



Piramal Glass
knowledge action care

THE BOARD OF DIRECTORS

Ajay G. Piramal	Chairman
Vinita Bali	Director
Vimal Bhandari	Director
Dharendra Chadha	Director
Jiten Doshi	Director
Bharat Kewalramani	Director
Dr. (Mrs.) Swati A. Piramal	Director
Vijay Shah (Managing Director upto 31st December, 2011)	Director

Auditors

M/s. Haribhakti & Co.,
Chartered Accountants
Race Course Circle
Vadodara, Pin 390 007
Gujarat, India.

Registered Office

Piramal Tower,
Ganpatrao Kadam Marg,
Lower Parel, Mumbai - 400 013,
Maharashtra, India.
Website : www.piramalglass.com

Bankers

Allahabad Bank
HDFC Bank Limited
ICICI Bank Limited
Exim Bank
Corporation Bank
Axis Bank Limited
Standard Chartered Bank
The Hongkong & Shanghai Banking
Corporation Limited
IDBI Bank Limited
Central Bank of India
IndusInd Bank Limited

Subsidiary Companies

- Piramal Glass Ceylon PLC.
- Piramal Glass International Inc.
- Piramal Glass-USA Inc.
- Piramal Glass Flat River LLC
- Piramal Glass Williamstown LLC
- Piramal Glass (UK) Limited
- Piramal Glass Europe SARL

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CHAIRMAN'S LETTER



Dear Shareholders,

Warm greetings to you all!

FY-12 has been a year of consolidation for Piramal Glass.

Our Company continues to move forward on its vision of global leadership in specialty glass packaging (flacconage). This year was a year of investment with investments in relining of furnaces and also a green field project. This brings our capacity in cosmetics and perfumery segment to about 550 tons per day making PGL's capacity second largest in the world.

The Company's consolidated total operating income for the year grew by 13.5% to ₹ 14077 million.. The operating profit before interest depreciation and tax (EBITDA) grew by 9% to ₹ 3335 million The EBIDTA to total operating income was 23.7% a as compared to 24.7% last year. The net profit for the year was ₹ 1,084.6 million

Indian operations continues to focus on Cosmetics and Perfumery (C&P) sector with around 60% sales coming from C&P, with an emphasis on premium segment. We have successfully executed multiple projects for marquee global brands from India this year. Sri Lankan operations have maintained focus on efficiency and capacity utilization through better product mix and reported an EBITDA of 33% inspite of cost escalation.

USA continues to focus on Specialty Food and Beverages (SF&B) segment and will continue to act as a funnel for sourcing manufactured products from India for the C&P segment. This year around 21% of USA sales were from products produced in India. Even in the US one of the two furnaces underwent relining in Q3 hence production capacity was constrained.

Due to capex in FY12 (expansion and relining), debt has gone up from ₹ 9,199.9 million To ₹ 11,432.2 million, Debt to equity ratio was at 2.8.

Cosmetics & Perfumery Division:

Cosmetics & Perfumery business grew by 17% from ₹ 6,026 million to ₹ 7,052 million. We are now servicing most of the leading international C&P companies and the focus is on gaining share of wallet which includes international marquee brands. We are now recognized as a quality glass packaging vendor for the perfumery industry globally.

With a view to further enhance C&P sales during the year we converted 75 TPD Amber furnace (for Pharmaceuticals) to 55 TPD flint furnace for C&P. In FY-12, we have commenced a greenfield project for setting up a low cost mass furnace of 160 TPD, which is operational from April 2012. The enhanced capacity will help in increasing the market share of C&P

Pharmaceutical Division :

PGL continued to focus on high value added products in the pharmaceutical glass packaging market, in the process rationalizing products and markets in favour of exports with a view to increase profitability. During the year the largest pharma furnace 230 TPD with 6 lines underwent relining and was converted into 255 TPD with 8 lines

Specialty Food and Beverages Division :

PGL focuses on manufacturing high value SF&B bottles from our operations in USA & Sri Lanka. This segment clocked a sale of ₹ 3503 million as compared to a sale of ₹ 2740 million in FY11,

Knowledge Action Care :

In line with our corporate values of "Knowledge, Action & Care", we have been working on several initiatives of Employee Engagement as well as a formal process of Manufacturing Excellence. The initiative of measuring Employee Engagement with the help of the world renowned PCI Coffman continues this year with most of our locations reporting leading edge performance in Employee Engagement. It is a matter of great satisfaction that the Company as a whole reported a 4.46 (on a scale of 5) rating which is 99th percentile in the global PCI Coffman survey. Piramal Glass has achieved 99th percentile for 3rd year in a row. We believe that the empowerment of our employees is one of our key factors of success and helps realise our vision of global leadership.

I sincerely thank all our customers, employees, suppliers, bankers and shareholders for their confidence and support.

Warm regards,

Ajay G. Piramal

Chairman

7th May, 2012

MANAGEMENT DISCUSSION & ANALYSIS

Business Overview:

Piramal Glass Limited (PGL) is a manufacturer of glass containers for the Cosmetics & Perfumery, Pharmaceuticals and Specialty Food & Beverage industries. PGL manufactures a wide range of glass bottles and jars, in sizes ranging from 2 ml to 2.5 liters. PGL has manufacturing facilities in India, USA and Sri Lanka.

Market Overview:

Market Size

- Cosmetics & Perfumery Global market size is estimated to be US\$ 2.3 – US\$ 2.5 billion, growing at 3-5%
- Pharmaceutical Global market size is estimated to be US\$ 2.0 - US\$ 2.3 billion, growing at 3-5%
- Specialty Food & Beverages is estimated to be US\$ 1.3 - US\$ 1.5 billion, growing at 5%-7%

Cosmetics & Perfumery Business:

The glass containers manufactured in Cosmetics & Perfumery are used to fill nail polish, perfumes, skin care creams, foundations, attars, etc. The main raw materials for glass manufacturing are semi snow quartz, soda ash, lime stone powder.

This market is broadly classified into five segments depending on the end bottle price.

- | | | |
|-----------------------------------|---|----------------------------|
| ▪ Select | } | Clubbed as Premium Segment |
| ▪ MNC - Mass | | |
| ▪ Low Mass | } | Clubbed as Mass Segment |
| ▪ Skin Care | | |
| ▪ Nail Polish or Colour Cosmetics | | |

PGL enjoys a global market share of ~ 6% and is the only significant player from Asia with presence in the Premium segment.

Pharmaceuticals Business:

It caters to the requirements of Pharmaceutical Industry for packaging like molded vials for injectibles and bottles for syrups, droppers and infusions. In the Indian market, PGL enjoys a leadership position with about 35% market share.

Specialty Food and Beverages Business:

The uniquely designed and colored glass containers are used to fill boutique wine and high-end liquor products.

Growth Drivers

Cosmetics & Perfumery (C&P)

The Cosmetics and Perfumery Division of Piramal Glass caters to international marquee customers like LVMH, Yves Rocher, YSL, Coty, Unilever, Revlon, L'Oreal, P&G, Elizabeth Arden, Estee Lauder etc. apart from specialized localized manufacturers like Dumak LLC, Erkul Kozmetic, Compagnie De Diffussion, Niasi, Expak, Baralan International, Estico Ltd., Revolline Ltd. These customers use the glass bottles and jars for products like nail polish, make-up foundations, perfumes, skin care creams etc.

Traditionally, the C&P glass bottles market has been dominated by European players like SGD, Pochet, Gerresheimer, Heinz, Zignago, Bormioli Rocco and Bormioli Luigi. Most of these players have been in existence for more than a hundred years.

This industry is characterized by capital as well as manual intensity (although manufacturing is highly automated, operations like forming, sorting and decorations are skill based and manual intensive).

PGL is the youngest player in this segment. It entered into this segment in 2000 with foray into nail polish market, and later low mass perfumes. Within a few years of entering, PGL became a dominant player in the nail polish glass bottle market globally. Today PGL dominates this segment. It more than makes 1 out of every 2 nail polish bottles manufactured globally (PGL manufactured 1.85 billion pieces in FY12)

In 2007, after achieving leadership position in Nail Polish and Mass Perfume markets, under a long term strategy initiative, PGL entered the Premium Segment of C&P and today this segment is the prime focus of the company. In terms of capacity Piramal Glass has the second largest installed capacity globally (545 TPD) and currently enjoys a global market share of ~ 6% (sales of ₹ 7,052 million). Investment in capacities, leveraging skills from our USA operations, leveraging skills of technical experts from Europe coupled with focus on world class business processes through Manufacturing Excellence initiative has helped the PGL to attain this position

PGL, is the fastest growing player in this segment, with a growth of 18.4% CAGR (5 years) compared to market growth of 3-5% globally. The greenfield project coupled with relining furnaces in C&P will help in catering to the growing demand and moving a

step closer to the vision of “Top 3 flacconage manufacturers in the world” (greenfield project of 160 TPD in Jambusar and capacity up-gradation of existing furnaces for Premium as well as converting 75 TPD from Pharma into C&P)

The drivers, for growth of PGL have been increased cost consciousness among western customers coupled with boom in consumption of C&P in emerging economies due to growing young population, higher percentage of working women and increasing disposable income, resulting in a spurt in C&P sales in emerging economies, particularly the BRIC countries (Brazil, Russia, India and China), Middle East and Turkey (where mass market manufacturing is concentrated)

These factors have resulted in PGL getting recognized as a respectable glass manufacturer from Asia, as an alternate supplier. Successful execution of initial projects by PGL has helped PGL in gradually winning a higher percentage of the share of wallet from existing customers – which is the main area of future effort and focus, as most of the leading perfumery companies are already our customers.

Looking back, we can say that we were newcomers when we started manufacturing nail polish in 2000. Since then, we have made rapid strides to become a leading nail polish player. This growth story is being replicated in the perfumery space. In short, PGL is poised to become a leading global supplier of C&P glass bottles in the world, and is already making rapid strides in that direction.

Pharmaceutical:

The Pharmaceutical glass container division manufactures amber bottles, amber and flint vials for liquid oral formulations, injectibles, etc. Products manufactured conform to US, Indian and European pharmacopeia in Type I, Type II and Type III formulations. PGL is a leading supplier of glass containers to both multinational and Indian pharmaceutical companies like GlaxoSmithKline, Pfizer, Cipla, Abbott, Alembic, Ranbaxy, E-Merck, Aventis, Dabur, Himalaya drugs, Dr. Reddy's Laboratories etc.

In FY-12, this segment continued to see competition in the form of replacement with PET especially in the Oral formulations and amber glass bottles in the range of 60 ml to 100 ml. PGL has focused on export markets, mainly USA, and currently 39% of PGL Pharmaceutical division comprises of exports.

The high-end Borosilicate Glass (or Type-I Glass) market has been an attractive growth segment for PGL, particularly for exports to USA as also “deemed exports” in India as more and more injectibles manufacturing facility in India receive US FDA approval.

Specialty Food & Beverages:

The Specialty Food & Beverages division provides bottles for wine, liquor and food which are often unique in design and decoration. This business is very freight intensive and hence localized. Piramal Glass is catering to this segment from Sri Lanka and USA. PGL has consciously grown in exports from Sri Lanka, earlier mainly to India, and today to Far East and Australia. In Sri Lanka the strategy has been to migrate to more and more premium customers. In USA, focus is on winning new customers and new brands in the Speciality Liquor segment.

Since the US acquisition, we have gradually been able to increase our sales in this segment through acquisition of new customers and retaining old ones. USA operations have edge over its European competitors due to lower freight. PGL caters to global customers like Diageo, Pernod Ricard, Cadbury Schweppes, UB Group, etc.

Strategy Summary

1. Continued focus on C&P segment and the growth in capacity and skill will help the company in growing both in Premium as well as Mass segment. The growth will also be fuelled by continued efforts to transition some of the C&P production from the USA facility to India
2. Improvement in product mix and geography mix for Pharmaceutical segment
3. In Sri Lanka and USA, focus on growth in Speciality bottles segment.

Performance summary :

₹ in million

Particulars	FY 2012	FY 2011
Sales and Profit:		
Net Sales	14,076.6	12407.4
EBIDTA	3,334.9	3060.7
PBT (after exceptional items)	1,395.3	1,277.3
PAT (after prior period items)	1,084.6	1,033.5
Margins:		
EBIDTA %	23.7%	24.7%
PBT % (after exceptional items)	9.9%	10.3%
PAT % (after prior period items)	7.7%	8.3%
Growth:		
Net Sales	13.5%	10.4%
EBIDTA	9.0%	39.0%
Net Profit	4.9%	3,099.7%

Results review summary:

Total Operating Income for the year ended 31 Mar 2012 grew by 13.5% to ₹ 14,076.6 million compared to FY2011 Net sales of ₹ 12,407.4 million.

Earning before Interest, Depreciation, Tax and Amortizations (EBIDTA) for the year was at ` 3,334.9 million, a growth of 9.0% over FY2011 EBIDTA of 3060.7 million.

Net interest was at ₹ 881.2 million, as compared to ₹ 714.3 million in FY2011. The total consolidated debt as on 31 March 2012 was ₹ 11,432.2 million,

Depreciation for the year ended was 1,058.4 million compared to 1,069.0 million in FY2011. Further, taxes were at 310.7 million, compared with 243.8 million in FY2011.

As a result, there was a Net Profit of ` 1,084.6 million, compared to ` 1,033.5 million in FY2011.

Net sales analysis:

₹ in million

Consolidated Sales break-up	% Saliency	FY 2012	FY 2011	% Growth
Domestic Sales				
Cosmetics & Perfumery	7.5%	1,030.4	901.0	14.4%
Pharmaceuticals	12.7%	1,744.8	956.5	(10.8%)
Specialty Food and Beverages	2.6%	360.6	278.8	29.3%
Sub-total – India	22.8%	3,135.8	3136.3	0.0%
Global Sales				
Cosmetics & Perfumery	43.7%	6,021.2	5125.2	17.5%
Pharmaceuticals	10.7%	1,478.1	1461.7	1.1%
Specialty Food and Beverages	22.8%	3,142.8	2461.5	27.7%
Sub-total - Outside India	77.2%	10,642.2	9048.4	17.6%
Consolidated Total Sales	100.0%	13,778.0	12,184.7	13.1%

Notes:

Global Sales are Total Consolidated sales outside India.

% Saliency is percentage of sales in the category to net sales

Profitability analysis:

₹ in million

Consolidated Profits break up	EBIDTA			PAT		
	FY 2012	FY 2011	Growth %	FY 2012	FY 2011	Growth %
Piramal Glass India Ltd	2,429.0	2,108.9	15%	782.7	685.9	14%
Piramal Glass USA Inc.	334.6	426.0	(21%)	57.6	118.6	(51%)
Piramal Glass (UK) Ltd.	8.0	3.3	144%	8.0	3.3	144%
Piramal Glass International Inc.	2.4	1.1	121%	1.9	0.9	116%
Piramal Glass Ceylon PLC	607.7	521.5	17%	289.2	237.2	22%
Piramal Glass Europe	23.4	1.6	1369%	15.4	0.9	1538%
Consolidated*	3,334.9	3,060.7	9%	958.7	930.2	3.1%

Notes:

*Consolidated is after adjustment of Minority Interest and Inter-company transactions.

Manufacturing facilities review:

Piramal Glass continues to focus on its strategy of developing a strong front end in Western market while building a robust manufacturing base in low cost countries.

PGL Group's current manufacturing facilities across different regions are as follows:

Piramal Glass Limited (PGL):

PGL has production facilities at Jambusar and Kosamba in Gujarat, India. The Company has ISO 9001, ISO 14001 certification and OHSAS (Occupational Health, Safety Analysis Series) i.e. ISO 18001 certification.

Furnace location and number	Installed Capacity TPD *	Type of glass containers manufactured
Jambusar (3)		
1	255 TPD	Soda Lime Amber – Pharmaceuticals
2	105 TPD	Soda Lime Flint – Cosmetics & Perfumery, Pharmaceuticals, Specialty Food & Beverages
3	160 TPD**	
Kosamba (6):		
1	45 TPD	Borosilicate Amber & Flint – Pharmaceuticals
2	40 TPD	Soda Lime Flint–Pharmaceuticals/Nail polish
3	55 TPD	Soda Lime Flint – Cosmetics & Perfumery, skincare
4	35 TPD	
5	65 being upgraded to 95 TPD	
6	100 TPD	

* Tons per day

** 160 TPD operational from April 2012.

Piramal Glass USA Inc (PGL):

PGL has manufacturing facilities in USA. The installed capacity of the facility is as follows:

Furnace location and number	Installed Capacity TPD *	Type of glass containers manufactured
Flat River (2)		
1	100	Soda Lime Flint – all segments
2	95	

* in US Tonnes

Piramal Glass Ceylon PLC (PGCP):

PGCP manufactures bottles in flint, amber and other colors with sizes ranging from 50 ml. to 2,500 ml. It caters to liquor, food & beverage, and wine industry customers.

Furnace location and number	Installed Capacity TPD *	Type of glass containers manufactured
Horana (1)	250	Specialty Food & Beverages – Amber & Flint

Power & Energy:

Power and Energy costs increased by 25.7% to 2,368.7 million as compared to 1,884.4 million in FY11. The increase has been in India and Sri Lanka, because of hike in prices of Natural Gas / Furnace Oil and Electricity. PGL India constituted a major portion of this increase, because major supplier increased prices by ~ 25% during FY12.

Piramal Glass managed to offset a greater part of the price increase by better energy management as well as spot buying of gas, in addition to better product mix and pass-thru to customers through price increase.

Manpower:

The PGL Group seeks to recruit and retain quality industry professionals and provide them with a high performance environment. During the financial year, total consolidated workforce of PGL was 3,957 as compared to 3,257 in FY2011.

The workforce details are as follows:

Consolidated manpower break-up	FY2012	FY2011	+/-
Piramal Glass Limited	3,022	2,324	698
Piramal Glass – USA, Inc.	510	520	(10)
Piramal Glass Europe SARL	2	1	1
Piramal Glass Ceylon PLC	423	412	11
Total	3,957	3,257	700

▪ **Business risk factors:**

➤ **Replacement threat:**

Glass packaging for Pharmaceutical segment faces the risk of replacement by other packaging solutions such as plastic and other forms of packaging.

➤ **Capital intensive**

The glass packaging needs significant capital expenditure in creating infrastructure and regular relining of Production furnaces.

➤ **Glass industry is Energy intensive**

➤ **Exposure to exchange rate fluctuations :**

With 75% of sales from global markets, any change in currency dynamics will have an impact on the margin.

Disclaimer:

Certain statements included above may be forward looking and would involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements.

Annexure to MD&A: Financial Highlights (Consolidated)

Income Statement

₹ in million

	Year ended 31 March 2012	Year ended 31 March 2011	% Growth (De-growth)
Net Sales	13,778.0	12,184.6	13.1%
Investment Income	31.9	27.9	14.1%
Other Operating Revenue	266.8	194.9	36.9%
Total Operating Income	14,076.6	12,407.4	13.5%
EBIDTA	3,334.9	3,060.7	9.0%
EBIDTA as % to Total Income	23.7%	24.7%	
Interest	881.2	714.3	23.4%
Depreciation	1,058.4	1,069.0	(1.0%)
Profit before Tax	1,395.3	1,277.3	9.2%
% of Total Income	9.9%	10.3%	
Provision for Taxation- Current	243.7	214.5	
- Mat Credit Entitlement	0.0	(205.4)	
- Deferred	67.0	234.7	
Profit After Tax	1,084.6	1,033.5	4.9%
% of Total Income	7.7%	8.3%	

Net Sales

During the year Net sales increased by 13.1% to ₹ 13,778.0 million as compared to ₹ 12,184.6 million in FY 2011.

The detailed analysis of it is discussed earlier in the report.

Other Operating Revenue

Other operating revenue was ₹ 266.8 million in FY2012 registering a growth of 36.9%.

Profit before Interest, Depreciation & Tax (EBIDTA) & Margin

EBIDTA grew by 9% to ₹ 3,334.9 million. EBIDTA as a % of total income was 23.7% in FY 2012 as compared to 24.7% in FY 2011.

Interest

Net interest cost increased by 23.4 % to ₹ 881.2 million as compared to ₹ 714.3 million in FY 2011.

Balance Sheet

₹ in million

	As at 31 March, 2012	As at 31 March, 2011
SOURCES OF FUNDS		
Share Capital	809.2	804.3
Reserves & Surplus	2,731.8	2,215.6
Minority Interest	553.4	498.8
Loan Funds	11,432.2	9,199.9
Deferred Tax Liability (Net)	209.5	142.9
TOTAL	15,736.1	12,861.5
APPLICATION OF FUNDS		
Fixed Assets	10,800.7	8,995.7
Investments	1.1	1.1
Net Working Capital	4,934.2	3,864.7
TOTAL	15,736.1	12,861.5

Key Ratios:

Particulars	FY 2012	FY 2011
Debt Equity Ratio	2.8 : 1	2.6 : 1
Return on Capital Employed	15.9	15.6
Return on Net Worth (%)	28.5%	32.8%
Asset Turnover Ratio	1.4	1.4

Return on Capital Employed Calculation	FY 2012	FY 2011
PBIT	2276.5	1991.6
Average Net Fixed Assets	9898.2	8970.3
Average Net Current Assets	4399.5	3815.7
Capital Employed	14297.7	12785.9
ROCE (%)	15.9	15.6

CORPORATE GOVERNANCE

A report for the financial year ended 31st March, 2012 on the compliance by the Company with the Corporate Governance requirements under Clause 49 of the Listing Agreement, is furnished below.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is the combination of voluntary practices and compliance with laws and regulations leading to effective control and management of the organisation. Good Corporate Governance leads to long-term shareholder value and enhances interests of all stakeholders. It brings into focus the fiduciary and trusteeship role of the Board to align and direct the actions of the organisation towards creating wealth and shareholder value.

The Company's essential character is shaped by the values of transparency, customer satisfaction, integrity, professionalism and accountability. The Company continuously endeavors to improve on these aspects. The Board views Corporate Governance in its widest sense. The main objective is to create and adhere to a corporate culture of integrity and consciousness, transparency and openness. Corporate Governance is a journey for constantly improving sustainable value creation and is an upward moving target. The Company's philosophy on Corporate Governance is guided by the Company's philosophy of Knowledge, Action and Care.

The Board of Directors fully supports and endorses corporate governance practices as enunciated in Clause 49 of the Listing Agreement as applicable from time to time.

2. BOARD OF DIRECTORS

A. Composition and size of the Board

The Company's policy is to maintain an optimum combination of Executive and Non-Executive Independent Directors. The composition of the Board of Directors, which comprises eight directors, is given below and is in conformity with clause 49 of the Listing Agreement with the Stock Exchanges.

As will be seen from the following table, none of the Directors hold directorship in more than 15 public limited companies, nor is any of them a member of more than ten Committees of the prescribed nature or holds Chairmanship of more than five such Committees across all public limited companies in which they are Directors. The Board does not have any Nominee Director representing any institution.

