



Annual Report 2019 - 2020 Piramal Glass Ceylon PLC

CONTENTS

Corporate Information	2
Chairman's Statement	3-4
Report on the Affairs of the Company	5-8
The Board of Directors	9-10
Corporate Governance - Compliance Table	11-12
Corporate Governance - Attendance of Directors at Meetings	13
Corporate Governance - Remuneration & Audit Committee Report	14
Corporate Governance - Related Party Transactions Review Committee Report	15
Material Foreseeable Risk Factors	16
Directors' Responsibilities for the Preparation of the Financial Statements	17
Independent Auditors' Report	20-23
Statement of Profit or Loss & Other Comprehensive Income	24
Statement of Financial Position	25
Statement of Changes in Equity	26
Statement of Cash Flows	27
Notes to the Financial Statements	28-63
Statement of Value Added	64
Shareholders' and Investor Information	65-66
Ten Year Financial Review	67
Glossary of Financial Terminology	68
Notice of Meeting	69
Form of Proxy	Enclosed

CORPORATE Information

The Board of Directors

Vijay Shah - Chairman
Sanjay Jain - Executive Director & COO
Sanjay Tiwari
Dr. C.T.S.B Perera
R.M.S. Fernando

Audit Committee

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

Remuneration Committee

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

Related Party Transactions Review Committee

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

Senior Management Team

Sanjay Jain - Executive Director & COO
Mukesh Agarwal - Vice President (Operations) (Up to 31.03.2020)
Pankaj Srivastava - Vice President (Operations) (From 01.04.2020)
Niloni Boteju - Financial Controller
A.K.M Fowzin - Head of Human Resources
Palitha Piyanandana - Head of Supply Chain
Thushara Deshapriya - Head of Domestic Marketing
Damitha Dasanayake - Head of Export Marketing
Sanjeeva Mahendra - Head of Quality Assurance
Naveen Atapattu - Head of Engineering Services

Company Registration Number

PQ 190

Registered Office

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

Factory

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

Marawila Road, Nattandiya.
Telephone: +94 327 800 200
Fax: +94 322 255 193

Auditors

Statutory

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

Internal

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

Bankers

Citi Bank, N.A
Commercial Bank of Ceylon PLC
People's Bank
Standard Chartered Bank
ICICI Bank Limited
State Bank of India
Hatton National Bank PLC

Company Secretary and Senior Manager Legal

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

Registrars

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

Investor Relations

Mrs. Niloni Boteju - Financial Controller
148, Maligawa Road, Borupana, Ratmalana
Telephone: +94 117 800 200 Ext: 615

Legal Advisors

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

CHAIRMAN'S Statement

Dear Shareholders,

We are facing the most unprecedented times in the history of mankind and perhaps definitely in our life times with the onset of the worst global pandemic - Coronavirus disease (Covid-19). It has impacted all countries and communities in the world with no concrete solution in sight either as a vaccine or medication. The whole world is grappling with this pandemic as it ravages global economies and human lives with impunity. Our sincere condolences to all families whose dear ones lost their lives to this deadly virus. The timely response by the Government to the adversity kept the situation in Sri Lanka much under control.

On behalf of the Board of Directors I extend a warm welcome to you all to the 65th Annual General Meeting of Piramal Glass Ceylon PLC (PGC) and share with you the achievements and progress we have made during the past year and the future prospects.

Uncertainties are commonplace in any business. In fact, they bring out the hidden strengths and abilities of individuals and the teams. However, the challenges experienced during F20 were exceptional and unprecedented and so was the reaction of the Piramal Glass team. The year started with the horrific Easter terrorist attacks on innocents in Churches & Hotels in Sri Lanka, resulting in an unprecedented setback socially and economically. As the year progressed, the country and the organizations were in the process of gradual recovery and were in the course of gaining momentum in the businesses. After enduring some tough times, Piramal Glass Ceylon was also on course by recording a satisfactory recovery when it ended the nine

months ended in 31st December '19 with a growth in both, revenue and profitability. As compared to the same period previous year, the performance for the 9 month period ended 31st December '19 reflected a growth of 6% in the sales and a doubling in profit after tax.

The company started the 4th Quarter with ambitious plans, as the demand spikes during Sinhala & Tamil New Year. However, with the sudden emergence of the Covid-19 pandemic, the scenario was in complete contrast and witnessed stoppages of production and sales in second half of March, 2020 resulting in loss of revenue to the extent of Rs 450 Mn. What otherwise would have been the 'best business month of the year' was adversely affected due to curfew imposed in many areas and restricted working hours. Despite no production the furnace was kept running while incurring considerable energy costs (almost 60%) and, of course, manpower cost.

With the Food & Pharmaceutical industries being declared as essential services the Company commenced partial operations by mid-April and was back in full operations by mid-May. During these times, your company took care of all the employees, customers and society by following all prescribed guidelines and precautions issued by Government for Covid-19.

Even though the year closed in an unprecedented manner, F20 has been an exhilarating year for Piramal Glass Ceylon (PGC) and a milestone in the history of your company. The year under review saw the completion of the capacity enhancement project, initiated by the Company in F17. The company installed a new bottle production line increasing its total production lines from 5 to 6. This line was installed mainly targeting the developed part of the world and has the flexibility of producing bottles in varied shapes & designs. This investment will facilitate the company to utilize its installed capacity to maximum.

The total revenue for the financial year under review was Rs.7,531 Million and would have surpassed the Rs. 8 Billion mark had it not been for the unfortunate event at the year end. However, we were able to achieve a 2% growth over last year's revenue of Rs.7,398 Million. The Domestic market showed positive signs of recovery after the Easter attacks with 12% growth over previous year.

The Export volumes were curtailed to cater to the growing Domestic market. Even with the restricted capacities, your company continued with its innovative product developments and launches in the export market in its varied colour range. The company successfully launched

CHAIRMAN'S Statement

several new bottles in premium liquor & beer segment. New designs in shades of cobalt blue, emerald green and black were introduced in various new markets. The company also made a significant entry in premium markets like UK and Maldives for still and sparkling water.

We are also happy to note that even amidst this catastrophe the company was able to maintain the gross margins at par with previous year at 19%. The year ended with a profit after tax of Rs. 389 Mn as against Rs.346 Mn during the previous year a growth of 12%.

During the year the company's export strategy and performance was recognized by The National Chamber of Exporters, Sri Lanka and was awarded the "Most Outstanding Exporter 2019 – Overall Runner up Award". In addition to this, Piramal Glass secured several awards including Presidential Export Award as "Best Exporter in Glass based products" from Export Development Board of Sri Lanka and a "Merit Award for Industrial Excellence" from Ceylon National Chamber of Industries.

LOOKING AHEAD

In continuation of our policy of distributing 50% of operating distributable profits, the Board of Directors has proposed a final dividend of 20% for the year ended 31st March 2020 for the approval of the shareholders. This would amount to Rs. 0.20 per share as compared to Rs. 0.18 per share in previous year.

We are currently operating in unprecedented conditions. We will have to overcome many changes & challenges yet we remain optimistic as we have always done before. We believe that our team can make a difference despite the current circumstances. We at Piramal Glass Ceylon, under the guidance of our corporate leadership from India consider our first priority to be the safety and health of our people and communities we are associated with. We have invested tremendously in education on how to keep safe, both at home and at work. At work, we have substantially enhanced the level and safety to coach and implement heightened level of measures such as, temperature monitoring, hand sanitization, social distancing, wearing of mask and discipline with respect to gathering at lunch or in toilets. We are decreasing the level and unnecessary foot falls in the plants and increasing level of surveillance so that we can crack if any untoward incident happens. All these measures are frequently reviewed by safety committee and audited for compliance through surprise checks. In addition, the corporate office engages in frequent reviews and further enhances safety measures as needed.

We have introduced digitalization solutions and work from home solutions where ever possible to ensure unhampered working environment and customer service. We continue to make every effort to provide our customers with innovative and efficient solutions by offering new designs.

We are committed to ensure uninterrupted supply of glass bottles to all our customers & we believe that demand would gradually get back to normalcy during the year. The year ahead brings many challenges and changes in the work culture and we are confident that we will get through it with resilience.

APPRECIATION

The performance of our company, during the year, could not have been achieved without the untiring efforts, dedication and commitment of all our employees more so in these trying times. I am grateful to both the executives and the workers at Piramal Glass Ceylon PLC who took considerable risk both in keeping the furnace draining during the one month of production closure and also those of you who were involved in gradual start-up of production. I take this opportunity to express my gratitude to them and their families for supporting these efforts. I also thank our valued customers for their unflinching patronage and support.

I also wish to convey my gratitude to the Board of Directors and specially Mr Sanjay Tiwari for his continuous guidance and contribution during the past year. I also appreciate the management team for their valuable contribution during the financial year. I would fail in my duty if I do not thank our shareholders, for the confidence reposed in us.

I also wish to thank Piramal Glass Corporate Team from India for the help and cooperation extended in projects, 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 PLC. I thank you for your continued faith in us over the past years. We look forward to your support in the coming years too.

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

Vijay Shah

Chairman

02nd June 2020

REPORT ON THE AFFAIRS of the Company

TO THE SHAREHOLDERS

The Board of Directors have pleasure in presenting the 65th Annual Report and the Audited Financial Statement of the Company for the year ended 31st March 2020.

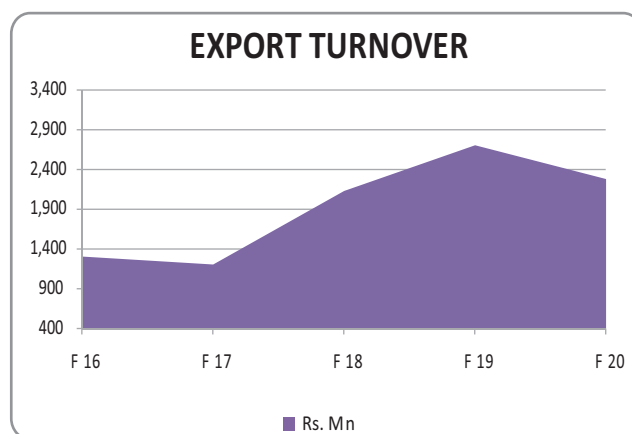
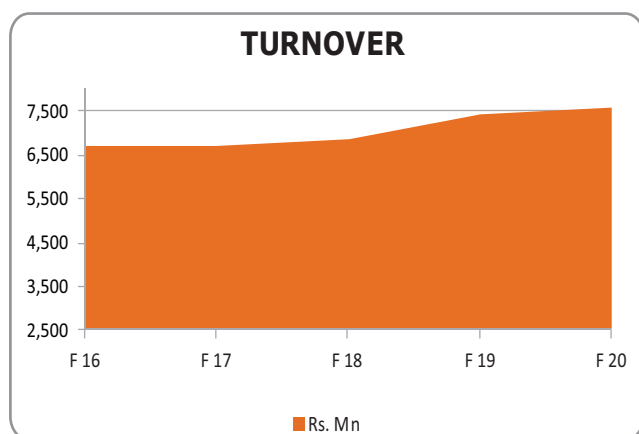
REVIEW OF THE YEAR

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.

SALES HIGHLIGHTS

The year ending 31st March 2020 closed at Rs. 7,531Mn with 2% increase over last year despite losing sales during the last two weeks in March 2020.

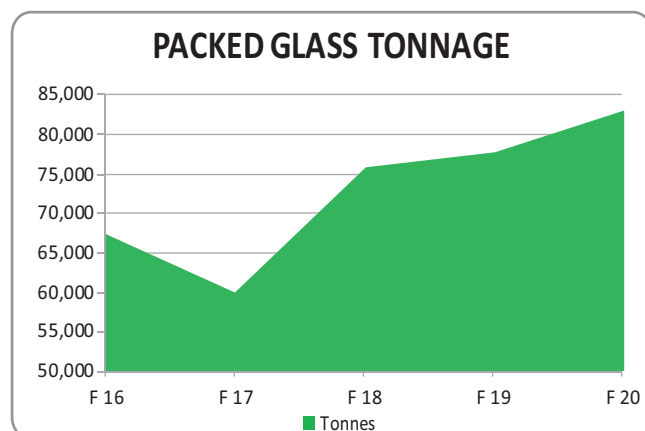
Whilst Domestic market was at Rs. 5,231Mn with a growth of 12% with all sectors showing recovery after the March 2019 Easter attacks. The Exports were at Rs. 2,300 Mn. Some amount of exports from the mass market was sacrificed in order to cater to the growing domestic market. However, several new entries were made in the international market with niche products.



PRODUCTION HIGHLIGHTS

A new addition to the facility was made with the installation of the 6th Production line in May 2019. This line has been installed mainly targeting the developed part of the world and has the flexibility of producing bottles in varied shapes & designs.

The total investment for this project is approximately Rs.1Bn. This investment will facilitate the company to utilise its installed capacity to maximum.

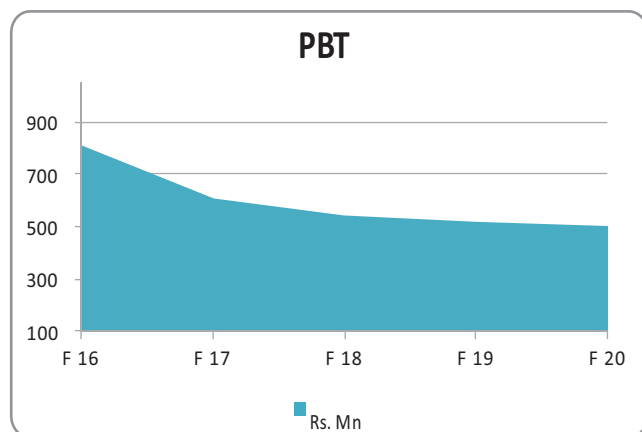


	F 16	F 17	F 18	F 19	F 20
PACKED	67,533	60,099	75,932	77,795	83,101

REPORT ON THE AFFAIRS of the Company

OPERATING INCOME

The Covid Impact impacted the 4th Quarter Gross Margin. For the last Quarter under review the GP was at 16% as against 27% of the similar period of the previous year. However, the company was able to maintain the Annual Gross Margin at par with the previous year at 19%. The PBT for Year stood at Rs. 495 Million in F20 as against Rs. 510 Million in F19 whilst the PAT was at Rs. 389 Million as against Rs. 346 Million of the similar period previous year.



