Interest Income

Interest Income is recognized as the interest accrued unless collectability is in doubt. Interest income is included in finance income in the Statement of Profit or Loss.

c) Dividends

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

d) Others

Other income is recognized on an accrual basis.

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

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

NOTES to the Financial Statements Year ended 31 March 2015**2.3.3 Taxation****Current Income Tax**

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

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

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

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

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

Deferred Tax

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

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

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

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

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

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

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

NOTES to the Financial Statements Year ended 31 March 2015**Sales Tax**

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

2.3.4 Property, Plant and Equipment

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

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

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

2.3.5 Leasehold Property

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

The impairment loss if any is immediately recognized in the Statement of Profit or Loss.

2.3.6 Leases

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

Company as a lessee

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

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

Operating lease payments are recognized as an expense in the Statement of Profit or Loss on a straight line basis over the lease term.

NOTES to the Financial Statements Year ended 31 March 2015**2.3.7 Borrowing Costs**

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

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

2.3.8 Investment Properties

Investment properties are measured initially and subsequently at cost. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and exclude the costs of day to day servicing of an investment property. Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal.

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

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

2.3.9 Intangible Assets**Computer Software**

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

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the Statement of Profit or Loss 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 treated as changes in accounting estimates.

The amortization expense on intangible assets with finite lives is recognized in the Statement of Profit or Loss 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.

NOTES to the Financial Statements Year ended 31 March 2015

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 Statement of Profit or Loss when the asset is derecognized.

2.3.10 Financial Instruments - Initial Recognition and Subsequent Measurement**2.3.10.1 Financial Assets*****Initial Recognition and Measurement***

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

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

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

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

Subsequent Measurement

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

a) Financial Assets at Fair Value through Profit or Loss

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

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 Statement of Profit or Loss. The losses arising from impairment are recognized in the Statement of Profit or Loss 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 Statement of Profit or Loss. The losses arising from impairment are recognized in the Statement of Profit or Loss in finance costs.

The Company did not have any held-to-maturity investments during the years ended 31 March 2014 and 31 March 2015.

NOTES to the Financial Statements Year ended 31 March 2015**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 Statement of Profit or Loss 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 Statement of Profit or Loss.

Derecognition

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

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

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

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

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

2.3.10.2 Impairment of Financial Assets

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

NOTES to the Financial Statements Year ended 31 March 2015**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 Statement of Profit or Loss. 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 Statement of Profit or Loss. 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 Statement of Profit or Loss.

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 Statement of Profit or Loss - is removed from other comprehensive income and recognized in the Statement of Profit or Loss. Impairment losses on equity investments are not reversed through the Statement of Profit or Loss; 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 Statement of Profit or Loss.

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 Statement of Profit or Loss, the impairment loss is reversed through the Statement of Profit or Loss.

NOTES to the Financial Statements Year ended 31 March 2015**2.3.10.3 Financial Liabilities*****Initial Recognition and Measurement***

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

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

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

Subsequent Measurement

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

a) Financial Liabilities at Fair Value through Profit or Loss

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

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

Gains or losses on liabilities held-for-trading are recognized in the Statement of Profit or Loss.

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 Statement of Profit or Loss 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 Statement of Profit or Loss.

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 Statement of Profit or Loss.

2.3.10.4 Offsetting of Financial Instruments

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

NOTES to the Financial Statements Year ended 31 March 2015**2.3.10.5 Fair Value of Financial Instruments**

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

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

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

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 10.8.

2.3.11 Inventories

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

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

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

2.3.12 Impairment of Non-Financial Assets

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

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

Impairment losses of continuing operations are recognized in the Statement of Profit or Loss 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 Statement of Profit or Loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

NOTES to the Financial Statements Year ended 31 March 2015**2.3.13 Cash and Short Term Deposits**

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

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

2.3.14 Dividend Distributions

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

2.3.15 Provisions

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

2.3.16 Employee Benefit Liability**a) Defined Benefit Plan - Gratuity**

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

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

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

c) Lump-sum Payments to Employees

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

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

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

a) SLFRS 9 - Financial Instruments : Classification and Measurement

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

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

The Company will quantify the effect in due course.

b) SLFRS 13 - Fair Value Measurement

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

This standard will be effective for the financial periods beginning on or after 01 January 2015. However, the use of fair value measurement principles contained in this standard is currently recommended.

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

NOTES to the Financial Statements Year ended 31 March 2015

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

	2015	2014
	LKR	LKR
Net Revenue	5,707,819,813	5,147,388,244
Add : NBT on Sales	84,167,811	72,727,916
Gross Revenue	<u>5,791,987,624</u>	<u>5,220,116,160</u>

3.2 Sale of Goods

Local Sales		
- In House Production	4,098,260,904	3,529,021,675
- Trading	238,823,057	171,889,509
Total Local Sales	<u>4,337,083,961</u>	<u>3,700,911,184</u>
Export Sales	<u>1,370,735,852</u>	<u>1,446,477,060</u>
	<u>5,707,819,813</u>	<u>5,147,388,244</u>

4. OTHER INCOME / EXPENSES**4.1 Other Operating Income**

	2015	2014
	LKR	LKR
Income from Investments - Quoted	194,131	177,878
Sundry Income	6,316,125	9,734,304
Written back of Unclaimed Dividends	-	3,365,316
	<u>6,510,256</u>	<u>13,277,498</u>

4.2 Finance Income

Interest Income	147,397	222,379
Interest Income on Loans Given to Company Officers	614,430	761,252
	<u>761,827</u>	<u>983,631</u>

4.3 Finance Costs

Interest Expense on Overdrafts	3,624,729	5,398,234
Interest Expense on Short Term Borrowings	108,438,463	146,844,375
Interest Expense on Long Term Borrowings	14,786,222	49,523,929
	<u>126,849,414</u>	<u>201,766,538</u>