Name of Director	Category ¹ [Designation]	Other Directorships ²		Membership of other Board Committees ³	
		as Member	as Chairman	as Member	as Chairman
Ajay G. Piramal	NED - Promoter [Chairman]	2	6	-	-
Vinita Bali	ID	5	-	1	-
Vimal Bhandari	ID	10	-	4	2
Dharendra Chadha	ID	-	-	-	-
Jiten Doshi	ID	-	-	-	-
Bharat Kewalramani	ID	1	-	-	-
Swati A. Piramal	NED – Promoter Group	5	-	1	-
Vijay Shah ⁴	NED	4	-	1	-

Note :

¹ NED - Non-Executive Director, ID - Independent Director.

² This includes directorships in public limited companies and subsidiaries of public limited companies and excludes directorships in private limited companies, overseas companies and companies under section 25 of the Companies Act, 1956 and alternate directorships.

³ This relates to Committees referred to in Clause 49 of the Listing Agreement, viz. Audit Committee and Investors Grievance Committee. However, this excludes Remuneration Committee which is not considered for the purpose of computing maximum limits under Clause 49.

⁴ Mr. Vijay Shah ceased to be the Managing Director of the Company with effect from 31st December, 2011. He continues to be a Director on the Board of the Company.

▪ **Role of Independent Directors**

Independent Directors play a key role in the decision-making process of the Board and in shaping various strategic initiatives of the Company. The Independent Directors are committed to act in what they believe to be in the best interest of the Company and its stakeholders. The Independent Directors are professionals, with expertise and experience in general corporate management, public policy, finance, financial services and other allied fields. This wide knowledge of their respective fields of expertise and best-in-class boardroom practices, helps foster varied, unbiased, independent and experienced perspective. The Company benefits immensely from their inputs in achieving its strategic direction.

▪ **Inter-se relationships among Directors**

Mr. Ajay G. Piramal is the husband of Dr. (Mrs.) Swati A. Piramal. Except for this, there are no inter-se relationships among the Directors.

B. Board Meetings and Procedures

There are a minimum of four pre-scheduled Board meetings held every year. In case of business exigencies or urgency of matters, resolutions are passed by circulation, as permitted by law.

Detailed presentations are made to the Board covering operations, business performance, finance, sales, marketing, business opportunities & strategies, global & domestic business environment and related details. All necessary information including but not limited to those mentioned in Annexure IA to Clause 49, are placed before the Board of Directors. The Members of the Board are at liberty to bring up any matter for discussions at the Board Meetings and the functioning is democratic. Members of the Senior management team are invited to attend the Board Meetings as and when required, which provides additional inputs to the items being discussed by the Board.

C. Attendance of Directors at Board Meetings and Annual General Meeting

The Board of the Company met four (4) times during the financial year, on the following dates:

1. 28th April, 2011
2. 12th August, 2011
3. 24th October, 2011
4. 1st February, 2012

The attendance of Directors at the Board Meetings and the last Annual General Meeting held on 12th August, 2011 was as under:

Name of Director	Board Meetings		Attended last AGM
	Held during their tenure	Attended	
Ajay G. Piramal	4	4	Yes
Vinita Bali	4	3	Yes
Vimal Bhandari	4	4	Yes
Dharendra Chadha	4	3	No
Jiten Doshi	4	4	Yes
Bharat Kewalramani	4	4	Yes
Dr. Swati A. Piramal	4	4	Yes
Vijay Shah	4	4	Yes

D. Shareholding of Non-Executive Directors (including shareholding as joint holder) is given below:

Name	No. of shares held
Ajay G. Piramal	54,384
Dr. Swati A. Piramal	20,201
Dharendra Chadha	12,500
Vijay Shah	10,05,270
Vimal Bhandari	2,000

E. Details of the Directors seeking re-appointment at the forthcoming Annual General Meeting**Dr. (Mrs.) Swati A. Piramal**

Dr. Swati Piramal is one of India's leading scientist and industrialist, and is involved in healthcare, focusing on public health and innovation. Her contributions in innovations in new medicines and public health services have touched thousands of lives. She is the Vice Chairperson of Piramal Healthcare, a leading drug discovery company which aims to bring affordable medicines to reduce the burden of disease globally.

Dr. Piramal earned her medical degree, an M.B.B.S from Mumbai University in 1980. Dr. Swati Piramal is an alumna of the Harvard School of Public Health. Since 1992 when she received her Masters Degree in Public Health, she has contributed to the public health of people around the world.

In the last, nearly two decades, Dr. Piramal has worked in the prevention of chronic diseases like Diabetes, Arthritis, and Heart Disease. She is a founder of the Gopikrishna Piramal Hospital in Mumbai, and has launched public health campaigns against chronic disease, osteoporosis, malaria, TB, epilepsy and polio. The Sports-medicine Centre at the Hospital was the first of its kind, and worked for the arthritis treatment of disabled children, the elderly, and sports injuries. She started Ostop India, a prevention of Osteoporosis programme, and a nationwide campaign for the prevention of chronic disease in India. She has written several books on clinical nutrition and a book on nutrition for patients with Kidney Disease.

As Director of the Piramal Foundation which is engaged in inter-disciplinary and field based education, she helps promote health in rural India with HMRI - a mobile health service, women's empowerment projects, and supporting community education that creates young leaders. She is a Director of Sarvajal foundation for clean water. She has made an immense contribution for supporting women in leadership roles. The first woman President of India's Apex Chamber of Commerce, ASSOCHAM, in 90 years, she helped influence important public policies and governance. Her impact on public policy related to healthcare has led to major policy changes that helped reduce the burden of disease. She has been nominated in the list of the 25 Most Powerful Women, eight times, and is now a part of the Hall of Fame of Most Powerful Women. She serves on the Scientific Advisory Council and of the Prime Minister, as well the Council of Trade of the Prime Minister.

She currently serves on the Dean's Advisory Board of both the Harvard School of Public Health and the Harvard Business School. She is also a member of the Harvard Board of Overseers. Dr. Piramal has board positions in healthcare, financial services, manufacturing and service companies. She serves on the Boards of Indian and International Academic institutions such as IIT Bombay, UPenn, and Harvard University. She also serves on government public policy committees for trade, planning, environment, arts, women's entrepreneurship, national integration, and regional development.

Dr. Piramal is the recipient of many awards and honours. She was conferred with one of France's highest honours - "Chevalier de l'Ordre National du Merite" (Knight of the Order of Merit) in 2006, for medicine and trade. She also received an award in the field of Science and Technology, for the year 2006, from the Prime Minister of India, and was the recipient of the Chemtech Pharma Award for biotech Industries. She received the Rajiv Gandhi Award for Outstanding Woman Achiever, from the Rajiv Gandhi Foundation, in 2007. She was also awarded by the Hon. President of India, for contribution to better Corporate Governance, and is the recipient of the Global Empowerment Award - UK, from Her Royal Highness, the Duchess of Kent. The Distinguished Industrialist Award for outstanding contributions to the

Pharmaceutical Industry was conferred in 2010 by VIT. (Vellore Institute of Technology). She has received India's highest civilian honours' the prestigious Padma Shri award, by the President of India.

Her other directorships in public limited companies and subsidiaries of public limited companies in India are:

Sr. No.	Name of the Company	Designation and Membership of Board Committees referred to in Clause 49 of the Listing Agreements
1.	Piramal Healthcare Limited	▪ Vice - Chairperson
2.	Piramal Enterprises Limited	▪ Director
3.	Nestle India Limited	▪ Director
4.	Allergan India Private Limited	▪ Director ▪ Member – Audit Committee
5.	ICICI Bank Limited	▪ Director

Mr. Bharat Kewalramani

Mr. Bharat Kewalramani has a long experience of the packaging industry and has been on the Board of the Company since Indocean Packaging Limited's ('Indocean') investment in the Company in April 1998 till the divestment of stake by Indocean in January 2007. In April 2007, he was appointed as an Independent Director on the Board of the Company. He has a successful 20 year history of investing in and turning around companies, including as an operating manager. He is currently the Managing Director of 3D Technopack, a packaging company bought from The Board of Industrial and Financial Rehabilitation and successfully turned it around to supply quality tubes to local/European markets. He was the founder of Indocean Venture Advisors and of Indocean Chase Capital Advisors - some of the first private equity funds launched in India. He also led JP Morgan's investment in Gerreshaimer Glass - a leader in pharmaceutical and cosmetic glass bottles. Mr. Bharat Kewalramani is on the Board of another public limited company, namely 3D Technopack Limited.

Mr. Vijay Shah

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

From 1982 to 1987, he was a senior associate at Management Structure & Systems Pvt. Ltd. - a management consultancy organisation headed by Prof. S.K. Bhattacharya, providing services in the areas of Strategic Planning, Organisational Restructuring and Management Information Systems for large organizations such as Larsen & Toubro, State Bank of India, etc.

Mr. Shah joined the Piramal Group in 1988. He started as the head of the Corporate Planning function of the Piramal Group. In September 1992, he took over as the Managing Director of the Company. During his tenure, sales of the Company grew from ₹ 26 crores in 1991-92 to ₹ 238 crores in 2000, a CAGR of 32%.

In August 1999, Mr. Shah was assigned responsibility as Executive Director and Chief Operating Officer of Piramal Healthcare Ltd. ('PHL') The sales of the Formulations business grew from ₹ 399 crores in 1999 to ₹ 1138 crores in 2005-06, a CAGR of 20% and market cap of USD 1 billion (5 times growth). During this tenure with PHL, he was involved in several mergers & acquisitions and consequent integration viz. Rhone Poulenc India Ltd., Pharma Business of ICI India Ltd., Sarabhai Piramal and Anaesthetic Business of Rhodia Organique UK Ltd.

In 2006, Mr. Shah once again assumed overall responsibility of Piramal Glass Limited. Under his leadership, the Company emerged as fastest growing Glass player globally and only player from Asia to feature amongst top 8 players with market share of 5%. In last 2 years, the market capitalization of the Company grew from a low of ₹ 21 Crores to current market cap of ₹ 850 Crores.

With effect from 1st January, 2012, Mr. Shah has once again been appointed as Executive Director & Chief Operating Officer of PHL with overall responsibility of Pharma Solutions and Critical Care business.

His other directorships in public limited companies and subsidiaries of public limited companies in India are:

Sr. No.	Name of the Company	Designation and Membership of Board Committees referred to in Clause 49 of the Listing Agreements
1.	Piramal Healthcare Limited	<ul style="list-style-type: none"> ▪ Executive Director & Chief Operating Officer ▪ Member – Investors Grievance Committee
2.	Piramal Enterprises Limited	<ul style="list-style-type: none"> ▪ Director
3.	Oxygen Bio Research Private Limited	<ul style="list-style-type: none"> ▪ Director
4.	PHL Capital Private Limited	<ul style="list-style-type: none"> ▪ Director

3. BOARD COMMITTEES

A. Audit Committee

I. Constitution of the Committee, Meetings held and Attendance

During the financial year 2011-12, four Audit Committee Meetings were held on the following dates, including before finalisation of annual accounts and adoption of quarterly financial results by the Board:

1. 28th April, 2011
2. 12th August, 2011
3. 24th October, 2011
4. 1st February, 2012

Name of Director	Designation	Category	Audit Committee Meeting	
			Held during their tenure	Attended
Vimal Bhandari	Chairman	Independent Director	4	4
Dharendra Chadha	Member	Independent Director	4	3
Jiten Doshi	Member	Independent Director	4	4

The Company Secretary is the secretary to the Committee.

II. Terms of Reference

The terms of reference of the Audit Committee include those specified under Clause 49 of the Listing Agreement as well as under section 292A of the Companies Act, 1956 such as:

1. To hold periodic discussions with the Statutory Auditors and Internal Auditors of the Company concerning the accounts of the Company, internal control systems, scope of audit and observations of the Auditors / Internal Auditors;
2. To review the adequacy of and compliance with internal control systems;
3. To review the quarterly, half-yearly and annual financial statements of the Company (standalone and/or consolidated) before submission to the Board;
4. To review, investigate and make recommendations to the Board on any matter in relation to the items specified in Section 292A of the Companies Act, 1956 and in sub-clause (D) of clause 49(II) of the Listing Agreement and for this purpose to seek information from any employee and/or obtain outside legal or professional advice.
5. To make recommendations to the Board on any matter relating to the financial management of the Company, including the Audit Report;

B. Nomination & Remuneration Committee

I. Constitution of the Committee, Meetings held and Attendance

The Nomination & Remuneration Committee presently comprises four members as per details in the following

table. During the financial year 2011-12, one meeting was held on 28th April, 2011, which was attended by all the members of the Committee.

Name	Designation	Category
Vimal Bhandari	Chairman	Independent Director
Vinita Bali	Member	Independent Director
Dharendra Chadha	Member	Independent Director
Ajay G. Piramal	Member	Non-Executive Director

II. Terms of Reference

The Nomination and Remuneration Committee reviews and makes recommendations on annual salaries, performance linked incentives, stock options, perquisites and other employment conditions for Executive Directors. The Committee also recommends induction of Directors on the Board. The Committee takes into consideration the remuneration practices followed by leading companies while determining the overall remuneration package. The annual variable commission in the form of 'Performance Linked Incentive' to Executive Directors as also Stock Options to be granted to non-promoter Directors, are linked to the performance of the Company in general and the individual performance of the Executive Directors for the relevant year measured against specific Key Result Areas, which are aligned to the Company's objectives.

III. Remuneration of Directors

Details of remuneration to the Directors for the year ended 31st March, 2012 are as follows:

(₹)

Name of the Director	Category [Designation]*	Sitting fees**	Salary & Perquisites	Performance Linked Incentive	Total
Ajay G. Piramal	NED - Promoter [Chairman]	1,00,000	—	—	1,00,000
Vinita Bali	ID	1,60,000	—	—	1,60,000
Vimal Bhandari	ID	1,80,000	—	—	1,80,000
Dharendra Chadha	ID	1,40,000	—	—	1,40,000
Jiten Doshi	ID	1,60,000	—	—	1,60,000
Bharat Kewalramani	ID	80,000	—	—	80,000
Dr. Swati A. Piramal	NED – Promoter Group	80,000	—	—	80,000
Vijay Shah***	NED	40,000	1,43,12,836	1,00,00,000	2,43,12,836

*NED - Non-Executive Director, ID - Independent Director.

**includes sitting fees paid for Committee Meetings

***Mr. Vijay Shah has ceased to be the Managing Director of the Company with effect from 31st December, 2011. Accordingly, he has received remuneration as per the terms of his appointment as Managing Director for nine months till 31st December, 2011 and sitting fees for meetings attended during the quarter ended 31st March, 2012.

Notes:

1. No loans and advances have been given to any Director of the Company.
2. As per prevailing policy, Stock Options are granted only to non-promoter directors.

Accordingly, for the year ended 31st March, 2012, 1,26,000 Stock Options were granted to Mr. Vijay Shah, Managing Director at an exercise price of ₹ 40 per Option. In addition to the exercise price, applicable TDS would also be payable at the time of exercising the Stock Options. Out of the Options so granted, depending on his performance, achievement of key result areas and other criteria, the Nomination and Remuneration Committee determines the actual number of stock options that would vest in his favour. Out of the total Options so vested, he would be

eligible to exercise 50% immediately on vesting, 25% after 1 year and the balance 25% after 2 years of vesting. The exercise period is 5 years from the date of eligibility, failing which the Options would lapse. It may be noted in this regard that since the PGL ESOP Scheme is implemented through the ESOP Trust and the shares given by the ESOP Trust against exercise of stock options are those that have been acquired by the ESOP Trust from the existing shareholders and no new shares are issued by the Company, there will not be any increase in the share capital of the Company, nor will there be any impact on the Earnings Per Share or other ratios relating to share capital, as a result of exercise of the Stock Options.

C. Investors Grievance Committee

I. Constitution of the Committee, Meetings held and Attendance

The Investors Grievance Committee presently comprises four members as per details in the following table. During the financial year 2011-12, four meetings were held on the following dates, which were attended by all the members of the Committee.

1. 28th April, 2011
2. 12th August, 2011
3. 8th November, 2011
4. 1st February, 2012

Name	Designation	Category
Vinita Bali	Chairman	Independent Director
Vijay Shah	Member	Non-Executive Director

The Company Secretary is the Compliance Officer.

1st Floor, Piramal Tower Annexe
 Gapatrao Kadam Marg
 Lower Parel, Mumbai 400 013. India
 Tel.: (91-22) 3046 7836 • Fax: (91-22) 2490 2363
 Email: complianceofficer.pgl@piramal.com

II. Terms of Reference

The terms of reference of the Investors Grievance Committee includes:

- i. Review of the mechanism implemented for redressal of shareholders' and investors' grievances.
- ii. Overseeing the performance of the Registrar and Transfer Agents of the Company and recommending measures for improvement in the quality of investor services.

III. Investors Grievance Redressal

The total number of complaints redressed to the satisfaction of shareholders during the year under review were 4. No complaints were outstanding as on 31st March, 2012. No requests for transfer and for dematerialization were pending for approval as on 31st March, 2012.

The Registrar and Share Transfer Agents, M/s. Link Intime India Private Limited (RTA), attend to all grievances of the shareholders and investors received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc. Most of the investors' grievances / correspondences are attended within a period of 7 days from the date of receipt of such grievances.

The Company maintains continuous interaction with the RTA and takes proactive steps and actions for resolving complaints / queries of the shareholders / investors and also takes initiatives for solving critical issues. Shareholders are requested to furnish their telephone numbers and/or email addresses to facilitate prompt action.

The Company has designated the email id 'complianceofficer.pgl@piramal.com' exclusively for the purpose of registering complaints by investors electronically. This email id has been displayed on the Company's website 'www.piramalglass.com'.

4. GENERAL BODY MEETINGS

A. Details of the Annual General Meetings held during the last 3 years and Special Resolutions passed thereat are given below:

Annual General Meeting (AGM)	Date	Time	Venue	No. of Special Resolutions passed
11 th AGM	13 th August, 2009	3.00 p.m.	Walchand Hirachand Hall, Indian Merchants' Chamber Building, IMC Marg, Churchgate, Mumbai 400 020	2
12 th AGM	24 th June, 2010	11.00 a.m.		1
13 th AGM	12 th August, 2011	11.30 a.m.		-

B. Postal Ballot

No resolution was passed by postal ballot during the financial year 2011-12.

At present, there is no proposal for passing any resolution through postal ballot.

5. DISCLOSURES

- No transaction of material nature has been entered into by the Company with its Directors or Management and their relatives, etc. that may have a potential conflict with the interests of the Company;
- The Register of Contracts / statement of related party transactions, is placed before the Board / Audit Committee regularly;
- Transactions with related parties are disclosed in Note No. 7 of Part B of Schedule 24 to the Accounts in the Annual Report;
- There has been no instance of non-compliance by the Company on any matter related to capital markets. Hence, the question of penalties or strictures being imposed by SEBI or the Stock Exchanges or any other statutory authority does not arise;
- Listing fees for the financial year 2012-13 have been paid to the Stock Exchanges on which the shares of the Company are listed.

COMPLIANCE WITH MANDATORY / NON - MANDATORY REQUIREMENTS

- The Company has complied with all the applicable mandatory requirements of Clause 49 of the Listing Agreement.
- The Company has also adopted the non - mandatory requirements as specified in Annexure 1D to Clause 49 of the Listing Agreement regarding constitution of remuneration committee, unqualified financial statements and training of Board Members.

6. MEANS OF COMMUNICATION

Your Company recognizes the importance of two way communication with shareholders and of giving a balanced report of results and progress and responds to questions and issues raised in a timely and consistent manner. Shareholders seeking information may contact the Company directly throughout the year. They also have an opportunity to ask questions in person at the Annual General Meeting.

A. Quarterly Results:

The approved financial results are forthwith sent to the Stock Exchanges where the shares are listed and are displayed on the Company's website 'www.piramalglass.com' and are published in Hindu Business Line (all editions) (English) and Mumbai Lakshadweep (Marathi), within forty-eight hours of approval thereof.

B. News Releases, Presentations, etc.:

Official news releases and presentations made to media, institutional investors, analysts, etc. are displayed on the Company's website 'www.piramalglass.com'.

C. Website:

The Company's website www.piramalglass.com contains a separate dedicated section 'Investors' where shareholders information is available. Quarterly Results, Annual Reports, Code of Conduct and Ethics, Presentation to Investors and Shareholding Pattern are also available on the website in a user friendly and downloadable form.

D. Annual Report:

The Annual Report containing inter - alia the Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report, Corporate Governance Report and other important information is circulated to Members and others entitled thereto. The Management Discussion and Analysis Report forms part of the Annual Report.

E. Designated Exclusive Email ID:

The Company has designated the email ID viz., complianceofficer.pgl@piramal.com exclusively for investor servicing. This e-mail id has been displayed on the Company's website 'www.piramalglass.com'.

7. GENERAL INFORMATION FOR SHAREHOLDERS**A. Company Registration Details:**

The Company is registered in the State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L28992MH1998PLC113433.

B. Annual General Meeting

- Date and Time Thursday, 9th August, 2012 at 11.15 a.m.
- Venue Walchand Hirachand Hall, Indian Merchants' Chamber Building, IMC Marg, Churchgate, Mumbai - 400 020.

C. Financial Calendar

Financial reporting for:

Quarter ending 30 th June, 2012	9 th August, 2012
Half year ending 30 th September, 2012	9 th November, 2012
Quarter ending 31 st December, 2012	8 th February, 2013
Year ending 31 st March, 2013	7 th May, 2013
Annual General Meeting for the year ending 31 st March, 2013	July / August, 2013

The above dates are final subject to any unforeseen circumstances.

D. Book Closure Period Thursday, 2nd August, 2012 to Thursday, 9th August, 2012 (both days inclusive), for payment of dividend.

E. Dividend Payment date Within five days from the date of declaration of dividend

F. Registered Office Piramal Tower,
Ganpatrao Kadam Marg,
Lower Parel, Mumbai - 400 013.

G. Listing on Stock Exchanges BSE Limited
(Code: 532949)

National Stock Exchange of India Limited
(Code: PIRGLASS)

ISIN INE748E01018

Reuters Symbol PRML.BO

Listing Fee Annual Listing fee payable to BSE and NSE for FY 2012-13 have been paid in full by the Company.