All figures in Rs. Mn

	F 16	F 17	F 18	F 19	F 20
PBT	805	603	541	510	495

PRINCIPAL ACTIVITY

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

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

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

CURRENCY

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

FINANCIAL RESULTS

	2020 Rs. 000'	2019 Rs. 000'
Revenue	7,531,179	7,398,270
Cost of Sales	(6,118,431)	(5,992,658)
Gross Profit	1,412,748	1,405,612
Other Operating Income	114,935	118,522
Selling and Distribution Expenses	(200,544)	(292,745)
Administrative Expenses	(461,169)	(385,631)
Operating Profit	865,970	845,758
Finance Costs	(370,978)	(335,966)
Finance Income	414	704
Profit before Tax	495,406	510,496
Income Tax Expense	(106,418)	(164,126)
Profit for the Year	388,988	346,370

REPORT ON THE AFFAIRS of the Company**EMPLOYMENT**

	2020	2019
Total employment as at 31 st March	478	468

CAPITAL EXPENDITURE AND INVESTMENTS

During the year the Company's cash out flow on Property, Plant and Equipment was to the aggregate value of Rs. 1,027,706,511/- (Year Ended 31 March 2019 Rs. 609,462,756/-)

The capital commitments as at the reporting date are disclosed in Note 19.1 to the Financial Statements.

SHARE CAPITAL

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

SHARE HOLDINGS

	2020	2019
Registered Shareholders as at 31 st March	12,482	12,498

The distribution of shares is indicated in page 65.

EVENTS OCCURRING AFTER THE REPORTING DATE

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

THE BOARD OF DIRECTORS

Vijay Shah - Chairman
 Sanjay Jain - Executive Director & COO
 Sanjay Tiwari
 Dr. C. T. S. B. Perera
 R. M. S. Fernando

APPOINTMENT OF NEW DIRECTORS

Mr. Sanjay Jain was appointed as the Chief Operating Officer and Executive Director of the Company with effect from 01st April 2019.

PERSONS WHO CEASED TO BE DIRECTORS

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

DIRECTORS' INTEREST REGISTER

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

DIRECTORS' SHAREHOLDINGS

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

	2020	2019
Dr. C. T. S. B. Perera	50,000	50,000
Sanjay Tiwari (Jointly with Spouse)	1,214,166	1,214,166

DIRECTORS' EMOLUMENTS

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

DONATIONS

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

AUDITORS

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

Fees paid/ provided as at 31 st March	2020	2019
Audit Fees	Rs. 843,203	Rs. 840,436
Taxation Services	Rs. 585,398	Rs. 609,194

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 Jain
Executive Director & COO

Sgd. R.M.S. Fernando
Director

Sgd. Sagarika Weeraparackrama
Company Secretary

02nd June 2020

BOARD OF DIRECTORS



VIJAY SHAH
Chairman
Non Executive, Independent Director

Mr. Vijay Shah is a Director at Piramal Enterprises Ltd. He is also Member of Financial Services Advisory Committee, Investment Committee of IndiaRF and the Pharma Operations Board at Piramal Enterprises Ltd. He is also Vice Chairman at Piramal Glass Pvt Ltd. He was appointed to the Board of Piramal Glass Ceylon PLC (Formerly Known as Ceylon Glass Company Ltd) in 1999.

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

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

SANJAY ANAND JAIN
Executive Director & Chief Operating Officer
Executive, Non Independent Director

Mr. Sanjay Anand Jain, former Vice President (Marketing) of Piramal Glass (Private) Limited, India appointed as an Executive, Non independent Director and Chief Operating Officer of the Company with effect from 01st April 2019.

Mr. Sanjay Anand Jain was working with Piramal Glass Pvt. Limited since February 2015 as Vice President – Marketing. He has a vast experience of over 30 years in various industries and 20 years in Glass. He holds a degree in B.E. (Production) with Honors from Mumbai University. He is also a certified Chartered Financial Analyst (CFA) from ICFAI.

Mr Jain has also been trained at Indian Institute of Management- Ahmedabad in senior leadership development program.



C. T. S. BANDULA. 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 is the Current Chairman of Co energy (Pvt) Ltd.

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).



SANJAY TIWARI

Non Executive, Non Independent Director

Sanjay Tiwari is presently the Chief Executive Officer of Piramal Glass USA Inc. He continues to be a Director on the Board of Piramal Glass Ceylon PLC.

Appointed to the Board of Piramal Glass Ceylon PLC in December 2005 as the CEO and Executive Director. Under his leadership, Piramal Glass Ceylon Sales grew from Lkr 1.5 Bn in FY 07 to Lkr 7.39 Bn in FY19 (CAGR of 13%). After his successful stint at Piramal Glass Ceylon, Srilanka and Piramal Glass Pvt Ltd, India, he has been entrusted with the responsibility of US operations with effect from 1st April, 2019.

Mr Tiwari served as the Chief Operating Officer in Piramal Glass (Private) Limited (formerly known as Piramal Glass Limited, India) overseeing the operations of the Plants in Vadodara, Gujarat, India. Joined Piramal Group in June 2004 as Vice President-Finance Commercial, heading Accounts, Finance, IT, Logistics and Supply Chain of Piramal Glass Ltd till November 2005.

Before joining the Piramal Group he worked with Zydus Cadila Healthcare Ltd and Torrent Group as CFO and General Manager Commercial for 12 years. He has 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.

RANJIT. M. S. FERNANDO

Non Executive, Independent Director

Mr.R.M.S.Fernando was first appointed to the Board of Piramal Glass Ceylon PLC (formerly known as the Ceylon Glass Company Ltd), on the 08th of October 2007.

Mr Fernando has had a long and distinguished career in Banking, spending more than a decade each, with three Banks viz The People's Bank, the DFCC Bank, and lastly the state owned National Development Bank (NDB), set up in 1979. In the year 1989, he was appointed the CEO of the NDB, with a seat on its Board. During Mr Fernando's tenure as the CEO, the ownership of the Bank was privatized, and the Bank became one among the largest five market Capitalized Companies quoted on the Colombo Stock Exchange.

Since retiring from Banking service in the year 2001, Mr Fernando was invited by the Government of Sri Lanka, to assume the Post of Secretary to the Ministry of Industrial Policy, Investment Promotion, Entrepreneurship development and Constitutional Affairs. He served in this capacity till the year 2004. In the year following, he was appointed as the Chairman of the Urban Development Authority and later as the Chairman of the National Carrier, Sri Lankan Air Lines. He also served as the Competent Authority for the Ministry of Public Enterprises, directing the restructure/rehabilitation of 26 industrial ventures which had become non-functional.

In addition to serving on the Board of Piramal Glass Ceylon PLC, Mr Fernando is also a Director of ICICI International, a fully owned subsidiary of the ICICI Bank of India, and CBL Investments Ltd, the Holding Company of the diversified Ceylon Biscuits Group of Companies.

Mr Fernando holds a honors degree in Law from the University in Colombo, and is a Fellow of both the Chartered Institute of Management Accountants (UK) and the Chartered Institute of Bankers (UK). He is also a Companion of the Chartered Institute of Management (UK), and an Attorney at Law, with a First-Class pass.



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

Rule No.	Subject	Applicable Requirement	Compliance Status	Details
7.10.1	Non-Executive Directors	At least two non-executive directors or; at least one third of the total number of directors whichever is higher should be Non-Executive Directors.	Compliant	Four out of Five Directors are Non-Executive Directors.
7.10.2 (a)	Independent Directors	Two or one third of Non-Executive Directors, whichever is higher should be independent.	Compliant	Three of the Four Non-Executive Directors are independent.
7.10.2 (b)	Independent Directors	Each Non-Executive Director should submit a declaration of independence / non-independence in the prescribed format.	Compliant	Non-Executive Directors have submitted the declarations.
7.10.3 (a)	Disclosure relating to Directors	Names of independent Directors should be disclosed in the Annual Report.	Compliant	Please refer page 14 in the Annual Report.
7.10.3 (c)	Disclosure relating to Directors	A brief resume of each Director should be included in the Annual Report including the area of Expertise.	Compliant	Please refer page 9-10 in the Annual Report.
7.10.5	Remuneration Committee	A listed company shall have a Remuneration Committee.	Compliant	Names of the members of the Remuneration Committee are available in page 02.
7.10.5 (a)	Composition of Remuneration Committee	Shall comprise of Non-Executive Directors a majority of whom can be independent.	Compliant	Remuneration Committee consists of three Non-Executive Directors of which three are independent.
7.10.5 (b)	Functions of Remuneration Committee	The Remuneration Committee shall recommend the remuneration of Chief Executive Officer and Executive Directors.	Compliant	Please refer the Remuneration Committee Report on page 14.
7.10.5 (c)	Disclosure in the Annual Report relating to Remuneration Committee	The Annual Report should set out;		
		a) Names of Directors comprising the Remuneration Committee.	Compliant	Please refer page 02.
		b) Statement of Remuneration Policy.	Compliant	Please refer the Remuneration Committee Report on page 14 for a brief statement of policy.
		c) Aggregate remuneration paid to Executive & Non-Executive Directors.	Compliant	Please refer page 60
7.10.6	Audit Committee	The Company shall have an Audit Committee.	Compliant	Names of the members of the Audit Committee is available on page 02.
7.10.6 (a)	Composition of Audit Committee	Shall comprise of Non-Executive Directors a majority of whom can be independent.	Compliant	Audit Committee consists of three Non-Executive Directors of which three are independent.
		Chief Executive Officer and the Chief Financial Officer should attend Audit Committee Meetings.	Compliant	CEO/Executive Director and the Financial Controller attend by invitation.
		The Chairman of the Audit Committee or one member should be a member of a professional accounting body.	Compliant	Chairman of the Audit Committee and one member are members of a professional accounting body.
7.10.6 (b)	Audit Committee Functions	Should be as outlined in the Section 7.10.6(b) of the Listing Rules.	Compliant	Please refer page 14.
7.10.6 (c)	Disclosure in the Annual Report relating to Audit Committee	a) Names of the Directors comprising the Audit Committee.	Compliant	Please refer page 02.
		b) The Audit Committee shall make a determination of the independence of the Auditors and disclose the impacts for such determination.	Compliant	Please refer Audit Committee Report on page 14.
		c) The Annual Report shall contain a Report of the Audit Committee setting out the manner of Compliance of the functions.	Compliant	Please refer Audit Committee Report on page 14.

CORPORATE GOVERNANCE Compliance Table (Contd....)

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

Recurrent Related Party Transactions

Name of the Related Party	Relationship	Nature of the Transaction	Aggregate value of RPT entered into during the Financial Year	Aggregate value of RPT as a % of Revenue/ Income	Terms & Conditions of the RPT
Piramal Glass Private Limited	Parent Company	Purchasing of Bottles	Rs. 376,981,810	5.0%	Note 1
		Purchasing of Lids	284,321	0.0%	
		Purchasing of Capital items	1,418,546	0.0%	
		Mould Development Charge	1,748,619	0.0%	Note 2
		Technical Fees	169,929,378	2.3%	
Piramal Glass - USA, Inc.	Fellow Subsidiary	Maintenance Cost for ERP & Network systems	34,776,732	0.5%	Note 2
		Sale of Bottles	9,529,352	0.1%	
		Sale of Bottles	256,497,914	3.4%	Note 1

Note 1 - At terms equivalent to those that prevail in arm's length transactions.

Note 2 - As per the agreement entered into between the two companies.

CORPORATE GOVERNANCE

ATTENDANCE OF DIRECTORS AT MEETINGS

AT BOARD MEETINGS

The Board of the Company met four (04) times during the financial year 2019 - 20 , on the following dates:

(1) 09th May, 2019 (2) 26th July, 2019 (3) 01st November, 2019 (4) 22nd January, 2020

The attendance of the Directors at the Board Meetings and the last Annual General Meeting held on 26th July, 2019 were as under:

Name of Director	Board Meetings		AGM
	Held during their tenure	Attended	
Vijay Shah - Chairman	4	4	✓
Sanjay Jain - Executive Director & COO	4	4	✓
Sanjay Tiwari	4	4	✓
C.T.S.B.Perera	4	4	✓
R.M.S.Fernando	4	4	✓

AT AUDIT COMMITTEE MEETINGS

During the financial year 2019-20, four (04) Audit Committee Meetings were held on the following dates:

(1) 09th May, 2019 (2) 26th July, 2019 (3) 01st November, 2019 (4) 22nd January, 2020

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

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

AT REMUNERATION COMMITTEE MEETINGS

The Remuneration Committee met on 09th May, 2019 for the financial year 2019 - 20.

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

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

AT RELATED PARTY TRANSACTIONS REVIEW COMMITTEE MEETINGS,

During the financial year 2019-20, four (04) RPT Review Committee Meetings were held on the following dates:

(1) 09th May, 2019 (2) 26th July, 2019 (3) 01st November, 2019 (4) 22nd January, 2020

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

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

The Company Secretary is the Secretary to the Committees.

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 Operating 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 COO/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.

The aggregate remuneration paid to Executive and Non Executive Directors are disclosed in page 60. The members of the Remuneration Committee are disclosed in page 02.

Sgd. Vijay Shah
Chairman

02nd June 2020

INDEPENDENT DIRECTORS

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

AUDIT COMMITTEE REPORT

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

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

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

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

Meetings of Audit Committee

Four meetings were held during the year ended 31st March 2020. The Internal Auditors attended four of these meetings.