NOTES to the Financial Statements Year ended 31 March 2015

4. OTHER INCOME/EXPENSES (Contd..)

4.4 Profit Before Tax	2015	2014
Stated after Charging/(Crediting)	LKR	LKR
Included in Cost of Sales		
Depreciation of Property, Plant & Equipments	432,708,848	422,937,236
Personnel Costs including the following:		
- Employee Benefit Plan Costs - Gratuity	18,237,858	16,352,176
- Defined Contribution Plan Costs - EPF & ETF	24,828,334	21,916,845
Included in Administration Expenses		
Directors' Fees and Emoluments	63,979,238	71,461,649
Audit Fees - Charge for the Year	660,000	630,000
- Under/(Over) Provision in respect of Prior Year	-	6,000
Technical Fee*	139,955,400	106,082,887
Depreciation of Property, Plant & Equipments	2,203,787	2,556,090
Amortization of Intangible Assets	3,148,641	3,148,641
Personnel Costs including the following:		
- Employee Benefit Plan Costs - Gratuity	636,051	1,743,360
- Defined Contribution Plan Costs - EPF & ETF	2,995,576	2,683,321
Loss/(Profit) on Sale of Property, Plant & Equipment	997,252	(22,321)
Donations	925,446	583,420
Exchange (Gain)/Loss	2,350,524	21,704,338
Included in Selling and Distribution Costs		
Advertising Costs	4,921,366	645,470
Provision for Impairments - Trade Receivables	20,551,175	12,233,379

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

4.5 Components of Other Comprehensive Income

	2015	2014
	LKR	LKR
Employee Benefit Liability:		
Actuarial Gains/(Losses) on Defined Benefit Plans	(4,895,087)	(3,144,128)
Available for Sale Financial Assets :		
Gains/(Losses) arising during the Year	2,264,819	461,620
	<u>(2,630,268)</u>	<u>(2,682,508)</u>

NOTES to the Financial Statements Year ended 31 March 2015

5. INCOME TAX

The major components of income tax expense for the Years ended 31 March 2015 and 31 March 2014 are:

5.1 Income Statement	2015	2014
	LKR	LKR
Current Income Tax:		
Current Tax Expense on Ordinary Activities for the Year	3,947,901	-
Current Tax Expense on Other Income and Trading Profit for the Year	-	-
Under/(Over) Provision of Current Taxes in respect of Prior Year	-	(23,336,189)
Deferred Tax:		
Deferred Taxation Charge/(Reversal)	65,203,128	29,425,061
Income Tax Expense Reported in the Statement of Profit or Loss	<u>69,151,029</u>	<u>6,088,872</u>

5.2 Statement of Other Comprehensive Income

Gain/(Loss) on Available for Sale Financial Assets	-	-
Actuarial Gains/(Losses) on Defined Benefit Plans	(979,017)	(628,826)
Income Tax Charged Directly to Other Comprehensive Income	<u>(979,017)</u>	<u>(628,826)</u>

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

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

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

5.3 A Reconciliation between Tax Expense and the Product of Accounting Profit Multiplied by the Statutory Tax Rate for the Years Ended 31 March 2015 and 31 March 2014 are as follows:

	2015	2014
	LKR	LKR
Accounting Profit before Income Tax	508,567,284	289,345,617
Aggregate Disallowed Items	628,506,463	1,119,104,256
Aggregate Allowable Expenses	(1,033,588,909)	(1,345,107,632)
Trading Profit and Other Sources of Income	(72,832,667)	(54,746,373)
Profits and Income Exempt from Tax	(147,397)	-
Liable Profit	30,504,774	8,595,868
Trading Profit and Other Sources of Income	72,832,667	54,746,373
Total Statutory Income	103,337,441	63,342,241
Less : Qualifying Payments and Other Allowable Deductions	(71,767,259)	(180,784,983)
Total Taxable Income	<u>31,570,183</u>	<u>(117,442,742)</u>
Taxable Profits Liabale @ 10%	21,530,535	-
Taxable Profits Liabale @ 20%	8,974,239	-
Taxable Other Sources of Income Liabale @ 28%	-	-
Statutory Tax Rate - Business Profit @ 10%	10%	10%
- Business Profit @ 20%	20%	-
- Trading Profit and Other Sources of Income	28%	28%
Current Income Tax Expense	<u>3,947,901</u>	<u>-</u>

NOTES to the Financial Statements Year ended 31 March 2015

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 a tax rate of 20% applicable on profit. The movement on the deferred tax account is as follows:

Reconciliation of Net Deferred Tax Liability	2015	2014
	LKR	LKR
Balance at the Beginning of the Year	47,775,812	18,979,577
Charged / (Released) to Statement of Profit or Loss	65,203,128	29,425,061
Income Tax Effect Relating to Components of Other Comprehensive Income	(979,017)	(628,826)
Balance at the End of the Year	<u>111,999,922</u>	<u>47,775,812</u>

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	
	2015 LKR	2014 LKR	2015 LKR	2014 LKR
Deferred Tax Liability				
Property, Plant and Equipment	160,946,783	98,654,864	62,291,920	27,026,158
	<u>160,946,783</u>	<u>98,654,864</u>	<u>62,291,920</u>	<u>27,026,158</u>
Deferred Tax Assets				
Employee Benefit Liability	(25,929,724)	(23,049,055)	(2,880,669)	(649,289)
Provision for Impairment - Trade Receivables	(6,788,892)	(4,341,448)	(2,447,444)	(857,085)
Unabsorbed Tax Losses	(16,228,245)	(23,488,548)	7,260,304	3,276,451
	<u>(48,946,861)</u>	<u>(50,879,052)</u>	<u>1,932,191</u>	<u>1,770,077</u>
Deferred Income Tax (Income) / Expense reported in the Statement of Profit or Loss			<u>65,203,128</u>	<u>29,425,061</u>
Deferred Income Tax (Income) / Expense reported in the Statement of Other Comprehensive Income			<u>(979,017)</u>	<u>(628,826)</u>
Net Deferred Tax Liability reported in the Statement of Financial Position	<u>111,999,922</u>	<u>47,775,812</u>		

6. EARNINGS PER SHARE

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

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

Amount Used as the Numerator:	2015	2014
	LKR	LKR
Net Earnings Attributable to Equity Shareholders	<u>439,416,255</u>	<u>283,256,745</u>
Number of Ordinary Shares Used as the Denominator:	Number	Number
Weighted Average Number of Ordinary Shares in Issue	<u>950,086,080</u>	<u>950,086,080</u>

