PGP
GLASS

Annual Report 2025 - 2026

PGP Glass Ceylon PLC

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CORPORATE *Information*

The Board of Directors
Mr. Vijay Shah - Chairman
Mr. Samit Datta - Executive Director & COO
Mr. Sanjay Tiwari
Mr. Mayura Fernando
Mrs. Aruni Goonetilleke

Audit Committee
Mr. Mayura Fernando - Chairman
Mrs. Aruni Goonetilleke
Mr. Sanjay Tiwari

Remuneration Committee
Mrs. Aruni Goonetilleke - (Chairperson)
Mr. Mayura Fernando
Mr. Vijay Shah

Related Party Transactions Review Committee
Mr. Mayura Fernando - Chairman
Mrs. Aruni Goonetilleke
Mr. Sanjay Tiwari
Mr. Samit Datta

Nomination and Governance Commitee
Mrs. Aruni Goonetilleke - (Chairperson)
Mr. Mayura Fernando
Mr. Vijay Shah

Senior Management Team
Mr. Samit Datta - Executive Director & COO
Mr. Arun Khedwal - Genaral Manager and Head of Operations
Mr. Palitha Piyanandana - Head of Supply Chain
Mrs. Niloni Boteju - Financial Controller
Mr. Thushara Deshapriya - Head of Domestic Marketing
Mr. Damitha Dasanayake - Head of Export Marketing
Mr. A.K.M. Fowzin - Head of Human Resources

Company Registration Number
PQ 190

Registered Office
148, Maligawa Road, Borupana, Ratmalana
Telephone: +94 112 635 481-83/ +94 117 800 200
Fax:+94 112 635 484
E-mail: pgp.info@pgpfirst.com
Web: www.pgpglassceylon.com

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

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

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

Internal Auditors
Messrs. Ernst & Young Consulting Services (Pvt) Ltd
Rotunda Towers,
No. 109, Galle Road,
Colombo 03.

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

Company Secretary
Mrs. Sagarika Weeraparackrama (Attorney-at-Law) (Up to 01.06.2026)
Senior Manager Legal

Mrs. Vibodha Ratnayake (Attorney-at-Law) (w.e.f 01.06.2026)
Manager Legal
148, Maligawa Road, Borupana, Ratmalana
Telephone: +94 117800604

Registrars
Messrs. Central Depository Systems (Pvt) Ltd
Ground Floor, M & M Center, 341/5, Kotte Road,
Rajagiriya.
Telephone: +94 112356444, +94 112356456
Fax:+94 112440396

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

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

CHAIRMAN'S *Statement*



Dear Shareholders,

As we gather for the 71st Annual General Meeting of PGP Glass Ceylon PLC, I warmly welcome our shareholders and stakeholders.

The year under review called for disciplined execution as the Company navigated a demanding environment, including the successful management of a major furnace shutdown. On behalf of the Board, I thank you for your continued confidence and support as we advance our long-term agenda of transformation and value creation.

Macroeconomic Landscape and National Context

Sri Lanka moved further toward economic stabilisation during the year, supported by policy reforms, stronger foreign exchange inflows, and improving business confidence.

However, the early months of the new financial year brought renewed volatility. US tariffs affected competitiveness, while tensions in the Middle East disrupted energy availability and prices.

For the glass packaging industry, demand remained broadly stable, but energy costs, supply chain pressure and market volatility continue to require prudence and agility.

Navigating a Year of Transition

A major milestone during the year was the scheduled cold repair of the Horana furnace in January 2026. Commissioned in 2007 and previously re-lined in 2016, the furnace required a planned shutdown of about two months to support long-term efficiency, reliability and sustainability.

Despite this disruption, we largely sustained sales by combining in-house production with carefully managed trading interventions and inventory management . While trading margins were lower, this ensured continuity of supply and protected customer relationships.

To support this strategy, we sourced standardised bottles from multiple channels, including PGP Glass Limited, India, while building inventory of proprietary designs in advance. This required careful planning, close supplier coordination, and disciplined execution across the business.

Earlier furnace related issues affected volumes and capacity utilisation requiring us to temporarily reduce export volumes in order to safeguard domestic supply.

Even under these constraints, we remained committed to quality, service standards and long-term priorities. The successful execution of the furnace repair reflects the resilience and discipline of your Company.

Our Response and Business Performance

Against this backdrop, your Company sustained profitability for the year ended 31 March 2026. Profit After Tax was Rs. 4.05 billion, compared with Rs. 4.16 billion in the previous year, demonstrating our ability to absorb disruption while preserving financial stability.

Revenue remained broadly in line with the prior year at Rs. 19.35 billion despite the two month shutdown, while domestic revenue grew by approximately 10% on the back of steady demand across key segments.

Higher energy consumption ahead of the cold repair were largely offset by a favourable product mix and disciplined cost control.

This performance reflects the strength of our operational focus and cost discipline.

CHAIRMAN'S *Statement*

Dividends and Shareholder Value

Consistent with our commitment to shareholder value and future growth, the Board has recommended a final dividend of Rs. 2.98 per share, subject to approval at this Annual General Meeting.

We believe responsible shareholder returns are an important measure of success and we are pleased to share part of the year's value creation with our shareholders.

Looking Ahead

As we enter the new financial year, your Company is positioned to build on a stronger operational foundation. With the new furnace commissioned and upgraded downstream infrastructure, we are better placed to enhance quality and efficiency.

These investments will support a broader product range, improved quality and greater cost competitiveness while enabling us to respond more effectively to evolving customer requirements.

We are also planning to expand and modernising our decoration facilities, including capabilities such as spray coating and decal applications, to deliver more differentiated and value-added solutions that support higher value addition for our customers in specialty segment.

In parallel, we continue to advance digital and AI enabled process improvement initiatives to strengthen efficiency across the business.

Acknowledgements

The achievements of the year reflect the dedication and commitment of our people. I extend my sincere appreciation to our employees and their families for their commitment during a demanding year.

I also thank the teams who delivered the furnace cold repair within demanding timelines and supported a smooth return to operations.

My thanks also go to our customers, suppliers, business partners and the Board of Directors for their continued trust and guidance and direction.

We are equally grateful to the PGP Glass Corporate Project Team in India and to the Government and Institutional stakeholders whose support remains important to our operations.

To our shareholders, I thank you for your continued confidence and support.

Closing Reflections

While uncertainties remain, our direction is firmly anchored in our values and long term vision.

We enter the new financial year with renewed capability, a committed team and a clear strategic focus on growth, operational excellence and innovation.

We remain confident in our ability to build on our legacy and deliver a stronger, more resilient future.

Thank you.
Warm regards,
Vijay Shah,
Chairman - PGP Glass Ceylon PLC

21st May 2026

REPORT ON THE AFFAIRS *of the Company*

TO THE SHAREHOLDERS

The Board of Directors have pleasure in presenting the 71st Annual Report and the Audited Financial Statements of the Company for the year ended 31st March 2026.

REVIEW OF THE YEAR

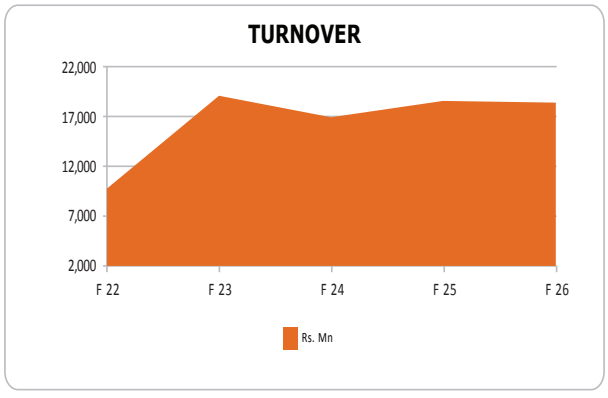
The Chairman's statement describes in brief of the Company's affairs and the performance during the year and also mentions the events occurring after the reporting date.