H. Stock Market Data

High, Low, Average Closing Price and trading volumes during each month of the Company's Equity Shares of last financial year at BSE and NSE are given below:

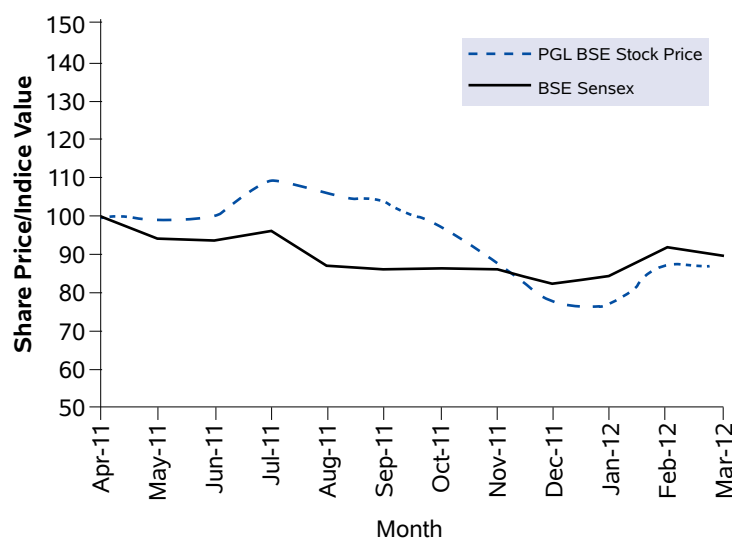
Month	BSE Limited ("BSE")				National Stock Exchange of India Limited ("NSE")			
	High (₹)	Low (₹)	Average Closing Price (₹)	Monthly Volume	High (₹)	Low (₹)	Average Closing Price (₹)	Monthly Volume
Apr-11	137.00	114.10	127.06	19,94,543	138.00	117.00	127.12	28,71,305
May-11	135.90	116.55	125.88	9,28,528	135.80	116.55	126.33	10,33,842
Jun-11	140.40	119.45	126.99	3,46,752	140.35	118.50	126.84	5,03,991
Jul-11	156.00	127.05	138.27	15,72,962	155.60	106.70	138.42	18,41,099
Aug-11	150.00	121.10	134.63	4,93,537	150.90	121.55	134.70	6,64,413
Sep-11	140.95	123.30	131.29	1,59,836	141.00	121.70	131.23	2,63,091
Oct-11	132.70	118.70	123.35	81,513	132.50	113.95	123.28	1,86,417
Nov-11	123.40	98.35	110.74	1,63,943	123.90	98.00	110.58	3,92,264
Dec-11	109.85	89.00	98.35	1,49,176	109.80	81.80	98.28	2,57,025
Jan-12	109.20	89.00	97.37	2,92,681	109.50	87.00	97.29	7,22,306
Feb-12	124.90	103.55	111.92	3,56,423	123.00	104.35	111.89	6,75,603
Mar-12	121.25	102.25	109.82	1,018,098	124.00	105.20	110.07	25,48,407

Source: BSE & NSE website

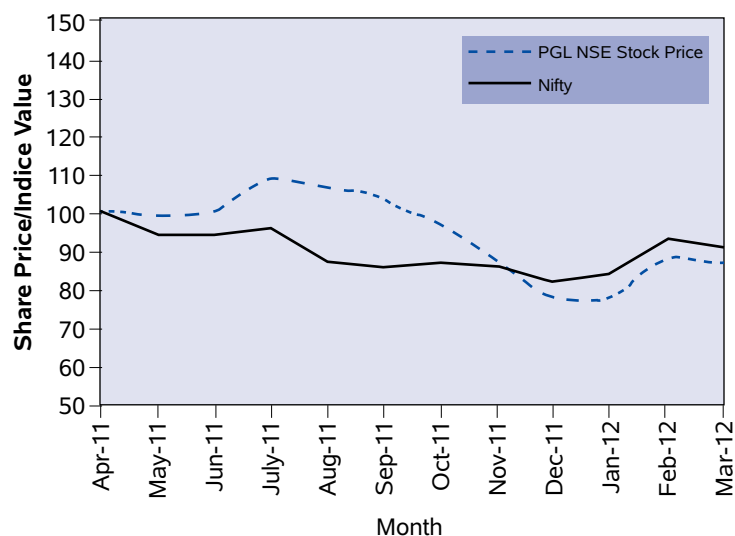
I. Stock Performance vs BSE Sensex and NSE-50

Performance of the Company's Equity Shares on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") relative to the BSE Sensitive Index (BSE Sensex) and S&P CNX Nifty (Nifty) respectively are graphically represented in the charts below:

Average monthly closing price of the Company's shares on BSE as compared to BSE Sensex



Average monthly closing price of the Company's shares on NSE as compared to Nifty



- **Liquidity**

Shares of the Company are actively traded on BSE and NSE as is seen from the volume of shares indicated in the table containing stock market data and hence ensure good liquidity for the investors.

J. Share Transfer Agents

M/s Link Intime India Pvt. Ltd. ("Link Intime"), are the Share Transfer Agents of the Company. The contact details of Link Intime are given below:

Link Intime India Pvt. Ltd.

C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West), Mumbai – 400 078.
Tel.: (022) 2594 6970 • Fax: (022) 2594 6969
E-mail: piramal.irc@linkintime.co.in

K. Share Transfer System (in physical segment)

For administrative convenience and to facilitate speedy approvals, authority has been delegated to the Share Transfer Agents (STA) and also to senior executives to approve share transfers upto specified limits. Share transfers / transmissions approved by the STA and / or the authorised executives are placed at the Board Meeting from time to time.

In case of shares in electronic form, the transfers are processed by NSDL / CDSL through respective Depository Participants.

In case of shares held in physical form, all transfers are completed within 12 days from the date of receipt of complete documents. As at 31st March, 2012 there were no Equity Shares pending for transfer. Also, there were no demat requests pending as on 31st March, 2012.

The Company obtains from a Company Secretary in Practice, half-yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement with Stock Exchanges and files a copy of the certificate with the Stock Exchanges.

L. Distribution of Equity Shareholding as on 31st March, 2012

Slab of shareholdings	No. of shareholders	%	No. of shares	%
1 to 100	45,300	85.84	8,33,688	1.03
101 to 200	3,111	5.90	4,73,375	0.59
201 to 500	2,484	4.71	8,31,551	1.03
501 to 1000	841	1.59	6,41,773	0.79
1001 to 5000	746	1.41	16,79,600	2.08
5001 to 10000	122	0.23	9,03,798	1.11
10001 to 20000	84	0.16	12,12,550	1.50
20001 to 30000	31	0.06	7,72,382	0.95
30001 to 40000	8	0.02	2,79,764	0.35
40001 to 50000	9	0.01	3,95,588	0.49
50001 to 100000	8	0.02	5,28,078	0.65
Above 100000	29	0.05	7,23,63,839	89.43
Total	52,773	100.00	8,09,15,986	100.00

M. Statement showing shareholding pattern as on 31st March, 2012

Sr. No.	Category of Shareholder	Number of Shareholders	No. of shares	%
(A)	Shareholding of Promoter and Promoter Group	14	5,81,32,452	71.84
(B)	Public shareholding			
	1. Institutions			
	i. Mutual Funds / UTI	14	46,36,623	5.73
	ii. Financial Institutions / Banks	23	551	—
	iii. Foreign Institutional Investors	7	1,83,163	0.23
	Sub-Total (B1)	44	48,20,337	5.96
	2. Non-Institutions			
	i. Bodies Corporate	546	55,72,430	6.89
	ii. Individuals			
	a. holding nominal share capital up to ₹ 1 lakh	51,434	49,12,429	6.07
	b. holding nominal share capital in excess of ₹ 1 lakh.	123	53,01,322	6.55
	3. Other			
	i. Clearing Members	98	87,741	0.11
	ii. Trusts	3	16,376	0.02
	iii. Non – Resident Indians – Repatriable	355	61,864	0.08
	iv. Non – Resident Indians – Non Repatriable	152	31,207	0.04
	v. Foreign Companies	2	13,60,886	1.68
	vi. Overseas Bodies Corporate	2	6,18,942	0.76
	Sub-Total (B2)	52,715	1,79,63,197	22.20
	Total Public Shareholding (B1+B2)	52,759	2,27,83,534	28.16
	GRAND TOTAL	52,773	8,09,15,986	100.00

N. Dematerialisation of shares

As on 31st March, 2012, 7,91,75,403 equity shares (97.85% of the total number of shares) are in dematerialised form as compared to 7,86,56,145 equity shares (97.79% of the total number of shares) as on 31st March, 2011.

The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the Depositories in India - National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

Particulars of Shares	Equity Shares of ₹ 10 each		Shareholders	
	Number	% of total	Number	% of total
Dematerialised form				
NSDL	7,62,69,069	94.26	23,185	43.93
CDSL	29,06,334	03.59	5,144	9.75
Sub – Total	7,91,75,403	97.85	28,329	53.68
Physical Form	17,40,583	02.15	24,444	46.32
Total	8,09,15,986	100.00	52,773	100.00

O. Outstanding GDRs / ADRs / Warrants or any convertible warrants

There are no outstanding convertible warrants / instruments

P. Plant Locations

India

- ONGC Road, Tarsadi Village, Kosamba, (R.S.), Dist. Surat, Pin 394120.
- Gajera Road, Uchhad Village, Jambusar, Dist. Bharuch, Pin 392150.

Overseas

- Piramal Glass Ceylon PLC, Poruwadanda, Wagawatte, Horana, Sri Lanka.
- Flat River Glass, 1000 Taylor Avenue, Park Hills, Missouri, MO 63601, USA.
- PGI Decora/Coated, 918E, Malaga Road, Williamstown, NJ 08094, USA.

8. ENVIRONMENT, HEALTH AND SAFETY (EHS):

Your Company is totally committed to establishing a safe working environment. It is our endeavor to always act in a safe and environmentally responsible manner so that employees, the community at large and the environment including the natural resources are well protected.

9. CODE OF CONDUCT

The Board has laid down a Code of Conduct and Ethics for its Members and Senior Management Personnel of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct during the financial year 2011-12. A declaration signed by the Chief Financial Officer & Manager to this effect is given below.

“I hereby confirm that the Company has obtained from all the members of the Board and senior management personnel, affirmation that they have complied with the Code of Conduct and Ethics for Directors and Senior Management Personnel of the Company in respect of the financial year 2011-12.”

Sandeep Arora

Chief Financial Officer & Manager

10. CERTIFICATE ON CORPORATE GOVERNANCE

Certificate from N.L. Bhatia & Associates, Practicing Company Secretaries, confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49, is attached to the Directors' Report forming part of the Annual Report.

NOTICE

NOTICE is hereby given that the 14th Annual General Meeting of the Members of Piramal Glass Limited will be held on Thursday, the 9th day of August, 2012 at 11.15 a.m. at Walchand Hirachand Hall, Indian Merchants' Chamber Building, 4th Floor, IMC Marg, Churchgate, Mumbai - 400 020 to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2012 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Dr. (Mrs.) Swati A. Piramal, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. Bharat Kewalramani, who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in place of Mr. Vijay Shah, who retires by rotation and is eligible for re-appointment.
6. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

7. Appointment Mr. Sandeep Arora as Manager

To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT in accordance with the provisions of sections 198, 269 and 387 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 ('the Act'), (including any statutory modifications or re-enactment thereof for the time being in force) approval of the members be and is hereby accorded to the appointment of Mr. Sandeep Arora, as Manager of the Company for a period of 5 years w.e.f 1st January, 2012 upon the terms and conditions including the payment of remuneration, perquisites and benefits as set out in the draft Agreement to be entered into between the Company and Mr. Arora and main terms of which are set out hereunder, which Draft Agreement is hereby approved, with liberty and power to the Board of Directors (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee(s) constituted / to be constituted by the Board to exercise its powers including the powers conferred by this resolution) to finalise the same and to grant increments and to alter and vary from time to time the terms and conditions, including the amount and type of perquisites, allowances and benefits to be provided to Mr. Arora subject to the applicable provisions of Schedule XIII of the Act:

- a) **Basic Salary** : ₹ 23,24,400/- per annum (i.e. ₹ 1,93,700 per month);
- b) **Perquisites and Allowances**: Mr. Arora will be entitled to perquisites, benefits and allowances like residential accommodation (or house rent allowance in lieu thereof), special allowance, reimbursement of telephone expenses, medical reimbursement, Leave Travel Allowance, personal accident insurance, mediclaim, leave and encashment of leave, contributions to provident fund and superannuation or annuity fund, gratuity and/or contribution to gratuity fund, chauffeur driven company maintained / leased cars (or allowances in lieu thereof) and such other payments in the nature of perquisites, benefits and allowances as per Company policy in force from time to time or as may otherwise be decided by the Board;

In arriving at the value of perquisites, in so far as there exists a provision for valuation of such perquisites under the Income Tax Rules, the value shall be determined on the basis of the Income Tax Rules in force from time to time;

PROVIDED HOWEVER THAT Total Fixed Pay (as defined hereinbelow) shall not exceed ₹ 65,00,000 (Rupees Sixty Five Lacs) per annum, with authority to the Board to grant such annual increments and/or revisions in the Total Fixed Pay and/or in the components thereof from time to time during the tenure of his appointment, subject to the applicable provisions of Schedule XIII of the Act. PROVIDED FURTHER THAT the limits referred to herein shall not apply to those components of his perquisites which, as per Company Policy in force from time to time, are reimbursable at actuals;

Total Fixed Pay: For the purpose of this resolution, the term "Total Fixed Pay" shall mean the aggregate of and shall include all fixed components (including basic salary) of Mr. Arora's remuneration, all allowances and the value of all perquisites as per Company Policy in force from time to time, excluding Performance Linked Incentive and ESOPs;

- c) **Performance Linked Incentive**: In addition to Total Fixed Pay, Mr. Arora shall also be entitled to Performance Linked

Incentive of such amount as may be determined by the Board for each financial year of the Company or part thereof, subject to the applicable provisions of Schedule XIII of the Act, taking into consideration various criteria, including the performance of Mr. Arora and the performance of the Company;

- d) **ESOPs:** In addition to Total Fixed Pay and Performance Linked Incentive, Mr. Arora shall also be entitled to ESOPs for each financial year or part thereof, under the Company's Employees Stock Option Plan, in force from time to time;

RESOLVED FURTHER THAT if in any financial year the Company has no profits or its profits are inadequate, Mr. Arora shall be entitled to receive the aforesaid remuneration, perquisites, performance linked incentive and benefits on the same terms as set out above, subject to compliance with the applicable provisions of Schedule XIII of the Act, if and to the extent necessary, with the approval of the Central Government;

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all decisions with regard to the appointment and payment of remuneration to Mr. Arora, including accepting and carrying into effect the terms and conditions which may be stipulated by the Central Government while granting their approvals, permissions and consents and settling all questions and difficulties, finalizing the terms and conditions of his appointment, finalizing and executing the said Agreement to be entered into with him and to do all such acts, deeds, matters and things as may be necessary or expedient for or in connection with the appointment and payment of remuneration to Mr. Arora and generally, for giving effect to this resolution."

NOTES:

1. **A member entitled to attend and vote at the Annual General Meeting ('the Meeting') is entitled to appoint a proxy to attend and to vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting.**
2. The Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 is annexed hereto.
3. The Company has already notified closure of Register of Members and Transfer Books thereof from Thursday, 2nd August, 2012 to Thursday, 9th August, 2012 (both days inclusive) for determining the names of members eligible for dividend on equity shares.
4. Dividend on equity shares when declared at the Meeting, will be paid between 10th August, 2012 and 16th August, 2012.
5. Relevant documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days, except Saturdays between 11.00 a.m. and 1.00 p.m. upto the date of the Meeting.
6. **Directors:**
Dr. (Mrs.) Swati A. Piramal, Mr. Bharat Kewalramani and Mr. Vijay Shah retire by rotation at this Annual General Meeting (AGM) and are eligible for re-appointment.

The information to be provided for these Directors under Clause 49 of the Listing Agreement, is given in the Report on Corporate Governance forming part of the Annual Report.

Except Dr. (Mrs.) Swati A. Piramal, wife of Mr. Ajay G. Piramal, Chairman, none of the directors to be re-appointed at the Annual General Meeting are related to any director of the Company.
7. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
8. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. Facility of electronic credit of dividend directly to the respective bank accounts of our shareholders through National

Electronic Clearing Service (NECS), is available. This facility is currently available all over India. The Mandate Form is separately enclosed in this Annual Report. This is in addition to the Bank Mandate Facility that already exists whereby bank account details are printed on the dividend warrants. Shareholders who would like to avail of the NECS Mandate Facility or the Bank Mandate Facility (if not done earlier) are requested to complete and submit the Mandate Form, so as to reach the Company's Share Transfer Agent latest by 1st August, 2012. Kindly note that shareholders holding shares in dematerialised form would receive their dividend directly to the bank account nominated by them to their Depository Participant.

10. Those members who have so far not encashed their dividend warrants for the below mentioned financial years may claim or approach the Company for the payment thereof as the same will be transferred to the Investor Education and Protection Fund of the Central Government, pursuant to section 205C of the Companies Act, 1956 on the respective dates mentioned there against. Periodic intimation in this regard is sent to the concerned shareholders. Kindly note that after such dates, the members will lose their right to claim such dividend.

Financial Year ended	Due date of transfer
31.03.2005	16.09.2012*
31.03.2006	08.10.2013*
31.03.2008	07.09.2015
31.03.2010	30.07.2017
31.03.2011	12.09.2018

* This refers to the due date for transfer of dividend declared by erstwhile Kojam Fininvest Limited which was merged with the Company.

11. Section 109A of the Companies Act, 1956 provides for **Nomination** by the shareholders of the Company in the prescribed Form 2B which is available on the website of the Company in 'www.piramalglass.com'. Shareholders are requested to avail this facility.
12. Members are requested to note that in case of transfers, deletion of name of deceased shareholder, transmission and transposition of names in respect of shares held in physical form, submission of photocopy of PAN Card of the transferee(s), surviving holder(s), legal heir(s) and joint holder(s) respectively, along with necessary documents at the time of lodgment of request for these transactions is now mandatory.
13. Your Company is concerned about the environment and utilizes natural resources in a sustainable manner. Towards this end, the Company supports in full measure, the 'Green Initiative' of the Ministry of Corporate Affairs under which, service of notices / documents including Annual Report, can be effected by sending the same through electronic mode to the registered e-mail addresses of the shareholders. To support this green initiative of the Government, members who would like to receive such notices / documents in electronic mode and who have not registered their e-mail addresses so far, are requested to do so by sending a request to the Company's Share Transfer Agent, mentioning therein their folio number and e-mail address to which such documents can be sent. For shareholders holding shares in electronic form, such request can also be sent electronically to complianceofficer.pgl@piramal.com from the same email address registered with the depository participants.

By Order of the Board

Nehal Doshi
Company Secretary

Registered Office:
 Piramal Tower,
 Ganpatrao Kadam Marg,
 Lower Parel,
 Mumbai - 400 013.

Dated: 7th May, 2012

Explanatory statement under Section 173(2) of the Companies Act, 1956

Item No. 7

Appointment Mr. Sandeep Arora as Manager

In compliance with the provisions of Section 269 and other applicable provisions of the Companies Act, 1956 ('the Act'), the Board of Directors of the Company have appointed Mr. Sandeep Arora, who is the Chief Financial Officer (CFO) of the Company, heading the Finance and Accounts function, as Manager of the Company under the Act, for a period of 5 years w.e.f. 1st January, 2012 on the terms and conditions including payment of remuneration as approved by the Board, subject to the requisite approval of shareholders.

Mr. Sandeep Arora, aged 47 years, holds a Bachelor Degree in Commerce and is a Member of "The Institute of Chartered Accountants of India". He has over 25 years of rich experience in multiple industries like industrial yarn, cosmetics, food and healthcare with Indian and Multinational Companies based in India. He has been with the Company since August 2008, prior to which, he was with Piramal Healthcare Ltd.

Details of the remuneration, perquisites and benefits payable to Mr. Sandeep Arora as are contained in the draft Agreement ("Agreement") to be entered into by the Company with him, main terms of which are set out in the resolution at Item No. 7 to the accompanying Notice.

The above may be treated as the requisite abstract of the Agreement proposed to be entered into by the Company with Mr. Arora, as required under section 302 of the Companies Act, 1956.

The copy of the Agreement is open for inspection on all working days (except Saturday) between 11.00 a.m to 1.00 p.m. at the Registered Office of the Company upto the date of the AGM.

Considering the background, competence and experience of Mr. Arora, his long and fruitful association with the Piramal Group and the business of the Company and the responsibilities to be shouldered by him, the terms of his remuneration are considered to be fair, just and reasonable.

As it concerns him, Mr. Arora may be deemed to be interested in this resolution. None of the Directors of the Company are, concerned or interested in this resolution.

The Board recommends the Special Resolution as set out at Item No. 7 of the accompanying Notice for your approval.

By Order of the Board

Registered Office:

Piramal Tower,
Ganpatrao Kadam Marg,
Lower Parel,
Mumbai 400 013.

7th May, 2012

Nehal Doshi
Company Secretary

DIRECTORS' REPORT

Dear Shareholders,

We take pleasure in presenting the 14th Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2012.

PERFORMANCE HIGHLIGHTS (Standalone)

(₹ In Million)

Particulars	FY 2011 - 12	FY 2010 - 11
Operating income	8,547.96	7,622.94
Operating Other income	198.72	113.94
Total Operating Income	8,746.68	7,736.88
EBIDTA excluding FOREX impact	2,439.46	2,080.14
Foreign Exchange Gain / (Loss)	(10.49)	28.75
EBIDTA	2,428.97	2,108.89
% Margin	27.77%	27.25%
Less:		
Interest Expenses	575.07	448.17
Depreciation	773.43	740.07
Profit before tax	1,080.47	920.65
Less:		
Income Tax provision		
– Current	231.52	205.43
– Deferred	66.22	234.80
– MAT Credit Entitlement		(205.43)
Profit After Tax	782.73	685.85
% Margin	8.94%	8.86%
Add:		
Profit brought forward from previous year	643.91	353.83
Profit available for appropriation	1,426.64	1,039.68
Appropriation:		
Proposed dividend on Equity Shares	283.21	281.52
Dividend Distribution Tax thereon	45.94	45.66
Transfer to General Reserves	78.27	68.59
Balance carried to Balance Sheet	1,019.22	643.91
Earnings Per Share (Basic / Diluted) (₹)	9.67	8.53

DIVIDEND

In view of Company's good performance, the Board has recommended equity dividend at ₹ 3.50 per equity share i.e. @ 35% (previous year ₹ 3.50 per equity share i.e. @ 35%) on 8,09,15,986 equity shares of ₹ 10 each for the financial year ended 31st March, 2012. The dividend shall be paid after approval by the members at the forthcoming Annual General Meeting between 10th August, 2012 and 16th August, 2012.

The total cash outflow on account of dividend payment including dividend distribution tax thereon will be ₹ 329.15 Million (Previous Year ₹ 327.18 Million).

The Board recommends the above dividend for declaration by the members.

OPERATIONS REVIEW

As part of the long term strategy of the Company, we continue to focus on Cosmetics & Perfumery (C&P) segment. During the year, this segment grew by 17% from ₹ 6,026 Million to ₹ 7,052 Million. The growth is being driven by new customers, new

products developed and sold globally.

We renewed our focus on Specialty Food & Beverages (SF&B) Segment. During the year this segment grew by 28% from ₹ 2,740 Million to ₹ 3,503 Million.

In the Pharmaceutical segment, we maintained our leadership position in the domestic market.

A detailed discussion of operations for the year ended 31st March, 2012 is given in the Management Discussion and Analysis section.

INCREASE IN SHARE CAPITAL

During the year, 4,81,250 equity shares of ₹ 10 each pertaining to Rights entitlement of Overseas Corporate Body (OCB), which were held in abeyance during the Rights Issue of the Company in 2009 pending receipt of requisite approval of the Reserve Bank of India, were allotted to the OCB, consequent upon receipt of such approval.

