

Annual Report 2020 - 2021  
Piramal Glass Ceylon PLC

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## 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  
J.C. Sharma - Vice President (Operations)  
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](mailto:pgc.info@piramal.com)  
Web: [www.piramalglassceylon.com](http://www.piramalglassceylon.com)

### Factory

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

Madampe Road, Pahala Walahapitiya, Nattandiya

Telephone: +94 327 800 200 - 4

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  
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,

The COVID-19 pandemic has spread with alarming speed, infecting millions and bringing economic activity to a near-standstill as countries imposed tight restrictions on movement to halt the spread of the virus. The onslaught of second wave in Nov'20 and third wave post Sinhala New year has put brakes on the momentum gathered on the economic revival in Sri Lanka. 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 and vaccination program has 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 66th 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.

Piramal Glass Private Limited, the controlling shareholder of the Company, entered into a Share Sale and Purchase Agreement dated December 10, 2020 for the sale of its entire shareholding in the Company to PGP Glass Private Limited (the "Share Transaction"). Accordingly, the share transaction was executed on the Colombo Stock Exchange on the 30th of March 2021 at a price per share of Rs. 11.60/-. PGP Glass Private Limited thereafter made a mandatory offer to the remaining shareholders of the Company as required under and in terms of the Company Takeovers and Mergers Code, 1995 (the "Code") by its Offer Document dated the 31st of March 2021 at the same price,

which was subsequently revised upwards to Rs. 11.86/- on 20 April 2021. The said mandatory offer has since been completed as per the provisions of the Code.

PGP Glass Private Limited (formerly known as "Pristine Glass Private Limited") is a private limited company incorporated under the laws of the Republic of India.

Uncertainties are common place in any business. In fact, they bring out the hidden strengths and abilities of individuals and the teams. However, the challenges experienced during F21 were exceptional and unprecedented and so was the reaction of the Piramal Glass team. The year started with the plant operating partially and reached 100% capacity on May 16, 2020.

As the year progressed, the country and the organizations were in the process of gradual recovery and 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 in 31st December'20 with a growth in revenue and profitability. As compared to the same period previous year, the performance for the 9 months period ended 31st December '20 reflected a growth of 2% 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. PGC reported its annual results as at 31st March 2021, with a turnover of Rs. 8,532 Million and PAT of 1,096 Million as against Rs. 7,531 Million & Rs. 389 Million in the previous year, reflecting a y-o-y growth of 13% in revenue and 181% in profit after tax. The domestic sales during the year grew by 12% from Rs. 5,231 Million to 5,884 Million and the Export market grew by 15% from Rs. 2,300 Million in F20 to Rs. 2,647 Million in F21.

PGC continues to make inroads in new international markets and has successfully completed multiple product launches. The strategy to innovate in new product design and development, with increased global footprint has helped the Company effectively mitigate demand fluctuations in its existing markets due to the pandemic situation.

We are also happy to note that even amidst this catastrophe the company was able to improve on its gross margins to 22% as against the previous year's 19%.

**LOOKING AHEAD**

The Board of Directors has proposed a final dividend of 58% for the year ended 31st March, 2021 for the approval of the shareholders. This would amount to Rs. 0.58 per share as compared to Rs. 0.20 per share in the previous year.

## CHAIRMAN'S Statement

We are currently operating in unprecedented conditions and 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 consider our first priority to be the safety and health of our people and communities.

We extend our sincere appreciation to BOI for their vaccination program covering all our eligible employees.

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 levels 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 of unnecessary footfalls in the plants, and increasing the level of surveillance so that we can track any violations on Covid-19 protocols. These measures are adequately reviewed by the 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 wherever 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 be 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 who took considerable risk in both keeping the furnace draining during the one-month of production closure in Apr'20 and the employees who were involved in gradual start-up of operations. 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, direction 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 the 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. 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 deep rooted, which drives us towards creating long term value for all our stakeholders.

Vijay Shah  
Chairman  
14th May 2021

## REPORT ON THE AFFAIRS *of the Company*

### TO THE SHAREHOLDERS

The Board of Directors have pleasure in presenting the 66<sup>th</sup> Annual Report and the Audited Financial Statement of the Company for the year ended 31<sup>st</sup> March 2021.

### REVIEW OF THE YEAR

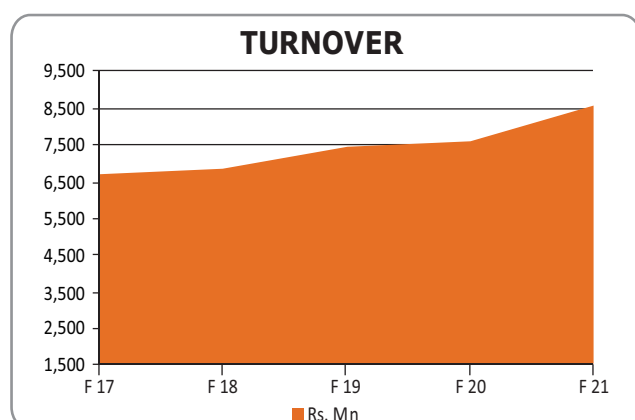
The Chairman's statement describes in brief of the Company's affairs and the performance during the year and also mentions the events occurring after the reporting date.

### SALES HIGHLIGHTS

The company achieved a sale of Rs. 8,532Mn with a growth of 13% despite the many challenges the company had to face with Covid impact.

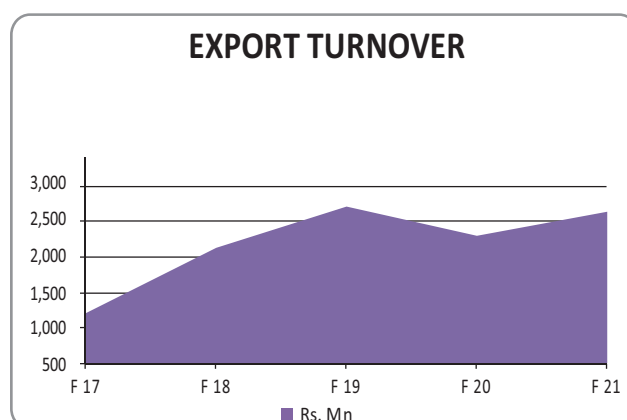
The Domestic Market grew by 12% from Rs. 5,231Mn to Rs. 5,884Mn & showed improvement in all segments.

The Exports were at Rs. 2,647Mn as against Rs. 2,300Mn of the previous year & was also successfully completed multiple product launches in new international markets.



All figures in Rs. Mn

	F 17	F 18	F 19	F 20	F 21
<b>TURNOVER</b>	6,678	6,816	7,398	7,531	8,532

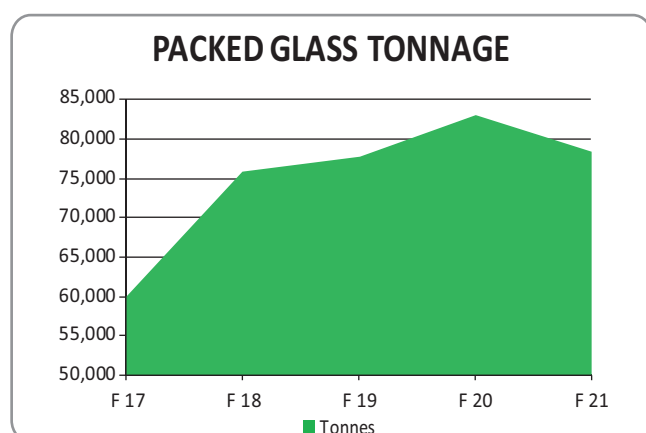


All figures in Rs. Mn

	F 17	F 18	F 19	F 20	F 21
<b>EXPORT</b>	1,209	2,136	2,708	2,300	2,647

### PRODUCTION HIGHLIGHTS

The Production facility is equipped with a Furnace having a per day 300 Metric Tonne capacity & 6 Production lines. There were few unavoidable interruptions to the operations during the months of April & May 2020 due to Covid. Excluding those incidents, the factory has operated at full capacity to ensure unhampered service to its domestic & international customers. Also many new products were successfully developed and commercialized in varied shapes & designs during the given year.



All figures in Tonnes

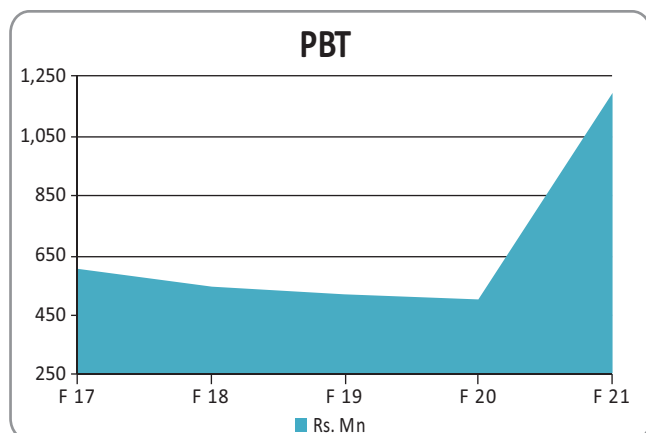
	F 17	F 18	F 19	F 20	F 21
<b>PACKED</b>	60,099	75,932	77,795	83,101	78,425

## REPORT ON THE AFFAIRS *of the Company*

### OPERATING INCOME

Gross Profit Margin in F21 improved by 35% as compared with F20.

The PBT for Year stood at Rs. 1,191 Million in F21 as against Rs. 495 Million in F20 whilst the PAT crossed the Rs. 1 Billion mark for the 1st time & was at Rs. 1,096 Million as against Rs. 389 Million of the similar period previous year.