SALES HIGHLIGHTS

Revenue remained constant at Rs. 19.35 Bn in FY26 as against Rs. 19.53 Bn in FY25. Trading sales have increased Rs. 0.72 Bn to Rs. 2.39 Bn during the second half to facilitate the domestic market during the two month furnace shutdown.

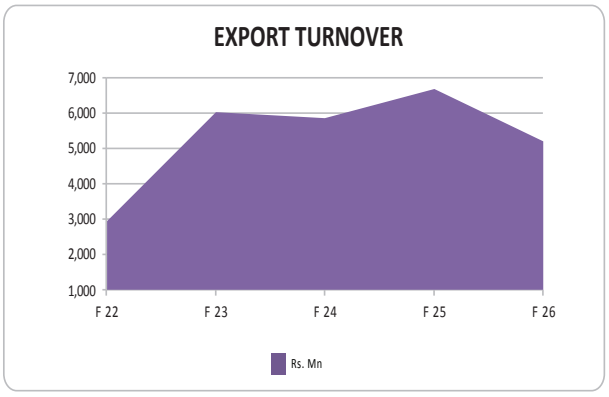
Overall domestic sales increased by 10.23%, from Rs. 12.81 Bn in FY25 to Rs. 14.12 Bn in FY26, reflecting the Company's continued focus on meeting local market demand.

Capacity constraints arising from the furnace shutdown necessitated a reduction in export volumes. Consequently, export sales declined to Rs. 5.22 Bn in FY26 from Rs. 6.72 Bn in FY25.



All figures in Rs. Mn

	F22	F23	F24	F25	F26
TURNOVER	10,229	20,067	17,824	19,529	19,348



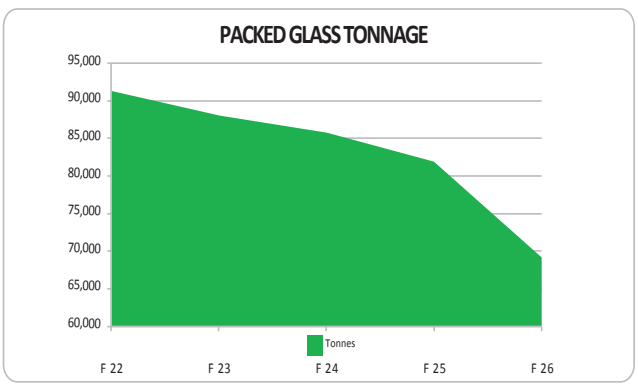
All figures in Rs. Mn

	F22	F23	F24	F25	F26
EXPORT	2,959	6,055	5,879	6,716	5,223

PRODUCTION HIGHLIGHTS

During the first half of FY26, the Company experienced several operational interruptions due to the ageing furnace, which adversely affected production efficiency and output levels. To ensure continued operational stability and improve the reliability of the manufacturing process, management undertook a planned two-month shutdown to carry out a cold repair and refurbishment of the furnace.

The cold repair was completed during the period from January to March 2026 and is expected to extend the useful life of the furnace while enhancing operational performance. Although production was temporarily affected during the shutdown period, the impact on sales was mitigated through increased trading activities, which helped offset the loss of production and support overall business performance during the year.



All figures in Tonnes

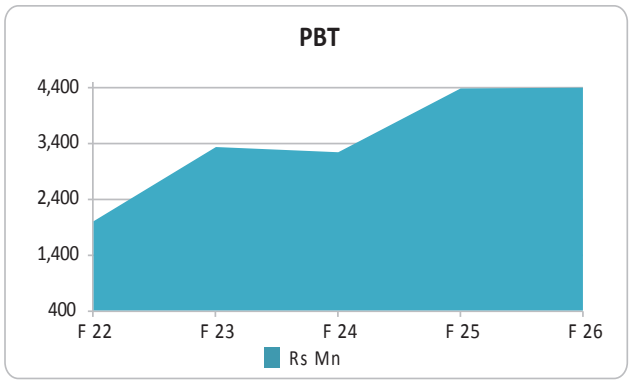
	F22	F23	F24	F25	F26
PACKED	92,020	88,621	86,290	82,414	69,285

REPORT ON THE AFFAIRS *of the Company*

PROFITABILITY HIGHLIGHTS

Profit Before Tax (PBT) decreased slightly from Rs. 5.23 Bn in FY25 to Rs. 5.14 Bn in FY26. Profit After Tax (PAT) also declined marginally from Rs. 4.16 Bn to Rs. 4.05 Bn in FY26, reflecting the combined impact of lower gross margins 33.36% in FY25 to 31.65% in FY26 and operational disruptions during the year.

The Company declared a dividend of Rs. 2.98 per share, demonstrating its continued commitment to delivering shareholder returns despite a challenging operating environment.



All figures in Rs. Mn

	F22	F23	F24	F25	F26
PBT	2,336	3,960	3,840	5,231	5,139

PRINCIPAL ACTIVITY

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

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

Location	Land ownership	Land extent (Acres)	Value (Gross) Rs. Mn	Buildings Nos.
148, Maligawa Road, Borupana, Ratmalana	Freehold Land	0.7	33.9	02
Madampe Road, Pahala Walahapitiya, Nattandiya	Freehold Land	54	99.0	11
Wagawatte Road, Poruwadanda, Horana.	Leasehold Land	31	34.3	20

CURRENCY

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

REPORT ON THE AFFAIRS *of the Company*

FINANCIAL RESULTS	2026 Rs. 000'	2025 Rs. 000'
Revenue	19,348,053	19,529,102
Cost of Sales	(13,225,043)	(13,013,614)
Gross Profit	6,123,010	6,515,488
Other Operating Income	86,309	74,430
Selling and Distribution Expenses	(545,038)	(543,840)
Administrative Expenses	(824,699)	(877,834)
Operating Profit	**4,839,582**	**5,168,244**
Finance Costs	(12,871)	(4,102)
Finance Income	312,469	67,326
Profit before Tax	**5,139,180**	**5,231,468**
Income Tax Expense	(1,092,869)	(1,073,985)
Profit for the Year	**4,046,311**	**4,157,483**

EMPLOYMENT	2026	2025
Total employment as at 31st March	496	493

CAPITAL EXPENDITURE AND INVESTMENTS

During the year the Company's cash out flow on Property, Plant and Equipment was to the aggregate value of Rs. 3,578,003,044/- (Year Ended 31 March 2025 Rs. 755,297,611/-)
The capital commitments as at the reporting date are disclosed in Note 19.1 to the Financial Statements.

SHARE CAPITAL

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

SHARE HOLDINGS	2026	2025
Registered Shareholders as at 31st March	11,097	10,840

The distribution of shares is indicated in page 90 and 91.

EVENTS OCCURRING AFTER THE REPORTING DATE

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

THE BOARD OF DIRECTORS

Mr. Vijay Shah - Chairman
Mr. Samit Datta - Executive Director & COO
Mr. Sanjay Tiwari
Mr. Mayura Fernando
Mrs. Aruni Goonetilleke

APPOINTMENT OF NEW DIRECTORS

Mr. Samit Datta was appointed as the Executive Director & Chief Operating Officer with effect from 01st April 2025.

PERSONS WHO CEASED TO BE DIRECTORS

No Directors were ceased from the Board during the Financial year.

RERIREMENT OF COMPANY SECRETARY

Mrs. Sagarika Weeraparakrama retiered from the post of Company Secretary after 18 years of continuous service to the company on 01.06.2026.

APPOINTMENT OF NEW COMPANY SECRETARY

Mrs. Vibodha Ratnayake (Attorney-at-Law) was appointed as the new Company Secretary with effect from 01.06.2026.

DIRECTORS' INTEREST REGISTER

The Directors have made declarations as provided for in section 192 (2) of the Companies Act No. 7 of 2007. The related entries were made in the interest register during the year under review. The related party disclosures are referred to in Note 18 to the Financial Statements. The share ownership of directors is indicated below.