SUBSIDIARY COMPANIES

Our Company has seven subsidiaries viz. Piramal Glass Ceylon PLC, Piramal Glass International, Inc., USA, Piramal Glass (UK) Limited, Piramal Glass Europe SARL, Piramal Glass - USA, Inc., and its two subsidiaries, Piramal Glass Flat River LLC and Piramal Glass Williamstown LLC, which are also consequently the subsidiaries of the Company.

Operations of these companies are discussed below:

Piramal Glass Ceylon PLC

During the year, Piramal Glass Ceylon PLC focused on improving its manufacturing operations and also increased its productivity apart from developing the export market for the niche Specialty Food & Beverage (SF&B) segment.

The turnover of Piramal Glass Ceylon PLC has grown by 23% from SLR 4,163 Million to SLR 5,119 Million. The export turnover has increased by 22.10%

Piramal Glass International, Inc. (USA)

This is a wholly owned subsidiary of the Company. The turnover of this subsidiary was USD 7.06 Million (Previous year USD 5.77 Million) and has enabled the Company to maintain and improve its market share in Premium C&P segment in USA due to a focused approach.

Piramal Glass - USA, Inc.

Piramal Glass - USA, Inc. the Company's wholly owned subsidiary, has reported a net profit of USD 1.21 Million as compared to a net profit of USD 2.60 Million in the previous year.

The sales of the company grew from USD 81.17 Million in the previous year to USD 82.08 Million in FY2012, depicting a growth of 1.12%.

Piramal Glass Flat River, LLC

Piramal Glass Flat River, LLC, is a wholly owned subsidiary of Piramal Glass - USA, Inc. This Company earns its income by leasing its property to Piramal Glass - USA, Inc.. It has reported an income of USD 0.26 Million in the year under review, which is the same as the previous year.

Piramal Glass Williamstown, LLC

Piramal Glass Williamstown, LLC, is also a wholly owned subsidiary of Piramal Glass - USA, Inc. This Company earns its income by leasing its property to Piramal Glass - USA, Inc. It has reported an income of USD 0.18 Million in the year under review, which is the same as the previous year.

Piramal Glass (UK) Limited

Piramal Glass (UK) Limited, is a wholly owned subsidiary of the Company. Its turnover during the year was GBP 0.74 Million as compared to GBP 0.66 Million in the previous year, reflecting a growth of 12.12%.

Piramal Glass Europe SARL

Piramal Glass Europe SARL, is a wholly owned subsidiary of the Company situated in France. Its turnover during the year was Euro 6.46 Million as compared to Euro 2.48 Million in the previous year reflecting a growth of 160.48%.

Exemption from publishing Subsidiary Accounts

The Ministry of Corporate Affairs had vide its circular dated 8th February, 2011 issued directions under section 212(8) of the Companies Act, 1956, granting general exemption to companies from attaching to their Balance Sheets, the Accounts and other documents of their subsidiaries, subject to fulfillment of specified conditions. In view of this general exemption and being in compliance with the conditions thereof, the Accounts and other documents of the Company's subsidiaries are not attached to the Balance Sheet of the Company. The Consolidated Financial Statements of the Company, which include the results of its subsidiaries, are included in this Annual Report. Further, a statement containing the relevant particulars prescribed under the terms of the general exemption, for each of the Company's subsidiaries, is enclosed in this Annual Report. The Annual Accounts of the Company's subsidiaries and the related detailed information can also be sought by any shareholder of the Company or its subsidiaries by making a written request to the Company Secretary at the Registered Office of the Company. The Annual Accounts of the Company's subsidiaries are also available for inspection by any shareholder at the Company's and / or the concerned subsidiary's Registered Office. These documents are also available on the Company's website i.e. www.piramalglass.com.

INTERNAL CONTROL SYSTEM

Our Company has a sound internal control system, which ensures that all assets are protected against loss from unauthorized use and all transactions are recorded and reported correctly. The internal control systems are further supplemented by internal audit carried out by an independent firm of Chartered Accountants and periodical review by management. The Audit Committee of the Board addresses issues raised by both, the Internal Auditors and Statutory Auditors.

ENVIRONMENT AND SAFETY

Our Company's commitment to environmental protection and safety is based on the continued ongoing processes implemented at its manufacturing facilities. The Company's plants at Kosamba and Jambusar are certified by BV for its Occupational Health Safety and Environment Management System, in conformity with the international standards under the Integrated Management System. Additionally to meet the demanding customer requirements, manufacturing facilities have been certified for Social Accountability standard SA 8000 (Kosamba) and Food Management System FMS 22000 (Jambusar) by BV. Major capital investment (approx Rs 16 Cr) in effluent treatment facility completed to equip Jambusar location as a zero discharge facility.

DIRECTORS RESPONSIBILITY STATEMENT

As required under section 217(2AA) of the Companies Act, 1956, ("the Act") we hereby state:

- a. that in the preparation of annual accounts, the applicable accounting standards have been followed. There are no material departures from these applicable accounting standards;
- b. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2012 and its profit for the year ended on that date;
- c. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the Directors have prepared the annual accounts on a going concern basis.

DIRECTORS

Dr. (Mrs.) Swati A. Piramal, Mr. Bharat Kewalramani and Mr. Vijay Shah retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment, which the Board recommends.

Mr. Vijay Shah ceased to be the Managing Director of the Company from the close of business hours on 31st December, 2011, But he continues to be a Director on the Board of the Company.

MANAGER

Consequent to Mr. Vijay Shah ceasing to be the Managing Director of the Company w.e.f. 31st December, 2011, Mr. Sandeep Arora has been appointed as the Manager of the Company with effect from 1st January, 2012, subject to the approval of the members of the Company, in compliance with the provisions of section 269 of the Companies Act, 1956.

COST AUDIT

M/s. Kailash Sankhlecha & Associates, Cost Accountants have been duly appointed as Cost Auditors for conducting Cost Audit

for current financial year ending 31st March, 2013. They were also the cost auditors for the previous year ended 31st March, 2012. The Cost Audit Report for the financial year ended 31st March, 2012 will be filed within the prescribed period.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Our Company has directed its efforts to reduce energy costs by focusing on energy savings through the best optimization of operations on a day-to-day basis. The Company has used fuels in appropriate mix to attain maximum savings. As required by the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, the relevant data pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo is given in Annexure I and forms part of this Report.

CORPORATE GOVERNANCE

Our Company has complied with the applicable provisions of Corporate Governance under clause 49 of the Listing Agreement with the Stock Exchanges. A separate report on Corporate Governance compliance is included as a part of the Annual Report. The requisite Certificate from N.L. Bhatia & Associates, Practicing Company Secretaries confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid clause 49 is annexed as Annexure II and forms part of this report.

PERSONNEL

Employees are vital to Piramal Glass. We have created a favourable work environment that encourages innovation and meritocracy. We had a staff strength of 3,957 employees as at 31st March, 2012 (Previous Year 3,257 employees).

Any shareholder interested in obtaining a copy of the statement of particulars of employees referred to in section 217(2A) of the Companies Act, 1956, may write to the Company Secretary at the Registered Office of the Company. The statement is also available for inspection at the Registered Office of the Company during working hours upto the date of the Annual General Meeting.

Stock Options disclosures pursuant to the applicable requirements of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are given as Annexure III to this Report.

AUDITORS

M/s. Haribhakti & Co., Chartered Accountants, Vadodara retire as Auditors of the Company at the ensuing Annual General Meeting and are eligible for re-appointment.

ACKNOWLEDGEMENTS

We take this opportunity to thank the employees for their dedicated service and co-operation in the functioning of the Company. We also thank the Shareholders and Company's Bankers for their continued support to the Company.

By Order of the Board

Ajay G. Piramal
Chairman

Mumbai
7th May, 2012

ANNEXURE I TO THE DIRECTORS' REPORT

Particulars under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 for the year ended 31st March, 2012

Conservation of Energy

The manufacturing units in India have been certified for Energy Management System EMS 50001 by BV for systematically accelerating the energy management and conservation. During the year, the units implemented the following measures to conserve energy

- Lighting transformer introduced for reducing the voltage on lighting circuit;
- Cooling tower conversion from natural to forced draft;
- Timer based switching system introduced for street lighting;
- Introduced low melting batch recipe and experimented with usage of sand in place of quartz.

FORM - A

A	POWER & FUEL CONSUMPTION	2011-2012	2010-11
	1. Gas / Electricity		
	a) (I) Gas		
	Unit ('000 M3)	67,917	65,577
	Total Amount (₹ In Mio)	1,133	804
	Rate / Unit (M3)	16.68	12.26
	(II) Electricity		
	Unit (in '000)	54,789	35,927
	Total Amount (₹ In Mio)	381	239
	Rate / Unit (KWH)	6.95	6.65
	b) Own Generation		
	(I) Through Diesel Generator		
	Unit	—	—
	Total Amount (₹ In Mio)	—	—
	Rate / Unit	—	—
	(II) Through Steam Turbine Generator		
	Unit	—	—
	Total Amount (₹ In Mio)	—	—
	Rate / Unit	—	—
	2. Coal		
	Quantity (Tonnes)	—	—
	Total Amount (₹ In Mio)	—	—
	Average Rate	—	—
	3. Furnace Oil		
	Quantity (K Ltrs)	2,503	6,371
	Total Amount (₹ In Mio)	80	153
	Average Rate / K. Ltrs	31.81	24.08
	4. LPG/ Propane		
	Quantity (Tonnes)	—	—
	Total Amount (₹ In Mio)	—	—
	Average Rate / Tonne	—	—
	5. Other / Internal Generation		
	(I) CPP plant		
	Unit (in '000)	55,945	77,506
	Total Amount (₹ In Mio)	303	284
	Average Rate	5.43	3.67
	(II) Wind Mill Generation		
	Unit (in '000)	1,032	1,134
	Total Amount (₹ In Mio)	6.27	7.35
	Average Rate	6.07	6.48

B. Consumption per unit of Production

Since the operation of the Company involves multiple products of different sizes and volumes, disclosure of consumption figure per unit of production is not meaningful.

FORM - B

Form for the disclosure of particulars with respect to Technology Absorption

- 1. Research & Development:** The Company does not have a Research & Development set up and therefore there is no expenditure under this head.
- 2. Technology Absorption, Adoption & Innovation:** Continuous efforts are being made to reduce costs and improve product qualities.
- 3. Foreign Exchange Earnings and Outgo:** During the year, Foreign Exchange Earnings were ₹ 5,110.86 Mio as against Outgo of ₹ 140.46 Mio.

ANNEXURE II TO THE DIRECTORS' REPORT

Certificate on Corporate Governance

The Members of
Piramal Glass Limited

We have examined the compliance of conditions of Corporate Governance by Piramal Glass Limited for the year ended 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement of the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **N.L. Bhatia & Associates**
Practicing Company Secretaries

N.L. Bhatia
Partner
C. P. No. 422

Mumbai
7th May, 2012

ANNEXURE III TO THE DIRECTORS' REPORT

DISCLOSURES REGARDING STOCK OPTIONS

Pursuant to the applicable requirements, if any, of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("the SEBI Guidelines"), following disclosures are made in connection with the ESOP Scheme of the Company, for Options granted to the Company's employees for the financial year ended 31st March, 2012.

Sr. No.	Details	Disclosures						
(i)	Options Granted during FY2012	3,57,916 Options						
(ii)	Exercise price of options	<p>The option price is determined by the Trustees of the Piramal Glass Senior Employees Stock Option Trust ('ESOP Trust') and is subject to a limit not exceeding the higher of:</p> <p>(a) market price on the date of grant; or</p> <p>(b) average of the price prevailing for the type of share or other security in respect of which the option is granted during the 3 (three) months immediately preceding the date on which the option is offered to the employee; or</p> <p>(c) the issue price of any such shares or securities if the same have been issued within three months prior to the option.</p> <p>Options granted during the financial year ended 31st March, 2012, were at an exercise price of Rs. 40 per option which was approved by the Trustees of the ESOP Trust, taking into consideration several factors.</p>						
(iii)	Options Vested during FY2012	5,01,914 (Relating to options granted for FY 2011)						
(iv)	Options Exercised during FY2012	<table> <thead> <tr> <th>Options</th> <th>Relating to Fin Yr</th> </tr> </thead> <tbody> <tr> <td>73,101</td> <td>FY 10</td> </tr> <tr> <td>2,41,407</td> <td>FY 11</td> </tr> </tbody> </table>	Options	Relating to Fin Yr	73,101	FY 10	2,41,407	FY 11
Options	Relating to Fin Yr							
73,101	FY 10							
2,41,407	FY 11							
(v)	Total number of shares arising as a result of exercise of options	Same as Options exercised, as each Option entitles the holder thereof to 1 equity share.						
(vi)	Options Lapsed	Nil						
(vii)	Variation of terms of Options	None						
(viii)	Total number of Options in force	<table> <thead> <tr> <th>Options</th> <th>Relating to Fin Yr</th> </tr> </thead> <tbody> <tr> <td>1,69,532</td> <td>FY 10</td> </tr> <tr> <td>2,60,507</td> <td>FY 11</td> </tr> </tbody> </table>	Options	Relating to Fin Yr	1,69,532	FY 10	2,60,507	FY 11
Options	Relating to Fin Yr							
1,69,532	FY 10							
2,60,507	FY 11							
(ix)	Employee-wise details of options granted	All Stock Options that have been granted by the Company as aforesaid have been granted to senior managerial personnel.						
	– senior managerial personnel							
	– employees who receive a grant in any one year of options amounting to 5% or more of options granted during that year	<p>The following employees have received a grant amounting to 5% or more of Options granted during FY 12</p> <p>a) Mr. Vijay Shah - Director</p> <p>b) Mr. Sanjay Tiwari - CEO and Executive Director of Piramal Glass Ceylon PLC</p>						
	– identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	None						

Note:

Since the PGL ESOP Scheme is implemented by the ESOP Trust and the shares issued by the ESOP Trust against exercise of stock options are those that have been acquired by the ESOP Trust from the existing shareholders and not fresh shares issued by the Company, there will not be any increase in the share capital of the Company, nor will there be any impact on the Earnings Per Share or other ratios relating to share capital as a result of such exercise of Stock Options.

Auditors' Report

To the Member of Piramal Glass Limited

1. We have audited the attached Balance Sheet of **PIRAMAL GLASS LIMITED**, (hereinafter referred to as the 'Company') as at **31st March, 2012**, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) Order, 2003 as amended by the companies (Auditor's Report) (amendment) Order 2004, (together the, "Order") issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956 of India (the Act) and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in para 3 above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of accounts as required by law have been kept by the Company, so far as appears from our examination of those books;
 - c) The Balance Sheet and Profit and Loss Statement and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet and the Profit and Loss Statement and the Cash Flow Statement, dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies, Act, 1956.
 - e) On the basis of the written representations received from the Directors of the Company as on 31st March, 2012, and taken on record by the Board of Directors of the Company, we report that none of the Directors are disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
 - f) In our opinion, and to the best of our information and according to explanations given to us, the said accounts read together with Notes to Accounts and Significant Accounting Policies and General Notes forming part thereof, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012.
 - ii) in the case of Profit and Loss Statement, of the profit of the Company for the year ended on that date and
 - iii) in the case of Cash Flow statement, of the cash flows of the Company for the year ended on that date.

For **HARIBHAKTI & CO.**,
 CHARTERED ACCOUNTANTS
 Firm Reg. No. 118013W

HITESH J. DESAI
 PARTNER
 M. No. 37569

Mumbai, 7th May, 2012

Annexure To Auditors' Report

ANNEXURE REFERRED TO IN PARAGRAPH (3) OF AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF PIRAMAL GLASS LIMITED ON THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012.

- i. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) The fixed assets of the Company in its possession, are physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme a portion of the fixed assets have been verified by the management during the year and no material discrepancies between the book records and the physical inventory has been noticed. Confirmations have been received in respect of fixed assets lying with third parties.
- (c) In our opinion and according to the information and explanations, the fixed assets disposed off during the year were not substantial and therefore do not affect the going concern assumption.
- ii. (a) The inventory (excluding stocks with third parties and materials in transit) has been physically verified by the management during the year. In respect of stocks lying with third parties, these have been substantially confirmed by them. In our opinion the frequency of verification is reasonable.
- (b) In our opinion, and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion and according to the information and explanations given to us, the Company is maintaining proper records of its inventories. The discrepancies noticed on physical verification of inventory as compared to the book records were not material and the same have been properly dealt with in the books of account.
- iii. (a) In our opinion and according to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly sub-clauses (b), (c) and (d) of clause 4 (iii) of the Order are not applicable to the Company.
- (b) In our opinion and according to the information and explanations given to us, the Company has not taken any loans secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly sub-clause (f) and (g) of clause 4 (iii) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased/sold are of special nature for which suitable alternative sources do not exist for obtaining comparative quotation, there are adequate internal control system commensurate with the size of the Company and nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. In respect of transactions entered in the register maintained in pursuance of section 301 of the Act:
 - (a) To the best of our knowledge and belief and according to the information and explanations given to us, particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
 - (b) In our opinion and according to the information and explanations given to us, having regard to the fact that certain items purchased / sold and service rendered / received are of special nature and suitable alternative, sources do not exist for obtaining comparative quotations, the transactions made in pursuance of such contracts or arrangements and exceeding the value of ₹ 5 Lacs in respect of any party, during the year, have been made at price which are reasonable having regard to the prevailing market prices at relevant time or the prices at which the transactions for similar goods have been made with other parties.
- vi. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Section 58A, 58AA or any other relevant provisions the Companies Act, 1956 and the rules framed there under.

Annexure To Auditors' Report (Contd.)

- vii. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii. We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- ix. According to the information and explanations given to us and the records of the Company examined by us in respect of statutory and other dues:
- (a) The Company is generally regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities in India. According to the information and explanations given to us, there are no undisputed amount payable in respect of such statutory dues which have remained outstanding as at 31st March 2012 for a period more than six months from the date they became payable.
- (b) Disputed Income Tax liability of ₹ 5.50 million and Excise duty of ₹ 9.04 million has not been deposited since the matters are pending with the relevant Appellate Authorities.
- x. The Company does not have any accumulated losses as at the end of the financial year. The Company has not incurred cash losses during the current financial year and in the immediately preceding financial year.
- xi. According to the records of the Company examined by us and the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to financial institutions or banks as at the balance sheet date.
- xii. Based on our examination of documents and records and according to the information and explanations given to us, we are of the opinion that the Company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the order are not applicable to the Company.
- xv. The Company has given guarantees, for term loan and working capital facilities availed by its Subsidiary Companies viz. Piramal Glass USA Inc. and Piramal Glass Europe SARL. According to the information and explanation given to us we are of the opinion that the terms and conditions thereof are not prima facia prejudicial to the interest of the Company.
- xvi. According to the information and explanations given to us and to the best of the our knowledge and belief, term loans availed by the Company were, prima facie, applied by the Company during the year for the purpose for which the loans were obtained, other than temporary deployment pending applications.
- xvii. According to the information and explanations given to us and on the overall examination of the Balance Sheet of the Company and Cash Flow Statement we report that no funds raised on short term basis have been used for long term investment of the Company.
- xviii. The Company has not made during the year any preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of Companies Act, 1956.
- xix. The Company has not issued any debentures during the year and hence the clause relating to the creation of security or charge for debentures is not applicable to the Company.
- xx. The Company has not raised any money by public issue during the year.
- xxi. During the course of our examination of books of account and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to information and explanation given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have been informed of such cases by the management.

For **HARIBHAKTI & CO.**,
 CHARTERED ACCOUNTANTS
 Firm Reg. No. 118013W

HITESH J. DESAI
 PARTNER
 M. No. 37569

Mumbai, 7th May, 2012

Balance Sheet

as at March 31, 2012

	Note No.	As at March 31, 2012 ₹ in Millions		As at March 31, 2011 ₹ in Millions	
I. EQUITY AND LIABILITIES					
1. Shareholders' Funds					
a. Share Capital	1	809.16		804.35	
b. Reserves and Surplus	2	4,031.34	4,840.50	3,568.13	4,372.48
2. Non-current liabilities					
a. Long-term borrowings	3	1,820.15		1281.44	
b. Deferred tax liabilities (Net)	4	201.38		135.16	
c. Long-term provisions	5	—	2,021.53	1.94	1,418.54
3. Current liabilities					
(a) Short-term borrowings	6	5,453.57		3,956.37	
(b) Trade payables		924.43		733.56	
(c) Other current liabilities	7	550.66		820.01	
(d) Short-term provisions	8	834.08	7,762.74	731.29	6,241.23
TOTAL			14,624.77		12,032.25
II. ASSETS					
1. Non-current assets					
(a) Fixed assets	9				
– Tangible assets		6,546.50		6103.97	
– Intangible assets		10.70		27.99	
– Capital work-in-progress		1,513.64		394.50	
(b) Non-current investments	10	592.63		592.63	
(c) Long-term loans & advances	11	495.50		688.42	
(d) Other non-current assets		67.35	9,226.32	54.25	7,861.76
2. Current assets					
(a) Inventories	12	1,393.20		1,114.22	
(b) Trade receivables	13	3,044.05		2,581.43	
(c) Cash and cash equivalents	14	127.46		14.07	
(d) Short-term loans & advances	15	632.89		340.03	
(e) Other current assets	16	200.85	5,398.45	120.74	4,170.49
TOTAL			14,624.77		12,032.25
Significant Accounting Policies & General Notes forming part of financial statements.	24				

This is the Balance sheet referred to in our report of even date.

For Haribhakti & Co.,
Chartered Accountants
Firm Reg. No. 118013W

Hitesh J. Desai
Partner
M. No. 37569

Mumbai, 7th May, 2012

Ajay G. Piramal

Chairman

Vijay Shah

Director

Sandeep Arora

Chief Financial Officer

Nehal Doshi

Company Secretary

Profit and Loss Account

for the year ended March 31, 2012

	Note No.	Year ended March 31, 2012 ₹ in Millions	Year ended March 31, 2011 ₹ in Millions
I. Revenue from Operations	17	8,793.58	7,888.21
Less: Excise Duties		245.62	265.27
		8,547.96	7,622.94
II. Other Income	18	198.72	113.94
III. Total Revenue		8,746.68	7,736.88
IV. Expenses:			
Cost of Materials Consumed	19	2,015.94	1,767.59
Purchases of Traded Goods		96.25	47.79
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	20	(204.68)	(30.49)
Employee Benefits Expense	21	912.82	808.24
Other Expenses	22	3,497.38	3,034.86
Total Expenses		6,317.71	5,627.99
V. Earnings before Interest, Depreciation & Tax		2,428.97	2,108.89
Finance Costs	23	575.07	448.17
Depreciation and Amortization Expense		773.43	740.07
VI. Profit Before Tax		1,080.47	920.65
VII. Tax Expense:			
Current Tax		231.52	205.43
MAT Credit Entitlement		—	(205.43)
Deferred Tax		66.22	234.80
VIII. Profit for the Period		782.73	685.85
IX. Earnings per Equity Share of ₹ 10/- each			
Basic / Diluted		9.67	8.53
Significant Accounting Policies & General Notes forming part of financial statements.	24		

This is the Profit & Loss statement referred to in our report of even date.