All figures in Rs. Mn

	F 17	F 18	F 19	F 20	F 21
PBT	603	541	510	495	1,191

### 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 (Up to 31.12.2020)	09	5.4	05

### CURRENCY

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

### FINANCIAL RESULTS

	2021 Rs. 000'	2020 Rs. 000'
<b>Revenue</b>	8,531,802	7,531,179
Cost of Sales	(6,619,612)	(6,118,431)
<b>Gross Profit</b>	1,912,190	1,412,748
Other Operating Income	111,839	114,935
Selling and Distribution Expenses	(175,515)	(200,544)
Administrative Expenses	(388,723)	(461,169)
<b>Operating Profit</b>	1,459,791	865,970
Finance Costs	(269,312)	(370,978)
Finance Income	356	414
<b>Profit before Tax</b>	1,190,835	495,406
Income Tax Expense	(95,054)	(106,418)
<b>Profit for the Year</b>	1,095,781	388,988

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

	<b>2021</b>	<b>2020</b>
Total employment as at 31 <sup>st</sup> March	485	478

**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. 378,941,890/- (Year Ended 31 March 2020 Rs. 1,027,706,511/- )

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**

	<b>2021</b>	<b>2020</b>
Registered Shareholders as at 31 <sup>st</sup> March	13,765	12,482

The distribution of shares is indicated in page 60 and 61.

**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**

No directors were appointed during the financial year.

**PERSONS WHO CEASED TO BE DIRECTORS**

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

**DIRECTORS' INTEREST REGISTER**

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

**DIRECTORS' SHAREHOLDINGS**

The Directors' and their spouse's share holdings as at 31<sup>st</sup> March:

	<b>2021</b>	<b>2020</b>
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. KMPG, Chartered Accountants of Sri Lanka will be appointed as the new auditors for the next financial year and a resolution relating to there appointment, will be proposed at the Annual General Meeting.

Fees paid/ provided as at 31 <sup>st</sup> March	2021	2020
Audit Fees	Rs. 843,203	Rs. 843,203
Taxation Services	Rs. 492,660	Rs. 585,398

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

14<sup>th</sup> May 2021

## BOARD OF DIRECTORS

**VIJAY SHAH****Chairman****Non Executive, Independent Director**

Mr. Vijay Shah is Director at Piramal Enterprises Limited and PGP Glass Private Limited. (formerly, Piramal Glass Private Limited). 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 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 Premier Glass USA & Director in Piramal Glass International 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, After his efficacious stint at Piramal Glass Ceylon, Sri Lanka and Piramal Glass Pvt Ltd, India, he has been entrusted with the responsibility of US operations with effect from 1st April, 2019 in addition to strategically overseeing Sri Lanka.

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 55
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	COO/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 - India	Parent Company	Purchasing of Bottles	Rs. 349,687,190	4.1%	Note 1
		Purchasing of Lids	767,842	0.0%	
		Sale of Bottles	26,808,284	0.3%	
		Technical Fees	157,346,644	1.8%	Note 2
		Maintenance Cost for ERP & Network systems	31,082,667	0.4%	
Piramal Glass - USA, Inc.	Fellow Subsidiary	Sale of Bottles	257,177,076	3.0%	Note 1

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

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

## CORPORATE GOVERNANCE

## ATTENDANCE OF DIRECTORS AT MEETINGS

## AT BOARD MEETINGS

The Board of the Company met four (04) times during the financial year 2020 - 21, on the following dates:

(1) 02<sup>nd</sup> June, 2020 (2) 11<sup>th</sup> August, 2020 (3) 12<sup>st</sup> October, 2020 (4) 25<sup>th</sup> January, 2021

The attendance of the Directors at the Board Meetings and the last Annual General Meeting held on 11<sup>th</sup> August, 2020 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 2020-21, four (04) Audit Committee Meetings were held on the following dates:

(1) 02<sup>nd</sup> June, 2020 (2) 11<sup>th</sup> August, 2020 (3) 12<sup>th</sup> October, 2020 (4) 25<sup>th</sup> January, 2021

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 02<sup>nd</sup> June, 2020 for the financial year 2020 - 21.

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 2020-21, four (04) RPT Review Committee Meetings were held on the following dates:

(1) 02<sup>nd</sup> June, 2020 (2) 11<sup>th</sup> August, 2020 (3) 12<sup>th</sup> October, 2020 (4) 25<sup>th</sup> January, 2021

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

**Sgd. Vijay Shah**  
Chairman

14<sup>th</sup> May 2021

### 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 31<sup>st</sup> March 2021. 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 discontinued as the auditors with effect from 31.03.2021 and Messers. KPMG to be appointed as the new external Auditors with effect from 01.04.2021.

#### 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 01<sup>st</sup> 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 2020-21. 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 31<sup>st</sup> March 2021.

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

14<sup>th</sup> May 2021



## **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 18-21 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 2020/2021 prepared and presented in this Annual report have been prepared based on new Sri Lanka Accounting Standards (SLFRS) which came to effect from 01<sup>st</sup> 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 2020-21. 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

14th May 2021



Ernst & Young  
Chartered Accountants  
201 De Saram Place  
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Colombo 10  
Sri Lanka

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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 2021, 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 2021 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 D 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 A A J R Perera ACA ACMA Ms. P V K N Sajeewani FCA N M Sulaiman ACA ACMA B E Wijesuriya FCA FCMA

Principals : G B Goudian ACMA T P M Ruberu FCMA FCCA

A member firm of Ernst & Young Global Limited



Key audit matter	How our audit addressed the key audit matter
<b><i>Interest Bearing Loans and Borrowings</i></b>	
<p>As at 31 March 2021, Company's total interest bearing loans and borrowings amounted to Rs. 2.4Bn which represents 56% of the Company's total liabilities as disclosed in note 9.2.</p> <p>This was a key audit matter due to:</p> <ul style="list-style-type: none"> <li>• magnitude of the borrowings in relation to the total liabilities and existence of multiple borrowing arrangements with varying terms; and</li> <li>• need to assess the compliance with relevant covenants to ensure accuracy of disclosures relating to maturity profile and appropriateness of current vs non-current classification of such borrowings in the financial statements.</li> </ul>	<p>Our audit procedures included the following;</p> <ul style="list-style-type: none"> <li>• We obtained an understanding of the covenants and monitoring procedure over company's compliance relating to external borrowings, by reading the loan agreements and discussing with management.</li> <li>• We validated the Company's compliance with relevant covenants and obtained direct confirmations from external lending institutions about compliance by the Company with relevant covenants.</li> <li>• We validated the new borrowings and repayments made during the year by agreeing those to the relevant source documents on a sample basis.</li> <li>• We assessed the adequacy of the disclosures made in Note 9.2 to the financial statements relating to interest bearing loans and borrowings.</li> </ul>

#### Other information included in the Company's 2020/21 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 2021 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.

(Contd...)



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.

### ***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.

(Contd...)



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.

#### **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.

14 May 2021  
Colombo

A large, stylized handwritten signature in blue ink is written over the date and location. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

**STATEMENT of Profit or Loss and Other Comprehensive Income for the year ended 31 March 2021**

	Notes	2021 Rs.	2020 Rs.
<b>Revenue</b>	3.1	8,531,801,696	7,531,179,030
Cost of Sales		(6,619,612,359)	(6,118,431,439)
<b>Gross Profit</b>		<u>1,912,189,337</u>	<u>1,412,747,591</u>
Other Operating Income	4.1	111,838,655	114,935,176
Selling and Distribution Expenses		(175,514,858)	(200,543,584)
Administrative Expenses		(388,722,505)	(461,169,070)
<b>Operating Profit</b>		<u>1,459,790,629</u>	<u>865,970,113</u>
Finance Costs	4.3	(269,311,874)	(370,978,596)
Finance Income	4.2	356,052	414,450
<b>Profit before Tax</b>	4.4	<u>1,190,834,807</u>	<u>495,405,967</u>
Income Tax Expense	5.1	(95,053,540)	(106,417,589)
<b>Profit for the Year</b>		<u><u>1,095,781,267</u></u>	<u><u>388,988,378</u></u>
<b>Other Comprehensive Income</b>			
<b>Other Comprehensive Income not to be Reclassified to Profit or Loss in Subsequent Periods:</b>			
Actuarial Gains/(Losses) on Defined Benefit Plans		(18,033,030)	(1,004,167)
Income Tax Effect	5.2	3,065,615	207,762
Gain/(Loss) on Financial Investments - Fair Value through Other Comprehensive Income		(47,544)	(339,002)
<b>Net Other Comprehensive Income/(Loss) not to be Reclassified to Profit or Loss in Subsequent Periods</b>		<u>(15,014,959)</u>	<u>(1,135,407)</u>
<b>Other Comprehensive Income/(Loss) for the Year Net of Tax</b>		<u>(15,014,959)</u>	<u>(1,135,407)</u>
<b>Total Comprehensive Income for the Year Net of Tax</b>		<u><u>1,080,766,308</u></u>	<u><u>387,852,971</u></u>
Earnings Per Share - Basic/Diluted	6	1.15	0.41
Dividend Per Share		0.20	0.18

The accounting policies and notes on pages 26 through 58 form an integral part of the financial statements.

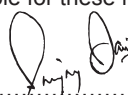
**STATEMENT of Financial Position as at 31 March 2021**

		2021	2020
	Notes	Rs.	Rs.
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	7	6,130,548,425	6,537,771,671
Right of Use Assets	8.1	49,630,646	56,229,274
Financial Investments	9.1	2,804,800	2,725,478
		<u>6,182,983,871</u>	<u>6,596,726,423</u>
<b>Current Assets</b>			
Inventories	10	1,860,154,496	2,085,562,627
Trade and Other Receivables	11	1,688,566,161	1,163,031,896
Prepayments		11,317,256	7,075,715
Income Tax Receivable		-	138,466,916
Cash and Short Term Deposits	12	125,663,166	165,710,786
		<u>3,685,701,079</u>	<u>3,559,847,940</u>
<b>Total Assets</b>		<u><b>9,868,684,950</b></u>	<u><b>10,156,574,363</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Stated Capital	13	1,526,407,485	1,526,407,485
Reserves	14	101,749,138	101,796,682
Retained Earnings		3,940,466,848	3,041,997,998
<b>Total Equity</b>		<u><b>5,568,623,471</b></u>	<u><b>4,670,202,165</b></u>
<b>Non-Current Liabilities</b>			
Lease Liability	8.2	24,676,882	25,485,206
Interest Bearing Loans and Borrowings	9.2	923,166,710	1,638,916,669
Deferred Tax Liabilities	5.4	621,404,028	767,412,570
Employee Benefit Liability	15.1	224,248,626	189,679,772
		<u>1,793,496,246</u>	<u>2,621,494,217</u>
<b>Current Liabilities</b>			
Lease Liability	8.2	8,531,292	11,349,237
Trade and Other Payables	16	870,843,234	990,837,984
Dividends Payable	17	34,301,212	33,607,881
Interest Bearing Loans and Borrowings	9.2	1,493,359,983	1,829,082,879
Income Tax Payable		99,529,512	-
		<u>2,506,565,233</u>	<u>2,864,877,981</u>
<b>Total Equity and Liabilities</b>		<u><b>9,868,684,950</b></u>	<u><b>10,156,574,363</b></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 26 through 58 form an integral part of the financial statements.