DIRECTORS' SHAREHOLDINGS

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

	2026	2025
Sanjay Tiwari (Shares held jointly with Mrs. S.S Tiwari)	1,014,166	1,214,166

DIRECTORS' EMOLUMENTS

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

DONATIONS

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

AUDITORS

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

Fees paid/ provided as at 31st March	2026	2025
Audit Fees	Rs. 1,750,000	Rs. 1,512,500
Non Audit Services	Rs. 1,134,296	Rs. 902,953

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

Sgd. Samit Datta	Sgd. Mayura Fernando	Sgd. Sagarika Weeraparackrama
Executive Director & COO	Director	Company Secretary
21th May 2026		

BOARD OF DIRECTORS



VIJAY SHAH
Chairman
Non Executive, Non Independent Director

Mr. Vijay Shah is the Managing Director & CEO at PGP Glass Limited (A portfolio company of Blackstone Inc., USA). He was appointed to the Board of PGP Glass Ceylon PLC (Formerly, Ceylon Glass Company Ltd) in 1999.

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

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

SANJAY TIWARI
Non Executive, Non Independent Director



Mr.Sanjay Tiwari is presently the Chief Executive Officer of PGP Glass USA Inc. & Chief Operating Officer of PGP Glass Ltd. He continues to be a Director on the Board of PGP Glass Ceylon PLC. He was the Chairman of the Audit Committee of the Company till 25th April 2024.

Appointed to the Board of PGP Glass Ceylon PLC (Formerly known as Ceylon Glass Company Limited and Piramal Glass Ceylon PLC) in December 2005 as the CEO and Executive Director after his efficacious stint at Piramal Glass Ceylon, Sri Lanka and Piramal Glass Ltd, India, he has been entrusted with the responsibility of US operations with effect from 1st April 2019 along with strategically overseeing Sri Lanka as a Director on Board.

Joined Piramal Group in June 2004 as Vice President-Finance Commercial, heading Accounts, Finance, IT, Logistics and Supply Chain of Piramal Glass Ltd till November 2005.

Before joining the Piramal Group, he worked with Zydus Cadila Healthcare Ltd and Torrent Group as CFO and General Manager Commercial for 12 years. He has diversified experience in various positions in different industries – Textile, Color Chemicals, Cables, Pharmaceuticals, Bulk Drugs and Container Glass Packaging.

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



ARUNI GOONETILLEKE

Non Executive, Independent Director

Aruni Goonetilleke is a financial services expert with over 25 years of experience in global financial markets. She has significant experience in financial services, primarily in the areas of Corporate Banking, Risk Management, Credit Assessment and Internal Audit.

She is a former Chairperson of HNB PLC and has held leadership positions in both local and international banks, including Standard Chartered Bank, where she worked in Singapore and Sri Lanka covering several geographies. Senior leadership positions held at Standard Chartered include Head of Credit for Commercial and SME Banking , Chief Risk Officer and Global internal audit roles in Wholesale and Retail Banking. She was also the Head of Corporate Banking at People's Bank.

She is a non-executive director of John Keells Hotels PLC, Sunshine Holdings PLC, Tea Small Holder Factories PLC and audit committee member of Goodhope Asia Holdings Ltd.

She has a Master of Laws from Harvard Law School, Harvard University, USA and a Bachelor of Laws (Honors) from the Faculty of Law, University of Colombo. She is a founding member of the Association of Banking Risk Professionals of Sri Lanka and was a visiting lecturer in law at the Faculty of Law and the Department of Graduate Studies, University of Colombo.

She was appointed to the Board of PGP Glass Ceylon PLC on 25th April 2024.

MAYURA FERNANDO

Non Executive Independent Director



Mr. P M B Fernando started his professional career at KPMG Ford Rhodes Thornton & Company and was a Partner of the Firm. He has extensive experience as Head of Finance, holding positions of Senior Vice President – Finance of Vanik and Forbes Ceylon Group, Group Finance Director of Confifi Group, and Director Finance – Asian Region of Virtusa (An Information Technology Company based in Boston USA).

In General Management Mr. Fernando was the Managing Director of Capital Reach Holdings Ltd, Director/Chief Executive Officer of Softlogic Finance PLC, Director/Chief Executive Officer of Laugfs Capital Ltd, and Chief Executive Officer of Orient Finance PLC.

He was a Non-Executive Independent Director and the Chairman of the Audit Committee of DFCC Bank PLC from 2013 to 2022. Currently, he is a Non-Executive Independent Director Laugfs Gas PLC, Laugfs Power PLC, Laugfs Eco Sri Ltd., Hatton Plantation PLC, Lotus Hydro Power PLC, Renuka Hotels PLC, DSI Samson Group (Pvt) Ltd., Kseeds Investments (Pvt) Ltd., and Acentura (Pvt) Ltd.

Mr. Fernando is a Fellow Member of The Institute of Chartered Accountants of Sri Lanka and a Fellow Member of the Chartered Institute of Management Accountants of the UK. He holds a Bachelor of Science (Applied Science) Degree from the University of Sri Jayawardenapura.

He was appointed to the Board of PGP Glass Ceylon PLC on 25th April 2024.

SAMIT DATTA
Executive, Non Independent Director



Appointed to the Board of PGP Glass Ceylon PLC (Formerly known as Piramal Glass Ceylon PLC) on 01st April 2025.

Mr. Samit Datta was working with PGP Glass Limited (Formerly known as PGP Glass Private Limited) since December 2005. His last designation was Global Chief Supply Chain & Technology Officer for the PGP Group.

In his previous role, he managed Supply Chain, Technology and Transformation roles, including the P & L for the corrugation packaging business for the PGP Group. He led large-scale transformations such as turnarounds, Global SAP implementations, digital & data analytics-based transformations and setting up greenfield projects. Also he served as the Head of Strategic Planning in the Chairman's office, involved in the turnaround of a Glass Acquisition in the US and Strategy, M & A functions for the Glass vertical and Group SCM Officer within Piramal Group.

He has more than 30 years of experience across industry domains and across several functions covering the value chain. He has also worked as a Management Consultant for 6 years with firms like PWC & IBM, in strategy and process led transformation projects and in the automotive, electrical engineering, petrochemical industries in multiple geographies in the world like General Motors, Siemens Ltd and PT Texmaco Jaya, Indonesia.

He is a qualified BE (Hons) in Mechanical Engineer from NIT, Durgapur, MBA in Manufacturing Management from SP Jain Institute of Management & Research, Mumbai, Senior Executive Leadership Program (SELP) from Harvard Business School and a certificate on Venture Capital & Private Equity from Indian School of Business.

CORPORATE GOVERNANCE *Compliance Table*
(Colombo Stock Exchange Circular No. 04/2023 and New Listing Rules)