For Haribhakti & Co.,
Chartered Accountants
Firm Reg. No. 118013W

Hitesh J. Desai
Partner
M. No. 37569

Mumbai, 7th May, 2012

Ajay G. Piramal

Chairman

Vijay Shah

Director

Sandeep Arora

Chief Financial Officer

Nehal Doshi

Company Secretary

Cash Flow Statements

for the year ended March 31, 2012

	Year ended March 31, 2012 ₹	Year ended March 31, 2011 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	1,080	920.69
Adjustments for:		
Add/ (Less):		
(Profit)/ Loss on Sale of Fixed Assets	24.55	1.75
Interest Paid	575.08	448.16
Depreciation	773.43	740.07
Dividend Income	(66.53)	—
Technical Fees	(99.62)	(83.86)
Operating Profit Before Working Capital Charges	2,287.35	2,026.77
Adjustments for Changes in Working Capital:		
(Increase)/ Decrease in Inventories	(278.98)	(139.40)
(Increase)/ Decrease in Sundry Debtors	(462.62)	(258.05)
(Increase)/ Decrease in Loans & Advances	(100.20)	(158.64)
(Increase)/ Decrease in Other Current assets / Non current assets	(93.20)	(327.86)
Increase/ (Decrease) in Trade Payables & Other Liabilities	340.27	171.43
Increase/ (Decrease) in Other Provisions	89.54	113.86
Cash Generated from Operations	1,782.16	1,428.09
Direct Taxed Paid Less refund received	(231.26)	(133.24)
NET CASH FROM OPERATING ACTIVITIES - A	1,550.90	1,294.85
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets/ WIP	(2,357)	(910.86)
Sale of Fixed Assets	14.61	1.65
Investments in shares of Unquoted Securities	—	—
Investments in shares of Subsidiary Companies	—	(3.13)
Dividend Received	66.53	—
Technical Fees Received	99.62	83.86
NET CASH FROM INVESTING ACTIVITIES - B	(2,176.22)	(828.48)

Cash Flow Statements (Contd.)

for the year ended March 31, 2012

	Year ended March 31, 2012 ₹	Year ended March 31, 2011 ₹
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase/ (Decrease) in Share Capital	4.81	—
Increase/ (Decrease) in Share Premium	9.63	—
Dividend & Tax thereon payment	(323.67)	(92.36)
(Repayment)/ Proceeds from Borrowings	1,617.18	68.47
Interest Paid	(569.25)	(445.63)
NET CASH FROM FINANCING ACTIVITIES - C	778.70	(469.52)
Net Increase in Cash & Cash equivalents (A+B+C)	113.38	(3.15)
Cash & Cash Equivalents as at 01.04.2011 (Opening Balance)	14.07	17.18
Cash & Cash Equivalents as at 31.10.2012 (Closing Balance)	127.46	14.07

Notes :

- The above cash flow has been prepared under the Indirect Method as set out in the Accounting Standard - 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.
- The previous year figures have been regrouped wherever necessary in order to confirm to this years presentation.
- Figures in brackets reflect cash outflows.

This is the Cash Flow statement referred to in our report of even date.

For Haribhakti & Co.,
Chartered Accountants
Firm Reg. No. 118013W

Hitesh J. Desai
Partner
M. No. 37569

Mumbai, 7th May, 2012

Ajay G. Piramal

Chairman

Vijay Shah

Director

Sandeep Arora

Chief Financial Officer

Nehal Doshi

Company Secretary

Notes to Financial Statements

as on March 31, 2012

	As at March 31, 2012 ₹ in Millions	As at March 31, 2011 ₹ in Millions
1. SHARE CAPITAL		
AUTHORISED		
8,20,00,000 Equity Shares of ₹ 10/- each	820.00	820.00
ISSUED		
8,09,23,500 equity shares of ₹ 10/- each	809.24	809.24
Subscribed and Paid Up		
8,09,15,986 Equity Shares of ₹ 10/- each (Previous year 8,04,34,736 Equity shares of ₹ 10/- each)	809.16	804.35
Notes:		
a. Reconciliation of shares outstanding at the beginning & at the end of Reporting Period:	Equity Shares in Nos.	Equity Shares in Nos.
Issued, Subscribed and paid-up shares		
Opening Balance	8,04,34,736	8,04,34,736
Issued during the year	4,81,250	—
Closing Balance	8,09,15,986	8,04,34,736
b. Terms and Rights attached to equity shares:		
The company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets after discharging all liabilities of the Company, in proportion to their shareholding.		
c. Details of shareholders holding more than 5% shares in the Company:	31st March 2012	31st March 2011
PEL Management Services Pvt. Ltd - Trustee of The Shri Hari Trust.		
– No of shares	53033810	53033810
– % Holding	65.54%	65.93%

d. At the time of the Company's Rights Issue of 62940500 equity shares of ₹ 10/- each for cash at a price of ₹ 30/- per share (including a share premium of ₹ 20/-) per equity share in 2009, entitlements relating to 488764 Rights shares were held in abeyance, of which 4,81,922 shares pertained to Overseas Corporate Bodies (OCB), which were held in abeyance pending requisite approval of the Reserve Bank of India (RBI).

Since then, one of the OCBs having Rights entitlement of 481250 equity shares, received the requisite RBI approval and the Company has during the year, allotted the said shares having received the full subscription amount. Consequently, the paid up share capital of the Company has increased to ₹ 809.16 million comprising 8,09,15,986 shares of ₹ 10 each and security premium reserve stand increased by ₹ 9.63 million.

As regards the other OCB having Rights entitlement of 672 shares, RBI has denied its approval for the same and consequently, no allotment shall be made in respect of these shares.

Consequent to the above, total Rights entitlements held in abeyance stands reduced from 4,88,764 shares to 6,842 shares.

Notes to Financial Statements (Contd.)

as on March 31, 2012

	As at March 31, 2012 ₹ in Millions	As at March 31, 2011 ₹ in Millions
2. RESERVES AND SURPLUS		
Capital Redemption Reserve	490.00	490.00
Securities Premium Reserve		
Opening Balance	2,307.01	2,307.01
Additions on shares issued during the year (Refer note 1-d)	9.63	—
Closing Balance	2,316.64	2,307.01
General Reserves		
Opening Balance	127.21	58.63
Additions during the year	78.27	68.58
Closing Balance	205.48	127.21
Surplus in the Profit & Loss Statement		
Opening Balance	643.91	353.83
Profit for the Year	782.73	685.85
Profit Available for Appropriation and Allocations	1,426.64	1039.68
Appropriation :		
Dividend on Equity Shares	283.21	281.52
Corporate Dividend Tax thereon	45.94	45.66
Transfer to General Reserve	78.27	68.59
Net Surplus in the Profit & Loss Statement	1,019.22	643.91
Total Reserves & Surplus	4,031.34	3568.13
3. LONG TERM BORROWINGS		
Term Loans from banks		
Secured		
Rupee Term Loan from IndusInd Bank (Payable in 20 Qtr installment of ₹ 20 Million Each starting from Dec-09) (refer Note 1)	120.00	200.00
Rupee Term Loan from HDFC Bank (Payable in 6 Qtr installment of ₹ 83.33 Million each starting from Sep-11) (refer Note 1)	—	250.00
ECB Loan - UTI Bank (₹ 254.40 Million payable on 19-May-2014 & ₹ 254.40 Million payable on 17-Jun-2014) (refer Note 1)	508.80	—
ECB Loan - HSBC Bank (Payable on 21-Mar-2015) (refer Note 1)	508.80	—
Buyers' Credit (Payable in FY 2013-14 ₹ 182.88 million & in FY 2014-15 ₹ 327.17 million) (Refer Note 2)	510.05	116.05

Notes to Financial Statements (Contd.)

as on March 31, 2012

	As at March 31, 2012 ₹ in Millions	As at March 31, 2011 ₹ in Millions
3. LONG TERM BORROWINGS (Contd.)		
Unsecured		
Rupee Term Loan from HDFC Bank (Payable in May-2012)	—	500.00
Deferred Payment Liabilities		
Sales Tax Deferment Loan (Unsecured Payable in 6 equal annual installments from 2011 to 2016)	171.50	214.39
Deposits	1.00	1.00
Total	1,820.15	1,281.44
Notes:		
1. The Rupee Term Loan / ECB is secured by mortgage and pari pasu charge of immovable properties of the company, both present and future. They are further secured by hypothecation of all movables and movable machinery, machinery spares and accessories, both present and future, subject to prior charge created/to be created in favour of banks for securing the borrowing for cash credit from Bank Facilities and the charge on specific assets referred to in note no 2 below:		
2. Loans under Buyer's Credit are secured by an exclusive charge on the assets and equipments procured under the facility.		
4. DEFFERED TAX LIABILITY		
Deferred Tax Liability	576.72	526.85
Deferred Tax Assets	(375.34)	(391.69)
Total	201.38	135.16
5. LONG-TERM PROVISIONS		
Provision for Gratuity	—	1.94
Total	—	1.94
6. SHORT-TERM BORROWINGS		
Loans Repayable on Demand from banks		
Secured		
Cash Credit (Refer Note:1)	44.94	334.82
Rupee Term Loans from Central Bank of India (Refer Note:2)	1,500.00	2,500.00
Packing Credit from Corporation Bank (Refer Note 3)	460.46	467.92
Packing Credit from ANZ Bank (Refer Note 3)	432.48	0.00
Packing Credit from HSBC Bank (Refer Note 3)	662.86	448.58
Unsecured		
Rupee Term Loan from CITI Bank	598.00	0.00
Rupee Term Loan from IDBI Bank	0.00	200.00
Rupee Term Loan from HDFC Bank	750.00	0.00
Rupee Term Loan from YES Bank	250.00	0.00
Rupee Term Loan from DBS Bank	750.00	0.00
Deposits	4.83	5.05
Total	5,453.57	3,956.37
Notes:		
1. Cash Credit facilities are secured by Hypothecation of current assets namely, stocks, bills receivables and book debts and all other movables, both present and future, of the Company. Packing Credit in foreign currency are secured against specific export bills receivables.		
2. The Rupee Short Term Loans are secured by mortgage and second charge of immovable properties of the Company, both present and future. They are further secured by second charge on all movables and movable machinery, machinery spares and accessories both present and future.		
3. Packing Credit in foreign currency are secured against specific export bills receivables.		

Notes to Financial Statements (Contd.)

as on March 31, 2012

	As at March 31, 2012 ₹ in Millions	As at March 31, 2011 ₹ in Millions
7. OTHER CURRENT LIABILITIES		
Current maturities of long-term debt	122.88	541.63
Interest accrued but not due on borrowings	25.36	6.35
Interest accrued and due on borrowings	31.46	26.62
Unpaid dividends	5.22	1.70
Application money received for allotment of securities and due for refund & Interest Accrued thereon	0.08	0.08
Other payables	365.66	243.63
Total	550.66	820.01
8. SHORT-TERM PROVISIONS		
Provision for employee benefits		
Gratuity	—	4.75
Leave Encashment	39.43	34.65
Leave Travel Assistance	5.26	4.69
	44.69	44.09
Others		
Proposed Dividend	283.21	281.52
Tax on Proposed Dividend	45.94	45.66
Provision for Tax	16.43	51.43
Provision for Other Liabilities	443.81	308.59
	789.39	687.20
Total	834.08	731.29

9. FIXED ASSETS

₹ in Million

Description	GROSS BLOCK					DEPRECIATION					NET BLOCK		
	As on 01.04.2011	Addi- tions	Deduc- tions	Other Adjustment	As on 31.03.2012	As on 01.04.2011	Addi- tions	Deduc- tions	Other Adjustment	As on 31.03.2012	As on 31.03.2012	As on 31.03.2011	
Tangible Assets													
Freehold Land	64.64	—	—	—	64.64	—	—	—	—	—	64.64	64.64	
Buildings	1,366.08	33.60	—	—	1,399.68	328.88	44.49	—	—	373.37	1,026.31	1,037.20	
Plant & Machinery	9,553.54	1,172.19	98.31	24.54	10,651.96	4,634.62	697.97	60.47	0.59	5,272.71	5,379.25	4,918.92	
Furniture & Fixtures	188.42	5.41	36.68	—	157.15	127.16	10.21	34.84	—	102.53	54.62	61.26	
Office Equipments	11.26	0.05	—	—	11.31	2.21	0.54	—	—	2.75	8.56	9.05	
Vehicles	17.97	2.04	0.56	—	19.45	5.07	1.78	0.52	—	6.33	13.12	12.90	
Total A	11,201.91	1,213.29	135.55	24.54	12,304.19	5,097.94	754.99	95.83	0.59	5,757.69	6,546.50	6,103.97	
Intangible Assets													
Software	93.00	0.57	—	—	93.57	65.01	17.86	—	—	82.87	10.70	27.99	
Total B	93.00	0.57	—	—	93.57	65.01	17.86	—	—	82.87	10.70	27.99	
Total (A+B)	11,294.91	1,213.86	135.55	24.54	12,397.76	5,162.95	772.85	95.83	0.59	5,840.56	6,557.20	6,131.96	
Previous Year	10,645.42	721.22	71.73	—	11,294.91	4,426.54	740.07	3.66	—	5,162.95			
Capital Work in Progress											1,513.64	394.50	
TOTAL											8,070.84	6,526.46	

Notes :

- 1) Gross Block is net of CENVAT credit availed on relevant assets
- 2) Borrowing cost capitalized ₹ 25.96 Million (Previous year ₹ NIL) during the year.
- 3) Exchange loss capitalized ₹ 103.10 Million (previous year ₹ NIL) during the year.

Notes to Financial Statements (Contd.)

as on March 31, 2012

	As at March 31, 2012 ₹ in Millions	As at March 31, 2011 ₹ in Millions
10. NON CURRENT INVESTMENTS		
Investment in Equity Shares		
Trade Investments		
Shares in Subsidiary Companies - Quoted	348.09	348.09
536,331,880 Ordinary Shares of SLR 1 each of Piramal Glass Ceylon PLC, Sri Lanka. Market Value of ₹ 1,319.38 Million (Previous Year ₹ 2,440.85 Millions)		
Shares in Subsidiary Companies - Un-Quoted		
(i) 25,000 Ordinary Shares of USD 1 each of Piramal Glass International Inc., USA	1.21	1.21
(ii) 500,000 Ordinary Shares of USD 10 each of Piramal Glass - USA Inc.	227.61	227.61
(iii) 150,000 Ordinary Shares of GBP 1 each of Piramal Glass (UK) Ltd.	11.59	11.59
(iv) 50000 ordinary Shares of Euro 1 each of Piramal Glass Europe SARL	3.13	3.13
Other Investments		
Shares in Other Companies - Un-Quoted		
100,000 Ordinary Shares of ₹ 10 each of Enviro Infrastructure Co. Ltd.	1.00	1.00
	592.63	592.63
11. LONG-TERM LOANS AND ADVANCES		
Unsecured considered good		
Capital Advance	239.57	168.05
Security Deposits	38.52	34.04
Loans and Advances to Related Parties	217.41	486.33
Unsecured considered doubtful		
Loans and Advances to Related Parties	35.00	35.00
Less: Allowance for Bad & Doubtful Loan	(35.00)	(35.00)
Total	495.50	688.42
12. INVENTORIES		
Raw Materials & Packing Material [Goods in transit ₹ 41.40 Crores (Previous year ₹ nil)]	227.40	167.45
Work-in-progress	16.70	13.02
Finished goods [Goods in transit ₹ 30.64Crores (Previous year ₹ nil)]	1,146.83	869.75
Stock-in-trade	4.07	3.43
Stores and spares [Goods in transit ₹ 1.30 Crores (Previous year ₹ nil)]	263.77	249.41
Provision for Slow and Non moving Finished goods	(265.57)	(188.84)
Total	1,393.20	1,114.22

Note :

Raw materials, Stores & spares, and Packing Materials are valued at weighted average cost. Work in progress and finished goods are valued at lower of cost or net realizable value. Cost of work in progress and finished goods is determined by taking materials, labour cost and other appropriate allocable overheads. Excise Duty on goods manufactured by the company and are remaining in inventory is included as part of valuation of finished goods. Requisite provision has been made for slow and non moving finished goods.

Notes to Financial Statements (Contd.)

as on March 31, 2012

	As at March 31, 2012 ₹ in Millions	As at March 31, 2011 ₹ in Millions
13. TRADE RECEIVABLES		
Due over Six Months		
Unsecured – Considered good	502.91	509.97
– Considered doubtful	40.89	64.60
	543.80	574.57
Less: Provision for Bad debts	40.89	64.60
	502.91	509.97
Others		
Unsecured - Considered good	2,541.14	2,071.46
Total	3,044.05	2,581.43
14. CASH AND CASH EQUIVALENTS		
Balances with banks:		
Equity Dividend	5.22	1.70
Right Issue Refund Payable	0.08	0.08
Margin Money	1.34	1.34
Current Accounts	29.85	10.16
Cash on hand	1.13	0.79
Fixed Deposit with Bank	89.84	—
Total	127.46	14.07
15. SHORT-TERM LOANS AND ADVANCES		
Unsecured and considered good		
Advances recoverable in cash or in kind for value to be received		
– From Suppliers	64.67	46.64
– From Others	474.66	248.90
Advance Income Tax & TDS	53.59	30.56
Claims receivable	22.20	0.54
Prepaid expenses	17.77	13.39
Total	632.89	340.03
16. OTHER CURRENT ASSETS		
Balance with Excise Authorities	148.62	84.96
Other Deposits	52.23	35.78
Total	200.85	120.74

Notes to Financial Statements (Contd.)

as on March 31, 2012

	Year ended March 31, 2012 ₹ in Millions	Year ended March 31, 2011 ₹ in Millions
17. REVENUE FROM OPERATION		
Sale of Products		
Sale of Goods	8,538.51	7,694.23
Other Operating Revenues		
Power Generation (Wind mill)	6.13	7.35
Scrap Sales	48.14	40.17
Mould Recoveries	47.68	36.74
Transport recoveries	18.46	25.67
Sale of Export licenses	134.66	84.07
	8,793.58	7,888.21
Less : Excise Duty	245.62	265.27
Revenue From Operations (Net)	8,547.96	7,622.94
18. OTHER INCOME		
Interest Income	27.97	24.35
Dividend Income		
From Subsidiary	66.37	—
From Other	0.15	—
Technical Fees	99.62	83.86
Other Non-Operating Income(Net)		
Claims & Refunds	0.92	1.23
Bad Debts Recovery	1.52	—
Sales Tax Remission	—	0.57
Miscellaneous Income	2.17	3.93
Total	198.72	113.94
19. COST OF MATERIAL CONSUMED		
Raw Material Consumed		
Opening Stock	153.54	88.49
Add : Purchases	1,336.93	1,201.07
	1,490.47	1,289.56
Less : Closing Stock	213.71	153.54
Raw Material Consumed	1,276.76	1,136.02
Packing Material Consumed	739.18	631.57
Total	2,015.94	1,767.59

Notes to Financial Statements (Contd.)

as on March 31, 2012

	Year ended March 31, 2012 ₹ in Millions	Year ended March 31, 2011 ₹ in Millions
Details of Raw Material & Packing Material Consumed :		
Quartz & Sand	287.14	224.64
Soda Ash	478.50	431.16
External Cullet (Broken Glass)	62.66	122.45
Borax	116.34	68.56
Lime Stone	41.09	31.03
Alumina Hydrate	59.03	40.03
Potassium Nitrate	42.27	26.48
Packing Materials	739.18	631.58
Others	189.73	191.66
Total	2,015.94	1,767.59
Details of Inventory of Raw Material & Packing Material:		
Quartz & Sand	32.27	27.28
Soda Ash	23.27	9.92
External Cullet (Broken Glass)	4.89	30.95
Borax	17.96	19.76
Lime Stone	2.23	4.17
Alumina Hydrate	4.43	3.38
Potassium Nitrate	3.51	1.63
Packing Materials	13.69	13.91
Others	125.15	56.46
Total	227.40	167.46
20. (INCREASE) / DECREASE IN INVENTORIES		
Opening Stock		
Finished Goods	680.90	651.80
Work-in-Progress	13.02	12.79
Traded Goods	3.43	2.27
Closing Stock		
Finished Goods	881.26	680.90
Work-in-Progress	16.70	13.02
Traded Goods	4.07	3.43
Total	(204.68)	(30.49)
21. EMPLOYEE BENEFIT EXPENSES		
Salaries and Wages	849.88	754.21
Contribution to Provident and Other Funds	32.03	29.27
Staff Welfare Expenses	30.91	24.76
Total	912.82	808.24

Notes to Financial Statements (Contd.)

as on March 31, 2012

	Year ended March 31, 2012 ₹ in Millions	Year ended March 31, 2011 ₹ in Millions
22. OTHER EXPENSES		
Manufacturing Expenses		
Consumption of stores and spare parts	196.43	227.04
Power and fuel	1,558.68	1,216.03
Repairs to :		
Building	5.84	4.26
Plant & Machinery	19.34	16.21
Others	30.96	29.37
Decoration Expenses	413.54	296.40
Excise Expenses	41.68	17.90
Total (a)	2,266.47	1807.21
Administrative, Selling & Other Expenses		
Rent	27.35	29.14
Insurance	13.75	11.20
Rates and taxes	2.14	1.88
Bank Charges	25.26	23.26
Wind farm rent & maintenance	2.78	1.58
Donation	0.18	0.22
Communication Expenses	15.53	15.24
Travelling	36.05	35.40
Foreign Technical Fees	21.14	25.48
Legal & Professional Fees	28.58	33.74
Auditors Remuneration	1.40	0.90
Freight	709.62	706.39
Marketing Survey Fees	27.16	23.82
Commission on Sales	49.23	43.23
Sitting fees	0.94	0.92
Loss on Sale of Assets	24.58	1.81
Net Loss/(Gain) on foreign currency transaction and translation	10.40	(28.75)
Provision for Doubtful Debts	—	75.00
Miscellaneous Expenses	234.82	227.19
Total (b)	1,230.91	1,227.65
Total (a + b)	3,497.38	3,034.86
23. FINANCE COST		
Interest Expense	510.01	466.47
Net Loss/(Gain) on Foreign Currency Transactions and Translation	65.06	(18.30)
Total	575.07	448.17

Notes to Financial Statements (Contd.)

as on March 31, 2012

24. SIGNIFICANT ACCOUNTING POLICIES & GENERAL NOTES

PART – A SIGNIFICANT ACCOUNTING POLICIES

1 ACCOUNTING ASSUMPTION

The financial statements are drawn up in accordance with the historical cost convention on accrual basis and comply with the accounting standards referred to in Sec 211 (3C) of the Companies Act, 1956.

2 FIXED ASSETS

All fixed assets are stated at cost of acquisition less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price, material cost and any attributable/incidental cost incurred by the Company for bringing the asset to its working condition for its intended use. In the case of fixed assets acquired for new projects / expansions, finance cost on borrowing and other related expenses up to the date of commercial production incurred towards acquiring fixed assets are capitalized.