Internal Auditors

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

External Auditors

The Audit committee reviews the independence and objectivity of the external auditors and conducts a formal review of effectiveness of the external audit process. The committee reviewed the non audit services and its impact on the independence of the external auditors. The Audit Committee has recommended to the Board of Directors that Messers Ernst & Young to be continued as the auditors for the financial year ending 31st March 2021.

Audit Committee Performance

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

Conclusion

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

CORPORATE GOVERNANCE

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

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

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

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

The company has not entered into any Non-recurrent Related Party Transactions during the Financial year 2019-20. All the Recurrent Related Party Transactions entered by the company are disclosed in page 12 in the Annual Report.

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

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

Meeting of the RPT Review Committee

The RPT Review Committee shall meet at least once a calendar quarter. The RPT Review Committee of the company has held four meetings for the quarter ended 31st March 2020.

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

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

Sgd. Vijay Shah
Chairman

02nd June 2020

MATERIAL foreseeable Risk Factors

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

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

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

Operational Risk

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

Credit Risk

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

Liquidity Risk

Liquidity refers to the ability of the Company to meet financial obligations as they become due without affecting the normal

operation. During the year under review Company has successfully met its all financial obligations without affecting its day to day operation.

Interest Rate Risk

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

Legal Risk

Legal risk arises from legal consequences of a transaction or any other legal implications which may result in unexpected losses to the Company. The Company has placed special emphasis on this and has set up of obtaining outside Experts'/ consultants' opinion regularly.

Reputation Risk

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

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

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

DIRECTORS' Responsibilities for the Preparation of Financial Statements

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

The directors are required by relevant statutory provisions to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the company for that period. The Financial Statement for the year 2019/2020 prepared and presented in this Annual report have been prepared based on new Sri Lanka Accounting Standards (SLFRS) which came to effect from 01st January 2012, are in agreement with the underlying books of account and are in conformity with the requirements of the Sri Lanka Accounting Standards, Companies Act No. 7 of 2007, Sri Lanka Accounting and Auditing Standards Act No. 15 of 2000 and the New Listing Rules of the Colombo Stock Exchange. The responsibility of the Directors, in relation to the Financial Statements, is set out in the following statement.

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

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

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

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

The Directors confirm that the best of their knowledge, all statutory payments relating to employees and Government and other Statutory bodies that were due in respect of the company have been paid where relevant or provided for.

The Directors further confirm that the company is compliance with the Listing Rules Pertaining to Related Party Transactions as mentioned in section 9.3.2 of the New Listing Rules. The company has not entered into any Non-recurrent Related Party Transactions during the Financial year 2019-20. All the Recurrent Related Party Transactions entered by the company are disclosed in page 12 in the Annual Report.

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

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

By order of the Board

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

02nd June 2020

Farewell to CEO & Executive Director - Sanjay Tiwari



Recognition & Awards



NCE Export Award 2019 - Most Outstanding Exporter - Runner up Silver Award



CNCI Achiever awards 2019 for Industrial Excellence – Merit Award Winner at National Level Extra Large Category



Installation of 6th Bottle Production Line



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

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

APAG/ADK/DM

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

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Piramal Glass Ceylon PLC ("the Company"), which comprise the statement of financial position as at 31 March 2020, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2020 and its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for opinion

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

Key audit matters

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

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

(Contd...)

Partners: W R H Fernando FCA FCMA R N de Saram ACA FCMA Ms. N A De Silva FCA Ms. Y A De Silva FCA W R H De Silva ACA ACMA W K B S P Fernando FCA FCMA
Ms. K R M Fernando FCA ACMA Ms. L K H L 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 Ludowyke FCA FCMA Ms. G G S Manatunga FCA Ms. P V K N Sajeewani FCA N M Sulaiman ACA ACMA B E Wijesuriya FCA FCMA
Principals: G B Goudian ACMA A A J R Perera ACA ACMA T P M Ruberu FCMA FCCA



Key audit matter	How our audit addressed the key audit matter
Interest Bearing Loans and Borrowings	
<p>As disclosed in Note 9.2, The Company's total interest bearing loans and borrowings amounted to Rs. 3.5Bn, which represents 63% of the total liabilities.</p> <p>As described in the said Note, the Interest bearing loans and borrowings consists of a number of loans requiring compliance with multiple covenants.</p> <p>The Significance of the balance coupled with the compliance with multiple covenants has resulted in Interest Bearing Loans and Borrowings being identified as a Key Audit Matter.</p>	<p>Our audit procedures included the following;</p> <ul style="list-style-type: none"> • We obtained an understanding of the covenants and controls in place relating to external borrowings, by reading the loan agreements and discussing with management. • We validated the Company's level of compliance with relevant covenants. • We also obtained direct confirmations from external lending institutions about compliance by the Company with covenants throughout the period. • We assessed the adequacy of the disclosures made in Note 9.2 to the financial statements relating to the interest bearing loans and borrowings.

Other information included in the Company's 2019/20 Annual Report

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The Management is responsible for the other information. The Company's 2020 Annual Report is expected to be made available for us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

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

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

(Contd...)



Auditor's responsibilities for the audit of the financial statements

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

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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

(Contd...)

**Report on other legal and regulatory requirements**

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

The Institute of CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 1697.



02 June 2020
Colombo

STATEMENT of Profit or Loss and Other Comprehensive Income for the year ended 31 March 2020


	Notes	2020 Rs.	2019 Rs.
Revenue	3.1	7,531,179,030	7,398,270,442
Cost of Sales		(6,118,431,439)	(5,992,657,574)
Gross Profit		1,412,747,591	1,405,612,868
Other Operating Income	4.1	114,935,176	118,521,946
Selling and Distribution Expenses		(200,543,584)	(292,745,445)
Administrative Expenses		(461,169,070)	(385,631,302)
Operating Profit		865,970,113	845,758,067
Finance Costs	4.3	(370,978,596)	(335,966,222)
Finance Income	4.2	414,450	704,203
Profit before Tax	4.4	495,405,967	510,496,048
Income Tax Expense	5.1	(106,417,589)	(164,126,468)
Profit for the Year		388,988,378	346,369,580
Other Comprehensive Income			
Other Comprehensive Income not to be Reclassified to Profit or Loss in Subsequent Years:			
Actuarial Gains/(Losses) on Defined Benefit Plans	15.1	(1,004,167)	9,608,343
Income Tax Effect	5.2	207,762	(2,017,752)
Gain/(Loss) on Financial Investments - Fair Value through Other Comprehensive Income		(339,002)	(1,687,795)
Net Other Comprehensive Income/(Loss) not to be Reclassified to Profit or Loss in Subsequent Years		(1,135,407)	5,902,796
Other Comprehensive Income/(Loss) for the Year Net of Tax		(1,135,407)	5,902,796
Total Comprehensive Income for the Year Net of Tax		387,852,971	352,272,376
Earnings Per Share - Basic/Diluted	6	0.41	0.36
Dividend Per Share		0.18	0.18

The accounting policies and notes on pages 28 through 63 form an integral part of the financial statements.

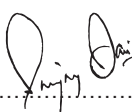
STATEMENT of Financial Position as at 31 March 2020

		2020	2019
ASSETS	Notes	Rs.	Rs.
Non-Current Assets			
Property, Plant and Equipment	7	6,537,771,671	5,992,100,989
Prepaid Lease Rent	7.7	-	21,725,160
Right of Use Assets	8.1	56,229,274	-
Financial Investments	9.1	2,725,478	3,064,480
Other Receivables	11	-	775,000
		<u>6,596,726,423</u>	<u>6,017,665,629</u>
Current Assets			
Inventories	10	2,085,562,627	2,261,390,249
Trade and Other Receivables	11	1,163,031,896	1,537,453,008
Prepayments		7,075,715	12,186,562
Income Tax Receivable		138,466,916	107,945,002
Cash and Short Term Deposits	12	165,710,786	233,351,603
		<u>3,559,847,940</u>	<u>4,152,326,424</u>
Total Assets		<u>10,156,574,363</u>	<u>10,169,992,054</u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	13	1,526,407,485	1,526,407,485
Reserves	14	101,796,682	102,135,684
Retained Earnings		3,041,997,998	2,816,985,748
Total Equity		<u>4,670,202,165</u>	<u>4,445,528,917</u>
Non-Current Liabilities			
Lease Liability	8.2	25,485,206	-
Interest Bearing Loans and Borrowings	9.2	1,638,916,669	1,938,729,583
Deferred Tax Liabilities	5.4	767,412,570	661,202,744
Employee Benefit Liability	15	189,679,772	178,516,826
		<u>2,621,494,217</u>	<u>2,778,449,153</u>
Current Liabilities			
Lease Liability	8.2	11,349,237	-
Trade and Other Payables	16	990,837,984	1,252,445,317
Dividends Payable	17	33,607,881	38,142,160
Interest Bearing Loans and Borrowings	9.2	1,829,082,879	1,655,426,507
		<u>2,864,877,981</u>	<u>2,946,013,984</u>
Total Equity and Liabilities		<u>10,156,574,363</u>	<u>10,169,992,054</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 these financial statements. Signed for and on behalf of the Board by:


 Sanjay Jain
 Director


 C.T.S.B. Perera
 Director

The accounting policies and notes on pages 28 through 63 form an integral part of the financial statements.

02 June 2020
 Colombo

STATEMENT of Changes in Equity for the year ended 31 March 2020

	Stated Capital	Other Reserves		Revaluation Reserves	Retained Earnings	Total
	Rs.	Available for Sale Reserve Rs.	Fair Value Reserve Rs.	RS.	Rs.	Rs.
As at 01 April 2018	1,526,407,485	3,950,916	-	101,072,561	2,632,841,073	4,264,272,035
Impact of Adopting SLFRS 9	-	(3,950,916)	3,950,916	-	-	-
Restated Opening Balance under SLFRS 9	1,526,407,485	-	3,950,916	101,072,561	2,632,841,073	4,264,272,035
Profit for the Year	-	-	-	-	346,369,580	346,369,580
Revaluation Impact Eliminated on Disposal of Property, Plant and Equipment	-	-	-	(1,199,998)	1,199,998	-
Other Comprehensive Income	-	-	(1,687,795)	-	7,590,591	5,902,796
Total Comprehensive Income	-	-	(1,687,795)	(1,199,998)	355,160,169	352,272,376
Dividends Paid	-	-	-	-	(171,015,494)	(171,015,494)
As at 31 March 2019	1,526,407,485	-	2,263,121	99,872,563	2,816,985,748	4,445,528,917
Profit for the Year	-	-	-	-	388,988,378	388,988,378
Other Comprehensive Income	-	-	(339,002)	-	(796,405)	(1,135,407)
Total Comprehensive Income	-	-	(339,002)	-	388,191,973	387,852,971
Dividends Paid	-	-	-	-	(171,015,494)	(171,015,494)
Unclaimed Dividend Write back	-	-	-	-	7,835,772	7,835,772
As at 31 March 2020	1,526,407,485	-	1,924,119	99,872,563	3,041,997,998	4,670,202,165

The accounting policies and notes on pages 28 through 63 form an integral part of the financial statements.

STATEMENT of Cash Flows for the year ended 31 March 2020

	Notes	2020 Rs.	2019 Rs.
Cash Flow from Operating Activities			
Profit before Tax		495,405,967	510,496,048
Non-cash Adjustment to Reconcile Profit before Tax to Net Cash Flows:			
Depreciation of Property, Plant and Equipment	7.2	718,682,873	638,058,207
Amortization of Leasehold Property	8	-	1,105,617
Provision for Employee Benefit Liability	15.1	34,485,359	30,577,130
Provision for slow moving inventories		15,882,285	(31,510,683)
Right of Use Asset - Depreciation		4,925,017	-
Exchange Gain/Loss on Lease Liability		15,676	-
Finance Costs	4.3	370,978,596	335,966,222
Finance Income	4.2	(414,450)	(704,203)
Written back of Unclaimed Dividends		-	(12,916,680)
Loss on Sale of Property, Plant and Equipment		-	(553,882)
Operating Profit before Working Capital Changes		<u>1,639,961,323</u>	<u>1,470,517,776</u>
Working Capital Adjustments:			
(Increase) / Decrease in Inventories		159,945,338	(543,502,826)
(Increase) / Decrease in Trade and Other Receivables and Prepayments		379,158,430	(31,335,858)
Increase / (Decrease) in Trade and Other Payables		<u>(498,254,378)</u>	<u>416,650,962</u>
Cash Generated from Operations		<u>1,680,810,713</u>	<u>1,312,330,054</u>
Economic Service Charge Paid		(30,521,918)	(38,857,802)
Employee Benefit Liability Costs Paid	15.1	(24,326,578)	(18,015,186)
Interest Paid		(369,957,263)	(328,880,898)
Lease Rental Paid	8.2	<u>(6,096,237)</u>	<u>-</u>
Net Cash Flow Generated from Operating Activities		<u>1,249,908,717</u>	<u>926,576,168</u>
Cash Flows from Investing Activities			
Acquisition of Property, Plant and Equipment	7	(1,027,706,511)	(609,462,756)
Proceeds from Sale of Property, Plant and Equipment		-	618,043
Finance Income	4.2	414,450	704,203
Loans & Advances Granted to Company Officers during the Year		(4,448,000)	(4,461,955)
Repayment of Loans & Advances by Company Officers during the Year		<u>5,596,530</u>	<u>8,215,585</u>
Net Cash Flow Generated from/(Used in) Investing Activities		<u>(1,026,143,531)</u>	<u>(604,386,880)</u>
Cash Flows from Financing Activities			
Net Borrowings/(Repayments) of Interest Bearing Short term Loans		406,000,000	(144,000,000)
Borrowings of Interest Bearing Long term Loans	9.3	720,860,000	827,140,000
Repayments of Interest Bearing Long term Loans	9.3	(828,250,000)	(732,583,333)
Dividends Paid	17	<u>(167,714,001)</u>	<u>(169,177,674)</u>
Net Cash Flow Generated from/(Used) in Financing Activities		<u>130,895,999</u>	<u>(218,621,007)</u>
Net Increase in Cash and Cash Equivalents		354,661,185	103,568,281
Cash and Cash Equivalent at the Beginning of the Year	12	<u>(287,412,497)</u>	<u>(390,980,778)</u>
Cash and Cash Equivalent at the End of the Year	12	<u><u>67,248,688</u></u>	<u><u>(287,412,497)</u></u>

The accounting policies and notes on pages 28 through 63 form an integral part of the financial statements.