NOTES to the Financial Statements Year ended 31 March 2015

7. PROPERTY, PLANT AND EQUIPMENT

	Balance as at 01.04.2014 LKR	Additions/ Incurred during the Year LKR	Disposals/ Transfers LKR	Balance as at 31.03.2015 LKR
7.1 At Cost				
Freehold Land	132,870,000	-	-	132,870,000
Buildings	1,655,383,924	34,566,151	-	1,689,950,074
Plant and Machinery	2,512,092,223	109,012,326	-	2,621,104,549
Electrical Power Installation	771,273,996	6,122,914	-	777,396,909
Furnace	812,618,361	11,360,166	-	823,978,527
Motor Vehicles	29,549,542	676,644	(8,758,140)	21,468,046
Tools and Implements	24,333,830	1,324,388	-	25,658,218
Office Equipments	117,402,538	4,384,598	-	121,787,136
Gas Station	21,116,708	-	-	21,116,708
Moulds and Neckring Equipment	618,986,863	85,569,280	-	704,556,143
	<u>6,695,627,985</u>	<u>253,016,466</u>	<u>(8,758,140)</u>	<u>6,939,886,311</u>
In the Course of Construction				
Capital Work-in-Progress	24,612,432	236,069,953	(167,447,197)	93,235,189
	<u>24,612,432</u>	<u>236,069,953</u>	<u>(167,447,197)</u>	<u>93,235,189</u>
Total Gross Carrying Amount	<u>6,720,240,417</u>	<u>489,086,420</u>	<u>(176,205,336)</u>	<u>7,033,121,501</u>

	Balance as at 01.04.2014 LKR	Charge for the Year LKR	Disposals/ Transfers LKR	Balance as at 31.03.2015 LKR
7.2 Depreciation				
At Cost				
Buildings	240,205,348	41,659,042	-	281,864,390
Plant and Machinery	1,369,689,645	184,366,783	-	1,554,056,428
Electrical Power Installation	292,203,616	37,418,766	-	329,622,382
Furnace	568,529,093	94,126,473	-	662,655,566
Motor Vehicles	12,488,140	3,236,652	(5,220,473)	10,504,318
Tools and Implements	9,681,931	2,005,392	-	11,687,323
Office Equipment	83,049,695	12,096,100	-	95,145,794
Gas Station	5,312,226	527,918	-	5,840,144
Moulds and Neckring Equipment	460,867,948	59,475,508	-	520,343,456
	<u>3,042,027,642</u>	<u>434,912,633</u>	<u>(5,220,473)</u>	<u>3,471,719,802</u>
Total Depreciation	<u>3,042,027,642</u>	<u>434,912,633</u>	<u>(5,220,473)</u>	<u>3,471,719,802</u>

NOTES to the Financial Statements Year ended 31 March 2015

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

7.3 Net Book Values

At Cost	2015 LKR	2014 LKR
Freehold Land	132,870,000	132,870,000
Buildings	1,408,085,684	1,415,178,576
Plant and Machinery	1,067,048,121	1,142,402,578
Electrical Power Installation	447,774,527	479,070,380
Furnace	161,322,961	244,089,268
Motor Vehicles	10,963,728	17,061,402
Tools and Implements	13,970,895	14,651,899
Office Equipment	26,641,342	34,352,843
Gas Station	15,276,564	15,804,482
Moulds and Nickering Equipment	184,212,687	158,118,915
	<u>3,468,166,509</u>	<u>3,653,600,343</u>
In the Course of Construction		
Capital Work-in-Progress	93,235,189	24,612,432
Total Carrying Amount of Property, Plant and Equipment	<u>3,561,401,698</u>	<u>3,678,212,775</u>

7.4 The Rates of Depreciation is Estimated as follows;

Buildings	2.5% on cost	2.5% on cost
Plant and Machinery	5.6% & 7.5% on cost	5.6% & 7.5% on cost
Electrical Power Installation	4% & 5% on cost	4% & 5% on cost
Furnace - Steel	7.5% on cost	7.5% on cost
- Refectories	12.5% on cost	12.5% on cost
Motor Vehicles	7.7% & 15% on cost	7.7% & 15% on cost
Tools and Implements	10% on cost	10% on cost
Office Equipment	10%, 12.5% & 25% on cost	10%, 12.5% & 25% on cost
Gas Station	2.5% on cost	2.5% on cost
Moulds and Nickering Equipment	Based on usage for production	Based on usage for production

7.5 Property, Plant and Equipment includes fully depreciated assets having a gross carrying amount of Rs.361,273,600/- (As at 31 March 2014 Rs.148,288,576/-).

NOTES to the Financial Statements Year ended 31 March 2015

8. LEASEHOLD PROPERTIES

	2015 LKR	2014 LKR
Balance at the Beginning of the Year	27,656,840	21,314,750
Additions during the Year	-	7,628,475
Amortization during the Year	<u>(1,323,036)</u>	<u>(1,286,385)</u>
Balance at the End of the Year	<u>26,333,804</u>	<u>27,656,840</u>

9. INTANGIBLE ASSETS

	2015 LKR	2014 LKR
Cost		
Balance at the Beginning of the Year	25,189,128	25,189,128
Additions during the Year	-	-
Balance at the End of the Year	<u>25,189,128</u>	<u>25,189,128</u>
Amortization and impairment		
Balance at the Beginning of the Year	22,040,487	18,891,846
Additions during the Year	<u>3,148,641</u>	<u>3,148,641</u>
Balance at the End of the Year	<u>25,189,128</u>	<u>22,040,487</u>
Net Book Value	<u>-</u>	<u>3,148,641</u>

10. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES

10.1 Available for Sale Investments	2015		2014	
	No. of Shares	LKR	No. of Shares	LKR
Quoted Equity Shares	<u>36,064</u>	<u>7,454,429</u>	<u>36,064</u>	<u>5,189,610</u>
Total Available for Sale Investments	<u>36,064</u>	<u>7,454,429</u>	<u>36,064</u>	<u>5,189,610</u>