3. IMPAIRMENT

- a. The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit & Loss account.
- b. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

4. DEPRECIATION

Depreciation on all fixed assets except moulds is provided on straight-line method at the rate specified in Schedule XIV of the Companies Act, 1956. Depreciation on additions / deletions is provided on pro-rata basis to the months of additions / deletions.

Moulds with predetermined useful life, are depreciated on the actual usage of the mould impression used for production during the reporting period. Depreciation on mould provided in the books is not less than depreciation if provided at the rates specified in the schedule XIV of the Companies Act, 1956.

5 INVESTMENTS

Investments are classified as long-term investments and are stated at cost. Diminution in value, if any, which is of a temporary nature, is not provided.

6 VALUATION OF INVENTORIES

Raw materials, Stores & spares, and Packing Materials are valued at weighted average cost. Work in progress and finished goods are valued at lower of cost or net realizable value. Cost of working in progress and finished goods is determined by taking materials, labour cost and other appropriate allocable overheads. Excise Duty on goods manufactured by the company and are remaining in inventory is included as part of valuation of finished goods.

7 REVENUE RECOGNITION

Sales are recognized, on invoicing and actual dispatch to customers and are recorded inclusive of Excise Duty and Sales Tax. Technical Services and Other Fees, Interest incomes are accounted on accrual basis. Dividends and Insurance Claims are accounted on receipt basis.

8 EXCISE DUTY

The Excise Duty in respect of Closing Inventory of Finished Goods is included as part of the Inventory. The amount of CENVAT Credit, in respect of Material consumed for Sales is deducted from Cost of Material Consumed.

9 FOREIGN CURRENCY TRANSACTION

The transactions in foreign currency are accounted at exchange rate prevailing on the date of transaction. Monetary items denominated in foreign currency outstanding at the year-end are translated at the year-end exchange rate and the unrealized exchange gain or loss is recognized in the profit and loss account.

Exchange difference (Realized / Unrealized) as on reporting date, arising on long term Foreign Currency Monetary Items so far as they relate to acquisition of depreciable asset, are added to or deducted from the cost of the asset. (This change in the accounting policy has been made during the financial year 2011-12 in exercise of the option given by the Government of India, Ministry of Corporate Affairs vide a Notification dated December 29, 2011, amending the Companies (Accounting Standards) Rules, 2006.)

10 RETIREMENT BENEFITS

The Company's contributions in respect of Provident Fund are charged against revenue every year. Present Liability for future payment of Gratuity and unavailed leave benefits to the employees at the end of the year is provided on the basis of actuarial valuation and is charged to revenue.

Notes to Financial Statements (Contd.)

as on March 31, 2012

11 BORROWING COSTS

Borrowing costs are recognized as an expense in the period 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 till put for its intended use is capitalized as part of the cost of that asset.

12 A. Current Tax

Provisions for Current Income tax liability is made on estimated Taxable Income under Income Tax Act, 1961 after considering permissible tax exemptions, deductions and disallowances. This liability is calculated at the applicable tax rate or Minimum Alternate Tax rate under section 115JB of The Income Tax Act, 1961 as the case may be.

B. Deferred Tax

Deferred Tax liability ascertained as on 31st March '02 resulting from timing differences between book profits and tax profits is accounted for under the liability method, at the tax rate specified under section 115JB of the Income Tax Act, 1961 to the extent that the timing differences are expected to crystallize. Deferred tax liability on timing difference arising subsequent to 31st March, 2002 is accounted at regular rate as enacted in the Income Tax Act, 1961.

13 PROVISION AND CONTINGENT LIABILITIES

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, requires an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

14. PROPOSED DIVIDEND

Dividend proposed by the Board of Directors is provided in the books of account, pending approval of the Annual General Meeting.

15. MEASUREMENT OF EBIDTA.

As per the guidance note on revised schedule VI of the Companies Act 1956, issued by ICAI, the company has elected to present earnings before interest, tax, depreciation & amortization (EBIDTA) as a separate line item on the face of the statement of profit and loss. The company measures EBIDTA on the basis of profit/(loss) from continuing operations. In its measurements, the company does not include finance costs, depreciation and amortization expense and tax expense.

PART B – GENERAL NOTES FORMING PART OF FINANCIAL STATEMENTS

1. Contingent Liabilities and Commitments:

	As at March 31, 2012 (₹ in Million)	As at March 31, 2011 (₹ in Million)
Contingent Liabilities		
a) Disputed Liability		
– Central Excise authorities	9.04	4.91
– Sales Tax Authorities	—	0.43
– Income Tax	5.50	38.00
b) Counter Guarantees issued to others	260.72	186.54
Counter guarantees issued to banks	2,569.44	1,115.00
– Counter guarantees given for working capital loan & overdraft facilities of US \$ 50.50 million (PY US \$ 25 million) granted to the wholly owned subsidiary in USA viz. Piramal Glass USA, Inc		
– Counter guarantee given for insurance cover granted to the wholly owned subsidiary in USA viz. Piramal Glass USA, Inc	81.41	—
– Counter guarantees given for working capital loan of EURO 1.65 millions granted to the wholly owned subsidiary in Europe viz. Piramal Glass Europe SARL	112.05	—
c) The Company has provided Corporate Guarantees and/or has given pari passu charge on the entire fixed assets (movable & immoveable) both present & future (except assets having exclusive charge) of the Company situated at Jambusar & Kosamba, for Term Loans aggregating to US \$ 60 million granted to the wholly owned subsidiary in USA viz. Piramal Glass USA, Inc.	476.32	1,118.91
Commitments		
Estimated amount of contracts remaining to be executed on Capital account	197.61	644.86

Notes to Financial Statements (Contd.)

as on March 31, 2012

2. The aggregate amount of Investments, Loans and other outstanding balances with Subsidiaries of the Company is as follows:

	As at March 31, 2012 (₹ in Million)	As at March 31, 2011 (₹ in Million)
Investment in Equity Shares		
– Piramal Glass Ceylon PLC	348.09	348.09
– Piramal Glass International Inc.	1.21	1.21
– Piramal Glass USA Inc.	227.61	227.61
– Piramal Glass (UK) Ltd.	11.59	11.59
– Piramal Glass Europe SARL.	3.13	3.13
Amount recoverable (Subsidiaries)		
– Piramal Glass Ceylon PLC		
– Debtors	29.74	11.77
– Technical Fees & Others	117.19	135.09
– Piramal Glass International Inc.		
– Debtors	230.83	179.47
– Other for Expenses	0.59	—
– Piramal Glass USA Inc.		
– Debtors	346.10	224.52
– Other for Expenses	59.91	30.26
– Loan & Interest (maximum amount outstanding ₹ 470.31 millions, PY ₹ 953.07 millions)	207.19	479.78
– Piramal Glass (UK) Ltd.		
– Debtors	11.78	36.71
– Loan (maximum amount outstanding ₹ 59.07 millions, PY ₹ 51.67 millions)	59.07	51.02
– Piramal Glass Europe SARL		
– Debtors	184.96	149.03
– Other for Expenses	11.37	6.06

3. The Govt. of India, Ministry of Corporate Affairs has issued a Notification dated December 29, 2011, amending the Companies (Accounting Standards) Rules, 2006. The enterprises have been given an option, to add or to deduct from the cost of the asset, in so far as they relate to acquisition of depreciable capital asset, the exchange difference arising on reporting of long term Foreign Currency Monetary Items at rates different from those at which they were initially recorded during the period and depreciate over the balance life of the asset. Accordingly, the Company has exercised the option for the period commencing from April 1, 2011. As a result of exercising of this option the fixed asset / capital work in progress has increased by ₹ 1,030.97 lacs and the charge to the profit & loss account is lower to that extent.
4. Debtors, Loans and advances includes ₹ 1,273.45 millions (previous year ₹ 1,316.78 millions) are due from companies, where Directors of the company are interested as Director.
5. a. Provision for Income tax has been made after considering various allowances, deductions and exemptions under the provisions of the Income Tax, 1961.
b. Income tax assessment has been completed up to financial year 07-08 relevant to AY 08-09. Appeal is pending before Appellate Authorities for several additions and/or disallowances made in various earlier years. The management does not expect any additional liability, and adjustment entries, if any, will be passed on finalization of assessments.
6. The Company's operations relate only to container glass packaging in the domestic as well as export market and accordingly, primary segment reporting disclosures for business segments, as envisaged in Accounting Standard 17 on 'Segment Reporting' (AS 17) issued by The Institute of Chartered Accountants of India, is not applicable.

The Company's operations relating to secondary segment reporting has been confined to sales in India and exports outside India.

Fixed assets used in the company's business and liabilities contracted in respect of its manufacturing facilities are not identifiable in line with the following reportable segments as the fixed assets and liabilities contracted are used interchangeably between the segments. Accordingly, only figures for debtors have been given.

Notes to Financial Statements (Contd.)

as on March 31, 2012

Secondary segment reporting:

(₹ in Millions)

Particulars	Year Ended 31.03.12			Year Ended 31.03.11		
	Domestic	Export	Total	Domestic	Export	Total
Revenue by Geographical Segment						
Gross Sales (Net of returns)	2,647.10	5,891.41	8,538.51	2,612.89	5,081.34	7,694.23
Current Assets, Loans & Advances						
Sundry Debtors (Net of Provisions)	917.87	2,126.18	3,044.05	662.72	1,918.71	2,581.43

7. As required by Accounting Standard – AS 18 “Related Parties Disclosure” issued by The Institute of Chartered Accountants of India are as follows:

A. List of Related Parties with whom transactions have taken place during the year:

a. Subsidiary Company

- | | |
|--|---|
| – Piramal Glass Ceylon Plc., Sri Lanka | – Piramal Glass International Inc., USA |
| – Piramal Glass UK Ltd., UK | – Piramal Glass USA Inc., USA |
| – Piramal Glass Flat River LLC., USA | – Piramal Glass Williamstown LLC., USA |
| – Piramal Glass Europe SARL, France | |

b. Associated Companies

- Piramal Healthcare Ltd.
- Piramal Enterprises Ltd.
- Piramal Realty Pvt Ltd.

c. Key Management Personnel

- | | |
|---------------------|---|
| – Mr. Ajay Piramal | Chairman |
| – Dr. Swati Piramal | Director |
| – Mr. Vijay Shah | Director |
| | (Managing Director up to 31st Dec 2011) |
| – Mr. Sandeep Arora | Chief Financial Officer & Manager |

B. Summary of the transactions with related parties is as follows:

(₹ in Million)

Particulars	Subsidiaries		Associates		Key Management Personnel		Total	
	Year ended 31-03-12	Year ended 31-03-11	Year ended 31-03-12	Year ended 31-03-11	Year ended 31-03-12	Year ended 31-03-11	Year ended 31-03-12	Year ended 31-03-11
Purchase of goods / service/assets	0.08	—	7.70	9.63	—	—	7.78	9.63
Sale of goods	1453.69	1106.42	67.71	106.95	—	—	1521.40	1213.37
Reimbursement of exp. Recd.	58.08	30.10	0.29	0.29	—	—	58.37	30.39
Reimbursement of exp. Paid	7.61	1.40	13.47	8.53	—	—	21.08	9.93
Technical Fees & Other Exp. Recd	99.62	83.86	—	—	—	—	99.62	83.86
Dividend received	66.38	—	—	—	—	—	66.38	—
Marketing Fees Paid	27.16	23.82	—	—	—	—	27.16	23.82
Loan	348.83	503.18	—	—	—	—	348.83	503.18
Remuneration	—	—	—	—	31.63	28.94	31.63	28.94
Corporate Service Charges	—	—	5.00	5.00	—	—	5.00	5.00
System Service charges	—	—	—	—	—	—	—	—
Outstanding payable	17.61	10.89	—	—	—	—	17.61	10.89
Outstanding receivable	1258.72	1303.94	14.73	15.42	—	—	1273.45	1319.36

Note : The above information has been determined to the extent such parties have been identified on the basis of information provided by the Company and approved by the Board of Directors of the Company, which has been relied upon by the Auditors.

8. The company's leasing arrangement (Operating) is only in respect of vehicles & Office Equipments. The aggregate lease rentals payable on these leasing arrangements are charged as lease rentals under “other expenses” in schedule – 16. These leasing arrangements are for a period not exceeding five years and are in most cases renewable by mutual consent on mutually agreeable terms.

Notes to Financial Statements (Contd.)

as on March 31, 2012

The future lease rent payable in respect of vehicle on lease is:

- (i) not later than 1 year – ₹ 3.25 millions (Previous year ₹ 2.52 millions), and
- (ii) later than 1 year but less than 5 years - ₹ 5.64 millions (Previous year ₹ 4.46 millions).

The future lease rent payable in respect of office building on lease is:

- (i) not later than 1 year – ₹ 3.08 millions (Previous year 2.89), and
- (ii) later than 1 year but less than 5 years - ₹ 15.21 millions (Previous year 16.59).
- (iii) later than 5 years – ₹ NIL millions (Previous year 1.71).

The future lease rent payable in respect of office Equipment on lease is:

- (i) not later than 1 year – ₹ 4.33 millions (Previous year 1.31), and
- (ii) later than 1 year but less than 5 years - ₹ 9.19 millions (Previous year 3.26).
- (iii) later than 5 years – ₹ NIL millions (Previous year NIL).

9. As required by Accounting Standard 20 issued by the Institute of Chartered Accountants of India, the Earning Per Share (EPS) is calculated by dividing the profit attributable to the equity share holders by the average number of equity shares outstanding during the year and is ascertained as follows:

Profit available to equity shareholders

Particulars		Year ended March 31, 2012	Year ended March 31, 2011
Profit/Loss available to equity shareholders	₹ in Millions	782.73	685.85
Weighted average no. of equity share for Basic EPS	Nos.	80915986	80434736
Nominal value of equity shares	₹	10	10
Earning Per Share of Rs 10/- each (Basic/Diluted)	₹	9.67	8.53

The diluted EPS has been calculated without considering the shares in abeyance. (Refer note no 1 on share Capital)

10. During the Financial Year 2001-02 provision for deferred tax as required by Accounting Standard-22 issued by the Institute of Chartered Accountants of India (ICAI) was determined and provided in accounts by considering the “enacted rate” of tax at the MAT rate u/s 115JB of the Income-tax Act, 1961, which was the applicable rate to the company for that year. Subsequently, in December 2002, ICAI issued an Accounting Standard Interpretation clarifying that the tax effect to be recognized under Accounting Standard – 22 should be measured using regular tax rate and not MAT rate. Subsequently the liability has been provided at regular tax rate as enacted in the Income Tax Act, 1961.

(₹ in Million)

	As of 31st March 11 ₹ In Million	For the year	As of 31st March 12 ₹ In Million
Deferred Tax Liability	526.85	49.87	576.72
Excess of net block over WDV as per the provisions of the Income Tax Act 1961			
Total	526.85	49.87	576.72
Deferred Tax Assets			
Provision for gratuity & leave encashment	12.16	2.53	14.69
Provision for Doubtful Debts	21.46	(8.19)	13.27
Disallowance u/s 43B	3.05	0.54	3.59
Provision for non-moving inventory	62.73	23.43	86.16
MAT Credit u/s 115JB	291.85	(34.23)	257.62
Exchange Loss on fixed assets	(0.59)	0.59	—
Deduction U/S 35 DD	1.04	(1.03)	0.01
Total	391.69	(16.36)	375.34
Net Deferred Tax Liability	135.16	66.22	201.38

11. The Actuarial Valuation of Liability arising on account of retirement benefits has been carried out by experts in accordance with parameters suggested under Revised Accounting Standard 15. The necessary disclosures as regards liability arising on Actuary Valuation, Fair value of assets and Assumptions made by the experts while determining the liability are given here under:

Notes to Financial Statements (Contd.)

as on March 31, 2012

₹ in Million

		As at 31st March 2012	As at 31st March 2011
(i)	Present value of the funded defined benefit obligation at the end of the period	(98.71)	(78.73)
	Fair value of plan assets	98.88	79.04
	Net Liability / (Assets)	0.17	(0.31)
(ii)	The amounts recognized in salary, wages and employee benefits in the Profit and Loss account as follows in respect of gratuity:		
	Current service cost	6.96	6.36
	Interest Cost	6.49	5.42
	Expected return on plan assets	(6.32)	(5.74)
	Net Actuarial (gain) / loss recognised during the period	10.83	3.01
	Net Cost	—	—
	Net charge to Profit and Loss account	17.96	9.05
(iii)	Actual return on plan assets		
	Expected return on plan assets	6.32	5.74
	Actuarial gain / (loss) on plan assets	0.62	(0.44)
	Actual return on plan assets	6.94	5.30
(iv)	Reconciliation of present value of the obligation and the fair value of the plan assets:		
	Opening defined benefit obligation as on 1st April, 2011	78.73	67.86
	Current service cost	6.96	6.36
	Benefit paid in the normal course	(4.93)	(3.48)
	Interest cost	6.49	5.43
	Actuarial (gain) / loss	11.46	2.56
	Closing defined benefit obligation as on 31st March, 2012	98.71	78.73
(v)	Change in fair value of the plan assets		
	Opening fair value of the plan assets	79.73	71.75
	Benefit paid in the normal course	(4.93)	(3.48)
	Expected return on plan assets	6.32	5.74
	Actuarial (gain) / loss	(0.62)	(0.44)
	Contributions by the employer		5.48
	Closing fair value of the plan assets		79.05
(vi)	Experience Adjustments		
	Defined benefit obligation	98.71	78.73
	Plan assets	98.71	78.73
	Surplus / (Deficit)	0.00	0.00
	Experience adjustment on plan liabilities	13.43	(3.76)
	Experience adjustment on plan assets	0.62	(0.45)
(vii)	Investment details of plan assets		
	Government of India Securities	0%	0%
	Corporate Bonds	0%	0%
	Insurer Managed Fund	100%	100%
	Total	100%	100%
(viii)	There are no amounts included in the fair value of plan assets for:		
	i) Company's own financial instrument	—	—

Notes to Financial Statements (Contd.)

as on March 31, 2012

₹ in Million

		As at 31st March 2012	As at 31st March 2011
	ii) Property occupied by or other assets used by the Company The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.	—	—
(ix)	Principal actuarial assumptions at the Balance Sheet date (31st March, 2012)		
	Discount rate	8.25%	8.00%
	Estimated rate of return on plan assets	8.00%	8.00%
	The estimates of future salary increases are considered taking into account inflation, seniority, promotion and other relevant factors.	5.00%	5.00%
	Attrition Rate	2.00%	2.00%
	Mortality Table	LIC (1994-96) Ultimate	

12. A) Total amount due to Small Scale Industrial Undertakings is ₹ 20.72 millions. The names of the Small Scale Industrial Undertakings to whom the company owes a sum exceeding ₹ 1 Lakh and which is outstanding for more than 30* days are

(₹ in Million)

Name of Creditor / Supplier	As at 31st March 2012	As at 31st March 2011
Sheetal Engineering Works	1.54	1.13
Solar Enterprise	1.47	0.96
Dattashish Enterprise	0.15	0.27
G S Minerals	0.53	0.48
J.B. Mineral Grinding	0.00	0.52
Ashish Engineering	2.31	1.07
Foremost Minerals	1.26	0.41
S B M Enterprises	1.67	1.19
Anmol Cast Industries	7.41	5.58
Universal Engineering Works	0.00	0.31
Ganesh Engineering Co.	0.51	0.46
Hindustan Minerals Product	0.84	0.80
Intellicon Pvt. Ltd.	0.29	0.29
Hitech Engineers	2.34	1.81
Nirmal Industrial Controls Pvt. Ltd.	0.40	—
TOTAL	20.72	15.28

*As per the terms of contract, the credit period is generally up to 60 days.

Note: The above information regarding small scale industrial undertakings have been determined to the extent such parties has been identified on the basis of information available with the company. This has been relied upon by the Auditors.

- B) The company has not received any intimation from 'suppliers' regarding their status under the Micro Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amount unpaid as at the yearend together with interest paid/payable as required under the said Act have not been furnished.
13. There are no amounts due and outstanding to be credited to Investor Education and Protection fund.
14. Miscellaneous Expense includes payment to Auditors as:

Particulars	2011-2012 (₹ in Million)	2010-2011 (₹ in Million)
for Taxation Matters	0.25	0.25
for Other Services	0.28	0.28
for Reimbursement of Expenses	0.30	0.31
	0.83	0.84

Notes to Financial Statements (Contd.)

as on March 31, 2012

15. Additional Information

(₹ in Million)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
a) Amounts set aside / proposed to be set aside to reserves	—	68.59
b) Amounts set aside to provisions to meet specific liabilities, contingencies and commitments		
– Provision for export commission	32.08	23.14
– Provision for leave encashment	11.04	10.88
– Provision for employee benefits	87.43	82.61
– Provision for doubtful debts	—	75.00
– Provision for bad stock	76.71	102.82
c) The amount remitted during the year in foreign currencies on account of dividends.		
– Financial year to which dividend pertains	2010-11	2009-10
– Number of shareholders	517	517
– Total Number of shares held	1974306	1974306
– Dividend Amount Remitted	6.91	1.36
d) Value of imports on CIF Basis		
– Raw Materials	346.30	297.48
– Capital Goods & Spares	898.70	407.05
– Capital goods;	801.55	337.68
e) Expenditure in Foreign Currency (On mercantile basis)		
– Subscription / Books & Periodicals	0.72	0.01
– Foreign Travelling	10.29	7.56
– Technical Fees & Consultancy Fees	20.18	24.91
– Exports Promotional Expenses	52.38	44.85
– Marketing Survey Fees for USA	25.21	23.82
– Decoration, Resorting, Repacking & Warehousing Expenses	18.11	23.01
– Legal & Professional Exp.	1.30	1.24
– Bank Charges	4.36	4.52
– Export Claims	1.44	10.89
– Other Office Expenses	6.47	2.19
f) Earnings in Foreign Exchange		
– Export of goods calculated on FOB basis	4,944.86	4,102.04
– Technical Fees	99.62	83.86
– Dividend received from Piramal Glass Ceylon PLC	66.38	—

Notes to Financial Statements (Contd.)

as on March 31, 2012

	Year ended March 31, 2012	%	Year ended March 31, 2011	%
g. Breakup of Imported and Indigenous Raw Materials, Spare parts and Components consumed				
Raw Material Consumption				
Imported	311.13	24.37%	216.44	19.05%
Indigenous	965.63	75.63%	919.58	80.95%
Total	1,276.76	100.00%	1,136.02	100.00%
Spare Parts and Components Consumption				
Imported	24.78	12.61%	27.93	12.30%
Indigenous	171.65	87.39%	199.11	87.70%
Total	196.43	100.00%	227.04	100.00%

16. The financial statements for the year ended March 31, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year's figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.
17. Figures of Previous year have been regrouped wherever necessary for comparative purposes.

Significant accounting policies and General Notes form integral part of these financial statements.