Rule No.	Subject	Applicable Requirement	Compliance Status	Details
9.5.1	Non-Executive Directors	At least two non-executive directors or; at least one third of the total number of directors whichever is higher should be Non-Executive Directors.	Compliant	Four out of Five Directors are Non-Executive Directors.
9.8.2	Independent Directors	Two or one third of Non-Executive Directors, whichever is higher should be independent.	Compliant	Two of the Four Non- Executive Directors are independent.
9.8.5 (a)	Independent Directors	Each Non-Executive Director should submit a declaration of independence / non-independence in the prescribed format.	Compliant	Non-Executive Directors have submitted the declarations.
9.8.5 (b)	Disclosure relating to Directors	Names of independent Directors should be disclosed in the Annual Report.	Compliant	Please refer page 17 in the Annual Report.
9.10.4	Disclosure relating to Directors	A brief resume of each Director should be included in the Annual Report including the area of Expertise.	Compliant	Please refer page 9-11 in the Annual Report.
9.12.1	Remuneration Committee	A listed company shall have a Remuneration Committee.	Compliant	Names of the members of the Remuneration Committee are available in page 02.
9.12.6	Composition of Remuneration Committee	Shall comprise of a minimum of three Non-Executive Directors, out of which a minimum two members shall be independent Directors.	Compliant	Remuneration Committee consists of three Non-Executive Directors out of which two are independent.
9.12.7	Functions of Remuneration Committee	The Remuneration Committee shall recommend the remuneration of Chief Executive Officer and Executive Directors.	Compliant	Please refer the Remuneration Committee Report on page 17.
9.12.8	Disclosure in the Annual Report relating to Remuneration Committee	The Annual Report should set out;		
		a) Names of Directors comprising the Remuneration Committee.	Compliant	Please refer page 02.
		b) Statement of Remuneration Policy.	Compliant	Please refer the Remuneration Committee Report on page 17 for a brief statement of policy.
		c) Aggregate remuneration paid to Executive & Non-Executive Directors.	Compliant	Please refer page 84
9.13.1	Audit Committee	The Company shall have an Audit Committee a minimum three directors.	Compliant	Names of the members of the Audit Committee is available on page 02.
9.13.3	Composition of Audit Committee	Shall comprise a minimum three directors out of minimum two or a majority of the members which ever higher shall be independent directors.	Compliant	Audit Committee consists of three Non-Executive Directors out of which two are independent.
9.13.3 (5)		Chief Executive Officer and the Chief Financial Officer should attend Audit Committee Meetings.	Compliant	COO/Executive Director and the Financial Controller attend by invitation.
9.13.3 (6)		The Chairman of the Audit Committee or one member should be a member of a professional accounting body.	Compliant	Chairman of the Audit Committee and one member are members of a professional accounting body.
9.13.4	Audit Committee Functions	Should be as outlined in the Section 9.13.4 of the Listing Rules.	Compliant	Please refer page 17.
9.13.5	Disclosure in the Annual Report relating to Audit Committee	a) Names of the Directors comprising the Audit Committee.	Compliant	Please refer page 02.
		b) The Audit Committee shall make a determination of the independence of the Auditors and disclose the impacts for such determination.	Compliant	Please refer Audit Committee Report on page 17.
		c) The Annual Report shall contain a Report of the Audit Committee setting out the manner of Compliance of the functions.	Compliant	Please refer Audit Committee Report on page 17.

CORPORATE GOVERNANCE *Compliance Table (Contd....)*

Rule No.	Subject	Application Requirement	Compliance Status	Details
9.14.1	Related Party Transactions Review Committee	A Listed Company shall have a Related Party Transactions Review Committee with effect from 01.01.2016	Compliant	Names of the members of the RPT Review Committee are available in page 02.
9.14.2	Composition of Related Party Transactions Review Committee	Shall comprise of a minimum of three directors out of two members shall be independent directors. The composition of the Committee may also include executive directors at the option of the Listed Entity.	Compliant	RPT Review Commitee consists of two independent Non-Executive Directors, One Non-Independent Non Executive Director and one Executive Director
9.14.2		One Independent non-executive director shall be appointed as Chairman of the Committee.	Compliant	The Chairman of the RPT Review Committee is an Independent Non-executive director.
9.14.3	Functions of Related Party Transactions Review Committee	Should be as outlined in the sections 9.14.3 of the Listing Rules	Compliant	Please refer page 18
9.14.8	Disclosure in the Annual Report relating to Related Party Transactions Review Committee	a) Names of the Directors comprising the Related Party Transactions Review Committee	Compliant	Please refer page 02
		b) A Statement to the effect that the Committee has reviewed the Related Party Transactions during the financial year and has communicated the comments / observations to the Board of Directors.	Compliant	Please refer page 18
		c) The Policies and procedures adopted by the Committee for reviewing the Related Party Transactions.	Compliant	Please refer page 18
		d) The number of times the Committee has met during the Financial Year.	Compliant	Please refer page 16
		e) A declaration by the Board of Directors in the Annual Report as an affirmative statement of the Compliance with these Rules pertaining to Related Party Transactions or negative statement in the event the Entity has not entered into any Related Party Transaction/ s.	Compliant	Please refer page 21
9.11.1	Nominations and Governance Committee	A Listed Company shall have a Nominations and Governance Committee with effect from 01st October 2024.	Compliant	Names of the members of the Remuneration Committee are available in page 02.
9.11.4 (1)	Composition of Nominations and Governance Committee	Shall comprise of a minimum of three (03) Directors , out of which a minimum of two (02) members shall be Independent Directors of the Listed Entity	Compliant	Committee consists of two Independent Non-Executive Directors and One Non-Executive Non Independent Director
9.11.4 (2)		An Independent Director shall be appointed as the Chairperson of the Nominations and Governance Committee by the Board of Directors.	Compliant	The Chairperson of the Committee is an Independent Director
9.11.5	Functions of the Nominations and Governance Committee	Should be outlined in the section 9.11.5 of the Listing Rules.	Compliant	Please refer Page 19
9.11.6	Disclosures in Annual Report relating to Nominations and Governance Committee	(a) Names of the Chairperson and members of the Committee and the nature of directorships held by such members.	Compliant	Please refer Page 02
		(b) The date of appointment to the Committee	Compliant	Please refer Page 19
		(c) A statement for determining independence	Compliant	Please refer Page 19
		(d) A statement that the Corporate Governance requirements stipulated under the Listing Rules of the CSE have been met	Compliant	Please refer Page 19

CORPORATE GOVERNANCE *Compliance Table (Contd....)*

RECURRENT RELATED PARTY TRANSACTIONS

Name of the Related Party	Relationship	Nature of the Transaction	Aggregate value of RPT entered into during the Financial Year	Aggregate value of RPT as a % of Revenue/ Income	Terms & Conditions of the RPT
			Rs.		
PGP Glass Private Limited - India	Parent Company	Purchase of Bottles	922,163,349	4.8%	
		Purchase of Bottles and Lids - In transit	53,204,636	0.3%	
		Purchase of Lids	4,219,435	0.0%	Note 1
		Purchase of Capital items	10,990,015	0.1%	
		Technical Fees	338,040,413	1.7%	Note 2
		Maintenance Cost for ERP & Network systems	119,062,610	0.6%	
PGP Glass USA, INC.	Fellow Subsidiary	Sale of Bottles	1,027,352,572	5.3%	Note 1

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

Note 2 - As per the agreement entered into between the two companies. Refer Audited Financial statement Note 4.4.

CORPORATE GOVERNANCE

ATTENDANCE OF DIRECTORS AT MEETINGS

AT BOARD MEETINGS

The Board of the Company met four (04) times during the financial year 2025 - 26, on the following dates:

(1) 25th April, 2025 (2) 22nd July, 2025 (3) 07th November, 2025 (4) 22nd January, 2026

The attendance of the Directors at the Board Meetings and the last Annual General Meeting held on 22nd July, 2025 were as under:

Name of Director	Board Meetings		AGM
	Held during their tenure	Attended	
Vijay Shah - Chairman	4	4	✓
Samit Datta - Executive Director & COO	4	4	✓
Sanjay Tiwari	4	4	✓
Mayura Fernando	4	4	✓
Aruni Goonetilleke	4	4	✓

AT AUDIT COMMITTEE MEETINGS

During the financial year 2025-26, four (04) Audit Committee Meetings were held on the following dates:

(1) 25thApril, 2025 (2) 22nd July, 2025 (3) 07th November, 2025 (4) 22nd January, 2026

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

Name of the Director	Designation	Category	Audit Committee Meeting	
			Held during their tenure	Attended
(1) Mayura Fernando	Chairman	Non - Executive Independent Director	4	4
(2) Aruni Goonetilleke	Member	Non - Executive Independent Director	4	4
(3) Sanjay Tiwari	Member	Non - Executive Non Independent Director	4	4

AT REMUNERATION COMMITTEE MEETINGS

The Remuneration Committee met twice on 25th April, 2025 and on 22nd July 2025 for the financial year 2025 - 26. The constitution of the committee and the attendance of each member of the committee is given below;

Name of the Director	Designation	Category	Remuneration Committee Meeting	
			Held during their tenure	Attended
(1) Aruni Goonetilleke	Chairperson	Non - Executive Independent Director	2	2
(2) Mayura Fernando	Member	Non - Executive Independent Director	2	2
(3) Vijay Shah	Member	Non - Executive Non Independent Director	2	2

CORPORATE GOVERNANCE

AT RELATED PARTY TRANSACTIONS REVIEW COMMITTEE MEETINGS,

During the financial year 2025-26, four (04) RPT Review Committee Meetings were held on the following dates:

(1) 25th April, 2025 (2) 22nd July, 2025 (3) 07th November, 2025 (4) 22nd January, 2026

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

Name of the Director	Designation	Category	RPT Review Committee Meeting	
			Held during their tenure	Attended
(1) Mayura Fernando	Chairman	Non - Executive Independent Director	4	4
(2) Aruni Goonetilleke	Member	Non - Executive Independent Director	4	4
(3) Sanjay Tiwari	Member	Non - Executive Non Independent Director	4	4
(4) Samit Datta	Member	Executive Non Independent Director	4	4

The Company Secretary is the Secretary to the Committees.