14 May 2021  
 Colombo



**STATEMENT of Changes In Equity for the year ended 31 March 2021**

	Stated Capital	Fair Value Reserve	Revaluation Reserves	Retained Earnings	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
<b>As at 01 April 2019</b>	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
<b>As at 31 March 2020</b>	<u>1,526,407,485</u>	<u>1,924,119</u>	<u>99,872,563</u>	<u>3,041,997,998</u>	<u>4,670,202,165</u>
Profit for the Year	-	-	-	1,095,781,267	1,095,781,267
Other Comprehensive Income	-	(47,544)	-	(14,967,415)	(15,014,959)
Total Comprehensive Income	-	(47,544)	-	1,080,813,852	1,080,766,308
Dividends Paid	-	-	-	(190,017,216)	(190,017,216)
Unclaimed Dividend Write back	-	-	-	7,672,214	7,672,214
<b>As at 31 March 2021</b>	<u>1,526,407,485</u>	<u>1,876,575</u>	<u>99,872,563</u>	<u>3,940,466,848</u>	<u>5,568,623,471</u>

The accounting policies and notes on pages 26 through 58 form an integral part of the financial statements.

**STATEMENT of Cash Flows for the year ended 31 March 2021**

	Notes	2021 Rs.	2020 Rs.
<b>Cash Flow from Operating Activities</b>			
Profit before Tax		1,190,834,807	495,405,967
<b>Non-cash Adjustment to Reconcile Profit before Tax to Net Cash Flows:</b>			
Depreciation of Property, Plant and Equipment	7.2	786,165,136	718,682,873
Provision for Employee Benefit Liability	15.1	36,693,236	34,485,359
Provision for slow moving inventories		(6,281,895)	15,882,285
Right of Use Asset - Depreciation		6,598,628	4,925,017
Script Dividend Income from Quoted investment		(126,866)	-
Exchange Gain/Loss on Lease Liability		-	15,676
Finance Costs	4.3	269,311,874	370,978,596
Finance Income	4.2	(356,052)	(414,450)
<b>Operating Profit before Working Capital Changes</b>		<u>2,282,838,868</u>	<u>1,639,961,323</u>
<b>Working Capital Adjustments:</b>			
(Increase) / Decrease in Inventories		231,690,025	159,945,338
(Increase) / Decrease in Trade and Other Receivables and Prepayments		(530,159,627)	379,158,430
Increase / (Decrease) in Trade and Other Payables		<u>(119,994,750)</u>	<u>(498,254,378)</u>
<b>Cash Generated from Operations</b>		<u>1,864,374,516</u>	<u>1,680,810,713</u>
Economic Service Charge Paid		-	(30,521,918)
Employee Benefit Liability Costs Paid	15.1	(20,157,412)	(24,326,578)
Interest Paid		<u>(267,974,307)</u>	<u>(369,957,263)</u>
<b>Net Cash Flow Generated from Operating Activities</b>		<u>1,576,242,797</u>	<u>1,256,004,954</u>
<b>Cash Flows from Investing Activities</b>			
Acquisition of Property, Plant and Equipment	7.1	(378,941,890)	(1,027,706,511)
Finance Income	4.2	356,052	414,450
Loans & Advances Granted to Company Officers during the Year		(4,829,010)	(4,448,000)
Repayment of Loans & Advances by Company Officers during the Year		<u>5,212,793</u>	<u>5,596,530</u>
<b>Net Cash Flow Generated from/(Used in) Investing Activities</b>		<u>(378,202,055)</u>	<u>(1,026,143,531)</u>
<b>Cash Flows from Financing Activities</b>			
Borrowings of Interest Bearing Short term Loans		6,884,657,000	3,456,045,000
Repayments of Interest Bearing Short term Loans		(7,248,657,000)	(3,050,045,000)
Borrowings of Interest Bearing Long term Loans		-	720,860,000
Repayments of Interest Bearing Long term Loans	9.3	(715,749,960)	(828,250,000)
Lease Rental Paid		(7,044,948)	(6,096,237)
Dividends Paid	17	<u>(181,651,671)</u>	<u>(167,714,001)</u>
<b>Net Cash Flow Generated from/(Used) in Financing Activities</b>		<u>(1,268,446,579)</u>	<u>124,799,762</u>
Net Increase in Cash and Cash Equivalents		(70,405,837)	354,661,185
<b>Cash and Cash Equivalent at the Beginning of the Year</b>	12	<u>67,248,688</u>	<u>(287,412,497)</u>
<b>Cash and Cash Equivalent at the End of the Year</b>	12	<u>(3,157,149)</u>	<u>67,248,688</u>

The accounting policies and notes on pages 26 through 58 form an integral part of the financial statements.

**NOTES to the Financial Statements Year ended 31 March, 2021****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.

With effect from 29 March 2021 the parent of the company was changed from Piramal Glass Private Limited to PGP Glass Private Limited.

PGP Glass Private Limited (formerly known as "Pristine Glass Private Limited") is an entity incorporated under the laws of the Republic of India. PGP Glass Private Limited is a fully owned subsidiary of BCP Topco V Pte. Ltd., a company incorporated in Singapore.

**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 2021 were authorized for issue in accordance with a resolution of the Board of Directors on 14 May 2021.

**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. The Management have considered the potential downsides that the COVID-19 pandemic could bring to the business operations of the Company, in making this assessment. 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.

**NOTES to the Financial Statements Year ended 31 March, 2021****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 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 15.4.

**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.

**NOTES to the Financial Statements Year ended 31 March, 2021**

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 2.4.4 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.

**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**2.4.1 Foreign Currency Translation**

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

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

**2.4.2 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.

**NOTES to the Financial Statements Year ended 31 March, 2021****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.

**2.4.3 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.

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.

## NOTES to the Financial Statements Year ended 31 March, 2021

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.

### 2.4.4 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.

### 2.4.5 Leases

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 2.4.11 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



## NOTES to the Financial Statements Year ended 31 March, 2021

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.

### 2.4.6 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.

### 2.4.7 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.

### 2.4.8 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.

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 treated 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.

### 2.4.9 Financial Instruments

#### 2.4.9.1 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.



## NOTES to the Financial Statements Year ended 31 March, 2021

### 2.4.9.2 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 summary of significant Accounting Policies.)

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)

#### **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

## NOTES to the Financial Statements Year ended 31 March, 2021

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.

### **2.4.9.3 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.

### **2.4.9.4 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 amortization process.

## NOTES to the Financial Statements Year ended 31 March, 2021

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 amortization 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.

### **2.4.9.5 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.

### **2.4.9.6 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

### **2.4.10 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

**NOTES to the Financial Statements Year ended 31 March, 2021****2.4.11 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.

**2.4.12 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.

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.

**2.4.13 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.

**2.4.14 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.

## NOTES to the Financial Statements Year ended 31 March, 2021

### 2.4.15 Employee Benefit Liability

#### a) Defined Benefit Plan - Gratuity

The Company is liable to pay gratuity in terms of the Gratuity Act No.12 of 1983.

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.

### 2.5 EFFECT OF SRI LANKA ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

#### Amendments to SLFRS 9, LKAS 39, SLFRS 7, SLFRS 4 and SLFRS 16 – Interest Rate Benchmark Reform (Phase 1 & 2)

The amendments to SLFRS 9 & LKAS 39 provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

IBOR reforms Phase 2 include number of reliefs and additional disclosures. Amendments supports companies in applying SLFRS when changes are made to contractual cashflows or hedging relationships because of the reform. These amendments to various standards are effective for the annual reporting periods beginning on or after 01 January 2021.

#### Amendments to SLFRS 16 - COVID – 19 Related Rent Concessions

The amendments provide relief to lessees from applying SLFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 Pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from Covid-19 related rent concession the same way it would account for the change under SLFRS16, if the change were not a lease modification. The amendment applies to annual reporting periods beginning on or after 01 June 2020.