10.2 Interest Bearing Loans and Borrowings

	2015 LKR	2014 LKR
Syndicated Project Loan (10.3)	29,985,286	343,680,538
Project Loan (10.4)	-	25,273,708
Long Term Loan (10.5)	201,313,200	-
Short Term Loans (10.6)	1,443,808,000	1,409,336,475
Bank Overdrafts (13.2)	<u>20,671,654</u>	<u>36,880,197</u>
	<u>1,695,778,140</u>	<u>1,815,170,919</u>
Total Current	1,519,629,090	1,785,185,639
Total Non-Current	<u>176,149,050</u>	<u>29,985,280</u>

NOTES to the Financial Statements Year ended 31 March 2015

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

10.3	Syndicated Project Loan	DFCC	Bank of	Hatton National	Sampath Bank PLC	Total
		Bank PLC	Ceylon	Bank	PLC	LKR.
		LKR	LKR	LKR	LKR	LKR.
	As at 01 April 2014	119,941,389	79,456,137	74,308,447	69,974,565	343,680,538
	New Loans Obtained	-	-	-	-	-
	Repayments	(89,956,103)	(79,457,688)	(74,286,289)	(70,017,822)	(313,717,903)
	Exchange Differences	-	1,551	(22,158)	43,257	22,650
	As at 31 March 2015	<u>29,985,286</u>	-	-	-	<u>29,985,286</u>
	Lending Institution	Nature of Facility	Interest Rate	Repayment Terms	Maturity	Outstanding as at 31.03.2015
					USD	LKR
	DFCC Bank PLC	Syndicated Loan in LKR	AWDR + 4% & w.e.f. 01 August 2011 AWDR + 3%	72 equivalent installments effect from January 2010.	July 2015	29,985,286
					-	<u>29,985,286</u>
10.4	Project Loans				Hatton National Bank PLC	Total
					LKR	LKR
	As at 01 April 2014				18,929,551	25,273,708
	New Loans Obtained				-	-
	Repayments				(18,909,322)	(25,253,238)
	Exchange Differences				(20,230)	(20,471)
	As at 31 March 2015				-	-

NOTES to the Financial Statements Year ended 31 March 2015

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

10.5 Long Term Loan

	Chartered Bank LKR	Standard Bank LKR	Total LKR
As at 01 April 2014	-	-	-
New Loans Obtained	188,148,750	-	188,148,750
Repayments	-	-	-
Exchange Differences	3,163,450	3,163,450	6,326,900
As at 31 March 2015	<u>201,313,200</u>	<u>3,163,450</u>	<u>204,476,650</u>

Lending Institution	Nature of Facility	Maturity	Interest Rate	Repayment Terms	Outstanding as at 31.03.2015 USD	LKR
Standard Chartered Bank	Long term Loan Granted in USD	September 2019	3 Months LIBOR + 3.875% p.a. revised quarterly	16 installments USD 94,375/- each to be paid quarterly, commenced from December 2015	1,510,000	201,313,200

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

10.6 Short Term Loans

	Peoples' Bank LKR	Commercial Bank of Ceylon PLC LKR	Citibank N.A. LKR	Standard Chartered Bank LKR	Sampath Bank PLC LKR	DFCC Bank PLC LKR	Total LKR
As at 01 April 2014	100,000,000	429,336,475	270,000,000	250,000,000	150,000,000	210,000,000	1,409,336,475
New Loans Obtained	125,000,000	2,396,719,600	2,456,500,000	1,536,000,000	-	2,200,000,000	8,714,219,600
Repayments	(225,000,000)	(2,248,075,765)	(2,270,000,000)	(1,686,000,000)	(150,000,000)	(2,095,425,500)	(8,684,501,265)
Exchange Differences	-	1,019,680	-	-	-	3,733,509	4,753,189
As at 31 March 2015	<u>-</u>	<u>579,000,000</u>	<u>456,500,000</u>	<u>90,000,000</u>	<u>-</u>	<u>318,308,009</u>	<u>1,443,808,000</u>

NOTES to the Financial Statements Year ended 31 March 2015

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

10.7 Fair Values

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

	Notes	Carrying Amount		Fair Value	
		2015 LKR	2014 LKR	2015 LKR	2014 LKR
Financial Assets					
Other Receivables	A	-	509,726	-	509,726
Trade and Other Receivables	B	1,260,178,832	1,117,169,980	1,260,178,832	1,117,169,980
Cash and Short Term Deposits	B	127,804,428	134,950,179	127,804,428	134,950,179
Total		1,387,983,260	1,252,649,885	1,387,983,260	1,252,649,885
Financial Liabilities					
Interest Bearing Loans and Borrowings (Non-Current)	A	176,149,050	29,985,280	176,149,050	29,985,280
Trade and Other Payables	B	869,878,813	1,043,101,577	869,878,813	1,043,101,577
Interest Bearing Loans and Borrowings (Current)	B	1,519,629,090	1,785,165,639	1,519,629,090	1,785,165,639
Total		2,565,656,953	2,858,272,496	2,565,656,953	2,858,272,496

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

- A** Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, risk characteristics of the financed project etc. As at 31 March 2015, the carrying amounts of such borrowings are not materially different from their calculated fair values.
- B** Cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

10.8 Fair Value Hierarchy

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

Fair value are determined according to the following hierarchy.

- Level 1** : Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2** : Other valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3** : Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

As at 31 March 2015, the Company held the following financial instruments carried at fair value on the statement of financial position.

Assets Measured at Fair Value	2015 LKR	Level 1 LKR	Level 2 LKR	Level 3 LKR
Available for Sale Financial Assets				
Quoted Equity Shares	7,454,429	7,454,429	-	-
	7,454,429	7,454,429	-	-

During the reporting year ending 31 March 2015, there were no transfers between Level 1 and Level 2 fair value measurements.