For Haribhakti & Co.,
Chartered Accountants
Firm Reg. No. 118013W

Hitesh J. Desai
Partner
M. No. 37569

Mumbai, 7th May, 2012

Ajay G. Piramal	Chairman
Vijay Shah	Director
Sandeep Arora	Chief Financial Officer
Nehal Doshi	Company Secretary

Statement Pursuant to Approval u/s. 212 (8) of the Companies Act, 1956

Name of the Subsidiary Company	Piramal Glass Ceylon Plc	Piramal Glass International Inc	Piramal Glass USA Inc.	Piramal Glass Flat River Lic	Piramal Glass Williamstown LLC	Piramal Glass (UK) Ltd.	Piramal Glass (Europe) Ltd.
Financial Year / Period ended on	31.03.2012 (₹ in Million)	31.03.2012 (₹ in Million)	31.03.2012 (₹ in Million)	31.03.2012 (₹ in Million)	31.03.2012 (₹ in Million)	31.03.2012 (₹ in Million)	31.03.2012 (₹ in Million)
1 Capital	397.86	1.08	226.00	156.38	103.03	11.60	3.13
2 Reserves	872.76	7.86	(1,665.71)	45.96	28.12	(54.80)	17.06
3 Total Assets	2,706.14	254.85	2,583.01	202.31	131.15	36.93	257.68
4 Total Liabilities	1,434.58	245.91	4,022.72	—	—	80.13	237.49
5 Details of Investment							
DFCC Bank Deposit	1.04	—	—	—	—	—	—
6 Turnover (Net)	2,150.20	27.01	3,929.04	—	—	56.29	425.22
7 Profit before taxation	293.00	2.38	53.98	2.92	1.71	8.02	23.17
8 Provision for taxation	3.80	0.51	0.86	—	—	0.00	7.82
9 Profit after taxation	289.20	1.87	53.12	2.92	1.71	8.02	15.35
10 Proposed/ Interim Dividend	—	—	—	—	—	—	—
11 Exchange Rate used	0.40	50.88	50.88	50.88	50.88	81.53	67.91
12 Local Currency	SLR	US \$	US \$	US \$	US \$	GBP	Euro

Auditors' Report

to the Member of Piramal Glass Limited

To,
The Board of Directors,
Piramal Glass Ltd.
Mumbai.

- 1.0 We have audited (refer para 3.0) the attached 'Consolidated Balance Sheet' of the **Piramal Glass Limited** (the Company), and its Subsidiaries (the Group) as at **31st March 2012**, the accompanying 'Consolidated Profit & Loss Account' for the period ended on that date annexed thereto, and also the 'Consolidated Cash Flow Statement' for the period ended on that date, which we have signed under reference to this report. These consolidated financial statements are the responsibility of Piramal Glass Limited's management and have been prepared by the management on the basis of the separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2.0 We conducted our audit in accordance with generally accepted auditing standards in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3.0 We did not audit the financial statements of the Subsidiaries; viz., Piramal Glass Ceylon Plc, Sri Lanka, Piramal Glass International Inc., USA, Piramal Glass USA Inc., Piramal Glass Flat River LLC, and Piramal Glass Williamstown LLC., Piramal Glass (UK) Ltd and Piramal Glass Europe SARL; whose financial statements reflect the Group share of total assets of ₹ 5,938.19 millions as at March 31, 2012 and Group share of total revenues of ₹ 6,570.27 millions for the period ended on that date as considered in the consolidated financial statements.
- These financial statements and other information of the subsidiaries have been audited up to 31st March 2012, by other auditors, whose reports have been furnished to us and our opinion, insofar as it relates to the amounts included in respect of the Subsidiaries, is based solely on the report of the other auditors.
- 4.0 We report that the Consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India.
- 5.0 Based on our audit and on consideration of the reports of other auditors on separate financial statements and on the other financial information of the components, in our opinion and to the best of the information and explanations given to us, the attached consolidated financial statements together with the notes thereon, annexed thereto give a true and fair view in conformity with the accounting principles generally accepted in India:
- in the case of the 'Consolidated Balance Sheet', of the consolidated state of affairs of Piramal Glass Ltd. and its Subsidiaries as at March 31, 2012;
 - in the case of the 'Consolidated Profit & Loss A/c', of the consolidated results of operations of Piramal Glass Ltd. and its Subsidiaries for the year ended on that date; and
 - in the case of the 'Consolidated Cash flow Statement', of the consolidated cash flows of Piramal Glass Ltd. and its Subsidiaries for the year ended on that date.

HARIBHAKTI & CO.,
CHARTERED ACCOUNTANTS
Firm Reg. No. 118013W

HITESH J. DESAI
PARTNER
M.No. 37569

Date : 7th May 2012
Place: MUMBAI

Balance Sheet

as on March 31, 2012

	Note No.	Figures as at the end of current reporting period ₹ in Millions		Figures as at the end of previous reporting period ₹ in Millions	
I. EQUITY AND LIABILITIES					
1. Shareholders' Funds					
a. Share Capital	1	809.16		804.35	
b. Reserves and surplus	2	2,731.80	3,540.96	2,215.57	3,019.92
2. Minority Interest					
a. Capital		173.27		173.27	
b. Reserves		380.09	553.36	325.55	498.82
3. Non-current liabilities					
a. Long-term borrowings	3	3,364.91		2,335.06	
b. Deferred tax liabilities (Net)	4	209.50		142.94	
c. Long-term provisions	5	42.77	3,617.18	43.01	2,521.01
4. Current liabilities					
(a) Short-term borrowings	6	7,308.52		5,281.48	
(b) Trade payables		1,200.78		922.31	
(c) Other current liabilities	7	1,215.10		1,910.25	
(d) Short-term provisions	8	1,173.94	10,898.34	1,046.92	9,160.96
Total			18,609.84		15,200.71
II. ASSETS					
1. Non-current assets					
(a) Fixed assets	9				
– Tangible assets		9,259.25		8,566.09	
– Intangible assets		10.76		27.99	
– Capital work-in-progress		1,530.69		401.60	
(b) Non-current investments	10	1.12		1.12	
(c) Long-term loans & advances	11	305.31		218.21	
(d) Other non-current assets		138.00	11,245.13	101.46	9,316.47
2. Current assets					
(a) Inventories	12	3,018.17		2,404.13	
(b) Trade receivables	13	3,114.58		2,779.34	
(c) Cash and cash equivalents	14	308.48		132.60	
(d) Short-term loans & advances	15	695.56		432.73	
(e) Other current assets	16	227.92	7,364.71	135.44	5,884.24
Total			18,609.84		15,200.71
Significant accounting policies & General Notes forming part of financial statements.	24				

This is the Balance sheet referred to in our report of even date.

For Haribhakti & Co.,
Chartered Accountants
Firm Reg. No. 118013W

Hitesh J. Desai
Partner
M. No. 37569

Ajay G. Piramal

Chairman

Vijay Shah

Director

Sandeep Arora

Chief Financial Officer

Nehal Doshi

Company Secretary

Mumbai, 7th May, 2012

Consolidated Profit and Loss Statement

for the year ended March 31, 2012

Particulars	Note No.	Year ended March 31, 2012 ₹ in Millions	Year ended March 31, 2011 ₹ in Millions
I. Revenue from Operations	17	14,290.40	12644.80
Less: Excise Duties		245.62	265.27
Turnover (Net)		14,044.78	12,379.53
II. Other Income	18	38.38	44.85
III. Total Revenue		14,083.16	12,424.38
IV. Expenses:			
Cost of Materials Consumed	19	3,166.99	2,599.87
Purchases of Stock-in-Trade		176.20	47.79
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	20	(417.35)	(190.52)
Employee Benefits Expense	21	2,593.10	2,368.60
Other Expenses	22	5,229.34	4537.98
Total Expenses		10,748.28	9,363.72
V. Earnings before Interest, Depreciation & Tax		3,334.88	3,060.66
Finance Costs	23	881.15	714.30
Depreciation and Amortization Expense		1,058.42	1,069.03
VI. Profit Before Tax		1,395.31	1,277.33
VII. Tax Expense:			
(1) Current Tax		243.68	214.50
(2) MAT Credit		—	(205.43)
(3) Deferred Tax		67.03	234.74
VIII. Profit before Minority interest		1,084.60	1,033.52
Minority Interest		(125.92)	(103.29)
Profit for the Year		958.68	930.23
IX. Earnings per Equity Share:			
Basic / Diluted		11.85	11.56
Significant accounting policies & General Notes forming part of financial statements.	24		

The accompanying notes are integral part of the financial statements.
This is the Profit & Loss Account referred to in our report of even date.

For Haribhakti & Co.,
Chartered Accountants
Firm Reg. No. 118013W

Hitesh J. Desai
Partner
M. No. 37569

Mumbai, 7th May, 2012

Ajay G. Piramal

Chairman

Vijay Shah

Director

Sandeep Arora

Chief Financial Officer

Nehal Doshi

Company Secretary

Consolidated Cash Flow

for the year ended March 31, 2012

	Year ended March 31, 2012 ₹ in Millions	Year ended March 31, 2011 ₹ in Millions
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	1,395.31	1,277.33
Adjustments for:		
Add / (Less):		
(Profit) / Loss on Sale of Fixed Assets	23.43	(0.59)
Depreciation	1,058.42	1,069.03
Dividend from Investment in unquoted Shares	(0.29)	(0.04)
Interest Paid	881.15	714.29
Operating Profit Before Working Capital Charges	3,358.02	3,060.02
Adjustments for Changes in Working Capital:		
(Increase) / Decrease in Inventories	(614.04)	77.05
(Increase) / Decrease in Trade Receivables	(335.23)	(143.99)
(Increase) / Decrease in Long Term Loans & Advances	(87.10)	(148.02)
(Increase) / Decrease in Other Non Current Assets	(36.54)	17.78
(Increase) / Decrease in Short Term Loans & Advances	(262.83)	(4.63)
(Increase) / Decrease in Other Current Assets	(92.48)	104.18
Increase / (Decrease) in Trade Payables & Other Liabilities	331.86	802.85
Increase / (Decrease) in Non Current Liabilities & Provisions	359.48	208.95
Cash Generated from Operations	2,621.15	3,974.19
Direct Taxed Paid Less refund received	(232.70)	(136.70)
NET CASH FROM OPERATING ACTIVITIES - A	2,388.45	3,837.49
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets/ WIP	(2,902.61)	(1,560.73)
Sale of Fixed Assets	15.74	
NET CASH FROM INVESTING ACTIVITIES - B	(2,886.87)	(1,560.73)

Consolidated Profit and Loss Statement

for the year ended March 31, 2012

	Year ended March 31, 2012 ₹ in Millions	Year ended March 31, 2011 ₹ in Millions
C. CASH FLOW FROM FINANCING ACTIVITIES		
(Repayment)/ Proceeds from Long Term Borrowings	585.12	(377.37)
(Repayment)/ Proceeds from Short Term Borrowings	2,027.03	(871.24)
Proceeds from Rights Issue	4.81	—
Income from Investment (Dividend)	0.29	—
Equity Dividend and tax there on	(323.66)	(92.42)
Interest Paid	(861.29)	(697.38)
NET CASH FROM FINANCING ACTIVITIES - C	1,432.31	(2,038.41)
Net Increase / (Decrease) in Cash & Cash equivalents (A+B+C)	933.88	238.35
Increase / (Decrease) in Cash Flow on account of Exchange Fluctuation	(757.98)	(176.71)
Cash & Cash Equivalents as at 01.04.2011 (Opening Balance)	132.60	70.96
Cash & Cash Equivalents as at 31.03.2012 (Closing Balance)	308.49	132.60
	0.01	(0.00)

Notes :

- The above cash flow has been prepared under the Indirect Method as set out in the Accounting Standard - 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.
- The previous year figures have been regrouped wherever necessary in order to confirm to this years presentation.
- Figures in brackets reflect cash outflows.

This is the Cash Flow statement referred to in our report of even date.

For Haribhakti & Co.,
Chartered Accountants
Firm Reg. No. 118013W

Hitesh J. Desai
Partner
M. No. 37569

Mumbai, 7th May, 2012

Ajay G. Piramal

Chairman

Vijay Shah

Director

Sandeep Arora

Chief Financial Officer

Nehal Doshi

Company Secretary

Notes to Consolidated Financial Statements

as on March 31, 2012

	As at March 31, 2012 ₹ in Millions	As at March 31, 2011 ₹ in Millions
1. SHARE CAPITAL		
Authorized		
8,20,00,000 Equity Shares of ₹ 10/- each	820.00	820.00
Issued		
8,09,23,500 Equity Shares of ₹ 10/- each	809.24	809.24
Subscribed and Paid Up		
8,09,15,986 Equity Shares of ₹ 10/- each (Previous year 8,04,34,736 Equity shares of ₹ 10/- each)	809.16	804.35
Notes:		
a. Reconciliation of shares outstanding at the beginning & at the end of Reporting Period:	Equity Shares in Nos.	Equity Shares in Nos.
Issued, Subscribed and paid up shares		
Opening Balance	8,04,34,736	8,04,34,736
Issued during the year	4,81,250	—
Closing Balance	8,09,15,986	8,04,34,736
b. Terms and Rights attached to equity shares: The company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets after discharging all liabilities of the Company, in proportion to their shareholding.		
c. Details of shareholders holding more than 5% shares in the Company:	31st March 2012	31st March 2011
PEL Management Services Pvt. Ltd - Trustee of The Shri Hari Trust		
– No of shares	53033810	53033810
– % Holding	65.54%	65.93%
d. At the time of the Company's Rights Issue of 62940500 equity shares of ₹ 10/- each for cash at a price of ₹ 30/- per share (including a share premium of ₹ 20/-) per equity share in 2009, entitlements relating to 488764 Rights shares were held in abeyance, of which 4,81,922 shares pertained to Overseas Corporate Bodies (OCB), which were held in abeyance pending requisite approval of the Reserve Bank of India (RBI). Since then, one of the OCBs having Rights entitlement of 481250 equity shares, received the requisite RBI approval and the Company has during the year, allotted the said shares having received the full subscription amount. Consequently, the paid up share capital of the Company has increased to ₹ 809.16 million comprising of 8,09,15,986 shares of ₹ 10 each and security premium reserve stands increased by ₹ 9.63 million. As regards the other OCB having Rights entitlement of 672 shares, RBI has denied its approval for the same and consequently, no allotment shall be made in respect of these shares. Consequent to the above, total Rights entitlements held in abeyance stands reduced from 4,88,764 shares to 6,842 shares.-		

Notes to Consolidated Financial Statements

as on March 31, 2012

		As at March 31, 2012 ₹ in Millions	As at March 31, 2011 ₹ in Millions
2. RESERVES AND SURPLUS			
Capital Redemption Reserve		490.00	490.00
Securities Premium Reserve			
Opening Balance		2,307.01	2,307.01
Addition on shares issued during the year (Refer note 1 d)		9.63	—
Closing Balance		2,316.64	2,307.01
General Reserves			
Opening Balance		127.22	58.63
Additions during the year		78.32	68.59
Closing Balance		205.54	127.22
Exchange Reserve			
As per last Balance Sheet		48.33	37.85
Add : Addition during the year		26.39	35.48
Less : Minority Interest		25.00	25.00
		49.72	48.33
Capital Reserve		60.33	60.33
Revaluation Reserve		149.72	154.38
Surplus in the Profit & Loss Statement			
Opening Balance		(971.70)	(1,506.15)
Profit for the Year		958.68	930.23
Profit Available for Appropriation and Allocations		(13.02)	(575.92)
Appropriation :			
Transfer to General Reserve		78.27	68.59
Dividend on Equity Shares		402.92	281.52
Corporate Dividend Tax thereon		45.94	45.67
Net Surplus in the Profit & Loss Statement		(540.15)	(971.70)
Total Reserves & Surplus		2,731.80	2,215.57
3. LONG TERM BORROWINGS			
	Repayment terms		
Secured Loans From	No of Installments /Beginning From	Amount of each installment	
– Indusind Bank (Refer note 1)	20 Quarterly Inst starting from Dec-09	₹ 20 Million each	120.00
– HDFC Bank (Refer note 1)	6 Quarterly Inst starting from Sep-11	₹ 83.33 Million each	—
– UTI Bank (ECB) (Refer note 1)	2 installments on 19-05-2014 & 17-06-2014	₹ 254.40 Million each	508.80
– HSBC Bank (ECB) (Refer note 1)	21-03-2015	₹ 508.80	508.80
– Buyers Credit (Refer note 2)	FY 2013-14 FY 2014-15	₹ 182.88 Million ₹ 327.17 Million	510.05
– DFCC PLC (Refer note 3)	72 Monthly Inst. starting from Jan-10	₹ 3.70 Million each	108.07
– Bank of Ceylon (Refer note 3)	72 Monthly Inst starting from Jan-10	₹ 0.50 Million each	17.48
– Hatton Bank PLC (Refer note 3)	72 Monthly Inst starting from Jan-10	₹ 0.69 Million each	23.47

Notes to Consolidated Financial Statements

as on March 31, 2012

Secured Loans From	Repayment terms		As at	As at
	No of Installments /Beginning From	Amount of each installment	March 31, 2012 ₹ in Millions	March 31, 2011 ₹ in Millions
– Sampath Bank PLC(Refer note 3)	72 Monthly Inst starting from Jan-10	₹ 0.69 Million each	23.47	32.74
– Bank of Ceylon (Refer note 3)	12 Quarterly Installments	US \$ 0.20 Million each	72.59	93.84
– Hatton Bank PLC (Refer note 3)	11 Quarterly Installments	US \$ 0.21 Million each	64.04	85.58
– Sampath Bank PLC(Refer note 3)	12 Quarterly Installments	US \$ 0.19 Million each	66.81	88.36
– DFCC PLC (Refer note 3)	60 Monthly Inst	₹ 1.66 Million each	11.60	32.46
– Hatton Bank PLC (Refer note 3)	55 Monthly Installments	US \$ 0.04 Million each	29.65	46.31
– Sampath Bank PLC(Refer note 3)	52 Monthly Installments	US \$ 0.01 Million each	25.20	43.12
– Exim Bank (Refer note 4)	16 Quarterly Installments	US \$ 1.76 Million each	—	157.41
– Axis Bank (Refer note 4)	12 Quarterly Installments	US \$ 0.83 Million each	—	37.14
– Axis Bank (Refer note 4)	12 Quarterly Installments	US \$ 0.83 Million each	84.77	222.98
– Axis Bank (Refer note 4)	4 Half yearly Inst starting from Feb 2015	US \$ 3.75 Million each	763.20	—
– Axis Bank (Refer note 4)	4 Half yearly Inst starting from Mar-2015	US \$ 1.25 Million each	254.40	—
Unsecured Loans from Bank				
– HDFC Bank	May 2012	₹ 500.00 Million	—	500.00
Deferred Payment Liabilities				
Sales Tax Deferment Loan (Unsecured Payable in 6 equal annual installments from 2011 to 2016)			171.51	214.39
Deposits			1.00	1.00
Total			3,364.91	2,335.06

Notes:

- The Rupee Term Loan / ECB's obtained by the Parent Company, viz Piramal Glass Limited are secured by mortgage and pari pasu charge of immovable properties of the Parent Company in India, both present and future. They are further secured by hypothecation of all movables and movable machinery, machinery spares and accessories, both present and future, subject to prior charge created/ to be created in favour of banks for securing the borrowing for cash credit from Bank Facilities and the charge on specific assets referred to in note no 2 below:
- Loans under Buyer's Credit are secured by an exclusive charge on the assets and equipments procured under the facility.
- The loans obtained by subsidiary company, viz, Piramal Glass Ceylon PLC are secured by mortgage and first charge of the properties of the Company at Ratmalana and Horana locations.
- The loans obtained by subsidiary company, viz, Piramal Glass – USA Inc., are secured by mortgage and pari pasu charge of immovable properties of the Parent Company in India, both present and future. They are further mortgage exclusive first charge on fixed assets, stocks and receivables of the subsidiary company viz, Piramal Glass – USA Inc. They are further secured by hypothecation of all movables and movable machinery, machinery spares and accessories, both present and future, subject to prior charge created/ to be created in favour of banks for securing the borrowing for cash credit from Bank Facilities and the charge on specific assets. The loans are further secured by an exclusive first charge on stock and receivables of the same subsidiary. These facilities are further secured by corporate guarantees of the Parent Company viz Piramal Glass Limited.

Notes to Consolidated Financial Statements

as on March 31, 2012

	As at March 31, 2012 ₹ in Millions	As at March 31, 2011 ₹ in Millions
4. DEFERRED TAX LIABILITY		
Deferred Tax Liability	584.84	534.63
Deferred Tax Assets	(375.34)	(391.69)
	209.50	142.94
5. LONG-TERM PROVISIONS		
Provision for Employee benefits	42.77	41.07
Provision for Gratuity	—	1.94
Total	42.77	43.01
6. SHORT-TERM BORROWINGS		
Loans Repayable on Demand from banks		
Secured		
Cash Credit (Refer Note:1)	68.85	334.81
Term Loan From:		
Central Bank of India (Refer Note:2)	1,500.00	2,500.00
Bank of Baroda (Refer Note 4)	1,272.00	1,115.00
HSBC Bank - (Refer Note 4)	254.40	—
Packing Credit From:		
Corporation Bank (Refer Note 3)	460.46	467.91
ANZ Bank (Refer Note 3)	432.48	—
HSBC Bank (Refer Note 3)	662.86	448.58
Unsecured loan from:		
CITI Bank	598.00	—
IDBI Bank	—	200.00
HDFC Bank	750.00	—
YES Bank	250.00	—
DBS Bank	750.00	—
CITI Bank	133.20	46.13
Standard Chartered Bank	159.04	28.70
People's Bank	12.40	—
Commercial Bank of Ceylon	—	49.20
Bank of Ceylon	—	4.10
DFCC Bank	—	82.00
Deposits	4.83	5.05
Total	7,308.52	5,281.48

Note:

- Cash Credit facilities are secured by Hypothecation of current assets namely, stocks, bills receivables and book debts and all other movables, both present and future, of the parent company and/or subsidiary companies.
- The Rupee Short Term Loans are secured by mortgage and second charge of immovable properties of the Company, both present and future. They are further secured by second charge on all movables and movable machinery, machinery spares and accessories both present and future.
- Packing Credit in foreign currency are secured against specific export bills receivables.
- The loans are secured by counter guarantee issued by the Company and pari pasu first charge on the fixed assets of the Company.