**NOTES to the Financial Statements Year ended 31 March, 2021****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**

	<b>2021</b>	<b>2020</b>
	<b>Rs.</b>	<b>Rs.</b>
Revenue from Sale of Goods (3.2)	8,531,801,696	7,531,179,030
	<u>8,531,801,696</u>	<u>7,531,179,030</u>

**3.2 Sale of Goods**

Local Sales		
- In House Production	5,294,440,983	4,584,907,286
- Trading	590,023,413	646,343,550
Total Local Sales	<u>5,884,464,396</u>	<u>5,231,250,836</u>
Export Sales		
- In House Production	2,646,309,200	2,297,011,228
- Trading	1,028,100	2,916,966
Total Export Sales	<u>2,647,337,300</u>	<u>2,299,928,194</u>
	<u>8,531,801,696</u>	<u>7,531,179,030</u>

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

	<b>2021</b>	<b>2020</b>
	<b>Rs.</b>	<b>Rs.</b>
Income from Solar Power Generation	89,746,091	83,473,322
Sundry Income	21,875,538	31,461,854
Income from Investments - Quoted	217,026	-
	<u>111,838,655</u>	<u>114,935,176</u>

**4.2 Finance Income**

Interest Income	211,541	193,716
Interest Income on Loans Given to Company Officers	144,511	220,734
	<u>356,052</u>	<u>414,450</u>

**4.3 Finance Costs**

Interest Expense on Overdrafts	2,420,208	33,634,493
Interest Expense on Short Term Borrowings	53,604,596	75,305,724
Interest Expense on Long Term Borrowings	209,868,394	258,552,506
Interest Expense on Lease Liability	3,418,676	3,485,873
	<u>269,311,874</u>	<u>370,978,596</u>

**NOTES to the Financial Statements Year ended 31 March, 2021****4. OTHER INCOME/EXPENSES (Contd...)****4.4 Profit Before Tax**

	2021 Rs.	2020 Rs.
Stated after Charging/(Crediting)		
<b>Included in Cost of Sales</b>		
Depreciation of Property, Plant & Equipments	773,880,505	713,881,792
Personnel Costs including the following;		
- Employee Benefit Plan Costs - Gratuity	32,727,533	30,548,252
- Defined Contribution Plan Costs - EPF & ETF	49,583,223	44,087,119
<b>Included in Administration Expenses</b>		
Directors' Fees and Emoluments	39,231,203	38,386,589
Audit Fees - Charge for the Year	843,203	843,203
- Under/(Over) Provision in respect of Prior Year	(855)	(38,201)
Technical Fee*	157,346,644	169,929,378
Depreciation of Property, Plant & Equipments	9,287,028	3,815,144
Personnel Costs including the following;		
- Employee Benefit Plan Costs - Gratuity	3,965,702	3,937,107
- Defined Contribution Plan Costs - EPF & ETF	5,519,275	5,265,813
Donations	1,163,364	922,150
Exchange (Gain)/Loss	(50,520,312)	(7,020,919)
<b>Included in Selling and Distribution Costs</b>		
Advertising Costs	-	81,534
Provision for Impairments - Trade Receivables	(17,323,981)	11,460,529

\*Technical Fee represents the amount payable to Piramal Glass Private Limited - India for the technical advises and assistance provided during the Year 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% of the Net Sales Value of the locally manufactured products.

**5. INCOME TAX**

The major components of income tax expense for the years ended 31 March 2021 and 31 March 2020 are:

5.1 Statement of Profit Or Loss	2021 Rs.	2020 Rs.
<b>Current income tax:</b>		
Current Tax Expense on Ordinary Activities for the Year	226,825,683	-
Economic Service Charge Write off	11,170,785	-
Under/(Over) Provision of Current Taxes in respect of Prior Year	-	-
<b>Deferred tax:</b>		
Deferred Taxation Charge/(Reversal)	(142,942,928)	106,417,589
<b>Income Tax Expense Reported in the Statement of Profit or Loss</b>	<u>95,053,540</u>	<u>106,417,589</u>



**NOTES to the Financial Statements Year ended 31 March, 2021**

<b>5. INCOME TAX (Contd...)</b>	<b>2021</b>	<b>2020</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>5.2 Statement of Other Comprehensive Income</b>		
Actuarial Gains/(Losses) on Defined Benefit Plans	(3,065,615)	(207,762)
<b>Income Tax Charged Directly to Other Comprehensive Income</b>	<b>(3,065,615)</b>	<b>(207,762)</b>
<b>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 2021 and 31 March 2020 are as follows:</b>		
	<b>2021</b>	<b>2020</b>
	<b>Rs.</b>	<b>Rs.</b>
Accounting Profit before Income Tax	1,190,834,807	495,405,967
Aggregate Disallowed Items	1,457,018,366	814,048,118
Aggregate Allowable Expenses	(1,340,225,707)	(694,646,681)
<b>Taxable Profit/(Loss) from Trade</b>	<b>1,307,627,466</b>	<b>614,807,404</b>
Investment Income	361,536	-
Other Sources of Income	130,607,391	-
Less : Deductions for Assessable Income - Business Losses	(136,100,954)	(614,807,404)
<b>Taxable Income</b>	<b>1,302,495,439</b>	<b>-</b>
Tax on taxable income @ 14%	54,598,348	-
Tax on taxable income @ 18%	140,323,204	-
Tax on balance taxable income @ 24%	31,904,131	-
<b>Current Income Tax Expense</b>	<b>226,825,683</b>	<b>-</b>
Current Tax Expense on Ordinary Activities for the Year	226,825,683	-
Economic Service Charge Write off	11,170,785	-
<b>Current Income Tax Expense</b>	<b>237,996,468</b>	<b>-</b>

Economic Service Charge (ESC) payable at 0.5% on the relevant turnover has been abolished from 01 January 2020. ESC paid during the year could be deducted against current income tax liability and any unclaimed amount could be carried forward for a maximum of two years. Any unclaimed amount within the specified period has been adjusted as an income tax expense together with Income tax receivable balance in respect of previous years.



**NOTES to the Financial Statements Year ended 31 March, 2021****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:

	2021 Rs.	2020 Rs.
<b>Reconciliation of Net Deferred Tax Liability</b>		
Balance as at the Beginning of the Year	767,412,570	661,202,743
Charged / (Released) to Statement of Profit or Loss	(16,944,904)	106,417,589
Reduction in opening deferred taxes resulting from reduction in tax rate	(125,998,023)	-
Income Tax Effect Relating to Components of Other Comprehensive Income	(3,065,615)	(207,762)
<b>Balance as at the End of the Year</b>	<u>621,404,028</u>	<u>767,412,570</u>

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

	<b>Statement of Financial Position</b>		<b>Statement of Profit or Loss and Statement of Other Comprehensive Income</b>	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
<b>Deferred Tax Liability</b>				
Property, Plant and Equipment	644,280,367	825,637,526	(181,357,159)	(13,227,531)
Tax Effect on Revaluation Reserve	24,545,313	24,545,313	-	-
	<u>668,825,680</u>	<u>850,182,839</u>	<u>(181,357,159)</u>	<u>(13,227,531)</u>
<b>Deferred Tax Assets</b>				
Employee Benefit Liability	(38,122,266)	(39,244,746)	1,122,480	(1,756,212)
Provision for Impairment - Trade Receivables	(6,529,236)	(13,258,071)	6,728,835	(733,622)
Stock Provision	(2,770,150)	(4,671,159)	1,901,009	(3,265,291)
Unabsorbed Tax Losses	-	(25,596,293)	25,596,293	125,192,483
	<u>(47,421,652)</u>	<u>(82,770,269)</u>	<u>35,348,617</u>	<u>119,437,358</u>
<b>Deferred Income Tax (Income) / Expense reported in the Statement of Profit or Loss</b>			<u>(142,942,928)</u>	<u>106,417,589</u>
<b>Deferred Income Tax (Income) / Expense reported in the Statement of Other Comprehensive Income</b>			<u>(3,065,615)</u>	<u>(207,762)</u>
<b>Net Deferred Tax Liability reported in the Statement of Financial Position</b>	<u>621,404,028</u>	<u>767,412,570</u>		

**NOTES to the Financial Statements Year ended 31 March, 2021****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:

	<b>2021</b>	<b>2020</b>
<b>Amount Used as the Numerator:</b>	<b>Rs.</b>	<b>Rs.</b>
Net Earnings Attributable to Equity Shareholders	1,095,781,267	388,988,378
<b>Number of Ordinary Shares Used as the Denominator:</b>	<b>Number</b>	<b>Number</b>
Weighted Average Number of Ordinary Shares in Issue	950,086,080	950,086,080

**7. PROPERTY, PLANT AND EQUIPMENT**

<b>7.1 At Cost</b>	<b>Balance as at 01.04.2020 Rs.</b>	<b>Additions During the Year Rs.</b>	<b>Transfers During the Year Rs.</b>	<b>Discarded During the Year Rs.</b>	<b>Balance as at 31.03.2021 Rs.</b>
Freehold Land	132,870,000	-	-	-	132,870,000
Buildings	2,229,369,280	51,475,768	61,799,350	(17,277,514)	2,325,366,884
Plant and Machinery	5,330,832,479	83,560,825	41,526,164	(1,611,688)	5,454,307,780
Electrical Power Installation	916,500,813	15,315,755	5,532,545	(437,895)	936,911,218
Furnace	1,640,917,216	828,448	5,561,858	-	1,647,307,522
Motor Vehicles	38,823,207	260,900	-	-	39,084,107
Tools and Implements	42,829,951	428,340	-	-	43,258,291
Office Equipments	274,641,357	21,246,270	2,531,875	(42,105,723)	256,313,779
Gas Station	21,116,708	-	-	-	21,116,708
Solar Power Generation	381,396,921	13,759,421	13,752,900	-	408,909,242
Commercial Moulds	394,845,431	100,525,955	-	(2,151,716)	493,219,670
	<u>11,404,143,363</u>	<u>287,401,682</u>	<u>130,704,692</u>	<u>(63,584,536)</u>	<u>11,758,665,201</u>
<b>In the Course of Construction</b>					
Capital Work-in-Progress	107,995,733	91,540,208	(130,704,692)	-	68,831,249
	<u>107,995,733</u>	<u>91,540,208</u>	<u>(130,704,692)</u>	<u>-</u>	<u>68,831,249</u>
<b>Total Gross Carrying Amount</b>	<u>11,512,139,096</u>	<u>378,941,890</u>	<u>-</u>	<u>(63,584,536)</u>	<u>11,827,496,450</u>
<b>7.2 Depreciation</b>	<b>Balance as at 01.04.2020 Rs.</b>	<b>Charge for the Year Rs.</b>	<b>Transfers During the Year Rs.</b>	<b>Discarded During the Year Rs.</b>	<b>Balance as at 31.03.2021 Rs.</b>
Buildings	514,864,175	69,341,967	-	(17,277,514)	566,928,628
Plant and Machinery	2,678,595,900	343,964,035	-	(1,611,688)	3,020,948,247
Electrical Power Installation	576,074,390	36,319,198	-	(437,895)	611,955,693
Furnace	710,684,794	190,319,644	-	-	901,004,438
Motor Vehicles	37,649,771	328,161	-	-	37,977,932
Tools and Implements	25,221,295	3,212,701	-	-	28,433,996
Office Equipment	184,719,224	25,431,731	-	(42,105,723)	168,045,232
Gas Station	8,479,733	527,918	-	-	9,007,651
Solar Power Generation	50,496,785	23,789,831	-	-	74,286,616
Commercial Moulds	187,581,358	92,929,950	-	(2,151,716)	278,359,592
	<u>4,974,367,425</u>	<u>786,165,136</u>	<u>-</u>	<u>(63,584,536)</u>	<u>5,696,948,025</u>
<b>Total Depreciation</b>	<u>4,974,367,425</u>	<u>786,165,136</u>	<u>-</u>	<u>(63,584,536)</u>	<u>5,696,948,025</u>