NOTES to the Financial Statements Year ended 31 March, 2020**1. CORPORATE INFORMATION****1.1 General**

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

1.2 Principal Activities and Nature of Operations

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

1.3 Parent Entity and Ultimate Parent Entity

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

1.4 Directors' Responsibility Statement

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

1.5 Date of Authorization for Issue

The financial statements of Piramal Glass Ceylon PLC for the year ended 31 March 2020 were authorized for issue in accordance with a resolution of the Board of Directors on 02 June 2020

2. BASIS OF PREPARATION**2.1 Statement of Compliance**

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

2.1.1 Basis of Measurement

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

- Debt instruments fair value through Other Comprehensive Income
- Equity instruments fair value through Other Comprehensive Income

2.1.2 Going Concern

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

As COVID 19 pandemic situation is still evolving, it is difficult to fully quantify the future business impact on the company. The Food, Pharmaceutical & Agro Chemical sector industries declared as essential services by the Sri Lanka Government heavily depend on the company for the continuous supply of glass bottles to them. However the closure of Liquor shops did have negative sentiments which we believe would gradually get back to normalcy during the coming financial year. The Exports have also come under pressure due to lockdown situations & the new rules

NOTES to the Financial Statements Year ended 31 March, 2020

& regulations laid down by different countries. Yet the company is optimistic about the future and is working closely with many customers on development of new designs & products.

The Financial year ended 31st March 2020 was impacted only for two weeks due to the pandemic situation. The company had to curtail production for a few weeks as per the government regulations and was back in full operation by mid of May 2020

2.2 Functional and Presentation Currency

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

2.3 Comparative Information

Presentation and classification of the Financial Statements of the previous year have been amended, where relevant for better presentation and to be comparable with those of current year. These have not resulted any change in results of the Company.

SLFRS 16 – Leases SLFRS 16 replaces LKAS 17 for annual periods on or after 1 January 2019. The Company has not restated comparative information for 2019 for Leases in the scope of SLFRS 16. Therefore, the comparative information for 2019 is reported under LKAS 17 and is not comparable to the information presented for 2020.

2.4 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New Accounting Standards/Interpretations effective during the year

The Company has adopted SLFRS16 - Leases, effective for annual periods beginning on or after 01 January 2019, for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard are described below. The Company has not adopted early any other standard, interpretation or amendment that has been issued but is not yet effective.

New and amended standards and interpretations

SLFRS 16 – Leases

SLFRS 16 supersedes LKAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the statement of financial position.

Lessor accounting under SLFRS 16 is substantially unchanged from LKAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in LKAS 17. Therefore, SLFRS 16 did not have an impact for leases where the Company is the lessor.

The Company adopted SLFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Company elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at 1 April 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying LKAS 17 and IFRIC 4 at the date of initial application.

The Company has lease contracts for Board of Investment (BOI) and Others. Before the adoption of SLFRS 16, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. Refer to Note 2.6.5 for the accounting policy prior to 1 January 2019.

Upon adoption of SLFRS 16, the Company applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note 2.6.5 for the accounting policy beginning 1 April 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Company.

NOTES to the Financial Statements Year ended 31 March, 2020**Leases previously classified as finance leases**

For leases that were classified as finance leases applying LKAS 17, the carrying amount of the right of use asset and the lease liability at the date of initial application shall be the carrying amount of the lease asset and lease liability immediately before that date measured applying LKAS 17. For those leases, the Company accounted for the right of use asset and the lease liability applying this Standard from the date of initial application.

Leases previously accounted for as operating leases

The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Company also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

Based on the above, as at 1 January 2019:

- Right-of-use assets of Rs.56 million were recognised and presented in the Statement of Financial Position within "Right-of-use assets".
- Lease liabilities of Rs.37 million were recognised.
- The adoption of SLFRS 16 had no material impact on the Company's retained earnings and no material impact on its Capital Adequacy ratio.

2.5 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS**Estimates and Assumptions**

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

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

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

a) Employee Benefit Liability

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

NOTES to the Financial Statements Year ended 31 March, 2020**b) Transfer Pricing Regulation**

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

c) Deferred Taxes

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

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

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

d) Impairment losses on Trade & Other Receivables

The Company reviews its individually significant Receivables at each reporting date to assess whether an impairment loss should be recorded in the Statement of Profit or Loss. In particular, management's judgment is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the impairment allowance. The Company applies a simplified approach in calculating ECLs for the impairment assessment, due to the adoption of SLFRS 09.

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

The impairment loss on Trade & Other Receivables is disclosed in Note 11.3.

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

As described in 2.6.4 below The Company review the residual values, useful lives and methods of depreciation of Property, Plant and Equipment at each reporting date. Judgment of the management is exercised in the estimation of these values, rates, methods and hence they are subject to uncertainty.

f) Allowance for Slow moving inventories:

A provision for slow moving inventories is recognized based on the best estimates available to management on their future recovery. As Management uses present conditions and historical information as the basis to determine the future recoverability, actual future losses on inventories could vary from the allowance made in these financial statements.

2.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.6.1 Foreign Currency Translation

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rate at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies

NOTES to the Financial Statements Year ended 31 March, 2020

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.

2.6.2 Revenue from Contracts with Customers

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 that are in the scope of SLFRS 15:

a) Sale of Goods

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

b) Interest Income

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

c) Dividends

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

d) Others

Other income is recognized on an accrual basis.

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

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

2.6.3 Taxation**Current Income Tax**

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the Inland Revenue Act No 24 of 2017 and the amendments there to.

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

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

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

NOTES to the Financial Statements Year ended 31 March, 2020

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.

2.6.4 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.

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

NOTES to the Financial Statements Year ended 31 March, 2020**2.6.5 Leases****Policy applicable as of 1 April 2019**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

a. The Company as lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

b. The Company as lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

The right-of-use assets are presented in Note 8.1 are subject to impairment in line with the Company's policy as described in Note 2.6.11 Impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (less any lease incentives receivable), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

Policy applicable before 1 April 2019**Finance and Operating Lease**

The determination of whether an arrangement is a lease or it contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Finance Lease

Agreements which transfer to counterparties substantially all the risks and rewards incidental to the ownership of assets, but not necessarily legal title, are classified as finance leases. When the Company is a lessor under finance

NOTES to the Financial Statements Year ended 31 March, 2020

leases the amounts due under the leases, after deduction of unearned charges, are included in 'Lease Receivable'. The finance income receivable is recognised in 'Net interest income' over the periods of the leases so as to give a constant rate of return on the net investment in the leases.

When the Company is a lessee under finance leases, the leased assets are capitalised and included in 'Property, plant and equipment' and the corresponding liability to the lessor is including 'Other liabilities'. A finance lease and its corresponding liability are recognised initially at the fair value of the asset or, if lower, the present value of the minimum lease payments. Finance charges payable are recognised in 'Net interest income' over the period of the lease based on the interest rate implicit in the lease so as to give a constant rate of interest on the remaining balance of the liability.

Operating Lease

All other leases are classified as operating leases. When acting as lessor, the Company includes the assets subject to operating leases in 'Property, plant and equipment' and accounts for them accordingly. Impairment losses are recognised to the extent that residual values are not fully recoverable and the carrying value of the assets is thereby impaired. When the Company is the lessee, leased assets are not recognised on the Statement of Financial Position. Rentals payable and receivable under operating leases are accounted for on a straight-line basis over the periods of the leases and are included in 'other operating expenses' and 'other operating income', respectively.

2.6.6 Prepaid Lease Rent

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

The prepaid amount represents the payments made to the lessor upfront.

2.6.7 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.

2.6.8 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.

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

NOTES to the Financial Statements Year ended 31 March, 2020

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

The amortization expense on softwares are recognized in the statement of profit or loss in the expense category consistent with the function of the them.

Gains or losses arising from derecognition of a softwares 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.

2.6.9 Financial Instruments**2.6.9.1 Financial Instruments - Initial Recognition and Subsequent Measurement**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

2.6.9.2 Financial Assets***Initial Recognition and Measurement***

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables do not contain a significant financing component. (Refer to the accounting policies in section 2.4 Changes in Accounting Policies and Disclosures.)

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. 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.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Debt instruments at fair value through Other Comprehensive Income (FVTOCI)
- Equity instruments at fair value through Other Comprehensive Income (FVTOCI)
- Financial assets at fair value through profit or loss (unless measured at amortised cost or FVTOCI)

NOTES to the Financial Statements Year ended 31 March, 2020**a) Financial assets at amortised cost (debt instruments)**

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes cash and cash equivalents, trade and other receivables and other financial assets.

b) Financial assets at fair value through Other Comprehensive Income**Equity Instruments**

Investment in equity instruments that are neither held for trading nor contingent consideration recognised by the Company in a business combination to which SLFRS 3 'Business Combination' applies, are measured at fair value through other comprehensive income, where an irrevocable election has been made by management. For portfolios where management does not consider an irrevocable election of adopting fair value through other comprehensive income, by default such investments shall be measured at fair value through profit and loss.

Amounts presented in Other Comprehensive Income are not subsequently transferred to Profit or Loss. Dividends on such investments are recognised in 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.

2.6.9.3 Impairment of Financial Assets

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

NOTES to the Financial Statements Year ended 31 March, 2020**2.6.9.4 Financial Liabilities*****Initial Recognition and Measurement***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of 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 described below:

a) Loans and Borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised 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 amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings. For more information, refer to Note 9.2.

Derecognition

A financial liability is derecognised 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

2.6.9.5 Offsetting of Financial Instruments

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

2.6.9.6 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 (Used when there is no active market)

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 9.8

NOTES to the Financial Statements Year ended 31 March, 2020**2.6.10 Inventories**

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

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

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

2.6.11 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.

2.6.12 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.

NOTES to the Financial Statements Year ended 31 March, 2020

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.

2.6.13 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.

2.6.14 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.

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

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

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

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

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

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

c) Lump-sum Payments to Employees

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

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

The following new accounting standards were issued by the Institute of Chartered Accountants in Sri Lanka which are not yet effective as at 31 March 2020. Accordingly these accounting standards have not been applied in the preparation of the Financial Statements for the year ended 31 March 2020.

NOTES to the Financial Statements Year ended 31 March, 2020

Amendments to SLFRS 3: *Definition of a Business*

In October 2018, the IASB issued amendments to the definition of a business in SLFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. New illustrative examples were provided along with the amendments.

Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Company will not be affected by these amendments on the date of transition.

Amendments to LKAS 1 and LKAS 8: *Definition of Material*

In October 2018, the IASB issued amendments to LKAS 1 Presentation of Financial Statements and LKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

The amendments to the definition of material is not expected to have a significant impact on the Company's financial statements.

NOTES to the Financial Statements Year ended 31 March, 2020**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

	2020	2019
	Rs.	Rs.
Revenue from Sale of Goods (3.2)	7,531,179,030	7,398,270,442
	<u>7,531,179,030</u>	<u>7,398,270,442</u>

3.2 Sale of Goods

Local Sales		
- In House Production	4,584,907,286	3,870,789,942
- Trading	646,343,550	819,252,497
Total Local Sales	<u>5,231,250,836</u>	<u>4,690,042,439</u>
Export Sales		
- In House Production	2,297,011,228	2,701,815,259
- Trading	2,916,966	6,412,744
Total Export Sales	<u>2,299,928,194</u>	<u>2,708,228,003</u>
	<u>7,531,179,030</u>	<u>7,398,270,442</u>

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

	2020	2019
	Rs.	Rs.
Income from Solar Power Generation	83,473,322	85,197,970
Sundry Income	31,461,854	20,281,178
Income from Investments - Quoted	-	126,118
Written back of Unclaimed Dividends	-	12,916,680
	<u>114,935,176</u>	<u>118,521,946</u>

4.2 Finance Income

Interest Income	193,716	152,401
Interest Income on Loans Given to Company Officers	220,734	551,802
	<u>414,450</u>	<u>704,203</u>

4.3 Finance Costs

Interest Expense on Overdrafts	33,634,493	23,633,852
Interest Expense on Short Term Borrowings	75,305,724	60,070,897
Interest Expense on Long Term Borrowings	258,552,506	252,261,473
Interest Expense on Lease Liability	3,485,873	-
	<u>370,978,596</u>	<u>335,966,222</u>

NOTES to the Financial Statements Year ended 31 March, 2020**4. OTHER INCOME/EXPENSES (Contd...)****4.4 Profit Before Tax**

	2020	2019
	Rs.	Rs.
Stated after Charging/(Crediting)		
<i>Included in Cost of Sales</i>		
Depreciation of Property, Plant & Equipment	713,881,792	633,729,805
Personnel Costs including the following;		
- Employee Benefit Plan Costs - Gratuity	30,548,252	26,222,609
- Defined Contribution Plan Costs - EPF & ETF	44,087,119	39,822,159
<i>Included in Administration Expenses</i>		
Directors' Fees and Emoluments	38,386,589	96,900,849
Audit Fees - Charge for the Year	843,203	840,436
- Under/(Over) Provision in respect of Prior Year	(38,201)	-
Technical Fee*	169,929,378	162,450,633
Depreciation of Property, Plant & Equipment	3,815,144	3,226,698
Personnel Costs including the following;		
- Employee Benefit Plan Costs - Gratuity	3,937,107	4,354,521
- Defined Contribution Plan Costs - EPF & ETF	5,265,813	4,485,989
Loss on Sale of Property, Plant and Equipment	-	(553,882)
Donations	922,150	509,500
Exchange (Gain)/Loss	(7,020,919)	(84,552,933)
<i>Included in Selling and Distribution Costs</i>		
Advertising Costs	81,534	2,137,954
Provision for Impairments - Trade Receivables	11,460,529	15,147,571

*Technical Fee represents the amount payable to Piramal Glass Private 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 the Company achieved positive Profit before Royalty fee, Interest, Depreciation and Tax, the amount payable is 2.5% of the Net Sales Value of the locally manufactured products.