CORPORATE GOVERNANCE

REMUNERATION COMMITTEE REPORT

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

This committee shall comprise of a minimum of three (03) directors, out of which a minimum of two (02) members shall be independent directors and not comprise of Executive Directors of the Listed Entity. An independent director shall be appointed as the chairperson of the Remuneration Committee by the Board of Directors.

The Remuneration Committee is a sub-committee of the Board and the Company's Remuneration Committee consists of three non-executive directors of which two are independent Directors.

The Remuneration Committee shall recommend the remuneration payable to the Executive Directors and Chief Operating Officer of the listed company and/or equivalent position thereof, to the board of the listed company, which will make the final determination upon consideration of such recommendations.

The Committee has acted within the parameters set by its terms of reference.

The COO/Executive Director attends the Committee meetings by invitation. However, he does not participate in any discussion pertaining to his remuneration.

The remuneration packages linked to the individual performances are aligned with the Company's long-term strategy.

The Term "remuneration" shall make reference to cash and all non-cash benefits whatsoever received in consideration of employment with the listed company.

The aggregate remuneration paid to Executive and Non Executive Directors are disclosed in page 84. The members of the Remuneration Committee are disclosed in page 02.

INDEPENDENT DIRECTORS

Mr. Mayura Fernando and Mrs. Aruni Goonetilleke were appointed as independent directors with effect from 25th April 2024.

AUDIT COMMITTEE REPORT

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

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

Audit Committee shall comprise of a minimum of three (03) directors out of which a minimum of two (02) or a majority of the members whichever higher, shall be independent directors and not comprise of Executive Directors of the Listed Entity. An independent director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors.

Mr.Mayura Fernando appointed as the Chairman of the Audit Committee with effect from 25th April 2024 and now the Company's Audit Committee consists of two non-executive independent Directors and one Non-Executive non-Independent Director. The members of the Audit Committee are disclosed in page 02.

Meetings of Audit Committee

Four meetings were held during the year ended 31st March 2026. The Internal Auditors attended all of these meetings.

Internal Auditors

The internal audit function is outsourced to Messrs. Ernst & Young Consulting Services (Pvt) Ltd Sri Lanka. Internal Auditors directly submitted their findings to Audit Committee quarterly and their reports are made available to External Auditors.

External Auditors

The Audit committee reviews the independence and objectivity of the external auditors and conducts a formal review of effectiveness of the external audit process. The committee reviewed the non audit services and its impact on the independence of the external auditors. Messers KPMG appointed as the external auditors of the company with effect from 01.04.2022. The Audit Committee has recommended to the Board of Directors that Messers. KPMG to be continued as the auditors for the financial year ending 31st March 2027.

Audit Committee Performance

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

Conclusion

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

It was decided to name the Audit Committee as "Audit and Risk Committee" from the next financial year to oversee all Identified external internal Risk of the company of work defined for the Audit Committee in accordance with the amendments of the Listing Rules of the Colombo Stock Exchange.

CORPORATE GOVERNANCE

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

A Listed Company shall have a Related Party Transactions Review Committee on a mandatory basis with effect from 01st January 2016.The Rules relevant to RPT Review Committee are stated under 9.14 of the CSE Listing Rules.

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

According to the section 9.14.8 of the Listing Rules the Listed Entity has to disclose the Related Party Transactions in the Annual Report in the case of Non– recurrent Related Party Transactions, if aggregate value of the non-recurrent Related Party Transactions exceeds 10% of the Equity or 5% of the Total Assets, whichever is lower. In the case of Recurrent Related Party Transactions, if the aggregate value of the recurrent Related Party Transactions exceeds 10% of the gross revenue /income (or equivalent term in the Income Statement and in the Case of group entity consolidated revenue) as per the Latest Audited Financial Statements the Listed Entity must disclose the aggregate value of the Related party Transactions entered into with the same Related Party. The formats are given in the Listing Rules.

The company has not entered into any Non-recurrent Related Party Transactions during the Financial year 2025-26. All the Recurrent Related Party Transactions entered by the company are disclosed in page 14 in the Annual Report.

The Related Party Transactions Review Committee is a sub Committee of the Board and it shall comprise of a minimum of three (03) Directors, out of which two (02) members shall be independent directors of the listed entity. It may also include executive director, at the option of the Listed entity. An independent Director shall be appointed as the chairperson of the committee.

The Company's RPT Review Committee consists of two non-executive independent directors, one non-executive non independent director and one executive, non independent director in the relevant Financial Year. The members of the RPT Review Committee are disclosed in page 02.

Meeting of the RPT Review Committee

The RPT Review Committee shall meet at least once a calendar quarter. The RPT Review Committee of the company has held four meetings for the Financial year ended 31st March 2026.

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

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

NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

Listed Entities shall have a Nominations and Governance Committee that conforms to the requirements set out in Rule 9.11 of these Rules with effect from 01st October 2024.

Listed Entities shall establish and maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board through the Nominations and Governance Committee.

The Nominations and Governance Committee shall have a written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings.

COMPOSITION

1. The members of the Nominations and Governance Committee shall;
   (a) comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors of the Listed Entity.
   (b) not comprise of Executive Directors of the Listed Entity.
2. An Independent Director shall be appointed as the Chairperson of the Nominations and Governance Committee by the Board of Directors.
3. The Chairperson and the members of the Nominations and Governance Committee shall be identified in the Annual Report of the Listed Entity.

FUNCTIONS

The functions of the Nominations and Governance Committee shall include the following:

(i) Evaluate the appointment of Directors to the Board of Directors and Board Committees of the Listed Entity. However, a member of the Nominations and Governance Committee shall not participate in decisions relating to his/her own appointment.

(ii) Consider and recommend (or not recommend) the re-appointment/re-election of current Directors taking into account;
   - The combined knowledge, experience, performance and contribution made by the Director to meet the strategic demands of the Listed Entity and the discharge of the Board's overall responsibilities; and,
   - The number of directorships held by the Director in other listed and unlisted companies and other principal commitments.

(iii) Establish and maintain a formal and transparent procedure to evaluate, select and appoint/re-appoint Directors of the Listed Entity.

(iv) Establish and maintain a set of criteria for selection of Directors such as the academic/professional qualifications, skills, experience and key attributes required for eligibility, taking into consideration the nature of the business of the Entity and industry specific requirements.

(v) Establish and maintain a suitable process for the periodic evaluation of the performance of Board of Directors and the CEO of the Entity to ensure that their responsibilities are satisfactorily discharged.

(vi) Develop succession plan for Board of Directors and Key Management Personnel of the Listed Entity.

(vii) Review the structure, size and composition of the Board and Board Committees with regard to effective discharge of duties and responsibilities.

(viii) Review and recommend the overall corporate governance framework of the Listed Entity taking into account the Listing Rules of the Exchange, other applicable regulatory requirements and industry/international best practices.

(ix) Periodically review and update the corporate Governance Policies / Framework of the Entity in line with the regulatory and legal developments relating to same, as a best practice.

(x) Receive reports from the Management on compliance with the corporate governance framework of the Entity including the Entity's compliance with provisions of the SEC Act, Listing Rules of the Exchange and other applicable laws, together with any deviations/non-compliances and the rational for same.

The Members of the Nominations and Governance Committee of the Company are disclosed in Page 02.