**NOTES to the Financial Statements Year ended 31 March, 2021****7. PROPERTY, PLANT AND EQUIPMENT (Contd...)****7.3 Net Book Values**

	<b>2021</b>	<b>2020</b>
<b>At Cost</b>	<b>Rs.</b>	<b>Rs.</b>
Freehold Land	132,870,000	132,870,000
Buildings	1,758,438,256	1,714,505,105
Plant and Machinery	2,433,359,533	2,652,236,579
Electrical Power Installation	324,955,525	340,426,423
Furnace	746,303,084	930,232,423
Motor Vehicles	1,106,175	1,173,436
Tools and Implements	14,824,295	17,608,656
Office Equipment	88,268,547	89,922,132
Gas Station	12,109,057	12,636,975
Solar Power Generation	334,622,626	330,900,137
Commercial Moulds	214,860,078	207,264,072
	<u>6,061,717,176</u>	<u>6,429,775,938</u>
<b>In the Course of Construction</b>		
Capital Work-in-Progress	68,831,249	107,995,733
<b>Total Carrying Amount of Property, Plant and Equipment</b>	<u>6,130,548,425</u>	<u>6,537,771,671</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
- Refectories	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 Equipments	12.5% & 25% on cost	12.5% & 25% on cost
- Lap tops	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 640,702,956/- (As at 31 March 2020 Rs 567,774,342/- ).

**NOTES to the Financial Statements Year ended 31 March, 2021****8. SLFRS 16 - LEASES****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;

<b>At Gross Value</b>	<b>Balance As at 01.04.2020 Rs.</b>	<b>Additions Rs.</b>	<b>Advance Payment for Leases Rs.</b>	<b>Balance As at 31.03.2021 Rs.</b>
Buildings - Residential Apartments	4,342,351	-	-	4,342,351
Vehicle - Rental Vehicle	3,256,764	-	-	3,256,764
Land and Building - Factory 152	52,124,137	-	-	52,124,137
Land and Building - Factory 15	13,856,497	-	-	13,856,497
Land and Building - Factory 17	125,257	-	-	125,257
	<u>73,705,006</u>	<u>-</u>	<u>-</u>	<u>73,705,006</u>

<b>Depreciation</b>	<b>Balance As at 01.04.2020 Rs.</b>	<b>Charge during the Year Rs.</b>	<b>De-Recognition Rs.</b>	<b>Balance As at 31.03.2021 Rs.</b>
Buildings - Residential Apartments	1,447,450	2,171,172	-	3,618,622
Vehicle - Rental Vehicle	678,492	1,628,376	-	2,306,868
Land and Building - Factory 152	13,647,108	2,365,159	-	16,012,267
Land and Building - Factory 15	1,692,350	431,268	-	2,123,618
Land and Building - Factory 17	10,332	2,654	-	12,986
	<u>17,475,732</u>	<u>6,598,628</u>	<u>-</u>	<u>24,074,360</u>

<b>Net book values</b>	<b>2021 Rs.</b>	<b>2020 Rs.</b>
Buildings - Residential Apartments	723,729	2,894,901
Vehicle - Rental Vehicle	949,896	2,578,271
Land and Building - Factory 152	36,111,870	38,477,028
Land and Building - Factory 15	11,732,879	12,164,147
Land and Building - Factory 17	112,272	114,927
	<u>49,630,646</u>	<u>56,229,274</u>

**NOTES to the Financial Statements Year ended 31 March, 2021****8. SLFRS 16 - LEASES (Contd...)****8.1 Right of Use Asset (Contd...)**

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

	2021	2020
Buildings - Residential Apartments	2 Years	2 Years
Vehicle - Rental Vehicle	2 Years	2 Years
Land and Building - Factory 152	30 Years	30 Years
Land and Building - Factory 15	35 Years	35 Years
Land and Building - Factory 17	50 Years	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 year is as follows;

	Balance As at 01.04.2020 Rs.	Additions Rs.	Interest Expense Recognized in Profit or Loss Rs.	Realization of Liability Rs.	Exchange Gain/Loss Rs.	Balance As at 31.03.2021 Rs.
Buildings - Residential Apartments	2,996,393	-	193,065	(2,400,000)	-	789,458
Vehicle - Rental Vehicle	2,634,271	-	188,295	(1,800,000)	-	1,022,566
Land and Building - Factory 152	24,887,968	-	2,419,689	(2,342,369)	-	24,965,288
Land and Building - Factory 15	6,259,099	-	611,963	(498,272)	-	6,372,790
Land and Building - Factory 17	56,712	-	5,667	(4,307)	-	58,072
	<u>36,834,443</u>	<u>-</u>	<u>3,418,679</u>	<u>(7,044,948)</u>	<u>-</u>	<u>33,208,174</u>

	2021			2020		
	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.
Buildings - Residential Apartments	789,458	-	789,458	2,593,064	403,330	2,996,394
Vehicle - Rental Vehicle	1,022,566	-	1,022,566	1,988,296	645,975	2,634,271
Land and Building - Factory 152	5,445,440	19,519,848	24,965,288	5,491,140	19,396,827	24,887,967
Land and Building - Factory 15	1,262,425	5,110,365	6,372,790	1,265,328	4,993,771	6,259,099
Land and Building - Factory 17	11,403	46,669	58,072	11,409	45,303	56,712
	<u>8,531,292</u>	<u>24,676,882</u>	<u>33,208,174</u>	<u>11,349,237</u>	<u>25,485,206</u>	<u>36,834,443</u>

**NOTES to the Financial Statements Year ended 31 March, 2021****9. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

9.1 Financial Investments	2021		2020	
	No. of Shares	Rs.	No. of Shares	Rs.
<b>Quoted Investments</b>				
DFCC Bank PLC	36,278	2,264,800	36,064	2,185,478
<b>Unquoted Investments</b>				
Centre for Technical Excellence in Ceramics-CENTEC Limited	54,000	540,000	54,000	540,000
<b>Total</b>	<b>90,278</b>	<b>2,804,800</b>	<b>90,064</b>	<b>2,725,478</b>

**9.2 Interest Bearing Loans and Borrowings**

	2021			2020		
	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)	364,184,199	502,666,710	866,850,909	364,703,412	866,666,670	1,231,370,082
Project Loan (9.5)	604,349,441	420,500,000	1,024,849,441	605,415,000	772,249,999	1,377,664,999
Short Term Loans (9.6)	396,006,028	-	396,006,028	760,502,369	-	760,502,369
Bank Overdrafts (12.2)	128,820,315	-	128,820,315	98,462,098	-	98,462,098
	<u>1,493,359,983</u>	<u>923,166,710</u>	<u>2,416,526,693</u>	<u>1,829,082,879</u>	<u>1,638,916,669</u>	<u>3,467,999,548</u>

**9.3 Interest Bearing Loans and Borrowings**

	Balance as at 01.04.2020 Rs.	New Loans Obtained Rs.	Repayments Rs.	Accrued Interest Rs.	Balance as at 31.03.2021 Rs.
Long Term Loans (9.4)	1,231,370,082	-	(363,999,960)	(519,213)	866,850,909
Project Loan (9.5)	1,377,664,999	-	(351,750,000)	(1,065,558)	1,024,849,441
Short Term Loans (9.6)	760,502,369	6,884,657,000	(7,248,657,000)	(496,341)	396,006,028
	<u>3,369,537,450</u>	<u>6,884,657,000</u>	<u>(7,964,406,960)</u>	<u>(2,081,112)</u>	<u>2,287,706,378</u>

**NOTES to the Financial Statements Year ended 31 March, 2021****9. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES (Contd...)****9.4 Long Term Loans**

<b>(a.) Term Loan Facility - Rs. 305 Mn</b>		<b>Hatton National Bank PLC</b>	<b>Total</b>
		<b>Rs.</b>	<b>Rs.</b>
<b>As at 01 April 2020</b>		279,663,871	279,663,871
Repayments		(102,000,000)	(102,000,000)
Accrued Interest		(111,837)	(111,837)
<b>As at 31 March 2021</b>		<u>177,552,034</u>	<u>177,552,034</u>

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

<b>(b.) Term Loan Facility - Rs. 1,048 Mn</b>		<b>State Bank of India</b>	<b>Total</b>
		<b>Rs.</b>	<b>Rs.</b>
<b>As at 01 April 2020</b>		951,706,211	951,706,211
Repayments		(261,999,960)	(261,999,960)
Accrued Interest		(407,376)	(407,376)
<b>As at 31 March 2021</b>		<u>689,298,875</u>	<u>689,298,875</u>

Interest Rate	AWPLR plus 1.00% p.a. with a floor rate of 7% and a ceiling of maximum interest rate of 9%.
Repayment Terms	48 equal monthly installments commence after 12 months moratorium Year which starts immediately after the first disbursement
Tenor	05 Years ((including grace Year - From 2018 November to 2019 October))
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, 2021****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)**

	<b>Commercial Bank of Ceylon PLC Rs.</b>	<b>Total Rs.</b>
<b>As at 01 April 2020</b>	862,527,390	862,527,390
Repayments	(234,500,000)	(234,500,000)
Accrued Interest	(765,291)	(765,291)
<b>As at 31 March 2021</b>	<u>627,262,099</u>	<u>627,262,099</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 Year of 1 1/2 years from the first drawdown.
Tenor	06 1/2 Years (including grace Year)
Security	New furnace plant, machinery & equipment together with land & building at Wagawatta Industrial Park, Horana.