NOTES to the Financial Statements Year ended 31 March 2015

11. INVENTORIES	2015 LKR	2014 LKR
Raw Materials	403,321,790	358,125,605
Work in Progress	4,006,660	4,240,133
Finished Goods	616,910,875	828,052,614
Consumables and Spares	411,820,837	398,288,183
Stock in Transit	1,887,331	5,562,959
Less: Allowance for obsolete and slow moving inventory	(4,812,327)	(4,812,327)
	<u>1,433,135,167</u>	<u>1,589,457,169</u>

12. TRADE AND OTHER RECEIVABLES	2015 LKR	2014 LKR
Trade Receivables - Related Party (12.1)	4,881,965	9,226,385
- Others	1,259,789,020	1,062,102,384
Less : Provision for Impairment	(33,944,462)	(21,707,241)
	<u>1,230,726,524</u>	<u>1,049,621,528</u>
Advances and Other Receivables	26,177,633	61,515,165
Loans to Company Officers	3,274,675	6,563,012
	<u>1,260,178,832</u>	<u>1,117,699,706</u>
Total Current	1,260,178,832	1,117,189,980
Total Non-Current	<u>-</u>	<u>509,726</u>

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

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

Piramal Glass Limited - India	-	9,226,385
Piramal Glass USA Inc	4,881,965	-
	<u>4,881,965</u>	<u>9,226,385</u>

As at 31 March 2015 and 31 March 2014, the ageing analysis of trade receivables, is as follows:

	Past Due and Impaired					
	Total	Neither Past Due nor Impaired	< 60 Days	61-120 Days	121-180 Days	> 180 Days
As at 31 March 2015	1,265	802	290	51	62	61
As at 31 March 2014	1,071	866	160	23	9	13

13. CASH AND SHORT TERM DEPOSITS	2015 LKR	2014 LKR
13.1 Favourable Cash and Cash Equivalent Balances		
Cash at Bank and on Hand	<u>127,804,428</u>	<u>134,950,179</u>
	<u>127,804,428</u>	<u>134,950,179</u>
13.2 Unfavourable Cash and Cash Equivalent Balances		
Bank Overdraft (10.2)	<u>(20,671,654)</u>	<u>(36,880,197)</u>
Cash and Cash Equivalents for the Purpose of Cash Flow Statement	<u>107,132,774</u>	<u>98,069,982</u>

NOTES to the Financial Statements Year ended 31 March 2015

14. STATED CAPITAL

	2015 Number	2014 Number	2015 LKR	2014 LKR
14.1 Ordinary Shares	950,086,080	950,086,080	1,526,407,485	1,526,407,485

14.2 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.

15. OTHER RESERVES

	2015 LKR	2014 LKR
Revaluation Reserve (15.1)	127,411,317	130,038,179
Available for Sale Reserve	7,193,070	4,928,251
	<u>134,604,387</u>	<u>134,966,430</u>

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

16. EMPLOYEE BENEFIT LIABILITY

16.1 Defined Benefit Obligation

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

	2015 LKR	2014 LKR
Balance at the Beginning of the Year	115,245,276	111,998,832
Interest cost	12,676,980	12,319,873
Current service cost	6,196,929	5,775,663
Actuarial losses/(gains) on Obligation	4,895,087	3,144,128
Benefits Paid during the Year	(9,365,653)	(17,993,219)
Balance at the End of the Year	<u>129,648,619</u>	<u>115,245,276</u>

16.2 Messrs. K. A. Pandit, Actuaries, carried out an actuarial valuation of the defined benefit plan - gratuity as of 31 March 2015. Appropriate and compatible assumptions were used in determining the cost of retirement benefits. The principal assumptions used as at 31 March 2015 and 31 March 2014 are as follows:

	2015	2014
Method of actuarial valuation:	Projected Unit Credit method	Projected Unit Credit method
Discount rate:	10.4%	11%
Future salary increases:	8.5% + salary scales	8.5% + salary scales
Retirement age:	55 Years	55 Years
Attrition Rate:	2%	2%
Mortality table:	A1967-70 Mortality Table for Assured Lives	A1967-70 Mortality Table for Assured Lives

NOTES to the Financial Statements Year ended 31 March 2015

16.3 Sensitivity of Assumptions Employed in Actuarial Valuation

The following table demonstrates the sensitivity to a reasonable possible change in the key assumptions employed with all other variables held constant in the employment benefit liability measurement, in respect of the year 2015.

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

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

2015	Increase LKR	Decrease LKR
Effect on the aggregate current service cost and interest cost	1,250,974	5,676
Effect on the actuarial losses/(gains) on obligation	6,473,997	(7,024,094)
Effect on the defined benefit obligation	7,724,971	(7,018,418)

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

2015	Increase LKR	Decrease LKR
Effect on the aggregate current service cost and interest cost	19,788	1,245,103
Effect on the actuarial losses/(gains) on obligation	(6,863,703)	6,413,170
Effect on the defined benefit obligation	(6,843,915)	7,658,273

NOTES to the Financial Statements Year ended 31 March 2015

16. EMPLOYEE BENEFIT LIABILITY (Contd...)

16.4 Changes in the Defined Benefit Obligation

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

2015	Amounts Charged to Profit or Loss			Remeasurement Gains/(Losses) in Other Comprehensive Income					Contributions by the Employer	31 March 2015	
	01 April 2014	Service Cost	Interest Cost	Sub Total included in Profit or Loss	Benefits Paid	Actuarial Changes arising from Demographic Assumptions	Actuarial Changes arising from Financial Assumptions	Actuarial Changes arising from Demographic Assumptions			Experience Adjustments
	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR
Defined Benefit Obligation	115,245,276	6,196,929	12,676,990	18,873,909	(9,365,653)	-	4,195,996	699,091	-	4,895,087	129,648,619
Benefit Liability	<u>115,245,276</u>	<u>6,196,929</u>	<u>12,676,990</u>	<u>18,873,909</u>	<u>(9,365,653)</u>	<u>-</u>	<u>4,195,996</u>	<u>699,091</u>	<u>-</u>	<u>4,895,087</u>	<u>129,648,619</u>
2014	Amounts Charged to Profit or Loss			Remeasurement Gains/(Losses) in Other Comprehensive Income					Contributions by the Employer	31 March 2014	
01 April 2013	Service Cost	Interest Cost	Sub Total included in Profit or Loss	Benefits Paid	Actuarial Changes arising from Demographic Assumptions	Actuarial Changes arising from Financial Assumptions	Actuarial Changes arising from Demographic Assumptions	Experience Adjustments			Subtotal Included in OCI
	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	
Defined Benefit Obligation	111,998,832	5,775,663	12,319,872	18,096,535	(17,993,219)	(122,425)	-	3,266,563	-	3,144,128	115,245,276
Benefit Liability	<u>111,998,832</u>	<u>5,775,663</u>	<u>12,319,872</u>	<u>18,096,535</u>	<u>(17,993,219)</u>	<u>(122,425)</u>	<u>-</u>	<u>3,266,563</u>	<u>-</u>	<u>3,144,128</u>	<u>115,245,276</u>