They were appointed to the committee with effect from 25.04.2024

Sgd. Vijay Shah
Chairman

21st May 2026

MATERIAL *foreseeable Risk Factors*

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

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

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

Operational Risk

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

Credit Risk

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

Liquidity Risk

Liquidity refers to the ability of the Company to meet financial obligations as they become due without affecting the normal operation. During the year under review Company has successfully met its all financial obligations without affecting its day to day operation.

Interest Rate Risk

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

Legal Risk

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

Reputation Risk

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

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

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

DIRECTORS' *Responsibilities for the Preparation of Financial Statements*

The responsibilities of the Directors, in relation to the Financial Statements of PGP Glass Ceylon PLC are set out in this Statement. The Auditor's Report sets out the respective responsibilities of the Directors and the External Auditors relating to the Financial Statements and this statement provides additional information. The responsibilities of the Auditors, in relation to the Financial Statements, are set out in the Auditor's Report on pages 40-44 of the Annual Report. The external auditors M/s KPMG, appointed in accordance with the resolution passed at the last Annual General Meeting, were provided with every opportunity to undertake whatever inspections they consider appropriate to enable them to form their opinion on the financial statements.

The directors are required by relevant statutory provisions to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the company for that period. The Financial Statement for the year 2025/2026 prepared and presented in this Annual report have been prepared based on new Sri Lanka Accounting Standards (SLFRS) which came to effect from 01st January 2012, are in agreement with the underlying books of account and are in conformity with the requirements of the Sri Lanka Accounting Standards, Companies Act No. 7 of 2007, Sri Lanka Accounting and Auditing Standards Act No. 15 of 2000 and the New Listing Rules of the Colombo Stock Exchange. The responsibility of the Directors, in relation to the Financial Statements, is set out in the following statement.

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

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

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

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

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

The Directors further confirm that the company is compliance with the Listing Rules Pertaining to Related Party Translations as mentioned in section 9.3.2 of the New Listing Rules. The company has not entered into any Non-recurrent Related Party Transactions during the Financial year 2025-26. All the Recurrent Related Party Transactions entered by the company are disclosed in page 14 in the Annual Report.

The Policies of the Company establised as per the guidelines of the CSE Lising Rules are visible in the company webside. The relevant link is http://pgpglassceylon.com/company/investor-relalions/

The Directors and Cheif Operating Officer (COO) of the entity satisfy the Fit and Proper Assessment Criteria stipulated in the new Listing Rules of the Colombo Stock Exchange. The Directors of the Listed Entity meet the criteria for determining independence. The Corporate Governance requirements stipulated under the Listing Rules of the Colombo Stock Exchange have been met.

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

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

By order of the Board

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

21st May 2026

SLFRS Sustainability - Related Financial Disclosures

At PGP, every initiative is grounded in a strong foundation of governance and a commitment to transparency. Our sustainability disclosures highlight the risks, opportunities, and frameworks that shape how we operate, reflecting both the rigor of our oversight and the clarity of our vision. By sharing these insights, we demonstrate accountability to stakeholders and reinforce our dedication to responsible growth, resilience, and long-term value creation.

1. BASIS OF PREPARATION

1.1 Reporting Entity, Organisation Boundary and Value Chain

PGP Glass Ceylon PLC is incorporated under the Companies Act No. 07 of 2007 in Sri Lanka and engaged in the manufacture and sale of Glass Containers. PGP is a listed Company at the Colombo Stock Exchange, with a legacy spanning over 70 years. For purposes of clarity, any reference in this report to "we", "us", "our", "the Company", "the organization" or "PGP" shall be deemed to refer to PGP Glass Ceylon PLC.

Under its control, PGP manages the following key areas:

- Glass bottle manufacturing facility at Horana
- Sand processing Plant at Nattandiya
- Polythene manufacturing plant at Nattandiya
- Head Office at Ratmalana
- Sales and Marketing- Domestic and Exports
- Trading Sales

PGP Glass is the country's sole manufacturer of glass bottles exporting approximately 30% of its production and the balance to the domestic market of diverse customer base across the food, pharmaceutical, beverage, agrochemical, cosmetics, and liquor sectors. Operating within a high value-added industry, the Company sources its major raw materials from Sri Lanka and incorporates over 30% cullet (broken glass) into its production batches, reinforcing its commitment to sustainability, as glass is infinitely recyclable and environmentally friendly. PGP has its sand processing unit in Nattandiya and manufactures polythene film for captive use, while also operating a raw material crushing plant within its Horana factory premises to partially meet its requirements. In addition, the Company's advanced glass bottle decoration facility, equipped with five-colour printing technology, provides significant value-added capabilities, enhancing product differentiation and customer appeal.

1.2 Basis of Materiality

PGP integrates climate-related risks and opportunities directly into its own Risk Management Framework. The Company evaluates these risks using the same structured approach applied in its Company Risk Register, ensuring consistency and accountability across operations. This integration establishes a clear baseline for Climate-Related Risks and Opportunities (CRROs), enabling informed decision-making, regulatory compliance, and long-term resilience. By embedding climate considerations into its governance and risk processes, PGP strengthens its ability to anticipate challenges, safeguard operations, and maintain stakeholder confidence. For the assessment and quantification of CRROs, PGP applies financial impact thresholds aligned with the PGP's approved Risk Register and its associated risk matrix. This matrix evaluates relevant risks and their potential impacts, prior to the application of mitigating controls, ensuring a consistent and comprehensive approach. During the reporting period, PGP adopted the below given risk matrix.

	Likelihood					
		Rare	Unlikely	Possible	Likely	Almost Certain
Impact	Catastrophic	5	10	15	20	25
	Major	4	8	12	16	20
	Moderate	3	6	9	12	15
	Minor	2	4	6	8	10
	Insignificant	1	2	3	4	5

Matrix		
Low	Zone 1	≤ 10
Medium	Zone 2	≥ 12 and ≤ 20
Critical	Zone 3	> 20

1.3 Financial Materiality (Inward)

The financial materiality thresholds have been defined in line with the PGP Company Risk Register. Further explanations on materiality thresholds are given in the "Climate Related Risk Evaluation Methodology".

For the assessment and quantification of CRROs, PGP applies financial impact thresholds aligned with PGP's risk register and its associated risk matrix. This matrix evaluates all relevant risks and their potential impacts on an inherent basis i.e. prior to the application of mitigating controls, providing a clear and consistent view of the natural level of risk to the business in the absence of any direct or targeted management actions.

1.4 Functional Currency

Sri Lankan Rupees

1.5 Sources of Guidance

- SLFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information
- SLFRS S2 - Climate Related Disclosures
- Containers & packaging Sustainability Accounting Standard (SASB) Version 2023-12

1.6 Reporting Period

1. April 2025 to 31 March 2026

1.7 Time Horizon

We have modelled 3 climate-related risks and 1 opportunity. For each, the level of likelihood and impact has been analyzed across 3-time frames being:

- Short-term (less than 3 years) - S
- Medium-term (3 to 5 years) - M
- Long-term (5+ years) - L

1.8 Transitional Relief

- SLFRS S1 - Disclosure of information on only CRROs: In the first annual reporting period in which an entity applies this Standard, the entity is permitted to disclose information on only CRROs (in accordance with SLFRS S2) and consequently apply the requirements in this standard only in so far as they relate to the disclosure of information on CRROs.
- SLFRS S1 - Disclosure of comparative information: In the 1st annual reporting period in which the entity applies his standard, it is not required to disclose comparative information about its CRROs; and in the 2nd Annual Reporting period in which the entity applies this standard, it is not required to disclose comparative information about its Sustainability-Related Risks and Opportunities (SRROs), other than its CRROs.
- SLFRS S2 - Disclosure of Scope 3 Greenhouse Gas (GHG) emissions: Entities must initially report only Scope 1 and Scope 2 GHG emissions. Full compliance with Scope 3 GHG emissions becomes mandatory 2 years after the initial application date.
- SLFRS S2 - Disclosure of qualitative information regarding anticipated financial effects of CRROs: Entities are permitted to defer the disclosure

1.9 Significant Judgements, Uncertainties and Proportionality

The preparation of sustainability-related financial disclosures requires management to apply assumptions, judgements and estimates in determining material information.