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

	<b>Commercial Bank of Ceylon PLC Rs.</b>	<b>Total Rs.</b>
<b>As at 01 April 2020</b>	515,137,609	515,137,609
Repayments	(117,250,000)	(117,250,000)
Accrued Interest	(300,267)	(300,267)
<b>As at 31 March 2021</b>	<u>397,587,342</u>	<u>397,587,342</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 Year of 1 1/2 years from the first drawdown.
Tenor	06 1/2 Years (including grace Year)
Security	New furnace plant, machinery & equipment together with land & building at Wagawatta Industrial Park, Horana.

<b>9.6 Short Term Loan</b>	<b>Citi Bank Rs.</b>	<b>Commercial Bank of Ceylon PLC Rs.</b>	<b>Standard Chartered Bank Rs.</b>	<b>Peoples' Bank Rs.</b>	<b>Hatton National Bank PLC Rs.</b>	<b>Total Rs.</b>
<b>As at 01 April 2020</b>	150,560,959	196,331,518	413,609,892	-	-	760,502,369
New Loans Obtained	1,297,000,000	2,607,000,000	1,727,000,000	315,000,000	938,657,000	6,884,657,000
Repayments	(1,397,000,000)	(2,533,000,000)	(2,140,000,000)	(315,000,000)	(863,657,000)	(7,248,657,000)
Accrued Interest	(376,027)	478,893	(609,892)	-	10,685	(496,341)
<b>As at 31 March 2021</b>	<u>50,184,932</u>	<u>270,810,411</u>	<u>-</u>	<u>-</u>	<u>75,010,685</u>	<u>396,006,028</u>

**NOTES to the Financial Statements Year ended 31 March, 2021****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 2021, the Company held the following financial instruments carried at fair value on the statement of financial position.

<b>Assets Measured at Fair Value</b>	<b>2021</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
<b>Equity Instruments at FVTOCI</b>				
Quoted Equity Shares	2,264,800	2,264,800	-	-
	<u>2,264,800</u>	<u>2,264,800</u>	<u>-</u>	<u>-</u>

As at 31 March 2021, the Company held the following financial instruments carried at fair value on the statement of financial position.

<b>10. INVENTORIES</b>	<b>2021</b>	<b>2020</b>
	<b>Rs.</b>	<b>Rs.</b>
Raw/Packing Materials	457,111,974	457,120,695
Work in Progress	12,927,190	15,660,166
Finished Goods	581,604,113	930,959,687
Consumables and Spares	820,984,842	693,743,874
Stock in Transit	3,821,377	10,655,100
Less: Obsolete and Slow Moving Inventory	(16,295,000)	(22,576,895)
	<u>1,860,154,496</u>	<u>2,085,562,627</u>

**NOTES to the Financial Statements Year ended 31 March, 2021**

11. TRADE AND OTHER RECEIVABLES		2021 Rs.	2020 Rs.
Trade Receivables	- Related Party (11.1)	81,561,948	58,095,700
	- Others	1,525,641,814	1,087,742,146
Less : Provision for Impairments		(38,407,271)	(64,079,612)
		1,568,796,491	1,081,758,234
Other Receivables	- Related Party (Piramal Glass USA Inc)	-	396,142
	- Related Party (Piramal Glass Pvt Ltd)	13,402,853	-
Advances and Deposits		102,632,817	76,759,698
Loans to Company Officers	- Current	3,734,000	4,117,822
		<u>1,688,566,161</u>	<u>1,163,031,896</u>
Total Current		<u>1,688,566,161</u>	<u>1,163,031,896</u>
		<u>1,688,566,161</u>	<u>1,163,031,896</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	81,561,948	54,696,954
Piramal Glass Private Limited	Parent Company **	-	3,398,746
		<u>81,561,948</u>	<u>58,075,700</u>

\*\* With effect from 29 March 2021 the parent of the company was changed from Piramal Glass Private Limited to PGP Glass Private Limited.

From 30 March 2021 to 31 March 2021 there were no any transaction made with PGP Glass Private Limited.

**11.2 As at 31 March 2021 and 31 March 2020, the ageing analysis of trade receivables, is as follows:**

			Past Due			
	Total	Neither Past Due nor Impaired	< 60 Days	61-120 Days	121-180 Days	> 180 Days
	Rs.Mn	Rs.Mn	Rs.Mn	Rs.Mn	Rs.Mn	Rs.Mn
As at 31 March 2021	1,607	1,319	227	44	17	-
As at 31 March 2020	1,146	620	501	20	1	4

11.3 Provision for Impairments		2021 Rs.	2020 Rs.
Balance as at the Beginning of the Year		(64,079,612)	(59,640,235)
(Provision)/Reversal for Bad & Doubtful Debts		17,323,981	(11,460,529)
Written off During the Year		8,348,360	7,021,152
Balance as at the End of the Year		<u>(38,407,271)</u>	<u>(64,079,612)</u>
12. CASH AND SHORT TERM DEPOSITS		2021 Rs.	2020 Rs.
12.1 Favourable Cash and Cash Equivalent Balances			
Cash at Bank and on Hand		125,663,166	165,710,786
		<u>125,663,166</u>	<u>165,710,786</u>
12.2 Unfavourable Cash and Cash Equivalent Balances			
Bank Overdraft (9.2)		(128,820,315)	(98,462,098)
Cash and Cash Equivalents for the Purpose of Cash Flow Statement		<u>(3,157,149)</u>	<u>67,248,688</u>

**NOTES to the Financial Statements Year ended 31 March, 2021**

13.	STATED CAPITAL	2021 Number	2020 Number	2021 Rs.	2020 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	2021 Rs.	2020 Rs.
	Revaluation Reserve (14.1)	99,872,563	99,872,563
	Fair Value Reserve	1,876,575	1,924,119
		<u>101,749,138</u>	<u>101,796,682</u>

**14.1 Revaluation Reserve**

<b>Balance as at beginning of the Year</b>	99,872,563	99,872,563
Revaluation Impact Eliminated on Disposal of Property, Plant and Equipment	-	-
<b>Balance as at the End of the Year</b>	<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**

15.1	Defined Benefit Obligation	2021 Rs.	2020 Rs.
	Changes of the defined benefit obligation are as follows:		
	<b>Balance at the Beginning of the Year</b>	189,679,772	178,516,826
	Interest Cost	18,626,555	20,261,657
	Current Service Cost	18,066,681	14,223,700
	Actuarial (Gains) / Losses on Obligation	18,033,030	1,004,167
	Benefits Paid during the Year	<u>(20,157,412)</u>	<u>(24,326,578)</u>
	<b>Balance at the End of the Year</b>	<u>224,248,626</u>	<u>189,679,772</u>

**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 2021. 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.

	2021	2020
Method of actuarial valuation:	Projected Unit Credit method	Projected Unit Credit method
Discount rate:	8.19%	9.82%
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	13.37	13.59
Executive	8.53	7.99
Mortality table:	A1967-70 Mortality Table for Assured Lives	A1967-70 Mortality Table for Assured Lives

### 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	Benefits Paid	Actuarial Changes arising from Changes in Demographic Assumptions	Actuarial Changes arising from Changes in Financial Assumptions	Subtotal Included in OCI
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Defined Benefit Obligation	178,516,826	14,223,700	20,261,657	34,485,357	(24,326,578)	-	14,611,750	1,004,167
							(13,607,583)	189,679,772
Benefit Liability	178,516,826	14,223,700	20,261,657	34,485,357	(24,326,578)	-	14,611,750	1,004,167
							(13,607,583)	189,679,772

**NOTES to the Financial Statements Year ended 31 March, 2021****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 ended 31 March 2021.

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:

		<b>Increase Rs.</b>	<b>Decrease Rs.</b>
<b>2021</b>	Effect on the defined benefit obligation	17,593,938	(15,670,583)
<b>2020</b>	Effect on the defined benefit obligation	13,055,931	(11,772,159)

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

		<b>Increase Rs.</b>	<b>Decrease Rs.</b>
<b>2021</b>	Effect on the defined benefit obligation	(14,904,633)	17,069,048
<b>2020</b>	Effect on the defined benefit obligation	(11,000,595)	12,425,183

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

	<b>2021 Rs.</b>	<b>2020 Rs.</b>
Within the Next 12 Months	29,463,871	22,655,457
Between 1 and 6 Years	91,953,005	87,474,124
Between 6 and 10 Years	37,676,197	33,976,864
Beyond 10 years	65,155,553	45,573,327
	<u>224,248,626</u>	<u>189,679,772</u>

**NOTES to the Financial Statements Year ended 31 March, 2021**

<b>16. TRADE AND OTHER PAYABLES</b>		<b>2021</b>	<b>2020</b>
		<b>Rs.</b>	<b>Rs.</b>
Trade Payable	- Related Party (16.1)	7,263,556	110,937,544
	- Others	526,236,515	494,693,359
Other Payables	- Related Party (16.2)	35,971,009	103,527,914
	- Others	33,435,608	46,356,325
Sundry Creditors including Accrued Expenses		267,936,546	235,322,842
		<u>870,843,234</u>	<u>990,837,984</u>

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

<b>16.1 Trade Payables to Related Party</b>	<b>Relationship</b>		
Piramal Glass Private Limited	Parent Company**	7,263,556	110,937,544
		<u>7,263,556</u>	<u>110,937,544</u>

<b>16.2 Other Payables - Related Party</b>	<b>Relationship</b>		
Piramal Glass Private Limited	Parent Company**	35,971,009	103,527,914
		<u>35,971,009</u>	<u>103,527,914</u>

\*\* With effect from 29 March 2021 the parent of the company was changed from Piramal Glass Private Limited to PGP Glass Private Limited.