NOTES to the Financial Statements Year ended 31 March, 2020**5. INCOME TAX**

The major components of income tax expense for the Years ended 31 March 2020 and 31 March 2019 are:

5.1 Statement of Profit & Loss

	2020	2019
	Rs.	Rs.
Current income tax:		
Current Tax Expense on ordinary Activities for the Year	-	-
Under/(Over) Provision of Current Taxes in respect of Prior Year	-	-
Deferred tax:		
Deferred Taxation Charge/(Reversal)	106,417,589	164,126,468
Income Tax Expense Reported in the Statement of Profit or Loss	<u>106,417,589</u>	<u>164,126,468</u>

5.2 Statement of Other Comprehensive Income

Actuarial Gains/(Losses) on Defined Benefit Plans	(207,762)	2,017,752
Income Tax Charged Directly to Other Comprehensive Income	<u>(207,762)</u>	<u>2,017,752</u>

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

5.3 A Reconciliation between Tax Expense and the Product of Accounting Profit Multiplied by the Statutory Tax Rates for the Years Ended 31 March 2020 and 31 March 2019 are as follows:

	2020	2019
	Rs.	Rs.
Accounting Profit before Income Tax	495,405,967	510,496,048
Aggregate Disallowed Items	814,048,118	692,473,320
Aggregate Allowable Expenses	(694,646,681)	(1,501,381,324)
Taxable Profit/(Loss) from Trade	<u>614,807,404</u>	<u>(298,411,956)</u>
Other Sources of Income		-
Less : Deductions for Assessable Income - Business Losses	(614,807,404)	-
Taxable Income	<u>-</u>	<u>-</u>
Taxable Profits Liabile @ 20%	-	-
Taxable Other Sources of Income Liabile @ 28%	-	-
- Business Profit on manufactured & locally sale	20%	20%
- Trading Profit and Other Sources of Income	28%	28%
Current Income Tax Expense	<u>-</u>	<u>-</u>

NOTES to the Financial Statements Year ended 31 March, 2020**5. INCOME TAX (Contd...)****5.4 Deferred Tax**

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

	2020 Rs.	2019 Rs.
Reconciliation of Net Deferred Tax Liability		
Balance as at the Beginning of the Year	661,202,744	495,058,524
Charged / (Released) to Statement of Profit or Loss	106,417,589	164,126,468
Income Tax Effect Relating to Components of Other Comprehensive Income	(207,762)	2,017,752
Balance as at the End of the Year	<u>767,412,570</u>	<u>661,202,744</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	
	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
Deferred Tax Liability				
Property, Plant and Equipment	825,637,526	838,865,057	(13,227,531)	221,964,365
Tax Effect on Revaluation Reserve	24,545,313	24,545,313	-	-
	<u>850,182,839</u>	<u>863,410,370</u>	<u>(13,227,531)</u>	<u>221,964,365</u>
Deferred Tax Assets				
Employee Benefit Liability	(39,244,745)	(37,488,533)	(1,756,212)	(1,032,303)
Provision for Impairment - Trade Receivables	(13,258,071)	(12,524,449)	(733,622)	2,335,965
Stock Provision	(4,671,159)	(1,405,868)	(3,265,291)	6,527,576
Unabsorbed Tax Losses	(25,596,293)	(150,788,776)	125,192,483	(63,651,383)
	<u>(82,770,269)</u>	<u>(202,207,627)</u>	<u>119,437,358</u>	<u>(55,820,145)</u>
Deferred Income Tax (Income) / Expense reported in the Statement of Profit or Loss			<u>106,417,589</u>	<u>164,126,468</u>
Deferred Income Tax (Income) / Expense reported in the Statement of Other Comprehensive Income			<u>(207,762)</u>	<u>2,017,752</u>
Net Deferred Tax Liability reported in the Statement of Financial Position	<u>767,412,570</u>	<u>661,202,744</u>		

NOTES to the Financial Statements Year ended 31 March, 2020**6. EARNINGS PER SHARE**

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

	2020	2019
	Rs.	Rs.
Amount Used as the Numerator:		
Net Earnings Attributable to Equity Shareholders	388,988,378	346,369,580
Number of Ordinary Shares Used as the Denominator:	Number	Number
Weighted Average Number of Ordinary Shares in Issue	950,086,080	950,086,080

7. PROPERTY, PLANT AND EQUIPMENT

7.1 At Cost	Balance as at 01.04.2019 Rs.	Additions During the Year Rs.	Transfers During the Year Rs.	Discarded During the Year Rs.	Balance as at 31.03.2020 Rs.
Freehold Land	132,870,000	-	-	-	132,870,000
Buildings	1,902,437,734	153,473,619	173,457,927	-	2,229,369,280
Plant and Machinery	4,571,106,647	756,993,625	155,606,532	(152,874,325)	5,330,832,479
Electrical Power Installation	871,565,691	23,537,009	26,510,203	(5,112,090)	916,500,813
Furnace	1,523,603,430	113,257,282	4,056,505	-	1,640,917,217
Motor Vehicles	38,626,707	196,500	-	-	38,823,207
Tools and Implements	37,634,226	4,734,455	461,269	-	42,829,951
Office Equipments	226,524,708	23,805,513	24,311,136	-	274,641,357
Gas Station	21,116,708	-	-	-	21,116,708
Solar Power Generation	369,166,560	12,230,361	-	-	381,396,921
Commercial Moulds	348,423,234	83,501,600	5,279,787	(42,359,190)	394,845,431
	10,043,075,645	1,171,729,965	389,683,358	(200,345,605)	11,404,143,363
In the Course of Construction					
Capital Work-in-Progress	405,055,500	92,623,591	(389,683,358)	-	107,995,733
	405,055,500	92,623,591	(389,683,358)	-	107,995,733
Total Gross Carrying Amount	10,448,131,145	1,264,353,556	-	(200,345,605)	11,512,139,096
7.2 Depreciation	Balance as at 01.04.2019 Rs.	Charge for the Year Rs.	Transfers During the Year Rs.	Discarded During the year Rs.	Balance as at 31.03.2020 Rs.
Buildings	463,177,557	51,686,618	-	-	514,864,175
Plant and Machinery	2,521,408,876	310,061,349	-	(152,874,325)	2,678,595,900
Electrical Power Installation	544,818,152	36,368,328	-	(5,112,090)	576,074,390
Furnace	525,980,142	184,704,652	-	-	710,684,794
Motor Vehicles	37,370,844	278,927	-	-	37,649,771
Tools and Implements	22,026,704	3,194,591	-	-	25,221,295
Office Equipment	161,205,476	23,513,748	-	-	184,719,224
Gas Station	7,951,816	527,917	-	-	8,479,733
Solar Power Generation	28,330,759	22,166,026	-	-	50,496,785
Commercial Moulds	143,759,830	86,180,718	-	(42,359,190)	187,581,358
	4,456,030,156	718,682,873	-	(200,345,605)	4,974,367,425
Total Depreciation	4,456,030,156	718,682,873	-	(200,345,605)	4,974,367,425

NOTES to the Financial Statements Year ended 31 March, 2020**7. PROPERTY, PLANT AND EQUIPMENT (Contd...)****7.3 Net Book Values**

	2020	2019
At Cost	Rs.	Rs.
Freehold Land	132,870,000	132,870,000
Buildings	1,714,505,105	1,439,260,177
Plant and Machinery	2,652,236,579	2,049,697,771
Electrical Power Installation	340,426,423	326,747,539
Furnace	930,232,423	997,623,288
Motor Vehicles	1,173,436	1,255,863
Tools and Implements	17,608,656	15,607,522
Office Equipment	89,922,132	65,319,232
Gas Station	12,636,975	13,164,892
Solar Power Generation	330,900,137	340,835,801
Commercial Moulds	207,264,072	204,663,404
	<u>6,429,775,938</u>	<u>5,587,045,489</u>
In the Course of Construction		
Capital Work-in-Progress	107,995,733	405,055,500
Total Carrying Amount of Property, Plant and Equipment	<u>6,537,771,671</u>	<u>5,992,100,989</u>

7.4 The Rates of Depreciation is Estimated as follows; (Straight line basis)

Buildings	2.5% on cost	2.5% on cost
Plant and Machinery	7.5% on cost	7.5% on cost
Electrical Power Installation	5% on cost	5% on cost
Furnace - Steel	7.5% on cost	7.5% on cost
- Refractories	12.5% on cost	12.5% on cost
Motor Vehicles	15% on cost	15% on cost
Tools and Implements	10% on cost	10% on cost
Office Equipment - Furniture	10% on cost	10% on cost
- IT Related Equipment	12.5% & 25% on cost	12.5% & 25% on cost
- Laptops	33 1/3% on cost	33 1/3% on cost
Gas Station	2.5% on cost	2.5% on cost
Solar Power Generation	5% & 7.5% on cost	5% & 7.5% on cost
Commercial Moulds	25% on cost	25% on cost

7.5 Property, Plant and Equipment includes fully depreciated assets having a gross carrying amount of Rs 567,774,342/- (As at 31 March 2019 Rs. 661,667,778/-).

7.6 Intangible Assets

Intangible Assets having a gross carrying amount of Rs. 25,189,128 is fully amortized as at 31 March 2020 and 31 March 2019.

NOTES to the Financial Statements Year ended 31 March, 2020**7.7 PREPAID LEASE RENT**

	2020 Rs.	2019 Rs.
Cost		
Balance at the Beginning of the Year	39,696,684	39,696,684
Transferred to RoU Asset - Adoption of SLFRS 16 (Note 8.1)	(34,275,875)	-
Balance at the End of the Year	5,420,809	39,696,684
Amortization and Impairment		
Balance at the Beginning of the Year	17,971,524	16,865,907
Transferred to RoU Asset - Adoption of SLFRS 16 (Note 8.1)	(12,550,715)	-
Charge for the Year	-	1,105,617
Balance at the End of the Year	5,420,809	17,971,524
Net Value	-	21,725,160

8. INITIAL APPLICATION OF SLFRS 16 - LEASES

The Company as a lessee has applied SLFRS 16 as initial application with effect from 01st January 2019 using the modified retrospective approach (Cumulative Catchup - Transition Method) and therefore the comparative information has not been restated and continues to be reported under LKAS 17. At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether:

- the contract involves the use of an identified asset
- the company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the company has the right to direct the use of the asset

The right of use assets of the company consist of factory land and building on rent which were previously recognised as operating leases under LKAS 17.

8.1 Right of Use Asset

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability (present value of future lease payments discounted using the Company's incremental borrowing rate) adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The movement of right of use lease assets of the company is as follows;

At Gross Value	Balance As at 01.04.2019 Rs.	Transfers from Lease Prepayment Rs.	Additions Rs.	Advance Payment for Leases Rs.	Balance As at 31.03.2020 Rs.
Buildings - Residential Apartments	-	-	4,342,351	-	4,342,351
Vehicle - Rental Vehicle	-	-	3,256,764	-	3,256,764
Land and Building - Factory 152	25,476,737	26,647,400	-	-	52,124,137
Land and Building - Factory 15	6,296,497	7,560,000	-	-	13,856,497
Land and Building - Factory 17	56,782	68,475	-	-	125,257
	31,830,016	34,275,875	7,599,115	-	73,705,006
Depreciation	Balance As at 01.04.2019 Rs.	Transfers from Lease Prepayment Rs.	Charge during the year Rs.	De- recognition Rs.	Balance As at 31.03.2020 Rs.
Buildings - Residential Apartments	-	-	1,447,450	-	1,447,450
Vehicle - Rental Vehicle	-	-	678,492	-	678,492
Land and Building - Factory 152	-	11,281,949	2,365,159	-	13,647,108
Land and Building - Factory 15	-	1,261,085	431,265	-	1,692,350
Land and Building - Factory 17	-	7,681	2,651	-	10,332
	-	12,550,715	4,925,017	-	17,475,732

NOTES to the Financial Statements Year ended 31 March, 2020**8. INITIAL APPLICATION OF SLFRS 16 - LEASES (Contd...)**

Net book values	2020 Rs.	2019 Rs.
Buildings - Residential Apartments	2,894,901	-
Vehicle - Rental Vehicle	2,578,271	-
Land and Building - Factory 152	38,477,028	-
Land and Building - Factory 15	12,164,147	-
Land and Building - Factory 17	114,927	-
	<u>56,229,274</u>	<u>-</u>

The Rates of Amortization is Estimated as follows; (Straight line basis)

	2020	2019
Buildings - Residential Apartments	2 Years	-
Vehicle - Rental Vehicle	2 Years	-
Land and Building - Factory 152	30 Years	-
Land and Building - Factory 15	35 Years	-
Land and Building - Factory 17	50 Years	-

8.2 Lease Liability/Lease Creditor

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate can not be readily determined, the company's incremental borrowing rate. The movement of Lease creditor for the period is as follows;

	Balance As at 01.04.2019 Rs.	Additions Rs.	Interest Expense Recognized in Profit or Loss Rs.	Realization of Liability Rs.	Exchange Gain/Loss Rs.	Balance As at 31.03.2020 Rs.
Buildings - Residential Apartments	-	4,342,351	254,042	(1,600,000)	-	2,996,393
Vehicle - Rental Vehicle	-	3,256,764	127,507	(750,000)	-	2,634,271
Land and Building - Factory 152	25,476,737	-	2,482,685	(3,084,380)	12,926	24,887,968
Land and Building - Factory 15	6,296,497	-	615,966	(656,114)	2,750	6,259,099
Land and Building - Factory 17	56,782	-	5,673	(5,743)	-	56,712
	<u>31,830,016</u>	<u>7,599,115</u>	<u>3,485,873</u>	<u>(6,096,237)</u>	<u>15,676</u>	<u>36,834,443</u>
				Amount repayable within 1 year Rs.	Amount repayable after 1 year Rs.	Total Rs.
Buildings - Residential Apartments				2,593,064	403,330	2,996,394
Vehicle - Rental Vehicle				1,988,296	645,975	2,634,271
Land and Building - Factory 152				5,491,140	19,396,827	24,887,967
Land and Building - Factory 15				1,265,328	4,993,771	6,259,099
Land and Building - Factory 17				11,409	45,303	56,712
				<u>11,349,237</u>	<u>25,485,206</u>	<u>36,834,443</u>