Key areas requiring judgement included:

- Determination of financially material sustainability-related and climate-related risks;
- Selection of relevant climate-related assumptions
- Assessment of value-chain impacts;
- Identification of relevant risk horizons and
- Assessment of potential financial effects.

Measurement uncertainty remains inherent in sustainability-related and climate-related reporting due to evolving methodologies, data limitations and uncertainty regarding future climate conditions, regulatory developments and market responses

- Future impact projections are subject to change in response to evolving external factors, such as local regulations and climate conditions.

1.10 Statement of Compliance

This report represents CRROs for PGP for the year ended 31 March 2026.

The sustainability-related disclosures have been prepared in accordance with SLFRS Sustainability Disclosure Standards S1 & S2 as issued by the Institute of Chartered Accountants of Sri Lanka.

2. GOVERNANCE

This section outlines the governance structures, oversight mechanisms and responsibilities of the Board, its Committees and management in guiding the Company's sustainability agenda, safeguarding the integrity of Environmental, Social and Governance (ESG) information and ensuring compliance with evolving regulatory and reporting requirements.

In the first instance, risks assessed as low are overseen and managed by the respective Heads of Departments (HODs), with updates provided to ESG Steering Committee, headed by the Chief Executive Officer and represented by the Senior Management team on a quarterly basis. Medium-level risks are investigated and addressed by ESG Steering Committee in collaboration with HODs to ensure effective resolution. All critical risks across the Organization are reviewed and overseen directly by ESG Steering Committee, with quarterly updates submitted to the Audit and Risk Committee for governance and accountability.

These responsibilities are overseen by the Audit and Risk Committee, which comprises two Independent Non-Executive Directors and one Non-Executive Non-Independent Director. The Committee's mandate includes oversight of business risk identification and management, monitoring the Company's sustainability strategy, ensuring compliance with SLFRS Sustainability Disclosure Standards, and reviewing the effectiveness of internal controls. In addition, the Committee ensures adherence to Company policies and evaluates the reliability of management information, thereby strengthening governance and accountability across the organization.

The Board also has an oversight role regarding risk management Standards. While the Board of Directors retains ultimate accountability, the Audit and Risk Committee provides strategic direction and ensures CRROs are integrated into decision-making processes, including overseeing the development of the sustainability strategy, monitoring CRROs, guiding sustainability initiatives and ensuring adherence to reporting and regulatory requirements.

2.1 Skills and Competencies

The Senior Management of the Company has participated in a workshop on SLFRS Sustainability Disclosure Standards conducted by an external sustainability consultant. This training enhanced their understanding of sustainability-related matters and strengthened their ability to integrate these considerations into decision-making.

The Board is periodically apprised of regulatory and legal developments impacting sustainability and provides guidance on best practices to ensure alignment with governance expectations. Members of the Board are regularly updated on sustainability matters, enabling them to identify areas for improvement and reinforce compliance with SLFRS Sustainability Disclosure Standards.

The Board of Directors includes an Independent Non-Executive Director, Ms. Aruni Goonetilleke, an Attorney-at-Law with a professional background relevant to sustainability oversight. Ms. Aruni brings significant expertise in risk management, having served as Chief Risk Officer at Standard Chartered Bank, and is a founding member of the Association of Banking Risk Professionals of Sri Lanka. In addition, both Independent Directors, who serve on the Audit and Risk Committee, currently hold positions on the Boards of other public listed companies, contributing extensive experience in corporate governance, risk management, and regulatory compliance.

To further strengthen governance capacity, the Company plans to provide ongoing training to the Board of Directors as and when required, ensuring they remain fully equipped to discharge their responsibilities in overseeing sustainability and climate-related compliance.

2.2 Management Role

ESG Steering Committee, headed by the Chief Executive Officer and represented by the Senior Management team, is authorized by the Board to review all matters related to risks and opportunities within the organization and to report their findings to the Audit and Risk Committee. The Audit and Risk Committee holds responsibility for overseeing the execution of the Company's sustainability strategy and supporting sustainability reporting during quarterly reviews. In addition, the Committee conducts quarterly compliance reviews on sustainability matters and provides updates to the Board of Directors.

The Audit and Risk Committee's key responsibilities are;

1. Integrating sustainability-related and climate-related considerations into strategic planning;
2. Reviewing material sustainability-related and climate-related risks;
3. Monitoring mitigation initiatives and disclosure readiness;
4. Reviewing sustainability-related performance and reporting;
5. Evaluating sustainability-related implications of investments and operational decisions and
6. Overseeing alignment with governance expectations and stakeholder considerations.

The Audit and Risk Committee receives updates from the ESG Steering Committee quarterly.

The Audit and Risk Committee is supported in the discharge of these duties by an ESG Steering Committee.

3. STRATEGY

PGP is committed to reducing the environmental impact of its operations and addressing climate-related challenges. Recognising climate change, PGP has adopted a structured approach to identify, assess, prioritise and manage CRROs in alignment with Sri Lanka Sustainability Disclosure Standards SLFRS S1 and S2.

Our climate strategy focuses on mitigating potential adverse impacts on PGP's operations and key actions include:

- Risk and Opportunity Identification: CRROs have been systematically assessed based on materiality, considering the impact.
- Strategic Alignment: All initiatives intend to align with PGP Group's global sustainability priorities, ensuring consistency and scalability.
- Resource Allocation: Financial and human resources have been deployed within and beyond the organisation to implement targeted action plans effectively.
- Impact Management: Controls and measures have been defined to address physical climate risks, safeguarding operational continuity and stakeholder value.

CRRO 1- Addressing climate-related compliances

CRROs Impact on Prospects	Description	PGP operates in domestic and international markets and must comply with changing climate-related regulations in each jurisdiction. Non-compliance could lead to legal, financial, operational and reputational consequences.
	Physical risk or transitional risk	Transitional Risk
	Time horizon	S M
	Define time horizon	Refer section 1.7 - Time Horizon
Business Model and Value chain	Current effects on business model and value chain	Compliance with evolving climate and environmental regulations adds complexity and increases operational costs. Industry-specific requirements, such as restrictions on certain components, pose challenges where viable alternatives are not yet available, potentially affecting product quality and continuity. Mining regulations remain misaligned with industrial demand, creating supply chain pressures. In addition, customer-specific regulations across jurisdictions, including the EU and USA, require strict adherence, further influencing operational flexibility and cost structures.
	Anticipated effects on business model and value chain	Environmental policies such as carbon taxation, packaging regulations on usage of polythene, and limits on mineral extraction are expected to raise compliance costs and require significant operational changes. These measures may disrupt material sourcing, supply chains, and packaging practices, reshaping the Organization's business model and value chain through higher investments and procurement pressures.
	Where are the impacts concentrated?	The impacts span critical areas of the Organization's operations. Noncompliance with evolving regulations risks major business disruption, affecting financial performance and cash flow, while also contributing negative investor sentiment and share value volatility. Operational delays in meeting customer demand compound these risks by undermining reliability and efficiency. Reputational exposure remains high, as stakeholders increasingly expect consistent delivery alongside strict environmental and regulatory compliance.
Strategy and Decision Making	Plans to respond to strategy, risk management, transition plans and climate-related targets	**Direct:** The Organization mitigates climate-related compliance risks by aligning operations with international frameworks such as the Paris Agreement and Kigali Implementation Plan. Strategies focus on reducing greenhouse gas emissions through energy efficiency, renewable energy adoption, and sustainable logistics and waste management, embedding sustainability into core operations to strengthen resilience and ensure long-term compliance. **Indirect:** PGP reinforces compliance across its value chain through collaboration with government bodies and industry associations on regulatory projects, surveys, and awareness programs. Supplier compliance is closely monitored, particularly in mining and raw material procurement. Energy audits, cleaner production, cullet recycling, and reduced fossil fuel use are encouraged to enhance resource efficiency.