From 30 March 2021 to 31 March 2021 there were no any transaction made with PGP Glass Private Limited.

<b>17. DIVIDENDS PAID AND PAYABLE</b>		<b>2021</b>	<b>2020</b>
		<b>Rs.</b>	<b>Rs.</b>
<b>Declared and Paid during the Year</b>			
Equity Dividends on Ordinary Shares			
- Final dividend for 2020 Rs. 0.20 : (2019 - Rs.0.18)		190,017,216	171,015,494
		<u>190,017,216</u>	<u>171,015,494</u>
<b>Dividends Payable as at the end of the Year</b>			
As at the beginning of the year		33,607,881	38,142,160
Dividends Declared during the year		190,017,216	171,015,494
Dividends Paid during the year		(181,651,671)	(167,714,001)
Written back of Unclaimed Dividends		(7,672,214)	(7,835,772)
As at the end of the year		<u>34,301,212</u>	<u>33,607,881</u>



**NOTES** to the Financial Statements Year ended 31 March, 2021

## 18. RELATED PARTY DISCLOSURES

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

### 18.1 Transaction with Group Companies

Name of Company	Relationship
Piramal Glass Private Limited	Parent Company**

The amounts payable to the above related parties as at 31 March 2021 and 31 March 2020 are disclosed in Notes 16.1 and 16.2 and amounts receivable from the above related parties as at 31 March 2021 and 31 March 2020 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.

\*\* With effect from 29 March 2021 the parent of the company was changed from Piramal Glass Private Limited to PGP Glass Private Limited.

From 30 March 2021 to 31 March 2021 there were no any transaction made with PGP Glass Private Limited.

**NOTES to the Financial Statements Year ended 31 March, 2021****18. RELATED PARTY DISCLOSURES (Contd...)****18.2 Transactions with Directors/Key Management Personnel \***

	<b>2021</b>	<b>2020</b>
	<b>Rs.</b>	<b>Rs.</b>
Short term Employee Benefits	39,231,203	38,386,589
Post - Employment Benefits	-	-
Other Long term Benefits	-	-
Termination Benefits	-	-
Share Based Payments	-	-
<b>Total Compensation paid to Key Management Personnel</b>	<b>39,231,203</b>	<b>38,386,589</b>

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

**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 2021 are as follows:

	<b>2021</b>	<b>2020</b>
	<b>Rs.Mn</b>	<b>Rs.Mn</b>
Contracted but not Provided	121	37
Authorized by the Board, but not Contracted for	16	28
	<b>137</b>	<b>65</b>

**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 is as follows.

<b>Nature of Assets</b>	<b>Nature of Liability</b>	<b>Carrying Value of Assets Pledged</b>	
		<b>2021</b>	<b>2020</b>
		<b>Rs Mn.</b>	<b>Rs Mn.</b>
Immovable Properties	First/Secondary Mortgage for Loans and Borrowings	3,328	3,714
		<b>3,328</b>	<b>3,714</b>

**21. EVENTS OCCURRING AFTER THE REPORTING DATE**

Board of Directors of the Company has proposed the first and final dividend of Rs. 0.58 cents per share for the financial year ended 31 March 2021.

**NOTES to the Financial Statements Year ended 31 March, 2021****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.

**NOTES to the Financial Statements Year ended 31 March, 2021****22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd...)****22.1 Introduction (Contd...)****22.1.3 Interest Rate Risk**

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

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

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

	Increase/(Decrease) in Interest Rate	Effect on Statement of Profit or Loss Rs.	Effect on Statement of Financial Position Rs.
<b>2021</b>	1%	(36,180,215)	(36,180,215)
	-1%	36,180,215	36,180,215
<b>2020</b>	1%	(37,796,571)	(37,796,571)
	-1%	37,796,571	37,796,571

**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.

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 Rs.	Effect on Statement of Financial Position Rs.
<b>2021</b>	1%	505,203	505,203
	-1%	(505,203)	(505,203)
<b>2020</b>	1%	(70,366)	(70,366)
	-1%	70,366	70,366

**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.

**NOTES to the Financial Statements Year ended 31 March, 2021****22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd...)****22.1 Introduction (Contd...)****22.1.5 Liquidity Risk (Contd...)**

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 2021.

	<b>1 - 6 Months</b>	<b>6 - 12 Months</b>	<b>1 - 6 Years</b>	<b>Total</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
Long Term Loans	182,184,201	181,999,998	502,666,710	866,850,909
Project Loan - Relining & Modernization of Furnace	302,849,441	301,500,000	420,500,000	1,024,849,441
Short Term Loans	396,006,028	-	-	396,006,028
Trade and Other Payables	870,843,234	-	-	870,843,234
Bank Overdraft	128,820,315	-	-	128,820,315
	<u>1,880,703,219</u>	<u>483,499,998</u>	<u>923,166,710</u>	<u>3,287,369,927</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).

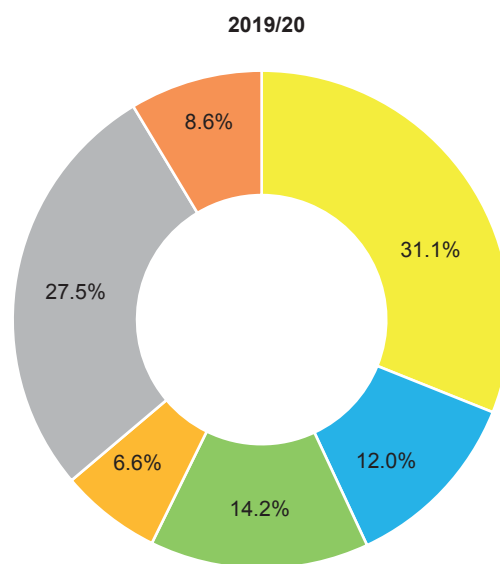
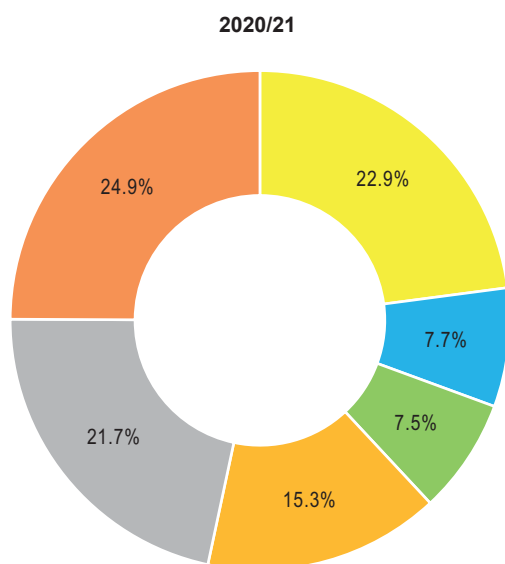
The company minimizes its credit risk towards its customers by having agreements with customers and having high level scrutiny before converting a cash customer to a credit customer. Also the company adheres to the policy of obtaining guarantees from new customers as the requirement may seem fit.

**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

	2020/21		2019/20	
	Rs. Mn	%	Rs.Mn	%
Gross Revenue	9,009		8,203	
Less : Cost of Material/ Service Provided	(5,404)		(5,598)	
Value Addition	<b>3,605</b>		<b>2,605</b>	
Employees as Remuneration & Other benefits	826	22.9%	809	31.1%
Government as Taxes	277	7.7%	312	12.0%
Providers of Capital				
Finance Cost on Borrowings	269	7.5%	371	14.2%
Dividends to the Shareholders	551	15.3%	171	6.6%
Retained in the Business as				
Depreciation	783	21.7%	718	27.5%
Reserves	898	24.9%	224	8.6%
	<b>3,605</b>	<b>100.0%</b>	<b>2,605</b>	<b>100.0%</b>



- 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	2021		2020	
	No. of Shares	%	No. of Shares	%
1 PGP Glass Private Limited - India	536,331,880	56.45	-	-
2 Employees Provident Fund	90,317,140	9.51	90,317,140	9.51
3 J.B. Cocoshell (Pvt) Ltd	12,898,268	1.36	2,492,604	0.26
4 Mr. M J Fernando	10,262,095	1.08	10,728,757	1.13
5 Mr. H M Udeshi	9,894,059	1.04	8,567,039	0.90
6 Capital Alliance Limited	7,250,000	0.76	-	-
7 Apposite Trading (Pvt) Ltd	6,959,677	0.73	6,959,677	0.73
8 Cheerful Commercial Private Limited	6,574,763	0.69	6,574,763	0.69
9 Bangkok Glass Industry Company Limited	6,280,000	0.66	6,280,000	0.66
10 Deutsche Bank AG AS Trustee To Capital Alliance Quantitative Equity Fund	5,307,594	0.56	-	-
11 Mr. K.U.D. Silva	5,298,206	0.56	-	-
12 Employees Trust Fund Board	5,229,095	0.55	3,780,256	0.40
13 Capital Alliance Holdings Ltd	5,200,000	0.55	-	-
14 Mr. K D Reddy	4,400,020	0.46	6,418,737	0.68
15 Mr. G.C. Goonetilleke	3,750,000	0.39	3,190,000	0.34
16 Thread Capital (Private) Limited	3,600,000	0.38	-	-
17 Mr. N. Samarasuriya	3,000,000	0.32	300,000	0.03
18 CBL Investments Limited	2,983,235	0.31	-	-
19 People's Leasing & Finance PLC/ Mrs.D.M.P.Rasangika	2,800,001	0.30	-	-
20 Mr. A.M.V.A. Chaminda	2,738,924	0.29	-	-
Piramal Glass Private Limited - India	-	-	536,331,880	56.45
Citibank New York S/A Norges Bank Account 2	-	-	27,808,499	2.93
Anverally and Sons (Pvt) Ltd A/c No 01	-	-	9,220,690	0.97
Mr. A J Tissera	-	-	8,617,450	0.91
Mr.N Perera	-	-	8,350,000	0.88
Mr.G Dangampola and Mrs.N P Dangampola	-	-	8,300,000	0.87
Elgin Investments Limited	-	-	6,430,000	0.68
DFCC Bank PLC A/c 1	-	-	5,000,000	0.53
Seylan Bank PLC/Pinnaduwa Aravinda De Silva	-	-	4,766,809	0.50
Mr.H.N.Esufally & Mrs.S.R.A.Esufally	-	-	4,135,900	0.44
Union Assurance PLC-Universal Life Fund	-	-	3,729,831	0.39
Mrs.M.T.Moosajee	-	-	3,532,235	0.37
<b>Sub Total</b>	<b>731,074,957</b>	<b>76.95</b>	<b>771,832,267</b>	<b>81.25</b>
Others	219,011,123	23.05	178,253,813	18.75
<b>Grand Total</b>	<b>950,086,080</b>	<b>100.00</b>	<b>950,086,080</b>	<b>100.00</b>