NOTES to the Financial Statements Year ended 31 March, 2020**9. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES****9.1 Financial Investments**

	2020		2019	
	No. of Shares	Rs.	No. of Shares	Rs.
Quoted Investments				
DFCC Bank PLC	36,064	2,185,478	36,064	2,524,480
Unquoted Investments				
Centre for Technical Excellence in Ceramics - CENTEC Limited	54,000	540,000	54,000	540,000
Total	<u>90,064</u>	<u>2,725,478</u>	<u>90,064</u>	<u>3,064,480</u>

9.2 Interest Bearing Loans and Borrowings

	2020			2019		
	Amount Repayable Within 1 Year Rs.	Amount Repayable After 1 Year Rs.	Total Rs.	Amount Repayable Within 1 Year Rs.	Amount Repayable After 1 Year Rs.	Total Rs.
Long Term Loans (9.4)	364,703,412	866,666,670	1,231,370,082	173,988,106	563,479,583	737,467,689
Project Loan (9.5)	605,415,000	772,249,999	1,377,664,999	606,475,068	1,375,250,000	1,981,725,068
Short Term Loans (9.6)	760,502,369	-	760,502,369	354,199,233	-	354,199,233
Bank Overdrafts (12.2)	98,462,098	-	98,462,098	520,764,100	-	520,764,100
	<u>1,829,082,879</u>	<u>1,638,916,669</u>	<u>3,467,999,548</u>	<u>1,655,426,507</u>	<u>1,938,729,583</u>	<u>3,594,156,091</u>

9.3 Interest Bearing Loans and Borrowings

	Balance as at 01.04.2019 Rs.	New Loans Obtained Rs.	Repayments Rs.	Accrued Interest Rs.	Balance as at 31.03.2020 Rs.
Long Term Loans (9.4)	737,467,690	720,860,000	(225,250,000)	(1,707,608)	1,231,370,082
Project Loan (9.5)	1,981,725,068	-	(603,000,000)	(1,060,069)	1,377,664,999
Short Term Loans (9.6)	354,199,233	3,456,045,000	(3,050,045,000)	303,136	760,502,369
	<u>3,073,391,991</u>	<u>4,176,905,000</u>	<u>(3,878,295,000)</u>	<u>(2,464,541)</u>	<u>3,369,537,450</u>

9.4 Long Term Loans**(a) Term Loan Facility - Rs. 50Mn**

	Commercial Bank of Ceylon PLC Rs.	Total Rs.
As at 01 April 2019	12,522,175	12,522,175
Repayments	(12,500,000)	(12,500,000)
Accrued Interest	(22,175)	(22,175)
As at 31 March 2020	<u>-</u>	<u>-</u>

NOTES to the Financial Statements Year ended 31 March, 2020**9. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES (Contd...)**

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

(b) Term Loan Facility - Rs. 500 Mn

	ICICI Bank Limited Rs.	Hatton National Bank PLC Rs.	Total Rs.
As at 01 April 2019	397,608,335	-	397,608,335
Repayments	(90,416,667)	-	(90,416,667)
Accrued Interest	(2,191,668)	-	(2,191,668)
	305,000,000	-	305,000,000
Balance Take over by Hatton National Bank PLC	(305,000,000)	305,000,000	-
Repayments		(25,500,000)	(25,500,000)
Accrued Interest	-	163,871	163,871
As at 31 March 2020	-	279,663,871	279,663,871

* ICICI Bank has ceased its operations in Colombo and discontinued banking services to its customers in Sri Lanka. Accordingly outstanding term loan balance payable to ICICI Bank Limited as of 30th December 2019 has been taken over by Hatton National Bank PLC under the following terms and conditions.

Interest Rate	10.7% p.a. (Fixed Rate)
Repayment Terms	To be repaid in 03 years in 35 equal monthly installments of Rs.8.5Mn each and a final installment of Rs.7.5Mn plus interest.
Tenor	03 Years
Purpose	To take over Solar Loan facility outstanding from ICICI Bank
Security	Clean

(c) Term Loan Facility - Rs. 1,048 Mn

	State Bank of India Rs.	Total Rs.
As at 01 April 2019	327,337,180	327,337,180
New Loans Obtained	720,860,000	720,860,000
Repayments	(96,833,333)	(96,833,333)
Accrued Interest	342,364	342,364
As at 31 March 2020	951,706,211	951,706,211

Interest Rate	11% p.a. (Fixed Rate)
Repayment Terms	48 equal monthly installments commence after 12 months moratorium period which starts immediately after the first disbursement
Tenor	05 Years ((including grace period))
Purpose	To finance additional production line
Security	Plant & Machinery which will be purchased out of term loan fund

NOTES to the Financial Statements Year ended 31 March, 2020**9. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES (Contd...)****9.5 Project Loan - Relining & Modernization of Furnace****(a) Loan Amount - Rs. 2,000 Mn (Floating rate)**

	Commercial Bank of Ceylon PLC	Total
	Rs.	Rs.
As at 01 April 2019	1,265,240,527	1,265,240,527
Repayments	(402,000,000)	(402,000,000)
Accrued Interest	(713,137)	(713,137)
As at 31 March 2020	<u>862,527,390</u>	<u>862,527,390</u>
Interest Rate	AWPLR + 0.5% (Monthly Review) (Cap rate 9.25% per annum & Floor rate 7.4% per annum)	
Repayment Terms	59 equal monthly installments of Rs. 33,500,000/- each and a final installment of Rs. 23,500,000/- followed by the grace period of 1 1/2 years from the first drawdown.	
Tenor	06 1/2 Years (including grace period)	
Security	New furnace plant, machinery & equipment together with land & building at Wagawatta Industrial Park, Horana.	

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

	Commercial Bank of Ceylon PLC	Total
	Rs.	Rs.
As at 01 April 2019	716,484,541	716,484,541
Repayments	(201,000,000)	(201,000,000)
Accrued Interest	(346,932)	(346,932)
As at 31 March 2020	<u>515,137,609</u>	<u>515,137,609</u>
Interest Rate	9% per annum (Fixed)	
Repayment Terms	59 equal quarterly installments of Rs. 16,750,000/- each & Rs. 11,750,000 as final installment followed by the grace period of 1 1/2 years from the first draw-down.	
Tenor	06 1/2 Years (including grace period)	
Purpose	New furnace plant, machinery & equipment together with land & building at Wagawatta Industrial Park, Horana.	

9.6 Short Term Loan

	Citi Bank	Peoples' Bank	Commercial Bank of Ceylon PLC	Standard Chartered Bank	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
As at 01 April 2019	-	-	-	354,199,233	354,199,233
New Loans Obtained	673,045,000	500,000,000	1,045,000,000	1,238,000,000	3,456,045,000
Repayments	(523,045,000)	(500,000,000)	(849,000,000)	(1,178,000,000)	(3,050,045,000)
Accrued Interest	560,959	-	331,518	(589,341)	303,136
As at 31 March 2020	<u>150,560,959</u>	<u>-</u>	<u>196,331,518</u>	<u>413,609,892</u>	<u>760,502,369</u>

NOTES to the Financial Statements Year ended 31 March, 2020**9. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES (Contd...)****9.7 Fair Values**

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

Long term Borrowings mainly consists of floating rate borrowings. Accordingly fair value does not materially deviate from the carrying value.

9.8 Fair Value Hierarchy

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

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

Fair value are determined according to the following hierarchy.

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

As at 31 March 2020, the Company held the following financial instruments carried at fair value on the statement of financial position.

Assets Measured at Fair Value	2020 Rs.	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.
Equity Instruments at FVTOCI				
Quoted Equity Shares	2,185,478	2,185,478	-	-
	<u>2,185,478</u>	<u>2,185,478</u>	<u>-</u>	<u>-</u>

During the reporting year ending 31 March 2020 and 31 March 2019, there were no transfers between Level 1 and Level 2 fair value measurements.

10. INVENTORIES

	2020 Rs.	2019 Rs.
Raw/Packing Materials	457,120,695	380,643,138
Work in Progress	15,660,166	10,886,939
Finished Goods	930,959,687	729,439,211
Consumables and Spares	693,743,874	1,145,991,361
Stock in Transit	10,655,100	1,124,211
Less: Obsolete and Slow Moving Inventory	(22,576,895)	(6,694,611)
	<u>2,085,562,627</u>	<u>2,261,390,249</u>

NOTES to the Financial Statements Year ended 31 March, 2020**11. TRADE AND OTHER RECEIVABLES**

		2020	2019
		Rs.	Rs.
Trade Receivables	- Related Party (11.1)	58,095,700	189,064,449
	- Others	1,087,742,146	1,258,590,275
Less : Provision for Impairments		(64,079,612)	(59,640,235)
		<u>1,081,758,234</u>	<u>1,388,014,489</u>
Other Receivables	- Related Party (Piramal Glass USA Inc)	396,142	-
Advances and Deposits		76,759,698	144,947,167
Loans to Company Officers	- Current	4,117,822	4,491,352
	- Non Current	-	775,000
		<u>1,163,031,896</u>	<u>1,538,228,008</u>
Total Current		1,163,031,896	1,537,453,008
Total Non - Current		-	775,000
		<u>1,163,031,896</u>	<u>1,538,228,008</u>

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

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

	Relationship		
Piramal Glass USA Inc	Fellow Subsidiary	54,696,954	185,527,827
Piramal Glass Private Limited	Parent Company	3,398,746	3,413,613
Piramal Enterprises Limited	Other Related Company	-	123,009
		<u>58,095,700</u>	<u>189,064,449</u>

11.2 As at 31 March 2020 and 31 March 2019, the ageing analysis of trade receivables, is as follows:

		Past Due				
	Neither Past					
	Total	Due nor	< 60	61-120	121-180	> 180
	Rs.Mn	Impaired	Days	Days	Days	Days
	Rs.Mn	Rs.Mn	Rs.Mn	Rs.Mn	Rs.Mn	Rs.Mn
As at 31 March 2020	1,146	620	501	20	1	4
As at 31 March 2019	1,448	1,113	304	31	-	-

11.3 Provision for Impairments

	2020	2019
	Rs.	Rs.
Balance as at beginning of the year	(59,640,235)	(71,563,689)
(Provision)/Reversal for Bad & Doubtful Debts	(11,460,529)	(15,147,571)
Written off During the Year	7,021,152	27,071,025
Balance as at end of the year	<u>(64,079,612)</u>	<u>(59,640,235)</u>

NOTES to the Financial Statements Year ended 31 March, 2020**12. CASH AND SHORT TERM DEPOSITS**

	2020	2019
	Rs.	Rs.
12.1 Favourable Cash and Cash Equivalent Balances		
Cash at Bank and on Hand	165,710,786	233,351,603
	<u>165,710,786</u>	<u>233,351,603</u>
12.2 Unfavourable Cash and Cash Equivalent Balances		
Bank Overdraft (9.2)	(98,462,098)	(520,764,100)
Cash and Cash Equivalents for the Purpose of Cash Flow Statement	<u>67,248,688</u>	<u>(287,412,497)</u>

13. STATED CAPITAL

	2020	2019	2020	2019
	Number	Number	Rs.	Rs.
13.1 Ordinary Shares	950,086,080	950,086,080	1,526,407,485	1,526,407,485

13.2 Rights, Preference and Restrictions of Classes of Capital

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

14. OTHER RESERVES

	2020	2019
	Rs.	Rs.
Revaluation Reserve (14.1)	99,872,563	99,872,563
Fair Value Reserve	1,924,119	2,263,121
	<u>101,796,682</u>	<u>102,135,684</u>
14.1 Revaluation Reserve		
Balance as at beginning of the year	99,872,563	101,072,561
Revaluation Impact Eliminated on Disposal of Property, Plant and Equipment	-	(1,199,998)
Balance as at end of the year	<u>99,872,563</u>	<u>99,872,563</u>

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

15. EMPLOYEE BENEFIT LIABILITY

	2020	2019
	Rs.	Rs.
15.1 Defined Benefit Obligation		
Changes of the defined benefit obligation are as follows:		
Balance at the Beginning of the Year	178,516,826	175,563,225
Interest Cost	20,261,657	18,434,139
Current Service Cost	14,223,700	12,142,991
Actuarial (Gains) / Losses on Obligation	1,004,167	(9,608,343)
Benefits Paid during the Year	(24,326,578)	(18,015,186)
Balance at the End of the Year	<u>189,679,772</u>	<u>178,516,826</u>

NOTES to the Financial Statements Year ended 31 March, 2020**15. EMPLOYEE BENEFIT LIABILITY (Contd...)**

15.2 M/S Actuarial and Management Consultants (Pvt) Ltd, Actuaries carried out an actuarial valuation for defined benefit plan for the year ended 31 March 2020. The actuarial valuation involves making assumptions about discount rate, average expected future working lives, salary escalation rate, promotion rates and mortality rates. The key assumptions used by the actuary include the following.