NOTES to the Financial Statements Year ended 31 March 2015

16. EMPLOYEE BENEFIT LIABILITY (Contd...)

16.5 The average duration of the retirement benefit obligation at the end of the reporting period is 8 years. The expected maturity analysis of undiscounted retirement obligation is as follows:

	2015	2014
	LKR	LKR
Within the next 12 Months	21,931,079	12,359,974
Between 1 and 6 Years	66,263,881	68,624,979
Between 6 and 10 Years	103,879,204	92,083,320
Total Expected Payments	<u>192,074,164</u>	<u>173,068,273</u>

17. TRADE AND OTHER PAYABLES

		2015	2014
		LKR	LKR
Trade Payable	- Related Party (17.1)	40,805,727	25,897,749
	- Others	305,538,509	311,136,611
Other Payables	- Related Party (17.2)	223,216,637	398,783,508
Sundry Creditors including Accrued Expenses		300,317,940	307,283,709
		<u>869,878,813</u>	<u>1,043,101,577</u>

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

17.1 Trade Payables to Related Party

Piramal Glass Limited - India	<u>40,805,727</u>	<u>25,897,749</u>
	<u>40,805,727</u>	<u>25,897,749</u>

17.2 Other Payables - Related Party

Piramal Glass Limited - India	<u>223,216,637</u>	<u>398,783,508</u>
	<u>223,216,637</u>	<u>398,783,508</u>

18. DIVIDENDS PAYABLE

	2015	2014
	LKR	LKR
Undaimed Dividends	<u>32,462,858</u>	<u>23,341,734</u>
	<u>32,462,858</u>	<u>23,341,734</u>

19. RELATED PARTY DISCLOSURES

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

19.1 Transaction with Group Companies

Name of Company	Relationship		
Piramal Glass Limited - India	Parent Company		
		2015	2014
		LKR	LKR
Nature of Transactions			
Purchasing of Bottles		141,942,153	88,679,963
Purchasing of Lids		-	352,816
Purchasing of Raw Material		-	5,392,448
Purchasing of Moulds		9,157,530	3,144,480
Purchasing of Bottles - In Transit		1,887,331	-
Technical Fees		139,955,400	106,082,887
Sale of Bottles		-	9,226,385

NOTES to the Financial Statements Year ended 31 March 2015**19. RELATED PARTY DISCLOSURES (Contd...)****19.1 Transaction with Group Companies (Contd...)**

Name of Company	Relationship	2015	2014
		LKR	LKR
Piramal Glass USA Inc.	Related Company		
Nature of Transactions			
Sale of Bottles		4,278,653	-

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. The amounts payable and receivable to the above related parties as at 31 March 2015 and 31 March 2014 are disclosed in Notes 12.1, 17.1 and 17.2.

19.2 Transactions with Directors / Key Management Personnel *

	2015	2014
	LKR	LKR
Short term Employee Benefits	63,979,238	71,461,649
Post - Employment Benefits	-	-
Other Long term Benefits	-	-
Termination Benefits	-	-
Share Based Payment	-	-
Total Compensation paid to Key Management Personnel	<u>63,979,238</u>	<u>71,461,649</u>

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

20. COMMITMENTS AND CONTINGENCIES**20.1 Capital Expenditure Commitments**

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

20.2 Contingent Liabilities

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

21. 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	
		2015	2014
		LKR Mn.	LKR Mn.
Immovable Properties	First/Secondary Mortgage for Loans and Borrowings	2,934	3,552
		<u>2,934</u>	<u>3,552</u>

NOTES to the Financial Statements Year ended 31 March 2015

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 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.

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 period is as follows.

Increase/(Decrease) in Interest Rate	2015	
	Effect on Income Statement	Effect on Statement of Financial Position
	LKR	LKR
1%	(17,497,799)	(17,497,799)
-1%	17,497,799	17,497,799

NOTES to the Financial Statements Year ended 31 March 2015

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

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 thru export sale off sets the import cost and the US dollar loan premium and interest.

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

Increase/(Decrease) in Exchange Rate	2015	
	Effect on Income Statement LKR	Effect on Statement of Financial Position LKR
1%	(23,505)	(23,505)
-1%	23,505	23,505

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.

Below table illustrates the maturity periods of liabilities in due.

Type of Loan	1- 6 Months LKR	6 -12 Months LKR	1 - 5 Years LKR	Total LKR
Syndicated loans (LKR)	29,985,284	-	-	29,985,284
Long Term loan (USD)	-	25,164,150	176,149,050	201,313,200
Short Term Loans	1,443,808,000	-	-	1,443,808,000
	<u>1,473,793,284</u>	<u>25,164,150</u>	<u>176,149,050</u>	<u>1,675,106,484</u>

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 its 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 (syndicated loans, short term loans and bank overdrafts) rather than using equity funding. Access to source of funds is sufficiently available and financing for operational purposes has already been secured.