### 3 SHARE DISTRIBUTION

#### 3.1 Shareholding as at 31st March

From	To	No. of Holders		No. of Shares		%	
		2021	2020	2021	2020	2021	2020
1	1,000	3,622	2,989	1,527,600	1,314,223	0.16	0.14
1,001	10,000	8,392	8,033	25,661,527	23,835,143	2.70	2.50
10,001	100,000	1,418	1,170	47,618,491	40,166,407	5.01	4.23
100,001	1,000,000	274	242	77,505,293	66,410,436	8.16	6.99
Over 1,000,000		59	48	797,773,169	818,359,871	83.97	86.14
		<b>13,765</b>	<b>12,482</b>	<b>950,086,080</b>	<b>950,086,080</b>	<b>100.00</b>	<b>100.00</b>



**SHAREHOLDERS' and Investor Information****3 SHARE DISTRIBUTION (Contd...)****3.2 Categories of Shareholders**

	No. of Holders		No. of Shares		%	
	2021	2020	2021	2020	2021	2020
Local Individuals	13,425	12,208	194,387,123	184,621,028	20.46	19.43
Local Institutions	278	210	190,602,064	162,071,907	20.06	17.06
Foreign Individuals	57	57	7,300,573	11,358,326	0.77	1.20
Foreign Institutions	5	7	557,796,320	592,034,819	58.71	62.31
	<b>13,765</b>	<b>12,482</b>	<b>950,086,080</b>	<b>950,086,080</b>	<b>100.00</b>	<b>100.00</b>
Percentage of Shares held by the public	43.42%	43.42%				
Number of Public Shareholders	13,762	12,479				

**4 SHARE PRICE**

Market price per share for the year	2021/21		2019/20	
Highest Price	Rs. 11.40	18-01-2021	Rs. 4.80	04-12-2019
Lowest Price	Rs. 2.80	12-05-2020	Rs. 3.10	23-04-2019
Closing Price	Rs. 11.10		Rs. 3.30	

**5 SHARE TRADING**

	2021/21	2019/20
Number of Shares Traded During the year	1,657,626,883	99,882,774
Value of Shares Traded during the year - Rs.	15,000,064,683	388,210,000
Number of Transaction during the year	86,778	8,380

**6 MARKET CAPITALISATION**

As at 31st March - Rs. Mn	10,546	3,135
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**7 FLOAT ADJUSTED MARKET CAPITALIZATION**

As at 31st March - Rs. Mn	4,579	1,361
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The Float adjusted market capitalization of the Company falls under Option 4 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	2021 Rs. '000	2020 Rs. '000	2019 Rs. '000	2018 Rs. '000	2017 Rs. '000	2016 Rs. '000	2015 Rs. '000	2014 Rs. '000 (Restated)	2013 Rs. '000	2012 Rs. '000
<b>OPERATING RESULTS</b>										
Revenue (Gross)	8,531,802	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
Profit/(Loss) before Tax	1,190,835	495,406	510,496	541,049	602,840	804,604	508,567	289,346	767,307	694,990
Tax Expenses/(Reversal)	95,054	106,418	164,126	197,168	117,364	150,202	69,151	6,089	45,750	9,678
Profit/(Loss) after Tax	1,095,781	388,988	346,370	343,882	485,476	654,402	439,416	283,257	721,557	685,312
<b>SHARE CAPITAL &amp; RESERVES</b>										
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	4,042,216	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
Shareholders' Funds	5,568,623	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
<b>ASSETS LESS LIABILITIES</b>										
Current Assets	3,685,701	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
Current Liabilities	(2,506,565)	(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)
Net Current Assets/ (Liabilities)	1,179,136	694,970	1,206,312	875,208	1,140,208	1,084,300	448,574	27,523	161,911	(124,678)
Non Current Assets	6,182,984	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
Total Assets Less Current Liabilities	7,362,120	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
Non Current Liabilities	(2,506,565)	(2,621,494)	(2,778,449)	(2,661,372)	(3,138,564)	(741,860)	(417,798)	(193,006)	(636,560)	(1,263,410)
<b>Net Assets</b>	<b>4,855,555</b>	<b>4,670,202</b>	<b>4,445,529</b>	<b>4,264,272</b>	<b>4,211,225</b>	<b>4,067,494</b>	<b>3,625,967</b>	<b>3,549,235</b>	<b>3,629,065</b>	<b>3,246,052</b>
<b>Ratios &amp; Statistics</b>										
Earning Per Share (Rs.)	1.15	0.41	0.36	0.36	0.51	0.69	0.46	0.30	0.76	0.72
Dividend Per Share (Rs.) - Paid	0.20	0.18	0.18	0.26	0.35	0.23	0.38	0.38	0.36	0.30
Return on Equity (%)	20	8	8	8	12	16	12	8	20	21
Dividend Payout ratio (%)	50	49	50	50	51	51	50	127	50	50
Market value per share (Rs.)	11.10	3.30	3.50	5.80	5.60	5.10	5.70	3.40	6.10	6.10
Price Earning Ratio (times covered)	9.65	8.05	9.72	16.11	10.98	7.39	12.39	11.33	8.03	8.47
Interest Cover	5.07	2.05	2.03	2.04	3.75	9.79	4.46	2.40	3.81	4.09
Current Ratio (times covered)	1.47	1.24	1.41	1.35	1.66	1.59	1.19	1.01	1.06	0.95
Liquidity Ratio (times covered)	0.73	0.51	0.64	0.68	0.82	0.81	0.59	0.45	0.51	0.46
Gearing Ratio	0.39	0.56	0.61	0.61	0.76	0.13	0.06	0.10	0.31	0.54
Net Asset per share (Rs.)	5.11	4.92	4.68	4.49	4.43	4.28	3.82	3.74	3.82	3.40

Note : Ten years financial information and ratios have been restated/recalculated for the year ended 31st of March 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 Sixth (66<sup>th</sup>) Annual General meeting of the Company will be held by way of electronic means on the 22<sup>nd</sup> July 2021 at 11.00 a.m. centered at the Board Room of the Registered office of the Company, No. 148, Maligawa Road, Borupana, Rathmalana for the following purposes.

1. To receive and consider the Annual Report of the Board and the Financial Statements of the Company for the year ended 31st March 2021, together with the Report of the Auditors thereon.
2. To re-elect as a Director Mr. V.K. Shah who retires by rotation in terms of Article 98 of the Articles of Association of the Company and being eligible has offered himself for re-election.
3. To re-elect as a director Mr.R.M.S.Fernando, who attained the age of 78 years on 29th September 2020 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 75 years on 16 th April 2020 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. 0.58 per share as authorized by the directors.
6. 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.

### Special Resolutions;

7. To appoint Messrs. KPMG, Chartered Accountants as Auditors of the Company until the next Annual General Meeting and to authorize the Directors to fix their remuneration.
8. Consequent to having received the approval of the Registrar General of Companies for the change of name of Company; to consider and if thought fit, pass the following Resolution. "IT IS HEREBY RESOLVED THAT the name of the Company be Changed to PGP GLASS CEYLON PLC"

### 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 14<sup>th</sup> May 2021

# 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 66<sup>th</sup> Annual General Meeting of the Company to be held by way of electronic means the on the 22<sup>nd</sup> July 2021 at 11.00 a.m. centered at the Board Room of the Registered office of the Company, No. 148, Maligawa Road, Borupana, Rathmalana 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 <sup>st</sup> March 2020, together with the Report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2 To re-elect as a Director Director Mr. V.K. Shah who retires by rotation in terms of Article 98 of the Articles of Association of the Company and being eligible has offered himself for re-election.	<input type="checkbox"/>	<input type="checkbox"/>
3 To re-elect as a director Mr. R.M.S.Fernando, who attained the age of 78 years on 20th September 2020 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 75 years on 16 th April 2020 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 0.58 per share as authorized by the directors.	<input type="checkbox"/>	<input type="checkbox"/>
6 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"/>
<b>Special Resolutions;</b>		
7 To appoint Messrs. KPMG, 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"/>
8 Consequent to having received the approval of the Registrar General of Companies for the change of name of Company; to consider and if thought fit, pass the following Resolution. "IT IS HEREBY RESOLVED THAT the name of the Company be Changed to PGP GLASS CEYLON PLC"	<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. The completed Form of Proxy can be forwarded via email address of PGC.AGM@piramal.com or handover to the Registered office of the Company apart from posting.
3. Perfect the form of proxy by filling in all necessary details legibly, signing and dating.
4. Complete the form in capital letters.
5. Please indicate with an "X" in the space provided, how your Proxy is to vote on each resolution. If no indication is given, the Proxy, at his/her discretion, will vote as he/she thinks fit.

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.

In the case of proxy signed by an Attorney, the power of Attorney must be deposited at the Registered office of the Company for registration.

## NOTES





## 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

Madampe Road, Pahala Walahapitiya, Nattandiya.  
Telephone: +94 327 800 200 - 4  
Fax:           +94 322 255 193

### India

PGP Glass Private Ltd,  
O.N.G.C. Road, P.B.No.6,  
Tarsadi Village,  
Kosamba, Dist: Surat - 394120  
Gujarat, India.

PGP Glass Private 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

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