	2020	2019
Method of actuarial valuation:	Projected Unit Credit method	Projected Unit Credit method
Discount rate:	9.82%	11.35%
Retirement age:	55 Years	55 Years
Salary Escalation Rate		
Non Executive	10%	10%
Executive	12%	12%
Attrition Rate:		
Non Executive	3%	3%
Executive	8%	8%
Expected future working life (No of Years)		
Non Executive	13.59	13.72
Executive	7.99	7.90
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, 2020

15. EMPLOYEE BENEFIT LIABILITY (Contd...)

15.3 Changes in the Defined Benefit Obligation

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

2020	Amounts Charged to Profit or Loss				Remeasurement Gains/(Losses) in Other Comprehensive Income			
	01 April 2019	Service Cost	Interest Cost	Sub Total included in Profit or Loss	Actuarial Changes arising from Demographic Assumptions	Actuarial Changes arising from Changes in Financial Assumptions	Experience Adjustments	Subtotal Included in OCI
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Defined Benefit Obligation	178,516,826	14,223,700	20,261,657	34,485,357	-	14,611,750	(13,607,583)	1,004,167
Benefit Liability	178,516,826	14,223,700	20,261,657	34,485,357	-	14,611,750	(13,607,583)	1,004,167
								189,679,772
								189,679,772
2019	Amounts Charged to Profit or Loss				Remeasurement Gains/(Losses) in Other Comprehensive Income			
	01 April 2018	Service Cost	Interest Cost	Sub Total included in Profit or Loss	Actuarial Changes arising from Demographic Assumptions	Actuarial Changes arising from Changes in Financial Assumptions	Experience Adjustments	Subtotal Included in OCI
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Defined Benefit Obligation	175,563,223	12,142,991	18,434,139	30,577,130	(12,119)	(3,116,172)	(6,480,050)	(9,608,341)
Benefit Liability	175,563,223	12,142,991	18,434,139	30,577,130	(12,119)	(3,116,172)	(6,480,050)	(9,608,341)
								178,516,826
								178,516,826

NOTES to the Financial Statements Year ended 31 March, 2020**15. EMPLOYEE BENEFIT LIABILITY (Contd...)****15.4 Sensitivity of Assumptions Employed in Actuarial Valuation**

The following table demonstrates the sensitivity to a reasonable possible change in the key assumptions employed with all other variables held constant in the employment benefit liability measurement, in respect of the year 2020.

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

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

		Increase	Decrease
		Rs.	Rs.
2020	Effect on the defined benefit obligation	13,055,931	(11,772,159)
2019	Effect on the defined benefit obligation	10,953,868	(9,964,598)

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

		Increase	Decrease
		Rs.	Rs.
2020	Effect on the defined benefit obligation	(11,000,595)	12,425,183
2019	Effect on the defined benefit obligation	(9,130,985)	10,205,744

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

	2020	2019
	Rs.	Rs.
Within the Next 12 Months	22,655,457	28,422,611
Between 1 and 6 Years	87,474,124	87,542,110
Between 6 and 10 Years	33,976,864	27,810,343
Beyond 10 years	45,573,327	34,741,761
	<u>189,679,772</u>	<u>178,516,826</u>

16. TRADE AND OTHER PAYABLES

		2020	2019
		Rs.	Rs.
Trade Payable	- Related Party (16.1)	110,937,544	117,937,423
	- Others	494,693,359	260,342,342
Other Payables	- Related Party (16.2)	103,527,914	30,086,383
	- Others	46,356,325	466,961,045
Sundry Creditors including Accrued Expenses		235,322,842	377,118,124
		<u>990,837,984</u>	<u>1,252,445,317</u>

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

NOTES to the Financial Statements Year ended 31 March, 2020**16. TRADE AND OTHER PAYABLES (Contd...)**

16.1 Trade Payables to Related Party	Relationship	2020 Rs.	2019 Rs.
Piramal Glass Private Limited	Parent Company	110,937,544	117,937,423
		<u>110,937,544</u>	<u>117,937,423</u>

16.2 Other Payables - Related Party	Relationship	2020 Rs.	2019 Rs.
Piramal Glass Private Limited	Parent Company	103,527,914	30,086,383
		<u>103,527,914</u>	<u>30,086,383</u>

17. DIVIDENDS PAID AND PAYABLE

	2020 Rs.	2019 Rs.
Declared and Paid during the Year		
Equity Dividends on Ordinary Shares		
- Final dividend for 2019 Rs. 0.18 : (2018 Rs. 0.18)	171,015,494	171,015,494
	<u>171,015,494</u>	<u>171,015,494</u>
Dividends Payable as at the end of the Year		
As at the beginning of the year	38,142,160	49,221,020
Dividends Declared during the year	171,015,494	171,015,494
Dividends Paid during the year	(167,714,001)	(169,177,674)
Written back of Unclaimed Dividends	(7,835,772)	(12,916,680)
As at the end of the year	<u>33,607,881</u>	<u>38,142,160</u>

NOTES to the Financial Statements Year ended 31 March, 2020**18. RELATED PARTY DISCLOSURES**

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

18.1 Transaction with Group Companies

Name of Company	Relationship	2020	2019
Piramal Glass Private Limited	Parent Company	Rs.	Rs.
Nature of Transactions			
Purchasing of Bottles		366,326,710	543,654,499
Purchasing of Bottles - In Transit		10,655,100	1,124,211
Purchasing of Lids		284,321	476,628
Purchasing of Moulds		-	8,205,753
Mould Development Charge		1,748,619	-
Purchasing of Capital items		1,418,546	748,783
Technical Fees		169,929,378	162,450,633
Maintenance Cost for ERP & Network systems*		34,776,732	-
Nature of Transaction			
Sale of Bottles		9,529,352	27,758,259
Name of Company			
Piramal Glass - USA, INC.	Fellow Subsidiary		
Nature of Transaction			
Sale of Bottles		256,497,914	376,260,578

The amounts payable to the above related party as at 31 March 2020 and 31 March 2019 are disclosed in Notes 16.1 and 16.2 and amounts receivable from the above related parties as at 31 March 2020 and 31 March 2019 are disclosed in Note 11.1.

Transactions with related parties are carried out in the ordinary course of the business. Outstanding current account balances at the year end are unsecured and interest free.

*ERP & Network system maintenance cost includes expenses incurred for Software licenses, regular system maintenance & support services, new developments and Digital service charges.

18.2 Transactions with Directors/Key Management Personnel *

	2020	2019
	Rs.	Rs.
Short term Employee Benefits	38,386,589	96,900,849
Post - Employment Benefits	-	-
Other Long term Benefits	-	-
Termination Benefits	-	-
Share Based Payments	-	-
Total Compensation paid to Key Management Personnel	38,386,589	96,900,849

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

NOTES to the Financial Statements Year ended 31 March, 2020**19. COMMITMENTS AND CONTINGENCIES****19.1 Capital Expenditure Commitments**

The Company has commitments for acquisition of property, plant and equipment incidental to the ordinary course of business as at 31 March 2020 are as follows:

	2020	2019
	Rs.Mn	Rs.Mn
Contracted but not Provided	37	129
Authorized by the Board, but not Contracted for	28	406
	<u>65</u>	<u>535</u>

19.2 Contingent Liabilities

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

20. ASSETS PLEDGED

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

Nature of Assets	Nature of Liability	Carrying Value of Assets Pledged	
		2020	2019
		Rs. Mn	Rs. Mn
Immovable Properties	First/Secondary Mortgage for Loans and Borrowings	3,714	3,586
		<u>3,714</u>	<u>3,586</u>

21. EVENTS OCCURRING AFTER THE REPORTING DATE

- 21.1** Subsequent to the outbreak of the Coronavirus Disease 2019 ("COVID-19 outbreak") in early 2020, a series of measures to curb the COVID-19 outbreak have been taken and continues to be implemented by the Government of Sri Lanka. The Company will continue to pay close attention to the development of COVID-19 outbreak and its related impact on the Company's businesses and financials. As at the date of the financial statements, there is a drop in sales for the financial year ended 31 March 2020 and had an adverse effect on the financial statements as well.

The Government interventions including the curfew has resulted in contraction in our revenue. Since the Food, Pharmaceutical & Agro Chemical sector industries declared as essential services by the Sri Lanka Government, Company's heavily depend to continuous supply of glass bottles to them. The ultimate extent of the impact of the COVID-19 outbreak on our business, financial condition, liquidity, results of operations and prospects will depend on future developments, which are uncertain and cannot be predicted with confidence, including the duration of the outbreak, the short-term and long-term economic impact of the outbreak, the severity of the virus and the actions taken to contain the virus or treat, among others.

- 21.2** Board of Directors of the Company has proposed the first and final dividend of Rs. 0.20 cents per share for the financial year ended 31 March 2020.

NOTES to the Financial Statements Year ended 31 March, 2020**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, and financial investments.

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 year is as follows.

	Increase/(Decrease) in Interest Rate	Effect on Statement of Profit or Loss	Effect on Statement of Financial Position
		Rs.	Rs.
2020	1%	(37,796,571)	(37,796,571)
	-1%	37,796,571	37,796,571
2019	1%	(32,844,392)	(32,844,392)
	-1%	32,844,392	32,844,392

22.1.4 Exchange Rate Risk

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

NOTES to the Financial Statements Year ended 31 March, 2020**22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd...)**

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

	Increase/(Decrease) in Exchange Rate	Effect on Statement of Profit or Loss	Effect on Statement of Financial Position
		Rs.	Rs.
2020	1%	(70,366)	(70,366)
	-1%	70,366	70,366
2019	1%	(845,529)	(845,529)
	-1%	845,529	845,529

22.1.5 Liquidity Risk

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

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

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

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

The Below table summarises the maturity profile of the Company's financial liabilities as at 31 March 2020.

Type of Loan	1 - 6 Months	6 - 12 Months	1 - 6 Years	Total
	Rs.	Rs.	Rs.	Rs.
Long Term Loans	182,703,414	181,999,997	866,666,670	1,231,370,081
Project Loan - Relining & Modernization of Furnace	303,915,000	301,500,000	772,249,999	1,377,664,999
Short Term Loans	760,502,369	-	-	760,502,369
Trade and Other Payables	990,837,984	-	-	990,837,984
Bank Overdraft	98,462,098	-	-	98,462,098
	<u>2,336,420,865</u>	<u>483,499,997</u>	<u>1,638,916,669</u>	<u>4,458,837,531</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).

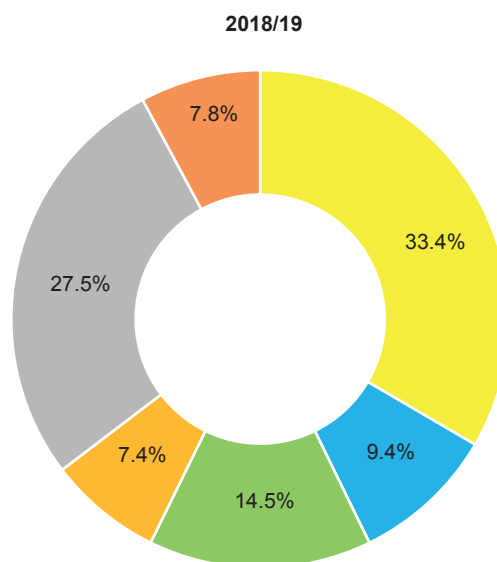
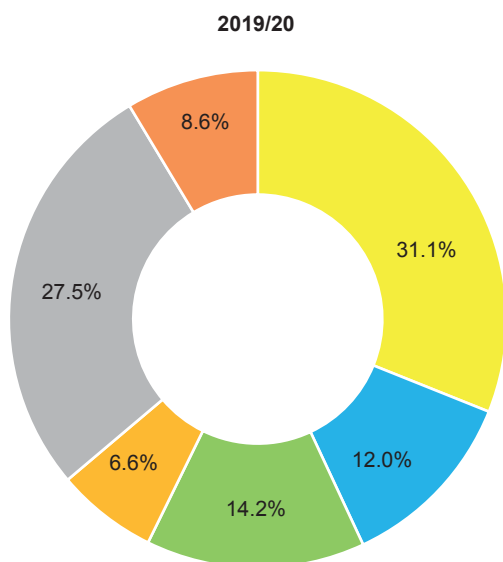
The company minimizes its credit risk towards its customers by having agreements with customers and having high level scrutiny before converting a cash customer to a credit customer. Also the company adheres to the policy of obtaining guarantees from new customers as the requirement may seem fit.

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 concerned about the controlling interest of the Parent, Piramal Glass Private Limited. The objective of the Company is to maintain a balance between access to funds and flexibility through borrowed funds (Long term /Project loans, short term loans and bank overdrafts) rather than using equity funding. Access to source of funds is sufficiently available and financing for operational purposes has already been secured.