NOTES to the Financial Statements Year ended 31 March 2015

23. PRIOR YEAR ADJUSTMENT

The financial statements of the company have been restated in accordance with Sri Lanka Accounting Standard LKAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, to reflect the following;

The Profit on Disposal of Investment Property (Land) for the year ended 31 March 2014 has been restated to exclude the impact of revaluation gain and such revaluation impact has been directly transferred from Revaluation Reserve to Retained Earnings. There will be no impact on the Statement of Financial Position in any prior year(s). The comparative Statement of Profit or Loss has been restated as follows;

Impact on the Statement of Profit or Loss for the Year Ended 31 March 2014	Previously Reported	Impact of Adjustment	Restated Amount
	LKR	LKR	LKR
Profit on Disposal of Investment Property	652,361,120	(551,982,840)	100,378,280
	<u>652,361,120</u>	<u>(551,982,840)</u>	<u>100,378,280</u>

Impact on Basic/Diluted Earnings Per Share (EPS) for the Year Ended 31 March 2014	Previously Reported	Impact of Adjustment	Restated Amount
	LKR	LKR	LKR
Earnings Per Share - Basic/Diluted	0.88	(0.58)	0.30
	<u>0.88</u>	<u>(0.58)</u>	<u>0.30</u>

The change did not have an impact on OCI for the year or the company's operating, investing and financing cash flows.

24. RECLASSIFICATION OF COMPARATIVES

The following amounts have been reclassified in order to comply with the current year presentation.

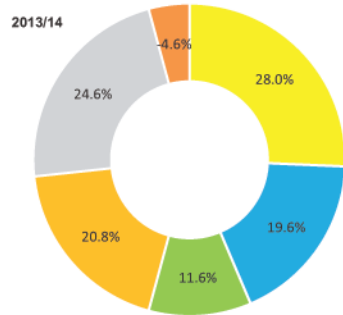
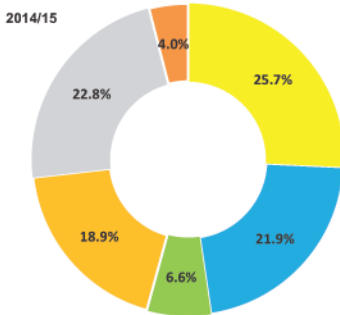
Impact on the Statement of Profit or Loss and Statement of Other Comprehensive Income for the Year Ended 31 March 2014	Previously Reported	Impact of Adjustment	Reclassified Amount
	LKR	LKR	LKR
Cost of Sales	4,414,162,206	(18,899,313)	4,395,262,893
Administrative Expenses	331,965,139	18,899,313	350,864,452
	<u>4,746,127,345</u>	<u>-</u>	<u>4,746,127,345</u>
Income Tax Expense	5,460,046	628,826	6,088,872
Income Tax Effect relating to Other Comprehensive Income	-	(628,826)	(628,826)
	<u>5,460,046</u>	<u>-</u>	<u>5,460,046</u>

25. 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 LKR 0.23 cents per share for the financial year ended 31 March 2015.

STATEMENT *Of Value Added*

	2014/15		2013/14	
	LKR Mn	%	LKR Mn	%
Gross Revenue	6,316		5,678	
Less : Cost of Material/ Service Provided	<u>(4,408)</u>		<u>(3,946)</u>	
Value Addition	<u>1,908</u>		<u>1,733</u>	
Employees as Remuneration & Other benefits	491	25.7%	486	28.0%
Government as Taxes	418	21.9%	339	19.6%
Providers of Capital				
Finance Cost on Borrowings	126	6.6%	201	11.6%
Dividends to the Shareholders	361	18.9%	361	20.8%
Retained in the Business as				
Depreciation	435	22.8%	425	24.6%
Reserves	77	4.0%	(80)	-4.6%
	<u>1,908</u>	<u>100.0%</u>	<u>1,733</u>	<u>100.0%</u>



- Employees as Remuneration & Other benefits
- Government as Taxes
- Finance Cost on Borrowings
- Dividends to the Shareholders
- Depreciation
- Reserves

SHAREHOLDERS' and Investor Information

1. STOCK EXCHANGE LISTING

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

2. MAJOR SHAREHOLDERS AS AT 31ST MARCH

Name of Shareholder	2015		2014	
	No. of Shares	%	No. of Shares	%
01. Piramal Glass Limited	536,331,880	56.45	536,331,880	56.45
02. Employees Provident Fund	90,317,140	9.51	95,046,525	10.00
03. Citi Bank NY S/A Forward International Dividend Fund	17,918,874	1.89	17,918,874	1.89
04. Mr.G Dangampola And Mrs.N P Dangampola	10,289,155	1.08	10,280,007	1.08
05. Deutsche Bank AG AS Trustee To Astrue Alpha Fund	8,061,127	0.85	-	-
06. AIA Insurance Lanka PLC A/C No.07	7,562,808	0.80	9,308,700	0.98
07. DFCC Bank A/C. 1	7,500,000	0.79	7,500,000	0.79
08. Mr. S D R Arudpragasam	6,550,000	0.69	-	-
09. Bangkok Glass Industry Company Limited	6,280,000	0.66	6,280,000	0.66
10. Mr. H M Udeshi	5,500,000	0.58	-	-
11. Mr. M K Chandrasiri	5,000,000	0.53	5,000,000	0.53
12. Apex Marine (Pvt) Ltd	5,000,000	0.53	5,000,000	0.53
13. Citi Bank NY S/A Forward Select EM Dividend Fund	4,925,624	0.52	5,375,624	0.57
14. Mr. N Perera	4,097,969	0.43	3,017,000	0.32
15. Employees Trust Fund Board	3,780,256	0.40	3,780,256	0.40
16. Mr. A J Tissera	3,700,000	0.39	-	-
17. Mr. S C De Zoysa	3,500,000	0.37	-	-
18. Bank Of Ceylon No. 1 Account	3,288,600	0.35	3,288,600	0.35
19. Mr. U P Pushparaj	3,215,000	0.34	3,215,000	0.34
20. Dr. T Senthilvel	3,175,001	0.33	-	-
Mr. M M Udeshi And Mr. H M Udeshi	-	-	11,799,786	1.24
Amana Bank Limited	-	-	6,031,981	0.63
DFCC Vardhana Bank PLC/Mr. A J Tissera	-	-	5,702,993	0.60
Hatton National Bank PLC A/C No.4 (HNB Retirement Pension Fund)	-	-	4,168,170	0.44
Merchant Bank Of Sri Lanka PLC A/C No 1	-	-	3,055,934	0.32
Commercial Bank Of Ceylon PLC/V Saraswathy	-	-	2,700,000	0.28
Sub Total	735,993,334	77.47	744,801,330	78.39
Others	214,092,746	22.53	205,284,750	21.61
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		%	
		2015	2014	2015	2014	2015	2014
1	1,000	2,946	3,069	1,407,068	1,493,765	0.15	0.16
1,001	10,000	8,772	9,258	26,774,940	28,885,438	2.82	3.04
10,001	100,000	1,413	1,563	47,231,254	50,488,315	4.97	5.31
100,001	1,000,000	281	286	76,302,201	75,725,604	8.03	7.97
Over 1,000,000		57	53	798,370,617	793,492,958	84.03	83.52
		13,469	14,229	950,086,080	950,086,080	100.00	100.00
Categories of Shareholders							
		2015	2014	2015	2014	2015	2014
Local Individuals		13,155	13,883	203,073,325	185,849,781	21.37	19.56
Local Institutions		228	250	172,165,698	184,864,338	18.13	19.46
Foreign Individuals		79	86	5,698,643	5,133,916	0.60	0.54
Foreign Institutions		7	10	569,148,414	574,238,045	59.90	60.44
		13,469	14,229	950,086,080	950,086,080	100.00	100.00
Percentage of Shares held by the public		43.54%	43.54%				