Notes to Consolidated Financial Statements

as on March 31, 2012

	As at March 31, 2012 ₹ in Millions	As at March 31, 2011 ₹ in Millions
7. OTHER CURRENT LIABILITIES		
Current maturities of long-term debt	768.08	1589.35
Interest accrued but not due on borrowings	32.22	22.56
Interest accrued and due on borrowings	31.46	26.62
Unpaid dividends	9.22	3.32
Application money received for allotment of securities and due for refund & Interest Accrued thereon	0.08	0.08
Other payables	374.04	268.32
Total	1,215.10	1,910.25
8. SHORT-TERM PROVISIONS		
Provision for employee benefits		
Gratuity	—	4.75
Leave Encashment	39.43	34.65
Leave Travel Assistance	5.26	4.69
Others	40.43	35.49
	85.12	79.58
Others		
Proposed Dividend	283.21	281.52
Tax on Proposed Dividend	45.94	45.67
Provision for Tax	27.94	53.04
Provision for Other Liabilities	731.73	587.11
Total	1173.94	1046.92

9. FIXED ASSETS

₹ in Million

Description	GROSS BLOCK				DEPRECIATION					NET BLOCK		
	As on 01.04.2011	Additions	Deletion	Other Adjust- ments	As on 31.03.2012	As on 01.04.2011	Additions Year	Deletion	Other Adjust ments	As on 31.03.2012	As on 31.03.2012	As on 01.04.2011
Tangible Assets												
Freehold Land	435.12	—	—	(4.27)	430.85	—	—	—	(0.08)	(0.08)	430.93	435.12
Leasehold Land	13.16	—	—	—	13.16	3.50	0.44	—	—	3.94	9.22	9.66
Building	2,174.55	46.69	—	17.50	2,238.74	427.57	67.04	—	(1.67)	492.94	1745.80	1,746.98
Plant & Machinery	12,087.84	1,607.14	98.30	77.11	13,673.79	5817.61	953.81	60.47	(16.64)	6,694.31	6,979.48	6,270.23
Furniture & Fixtures	263.63	7.69	36.67	1.07	283.01	186.71	15.08	34.84	1.55	168.50	67.22	76.92
Office Equipments	55.55	0.05	—	6.23	14.54	46.50	0.53	—	6.22	53.25	8.58	9.05
Vehicles	50.74	2.07	0.56	0.46	52.71	32.61	3.79	1.48	(0.23)	34.69	18.22	18.13
Total – A	15,080.59	1,663.64	135.53	98.10	16,706.8	6,514.50	1,040.69	96.79	(10.87)	7,447.53	9,259.25	8,566.09
Intangible Assets												
Software	93.00	0.84	—	—	93.84	65.01	18.07	—	—	83.08	10.76	27.99
Total – B	93.00	0.84	—	—	93.84	65.01	18.07	—	—	83.08	10.76	27.99
Total A+B	15,173.59	1,664.48	135.53	98.10	16,800.64	6,579.51	1,058.76	96.79	(10.87)	7,530.61	9,270.01	8,594.08
Previous year	14,300.03	832.55	41.01	—	15,173.59	5,495.98	1,069.03	14.50	—	6,579.51	—	—
CWIP											1,530.69	401.60
TOTAL											10,800.70	8,995.68

Notes :

- Gross Block is net of CENVAT credit availed on relevant assets.
- Additions to Plant & Machinery includes 25.96 million (Previous year ₹ NIL million) on account of borrowing cost as per Accounting Standard 16 – Borrowing Costs
- Aggregate amount of revaluation of Land & Building, Plant & Machinery, Electric power installation etc owned by Piramal Glass Ceylon Plc., amounts to ₹ 300.16 million (Previous Year ₹ 300.16 million)
- Adjustment include foreign exchange fluctuations.
- Exchange loss capitalized ₹ 103.10 Million (previous year ₹ NIL) during the year.

Notes to Consolidated Financial Statements

as on March 31, 2012

	As at March 31, 2012 ₹ in Millions	As at March 31, 2011 ₹ in Millions
10. NON CURRENT INVESTMENTS		
Other Investments		
Investment in Equity instruments		
<u>Shares in Companies - Quoted</u>		
15108 Ordinary Shares of SLR 1 each of DFCC bank. Market Value ₹ 0.63 million (PY SLR 1.29 million)	0.12	0.12
<u>Shares in Companies - Un-Quoted</u>		
100,000 Ordinary Shares of ₹ 10 each of Enviro Infrastructure Co. Ltd.	1.00	1.00
Total	1.12	1.12
11. LONG-TERM LOANS AND ADVANCES		
Unsecured considered good		
Capital Advance	239.57	168.05
Security Deposits	49.86	48.84
Other loans and advances	15.88	1.32
Total	305.31	218.21
12. INVENTORIES		
Raw Materials & Packing Materials [Includes Raw material in transit ₹ 41.40 million (Previous year ₹ Nil)]	491.26	398.54
Work-in-progress	24.75	17.76
Finished goods [Includes Finished Goods in transit ₹ 47.48 million (Previous year ₹ 43.29 million)]	2,330.81	1,827.85
Stock of Traded goods	125.29	65.53
Stores and spares [Includes Stores in transit ₹ 1.30 million (Previous year ₹ Nil)]	339.97	307.74
Provision for slow and non moving finished goods	(293.91)	(213.29)
Total	3,018.17	2,404.13
Note :		
Raw materials, Stores & spares, and Packing Materials are valued at weighted average cost. Work in progress and finished goods are valued at lower of cost or net realizable value. Cost of work in progress and finished goods is determined by taking materials, labour cost and other appropriate allocable overheads. Excise Duty on goods manufactured by the company and are remaining in inventory is included as part of valuation of finished goods. Requisite provision has been made for slow and non moving finished goods.		
13. TRADE RECEIVABLES		
Due over Six Months		
Unsecured - Considered good	527.75	562.78
- Considered doubtful	52.04	74.17
	579.79	636.95
Less: Provision for Bad debts	52.04	74.17
	527.75	562.78
Others		
Unsecured - Considered good	2,586.83	2,216.56
Total	3,114.58	2,779.34

Notes to Consolidated Financial Statements

as on March 31, 2012

	As at March 31, 2012 ₹ in Millions	As at March 31, 2011 ₹ in Millions
14. CASH AND CASH EQUIVALENTS		
Balances with banks:		
Equity Dividend	5.22	1.70
Right Issue Refund Payable	0.08	0.08
Margin Money	1.34	1.34
Current Accounts	210.88	128.69
Cash on hand:	1.13	0.79
Fixed deposit with bank	89.83	—
Total	308.48	132.60
15. SHORT-TERM LOANS AND ADVANCES		
Unsecured and considered good		
Advances recoverable in cash or in kind for value to be received		
– From Suppliers	84.36	55.08
– From Others	465.66	299.99
Advance Income Tax & TDS	53.50	40.05
Claims receivable	22.20	0.54
Prepaid expenses	69.84	37.08
Total	695.56	432.74
16. OTHER CURRENT ASSETS		
Balance with Excise Authorities	148.62	84.96
Other Deposits	79.30	50.48
Total	227.92	135.44
17. REVENUE FROM OPERATION		
Sale of Products		
Sale of Goods	14,023.63	12,449.91
Other Operating Revenues		
Power Generation (Wind Mill)	6.12	7.35
Scrap Sales	48.14	40.17
Mould Recoveries	59.39	37.65
Transport recoveries	18.46	25.66
Sale of Export licenses	134.66	84.06
	266.77	194.89
Less : Excise Duty	245.62	265.27
Revenue From Operations (Net)	14,044.78	12,379.53

Notes to Consolidated Financial Statements

as on March 31, 2012

	Year ended March 31, 2012 ₹ in Millions	Year ended March 31, 2011 ₹ in Millions
18. OTHER INCOME		
Interest Income	31.58	27.90
Dividend Income	0.29	0.04
Other Non - Operating Income		
Claims & Refunds	0.92	1.23
Bad Debts Recovery	1.52	—
Sales Tax Remission		0.57
Profit on sale of fixed assets	1.17	2.34
Miscellaneous Income	2.90	12.77
Total	38.38	44.85
19. COST OF MATERIALS CONSUMED		
Raw Material Consumed		
Opening Stock	384.63	285.46
Add : Purchases	2,292.55	2,009.55
Less : Closing Stock	339.55	384.63
Raw Material Consumed	2,337.63	1,910.38
Packing Material Consumed	829.36	689.49
Total	3,166.99	2,599.87
20. (INCREASE)/DECREASE IN INVENTORIES		
Opening Stock (Including Trading Inventories)	1,586.20	1,395.68
Closing Stock (Including Trading Inventories)	2,003.55	1,586.20
Total	(417.35)	(190.52)
21. EMPLOYEE BENEFIT EXPENSES		
Salaries and Wages	2,151.25	1,957.56
Contribution to Provident and Other Funds	393.72	373.69
Staff Welfare Expenses	48.13	37.35
Total	2,593.10	2,368.60

Notes to Consolidated Financial Statements

as on March 31, 2012

	Year ended March 31, 2012 ₹ in Millions	Year ended March 31, 2011 ₹ in Millions
22. OTHER EXPENSES		
Manufacturing Expenses		
Consumption of stores and spare parts	508.54	544.50
Power and fuel	2,368.65	1,884.37
Repairs to :		
Building	33.82	18.16
Plant & Machinery	126.27	108.32
Others	43.07	41.43
Decoration Expenses	413.54	296.40
Excise Expenses	41.68	17.90
Total (a)	3,535.57	2,911.08
Administrative, Selling & Other Expenses		
Rent	89.61	79.08
Insurance	37.44	34.73
Rates and taxes	5.54	4.82
Bank Charges	30.70	28.48
Wind farm rent & maintenance	2.78	1.58
Donation	0.55	0.67
Communication Expenses	24.68	24.41
Travelling	75.26	72.26
Foreign Technical Fees	20.36	25.75
Legal & Professional Fees	64.67	58.52
Auditors Remuneration	6.81	4.66
Freight	900.50	859.30
Commission on Sales	49.23	43.23
Sitting fees	0.94	0.92
Loss on Sale of Assets	24.58	1.81
Net Loss/(Gain) on foreign currency transaction and translation (other than considered as finance cost)	1.75	(40.18)
Provision for Doubtful Debts	9.08	14.05
Miscellaneous Expenses	349.29	412.81
Total (b)	1,693.77	1,626.90
Total (a + b)	5,229.34	4,537.98
23. FINANCE COST		
Interest Expense	751.39	744.72
Net Loss/(Gain) on Foreign Currency Transactions and Translation	129.76	(30.42)
Total	881.15	714.30

Notes to Consolidated Financial Statements

as on March 31, 2012

24. SIGNIFICANT ACCOUNTING POLICIES AND GENERAL NOTES

PART – A SIGNIFICANT ACCOUNTING POLICIES:

I. Basis of Accounting:

The financial statements are prepared under the historical cost convention and comply with the applicable Accounting Standards in the country of incorporation except for:

1. the revaluation of certain property, plant & machinery of Piramal Glass Ceylon Plc, and
2. assets and liabilities acquired by Piramal Glass- USA, Inc accounted at its estimated fair value.

II. Principles of Consolidation:

1. The Consolidated Financial Statements comprises the financial statements of Piramal Glass Ltd. (the Company) and its Subsidiaries (collectively known as the 'Group'). The consolidated financial statements have been prepared on the following basis in line with Accounting Standard - 21 Consolidated Financial Statements issued by ICAI.
 - a. The financial statement have been combined on a line by line basis by adding together book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and transactions and unrealized profit/losses resulting from intra group transactions related to transfer of assets/liabilities.
 - b. The difference between the costs of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.
 - c. Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to the shareholders of the Company.
 - d. Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
2. While preparing Consolidated Financial Statements, the foreign exchange adjustments have been carried out on following basis, as per Accounting Standard 11 – Accounting for effects of changes in Foreign Exchange Rates.
 - a. The summarized revenue and expense transaction at the year-end reflected in profit and loss account of the foreign subsidiaries, which are stated in the currency of their domicile, are translated into Indian Rupees at an average of Average Monthly Exchange Rate.
 - b. All monetary and non-monetary items reflected in the balance sheet of the foreign subsidiaries which are stated in the currency of their domicile, are translated into Indian Rupees at the year-end closing exchange rate except for fixed assets and share capital in case of integral foreign subsidiaries, which are converted at the exchange rate prevailing on acquisition / transaction date.
 - c. The resultant translation exchange gain/loss in case of Non-integral foreign operations is disclosed as Foreign Exchange Translation Reserve in Reserves & Surplus schedule to the accounts. In case of integral foreign operations as the translation exchange gain / loss is recognized in the Consolidated Profit & loss account.

III. Other Significant Accounting Policies

1. These are set out under "Significant Accounting Policies" as given in the unconsolidated financial statements of Piramal Glass Limited and its subsidiaries.

PART – B GENERAL NOTES:

1. The subsidiary companies considered in the consolidated financial statements are:

Name of Company	Country of Incorporation	% of Voting Power held as at 31st March'2012
Piramal Glass Ceylon PLC	Sri Lanka	56.45 %
Piramal Glass International Inc.	USA	100.00%
Piramal Glass USA, Inc.	USA	100.00%
Piramal Glass Flat river LLC. (Wholly owned Subsidiary of PG USA)	USA	100.00%
Piramal Glass Williamstown LLC. (Wholly owned Subsidiary of PG USA)	USA	100.00%
Piramal Glass (UK) Ltd.	UK	100.00%
Piramal Glass Europe SARL.	France	100.00%

Notes to Consolidated Financial Statements

as on March 31, 2012

2. Contingent Liability in respect of:

	As at March 31, 2012 (₹ in Million)	As at March 31, 2011 (₹ in Million)
a) Estimated amount of contracts remaining to be executed on Capital account	197.61	644.86
b) Disputed Liability		
– Central Excise authorities	9.04	4.91
– Sales Tax Authorities	—	0.43
– Income Tax Authorities	5.50	38.00

3. Debtors, Loans and advances includes:

₹ 1,273.45 Mio (previous year ₹ 1,316.78 Mio) are due from companies, where Directors of the Company are interested as Director.

4. The operations of the Company and its Subsidiaries viz Piramal Glass Ceylon PLC and Piramal Glass USA INC., relates only to business of manufacturing of containers glass packaging. The other subsidiaries of the Company, viz., Piramal Glass International Inc. and Piramal Glass (UK) Ltd, is in the business of marketing of container glass. Accordingly primary segment reporting disclosures for business segments, as envisaged in Accounting Standard 17 on 'Segment Reporting' (AS 17) issued by the The Institute of Chartered Accountants of India, is not applicable.

The operations relating to secondary segment reporting has been confined to within India operations & outside India operations.

Secondary segment reporting:

(₹ in Million)

Details	Within India		Outside India		Inter – Segment Elimination		Total	
	March 2012	March 2011	March 2012	March 2011	March 2012	March 2011	March 2012	March 2011
Revenues	8,547.96	7,718.71	6,570.27	5,631.33	(1,073.45)	(950.01)	14,044.78	12,400.03
Carrying amount of Segment Assets	14,644.78	12,182.97	5,938.19	5,130.63	(1,953.13)	(2,730.19)	18,629.84	14,583.41
Additions to Fixed and Intangible Assets	1,213.85	721.22	450.62	111.33	—	—	1,664.48	832.55

5. As required by Accounting Standard – AS 18 "Related Parties Disclosure" issued by The Institute of Chartered Accountants of India are as follows:

A. List of Related Parties with whom transactions have taken place during the period:

Year ended 31.03.12	Year ended 31.03.11
a) Subsidiary Company	a) Subsidiary Company
– Piramal Glass Ceylon Plc.	– Piramal Glass Ceylon Plc.
– Piramal Glass International Inc., USA	– Piramal Glass International Inc., USA
– Piramal Glass (UK) Ltd.	– Piramal Glass (UK) Ltd.
– Piramal Glass – USA, Inc.	– Piramal Glass – USA, Inc.
– Piramal Glass Flat River LLC.	– Piramal Glass Flat River LLC.
– Piramal Glass Williamstown LLC	– Piramal Glass Williamstown LLC
– Piramal Glass Europe SARL	– Piramal Glass Europe SARL
b) Associated Companies	b) Associated Companies
– Piramal Healthcare Ltd.	– Piramal Healthcare Ltd.
– Piramal Enterprises Ltd.	– Piramal Enterprises Ltd.
– Piramal Realty Private Limited	– PHL Pharma Inc.
	– Piramal Realty Private Limited

Notes to Consolidated Financial Statements

as on March 31, 2012

Year ended 31.03.12	Year ended 31.03.11
c) Key Management Personnel	c) Key Management Personnel
– Mr. Ajay Piramal	– Mr. Ajay Piramal
– Dr. (Mrs.) Swati Piramal	– Dr. (Mrs.) Swati Piramal
– Mr. Vijay Shah (Managing Director up to 31st Dec 2011)	– Mr. Vijay Shah
– Mr. Sandeep Arora (Chief Financial Officer & Manager)	– Mr. Sandeep Arora
– Mr. Niraj Tiple	– Mr. Niraj Tiple
– Mr. Sanjay Tiwari	– Mr. Sanjay Tiwari

B. Summary of the transactions with related parties is as follows:

(₹ in Million)

Particulars	Associates		Key Management Personnel		Total	
	Year ended 31-03-12	Year ended 31-03-11	Year ended 31-03-12	Year ended 31-03-11	Year ended 31-03-12	Year ended 31-03-11
Purchase of goods / service / assets	7.70	9.63	—	—	7.70	9.63
Sale of goods	67.71	106.95	—	—	67.71	106.95
Reimbursement of exp. Recd.	0.29	0.29	—	—	0.29	0.29
Reimbursement of exp. Paid	13.47	8.53	—	—	13.47	8.53
Remuneration	—	—	31.63	28.94	—	28.94
Corporate Service Charges	5.00	5.00	—	—	5.00	5.00
Outstanding payable	—	—	—	—	—	—
Outstanding receivable	14.73	15.42	—	—	14.73	15.42

Note: The above information has been determined to the extent such parties have been identified on the basis of information provided by the Company and approved by the Board of Directors of the Company.

6. a. In respect of operating leasing arrangement for office premises, motor vehicles and office equipments, the aggregate lease rentals payable on these leasing arrangements are charged as rent under “other expenses” in schedule – 16.

These leasing arrangements are for a period not exceeding five years and are in most cases renewable by mutual consent on mutually agreeable terms. The minimum lease rentals outstanding in respect of these assets are as follows:

(₹ in Million)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Total minimum lease payments	63.33	54.65
Lease rentals payable within 1 year	30.93	29.62
Lease rentals payable between 1-5 years	32.40	25.03

Notes to Consolidated Financial Statements

as on March 31, 2012

- b. In respect of plant and machinery and land taken on finance lease, the same have been accounted at fair market value and proper depreciation for the year under review has been provided. The minimum lease rentals outstanding in respect of these assets are as follows:

(₹ in Million)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Total minimum lease payments	18.29	21.19
Lease rentals payable within 1 year	3.08	2.89
Lease rentals payable between 1-5 years	15.21	16.59
Lease rentals payable later than 5 years	NIL	1.71

7. As required by Accounting Standard 20 issued by the Institute of Chartered Accountants of India, the reporting in respect of Earning Per Share (EPS) is as follows:

Profit available to equity shareholders

(₹ in Million)

Particulars		Year ended March 31, 2012	Year ended March 31, 2011
Profit/Loss available to equity shareholders	₹ in Millions	958.67	930.23
Weighted average no. of equity share for Basic EPS	Nos.	80915986	80434736
Nominal value of equity shares	₹	10	10
Earning Per Share (Basic/Diluted)	₹	11.85	11.56

8. The deferred tax assets & liabilities comprise of tax effect of following timing differences:

(₹ in Million)

Particulars	As of 31st March 12	As of 31st March 11
Deferred Tax Liability		
Depreciation	584.84	575.11
Total	584.84	575.11
Deferred Tax Assets		
Unabsorbed Depreciation	—	304.17
Provision for gratuity & leave encashment	14.69	7.45
Provision for Doubtful Debts	13.27	19.88
Disallowance u/s 43B	3.59	2.84
Provision for non-moving inventory	86.16	25.15
MAT Credit u/s 115JB	257.62	86.42
Exchange Loss on fixed assets	—	13.89
Deduction U/S 35 DD	0.01	2.11
Total	375.34	461.91
Net Deferred Tax Liability	209.50	113.20

Notes to Consolidated Financial Statements

as on March 31, 2012

9. Depreciation on fixed assets:

In case of the subsidiaries of the Company, it was not practicable to use uniform accounting policies for depreciation of assets.

Company	Method of Depreciation	Accounting Policy Used
Piramal Glass Ceylon Plc.	Straight Line Method	Building — 2.5%
		Plant & Machinery — 5% - 15%
		Office Equipments — 10%
		Computer Systems — 25%
		Motor Vehicles — 15%
		Moulds – On Actual usage based on predetermined life in no of impressions Leasehold assets are written off over the remaining period of the lease.
Piramal Glass - USA, Inc.	Straight Line Method	Building — 3.34%
		Plant & Machinery — 16.67% - 33.33%
		Motor Vehicles — 50%
Piramal Glass Flat River Inc.	Straight Line Method	Building — 3.34%
		Plant & Machinery — 16.67% - 33.33%
		Motor Vehicles — 50%
Piramal Glass Williamstown LLC.	Straight Line Method	Building — 3.34%
		Plant & Machinery — 16.67% - 33.33%
		Motor Vehicles — 50%
Piramal Glass International Inc.	Straight Line Method	Office Equipments — 3 years
		Furniture — 5 years
		Leasehold improvements — 62 Months
		Trade Show Booths — 3 - 5 years
Piramal Glass (UK) Limited.	Straight Line Method	Computer Systems — 33.33%
		Furniture & Fixtures — 10%

The impact of depreciation due to difference in accounting policy is not material and hence the same is ignored.

10. The financial statements for the year ended March 31, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year's figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.
11. Figures for the previous year have been regrouped and rearranged wherever necessary so as to make them comparable with the current year figures.

For and on behalf of the Board

For Haribhakti & Co.,
Chartered Accountants
Firm Reg. No. 118013W

Ajay G. Piramal Chairman

Vijay Shah Director

Hitesh J. Desai
Partner
M. No. 37569

Sandeep Arora Chief Financial Officer

Nehal Doshi Company Secretary

Mumbai, 7th May, 2012

PLANT LOCATIONS

Name of Company	Plant Location
Piramal Glass Limited	ONGC Road Tarsadi Village, Kosamba Dist. Surat, Pin 394 120 Gajera Road Ucchad Village Jambusar, Dist. Bharuch Pin 392 150

SUBSIDIARY COMPANIES

Piramal Glass Ceylon PLC	Poruwadanda Wagawatte Horana, Sri Lanka
Piramal Glass-USA Inc.	Flat River Glass 1000 Taylor Avenue Park Hills, Missouri MO 63601 USA PGI Decora/Coated 918 E, Malaga Road Williamstown, NJ 08094 USA

INFORMATION FOR SHAREHOLDERS

Listing of Equity Shares on Stock Exchanges	BSE Limited (Code 532949) National Stock Exchange of India Limited (Code PIRGLASS)
Share Transfer Agent	Link Intime India Private Limited C-13 Pannalal Silk Mills Compund LBS Marg, Bhandup (West) Mumbai – 400 078. Tel: 2594 6970 Fax: 2594 6969 Email: piramal.irc@linkintime.co.in

INVESTOR CORRESPONDENCE

Company Secretary
Piramal Glass Limited
1st Floor, Piramal Tower Annexe
Gapatrao Kadam Marg
Lower Parel, Mumbai - 400 013.
Tel.: (91-22) 3046 7836 • Fax: (91-22) 3046 7855
Email: complianceofficer.pgl@piramal.com



Kosamba, Gujarat, India



Flat River, Missouri, USA



Jambusar, Gujarat, India



Williamstown New Jersey, USA



Horana, Sri Lanka



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