STATEMENT of Value Added

	2019/20		2018/19	
	Rs. Mn	%	Rs.Mn	%
Gross Revenue	8,203		8,113	
Less : Cost of Material/ Service Provided	(5,598)		(5,798)	
Value Addition	2,605		2,314	
Employees as Remuneration & Other benefits	809	31.1%	773	33.4%
Government as Taxes	312	12.0%	217	9.4%
Providers of Capital				
Finance Cost on Borrowings	371	14.2%	335	14.5%
Dividends to the Shareholders	171	6.6%	171	7.4%
Retained in the Business as				
Depreciation	718	27.5%	637	27.5%
Reserves	224	8.6%	181	7.8%
	2,605	100.0%	2,314	100.0%



- Employee 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 31 MARCH

Name of Shareholder	2020		2019	
	No. of Shares	%	No. of Shares	%
1 Piramal Glass Private Limited	536,331,880	56.45	536,331,880	56.45
2 Employees Provident Fund	90,317,140	9.51	90,317,140	9.51
3 Citibank New York S/A Norges Bank Account 2	27,808,499	2.93	27,808,499	2.93
4 Mr. M J Fernando	10,728,757	1.13	9,029,617	0.95
5 Anverally And Sons (Pvt) Ltd A/c No 01	9,220,690	0.97	6,920,690	0.73
6 Mr. A J Tissera	8,617,450	0.91	8,800,000	0.93
7 Mr. H M Udeshi	8,567,039	0.90	6,567,772	0.69
8 Mr.N Perera	8,350,000	0.88	8,350,000	0.88
9 Mr.G Dangampola And Mrs.N P Dangampola	8,300,000	0.87	10,339,155	1.09
10 Apposite Trading (Pvt) Ltd	6,959,677	0.73	6,959,677	0.73
11 Cheerful Commercial Private Limited	6,574,763	0.69	6,574,763	0.69
12 Elgin Investments Limited	6,430,000	0.68	10,100,000	1.06
13 Mr K D Reddy	6,418,737	0.68	6,418,737	0.68
14 Bangkok Glass Industry Company Limited	6,280,000	0.66	6,280,000	0.66
15 DFCC Bank PLC A/c 1	5,000,000	0.53	5,000,000	0.53
16 Seylan Bank PLC/Pinnaduwege Aravinda De Silva	4,766,809	0.50	3,230,000	0.34
17 Mr.H.N.Esufally & Mrs.S.R.A.Esufally	4,135,900	0.44	-	-
18 Employees Trust Fund Board	3,780,256	0.40	3,780,256	0.40
19 Union Assurance PLC-Universal Life Fund	3,729,831	0.39	-	-
20 Mrs.M.T.Moosajee	3,532,235	0.37	3,170,000	0.33
Union Assurance PLC/Account No-05 (Unit-Linked Life Insurance Fund-Equity Tracker Fund)	-	-	15,323,019	1.61
Union Assurance PLC/No-01 A/c	-	-	5,103,984	0.54
Seylan Bank PLC/ W D N H Perera	-	-	5,001,925	0.53
Mr. M. Chandrasiri	-	-	5,000,000	0.53
Seylan Bank Limited / James Henry Paul Ratnayake	-	-	4,124,689	0.43
Sub Total	765,849,663	80.61	790,531,803	83.21
Others	184,236,417	19.39	159,554,277	16.79
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		%	
		2020	2019	2020	2019	2020	2019
1	1,000	2,989	2,976	1,314,223	1,327,642	0.14	0.14
1,001	10,000	8,033	8,083	23,835,143	24,000,938	2.50	2.53
10,001	100,000	1,170	1,174	40,166,407	39,438,714	4.23	4.15
100,001	1,000,000	242	223	66,410,436	61,083,577	6.99	6.43
Over 1,000,000		48	42	818,359,871	824,235,209	86.14	86.75
		12,482	12,498	950,086,080	950,086,080	100.00	100.00
Categories of Shareholders		2020	2019	2020	2019	2020	2019
Local Individuals		12,208	12,225	184,621,028	172,785,078	19.43	18.19
Local Institutions		210	205	162,071,907	169,732,563	17.06	17.86
Foreign Individuals		57	61	11,358,326	11,863,620	1.20	1.25
Foreign Institutions		7	7	592,034,819	595,704,819	62.31	62.70
		12,482	12,498	950,086,080	950,086,080	100.00	100.00
Percentage of Shares held by the public		43.42%	43.42%				
Number of Public Shareholders		12,479	12,495				

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

Market price per share for the year	2019/20		2018/19	
Highest Price	Rs. 4.80	04-12-2019	Rs. 6.00	27-04-2018
Lowest Price	Rs. 3.10	23-04-2019	Rs. 3.30	13-03-2019
Closing Price	Rs. 3.30		Rs. 3.50	

5 SHARE TRADING

	2019/20	2018/19
Number of Shares Traded During the year	99,882,774	64,128,912
Value of Shares Traded during the year - Rs.	388,210,000	290,128,716
Number of Transaction during the year	8,380	4,515

6 MARKET CAPITALIZATION

As at 31 st March - Rs. Mn.	3,135	3,325
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7 FLOAT ADJUSTED MARKET CAPITALIZATION

As at 31 st March - Rs. Mn	1,361	1,444
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The Float adjusted market capitalisation of the Company falls under Option 5 of Rule 7.13.1 (a) of the Listing Rules of the Colombo Stock Exchange and the Company has complied with the minimum public holding requirement applicable under the said option.

TEN Year Financial Review

31st March	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
OPERATING RESULTS	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000 (Restated)	Rs. '000	Rs. '000	Rs. '000
Revenue (Gross)	7,531,179	7,398,270	6,815,727	6,783,010	6,755,079	5,791,988	5,220,116	5,500,908	5,197,424	4,163,266
Profit/(Loss) before Tax	495,406	510,496	541,049	602,840	804,604	508,567	289,346	767,307	694,990	591,953
Tax Expenses/(Reversal)	106,418	164,126	197,168	117,364	150,202	69,151	6,089	45,750	9,678	13,279
Profit/(Loss) after Tax	388,988	346,370	343,882	485,476	654,402	439,416	283,257	721,557	685,312	578,674
SHARE CAPITAL & RESERVES										
Stated Capital	1,526,407	1,526,407	1,526,407	1,526,407	1,526,407	1,526,407	1,526,407	1,526,407	1,526,407	1,526,407
Other Reserves	3,143,795	2,919,121	2,737,865	2,684,817	2,541,086	2,099,559	2,022,827	2,102,657	1,719,644	1,318,396
Shareholders' Funds	4,670,202	4,445,528	4,264,272	4,211,224	4,067,493	3,625,966	3,549,234	3,629,064	3,246,051	2,844,803
ASSETS LESS LIABILITIES										
Current Assets	3,559,848	4,152,326	3,398,158	2,856,123	2,931,021	2,870,545	2,879,152	3,006,918	2,220,006	1,808,489
Current Liabilities	(2,864,878)	(2,946,014)	(2,522,950)	(1,715,915)	(1,846,721)	(2,421,971)	(2,851,629)	(2,845,007)	(2,344,684)	(2,044,461)
Net Current Assets/ (Liabilities)	694,970	1,206,312	875,208	1,140,208	1,084,300	448,574	27,523	161,911	(124,678)	(235,972)
Non Current Assets	6,596,726	6,017,666	6,050,435	6,209,581	3,725,054	3,595,190	3,714,718	4,103,714	4,634,140	4,890,448
Total Assets Less Current Liabilities	7,291,696	7,223,978	6,925,644	7,349,789	4,809,354	4,043,764	3,742,241	4,265,625	4,509,462	4,654,476
Non Current Liabilities	(2,621,494)	(2,778,449)	(2,661,372)	(3,138,564)	(741,860)	(417,798)	(193,006)	(636,560)	(1,263,410)	(1,809,674)
Net Assets	4,670,202	4,445,529	4,264,272	4,211,225	4,067,494	3,625,967	3,549,235	3,629,065	3,246,052	2,844,802
Ratios & Statistics										
Earnings Per Share (Rs.)	0.41	0.36	0.36	0.51	0.69	0.46	0.30	0.76	0.72	0.61
Dividend Per Share (Rs.) - Paid	0.18	0.18	0.26	0.35	0.23	0.38	0.38	0.36	0.30	-
Return on Equity (%)	8	8	8	12	16	12	8	20	21	20
Dividend Payout ratio (%)	49	50	50	51	51	50	127	50	50	50
Market value per share (Rs.)	3.30	3.50	5.80	5.60	5.10	5.70	3.40	6.10	6.10	11.10
Price Earning Ratio (times covered)	8.05	9.72	16.11	10.98	7.39	12.39	11.33	8.03	8.47	18.20
Interest Cover	2.05	2.03	2.04	3.75	9.79	4.46	2.40	3.81	4.09	2.93
Current Ratio (times covered)	1.24	1.41	1.35	1.66	1.59	1.19	1.01	1.06	0.95	0.88
Liquidity Ratio (times covered)	0.51	0.64	0.68	0.82	0.81	0.59	0.45	0.51	0.46	0.49
Gearing Ratio	0.56	0.61	0.61	0.76	0.13	0.06	0.10	0.31	0.54	0.75
Net Asset per share (Rs.)	4.92	4.68	4.49	4.43	4.28	3.82	3.74	3.82	3.40	2.99

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

GLOSSARY of Financial Terminology

Earnings/ (Loss) Per share	: Net Profit After Taxation/ Number of Shares
Dividend Per share	: Dividends paid during the year/ Number of Shares
Return on Equity	: Profit/(Loss) after Tax / Shareholders' Funds
Dividend Payout Ratio	: Declared or Proposed Dividend for the year/ Profit after tax for the year
Price Earning Ratio	: Market Value as at year end/ Earning Per Share
Interest Cover	: Profit Before Interest/ Interest
Current Ratio	: Current Asset/ Current Liabilities
Liquidity Ratio	: (Current Asset - Stocks)/ Current Liabilities
Gearing Ratio	: Total Long Term Loans/ Shareholders' Fund
Net Asset per share	: Shareholders' Funds/ Number of Shares

NOTICE of Meeting

NOTICE IS HEREBY GIVEN that the Sixty Fifth (65th) Annual General meeting of the Company will be held on the 11th August 2020 at 10.00 a.m. at Berjaya Hotel, 36, College Avenue, Mount Lavinia for the following purposes.

1. To receive and consider the Annual Report of the Board and the Financial Statement of the Company for the year ended 31st March 2020, together with the Report of the Auditors thereon.
2. To re-elect as a Director Dr. C.T.S.B.Perera who retires by rotation in terms of Article 98 of the Articles of Association of the Company and being eligible has offered himself for re-election.
3. To re-elect as a director Mr.R.M.S.Fernando, who attained the age of 77 years on 29th September 2019 and retires pursuant to section 210 of the Companies Act. No.07 of 2007 and to resolve that the age limit of 70 years referred to in section 210 of the Companies Act No.07 of 2007 shall not be applicable to Mr. R.M.S.Fernando and that he shall accordingly be re-appointed.
4. To re-elect as a Director Dr. C.T.S.B.Perera who attained the age of 74 years on 16 th April 2019 and retires pursuant to section 210 of the companies Act No .07 of 2007 and to resolve that the age limit of 70 years referred to in section 210 of the Companies Act No. 07 of 2007 shall not be applicable to Dr. C.T.S.B.Perera and that he shall accordingly be re-appointed.
5. To approve and declare a final dividend of Rs. 0.20 per share as authorized by the directors.
6. To re-appoint Messrs. Ernst & Young Chartered Accountants as Auditors of the Company until the next Annual General Meeting and to authorize the Directors to fix their remuneration.
7. To approve the donations and contributions made by the directors during the year under review and to authorize the Board to determine donations and contributions for the ensuing year.

Note:

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

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

By Order of the Board

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

Colombo on this 02nd June 2020

NOTES

FORM of Proxy

ANNUAL GENERAL MEETING

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

"Failing him, Mr.Vijay Shah,the Chairman of Piramal Glass Ceylon PLC,or failing him,Dr.C.T.S.B.Perera or failing him Mr.R.M.S.Fernando or failing him,Mr.Sanjay Jain or failing him,Mr.Sanjay Tiwari as my /our proxy to speak / vote for me / us on me / our behalf at the 65th Annual General Meeting of the Company to be held on the on the 11th August 2020 at 10.00 a.m. at Berjaya Hotel, 36, College Avenue, Mount Lavinia. at any adjournment thereof and at every poll which may be taken in connection with such meeting and to vote as indicated below."

	For	Against
1 To receive and consider the Annual Report of the Board and the Financial Statements of the Company for the year ended 31 st March 2020, together with the Report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2 To re-elect as a Director Dr. C.T.S.B. Perera who retires by rotation in terms of Article 98 of the Articles of Association of the Company and being eligible has offered himself for re-election.	<input type="checkbox"/>	<input type="checkbox"/>
3 To re-elect as a director Mr. R.M.S.Fernando, who attained the age of 77 years on 29th September 2019 and retires pursuant to section 210 of the Companies Act.No.07 of 2007 and to resolve that the age limit of 70 years referred to in section 210 of the Companies Act No.07 of 2007 shall not be applicable to Mr.R.M.S. Fernando and that he shall accordingly be re-appointed.	<input type="checkbox"/>	<input type="checkbox"/>
4 To re-elect as a Director Dr.C.T.S.B.Perera who attained the age of 74 years on 16 th April 2019 and retires pursuant to section 210 of the Companies Act No .07 of 2007 and to resolve that the age limit of 70 years referred in section 210 of the Companies Act No. 07 of 2007 shall not be applicable to Dr.C.T.S.B.Perera and that he shall accordingly be re-appointed.	<input type="checkbox"/>	<input type="checkbox"/>
5 To approve and declare a final dividend of LKR 0.20 per share as authorized by the directors.	<input type="checkbox"/>	<input type="checkbox"/>
6 To re-appoint Messrs. Ernst & Young Chartered Accountants as Auditors of the Company until the next Annual General Meeting and to authorize the Directors to fix their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>
7 To approve the donations and contributions made by the directors during the year under review and to authorize the Board to determine donations and contributions for the ensuing year.	<input type="checkbox"/>	<input type="checkbox"/>

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

ATTENDANCE SLIP

SHAREHOLDER - PLACE YOUR SIGNATURE ONLY IN THE SPACE PROVIDED

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

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

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

FORM of Proxy

A Proxy need not be a member of the Company.

INSTRUCTIONS FOR THE COMPLETION OF THE FORM OF PROXY

Shareholders are requested to:

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

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

Piramal Glass Factory Locations

Sri Lanka

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

Marawila Road, Nattandiya.
Telephone: +94 327 800 200
Fax: +94 322 255 193

India

Piramal Glass (Pvt.) Ltd,
O.N.G.C. Road, P.B.No.6,
Tarsadi Village,
Kosamba, Dist: Surat - 394120
Gujarat, India.

Piramal Glass (Pvt.) Ltd,
Off-Masar Chowkadi,
Masar Gajera Road,
Village-Ucchad, Tal-Jambusar
Dist-Bharuch - 392150,
Gujarat, India.

USA.

Piramal Glass USA, Inc.
(Flat River Glass)
Glass Factory
1000 Taylor Avenue,
Park Hills, MO 63601-0187

Piramal Glass USA
Decoration
918 East Malaga Road
Williamstown, NJ 08094-3610



Piramal Glass Ceylon PLC
PQ 190

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