SHAREHOLDERS' and Investor Information**4. SHARE PRICE**

Market price per share for the year	2014/15		2013/14	
Highest Price	LKR 6.50	29-01-2015	LKR 7.00	16-05-2013
Lowest Price	LKR 3.30	07-04-2014	LKR 3.30	28-03-2014
Closing Price	LKR 5.70		LKR 3.40	

5. SHARE TRADING

	2014/15	2013/14
Number of Shares Traded during the year	387,912,983	135,355,996
Value of Shares Traded during the year - LKR	1,853,658,268	733,946,748
Number of Transaction during the year	24,694	14,944

6. MARKET CAPITALISATION

As at 31st March - LKR Mn	5,415	3,230
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TEN Year Financial Review

31st March	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
	LKR.'000	LKR.'000	LKR.'000	LKR.'000	LKR.'000	LKR.'000	LKR.'000	LKR.'000	LKR.'000	LKR.'000
TRADING RESULTS										
Revenue (Gross)	1,555,783	1,857,186	2,014,128	2,936,155	3,518,763	4,163,266	5,197,424	5,500,908	5,220,116	5,791,988
Profit/(Loss) before Tax	272,558	184,082	49,174	(261,250)	(61,092)	591,953	694,990	767,307	289,346	508,567
Tax Expenses/(Reversal)	102,458	80,076	14,031	(314)	-	13,279	9,678	45,750	6,089	69,151
Profit/(Loss) after Tax	170,129	104,006	35,142	(260,935)	(61,092)	578,674	685,312	721,557	283,257	439,416
SHARE CAPITAL AND RESERVES										
Share Capital	554,217	554,217	-	-	-	-	-	-	-	-
Share Premium	220,039	220,039	-	-	-	-	-	-	-	-
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
Other Reserves	251,569	338,949	933,730	749,651	688,558	1,318,396	1,719,644	2,102,657	2,022,827	2,099,559
Shareholders' Funds	1,025,825	1,113,205	2,460,137	2,276,058	2,214,965	2,844,803	3,246,051	3,629,064	3,549,234	3,625,966
ASSETS LESS LIABILITIES										
Current Assets	774,195	1,188,304	1,462,651	1,747,296	1,824,274	1,808,489	2,220,006	3,006,918	2,879,152	2,870,545
Current Liabilities	(466,535)	(636,205)	(1,947,622)	(2,786,489)	(2,706,548)	(2,044,461)	(2,344,684)	(2,845,007)	(2,851,629)	(2,421,971)
Net Current Assets (Liabilities)	307,660	552,099	(484,971)	(1,039,193)	(882,274)	(235,972)	(124,678)	161,911	27,523	448,574
Non – Current Assets	1,001,577	1,194,012	4,888,629	5,279,281	4,977,112	4,890,448	4,634,140	4,103,714	3,714,718	3,595,190
Total Assets Less Current Liabilities	1,309,237	1,746,111	4,403,658	4,240,088	4,094,838	4,654,476	4,509,461	4,265,625	3,742,241	4,043,764
Non – Current Liabilities	(283,413)	(632,906)	(1,943,521)	(1,964,031)	(1,879,873)	(1,809,674)	(1,263,410)	(636,560)	(193,006)	(417,798)
Net Assets	1,025,825	1,113,205	2,460,137	2,276,058	2,214,965	2,844,803	3,246,051	3,629,064	3,549,235	3,625,967
Ratios & other information										
Earnings / (Loss) Per Share	0.31	0.17	0.05	(0.27)	(0.06)	0.61	0.72	0.76	0.30	0.46
Dividend Per Share	0.15	0.03	0.15	0.02	-	-	0.30	0.36	0.38	0.38
Dividend Payout Ratio (%)	59	80	54	-	-	50	50	50	127	50
Market value per share	2.50	2.50	2.00	1.30	2.20	11.10	6.10	6.10	3.40	5.70
Price Earning Ratio	8.06	14.71	40.00	(4.81)	(36.66)	18.20	8.47	8.03	11.33	12.39
Interest Cover	9.57	8.06	1.22	0.60	0.89	2.93	4.09	3.81	2.40	4.46
Current Ratio	1.66	1.87	0.75	0.63	0.67	0.88	0.95	1.06	1.01	1.19
Liquid Ratio	0.93	1.29	0.51	0.35	0.40	0.49	0.46	0.51	0.45	0.59
Gearing Ratio	0.07	0.41	0.96	1.25	1.18	0.75	0.54	0.31	0.10	0.06
Net Asset per share	1.85	2.01	2.59	2.40	2.33	2.99	3.40	3.82	3.74	3.82

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
Dividend Payout Ratio	:	Declared / 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

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