	How the Company is resourcing and plans to resource activities	PGP is channeling resources into both immediate and long-term sustainability initiatives. Investments are being made in renewable energy projects, energy reduction programs, and capacity-building efforts to strengthen operational resilience. The adoption of internationally recognized management systems, including ISO 14001, ISO 46001, and ISO 50001, further supports structured compliance and continuous improvement. PGP is actively pursuing collaborative efforts with government institutions, industry associations, and external partners including Suppliers to ensure regulatory alignment and build organizational capacity. By combining internal investments with external partnerships, it strategically deploys resources to meet evolving climate requirements, supporting compliance, operational continuity, stakeholder confidence, and long-term sustainability.
	Progress (qualitative and quantitative)	PGP has strengthened its climate-related compliance through both operational improvements and external recognition. A multi-year energy analysis, monitoring of energy usage under responsible designated area owners and tracking of daily intensity figures are implemented and is fully aligned with the ISO 50001 energy management system. Climate-related compliance is strictly monitored through the ISO 14001 framework, with objectives regularly reviewed to maintain adherence to evolving regulations. PGP have been recognized with a Silver Award at the Presidential Environmental Awards and a Gold Award from NCPC, for its leadership in sustainability. In addition, the Company has attained a CDP "A" grade in Climate Change and Water Security, reflecting strong performance in global disclosure and risk management standards. Capacity-building programs have been implemented through training, awareness sessions, and staff certifications, strengthening the compliance culture across the organization.
Financial Effects	Current year financial effects to Profit and Loss Statement, Balance Sheet and Cash Flow	Immaterial impact on current financial year ended 31 March 2026
	Significant risk of material adjustments to carrying value of assets and liabilities in the next financial year	As this has a minor impact there is no material impact to the assets and liabilities.
	Anticipated financial effect over short, medium and long term to Profit and Loss Statement, Balance Sheet and Cash Flow	Anticipated financials effect disclosure has not been performed in 2025/2026 financial year considering the transitional relief given as per SLFRS S1 & S2 standards. Refer to the transitional relief section 1.8 of this report.
Climate Resilience	Resilience assessment	Resilience assessment has not performed in 2025/2026 financial year considering the transitional relief given as per SLFRS S1 & S2 standards. Refer to the transitional relief section 1.8 of this report.
		Scenario analysis has not been performed in 2025/2026 financial year considering the transitional relief given as per SLFRS S1 & S2 standards. Refer to the transitional relief section 1.8 of this report.
Judgements and Uncertainties	Judgements	Refer the judgment and uncertainties section 1.9 of this report
	Uncertainties	Refer the judgment and uncertainties section 1.9 of this report

CRRO 2 – Extreme Weather events

CRROs Impact on Prospects	Description	Floods, rising temperatures, and other extreme weather conditions may pose risks to PGP operations disrupting in areas of supply chains, logistics, and electricity supply, leading to increased operational costs and reduced efficiency. Shifting of weather patterns influences customer preferences and consumption behavior, creating seasonal variations in demand. This adds complexity to demand forecasting and production planning, requiring the Organization to adapt its operations to maintain resilience and ensure continuity.
	Physical risk or transitional risk	Physical Risk
	Time horizon	S M L
	Define time horizon	Refer section 1.7 - Time Horizon
Business Model and Value chain	Current effects on business model and value chain	Extreme weather events are causing disruptions in glass bottle manufacturing, affecting transportation, energy supply, and storage of raw materials and finished goods. Supply chain interruptions create production bottlenecks, while unpredictable customer demand complicates inventory forecasting and production planning.
	Anticipated effects on business model and value chain	Downtime to machinery caused by supply chain disruptions can halt production schedules, creating cascading delays across procurement, manufacturing, and distribution. High humidity levels further impact the situation by damaging bottles stored in inventory, leading to defects that require extensive rework. This not only drives up costs but also undermines the ability to meet customer delivery timelines. The resulting delays and quality issues can erode customer relations, weaken credibility, and diminish the reliability of the business in the market. Over time, these pressures may threaten long-term sustainability and financial stability of the Organisation.
	Where are the impacts concentrated?	Extreme weather risks affect multiple areas of glass bottle manufacturing. Production impacted due to downtime of machinery from supply chain interruptions, logistics delays hinder timely delivery, and cash flow is strained by sales impacts. Beyond financial pressure, failure to meet customer needs threatens long-term market reliability.
Strategy and Decision Making	Plans to respond to strategy, risk management, transition plans and climate-related targets	**Direct** PGP's direct strategies align with broader plans to respond to risk management, transition plans, and climate-related aspects. Addressing supply chain disruptions and utility disturbances ensures operational continuity, development of a Business Continuity Plan (BCP) and provision of a structured action plan for all high-risk areas. Expanding existing raw material (RM) storage capacities adds a buffer against volatility, safeguarding production schedules and delivery commitments. These measures mitigate immediate risks while supporting long-term climate-resilient transition plans. By embedding them into risk management frameworks, the company strengthens credibility, enhances customer trust, and ensures sustainability. **Indirect** PGP's indirect strategies include partial mitigation of risks through insurance policy coverage, providing protection against unforeseen operational halts, ensuring stability in the face of climate-driven disruptions. Parallelly, collaborating with suppliers to maintain adequate storage capacities for PGP ensures continuity of raw material availability during emergencies thus reducing vulnerability across the supply chain. These indirect measures complement direct strategies by safeguarding financial health, reinforcing supplier partnerships, and embedding climate resilience into the company's transition plans. Together, they support long-term sustainability goals, enhance credibility, and align with climate-related aspects focused on risk preparedness, operational adaptability, and value chain resilience.
	How the Company is resourcing and plans to resource activities	Decentralization of raw material procurement locations broadening the partnerships on RM procurement from varied areas, supported by technical analysis of material type, quality, and corrective measures, ensures supply continuity. Investment in infrastructure to increase raw material holding capacities, Climate-resilient infrastructure and finished goods warehousing. The Company has invested heavily in a ready-to-use full-generator backup system, multiple supplier fuel storage system and dual fired system on its furnace to mitigate any risk that could arise through non-availability of energy. Collectively, the above measures demonstrate the Company's alignment in resourcing and planning its activities to mitigate climate risks whilst protecting financial stability and aligning with long-term sustainability and climate-related aspects.

	Progress (qualitative and quantitative)	Generators have been upgraded to fully meet electricity needs, ensuring uninterrupted production during utility disturbances. The furnace has been configured as dual-fired, providing flexibility to operate on either LPG or furnace oil depending on availability. A raw material crushing plant has been installed within the factory to reduce reliance on external suppliers and mitigate supply chain risks. Adequate warehouse capacity for finished goods is maintained to ensure uninterrupted customer deliveries. Adequate spare parts are maintained to handle unforeseen machine breakdowns. Collectively, these qualitative and quantitative advancements highlight the Company's proactive progress in mitigating climate-related risks, safeguarding operational continuity, and reinforcing long-term sustainability.
Financial Effects	Current year financial effects to Profit and Loss Statement, Balance Sheet and Cash Flow	The impact on inventory stored at external locations during the Ditwah floods was fully mitigated through comprehensive insurance coverage.
	Significant risk of material adjustments to carrying value of assets and liabilities in the next financial year	There is no material impact to the assets and liabilities.
Climate Resilience	Resilience assessment	Resilience assessment has not performed in 2025/2026 financial year considering the transitional relief given as per SLFRS S1 & S2 standards. Refer to the transitional relief section 1.8 of this report.
		Scenario analysis has not been performed in 2025/2026 financial year considering the transitional relief given as per SLFRS S1 & S2 standards. Refer to the transitional relief section 1.8 of this report.
Judgements and Uncertainties	Judgements	Refer the judgment and uncertainties section 1.9 of this report
	Uncertainties	Refer the judgment and uncertainties section 1.9 of this report

CRRO 3 – Weathering effect due to high humidity

CRROs Impact on Prospects	Description	High humidity, influenced by changing climate patterns, increases the risk of weathering surface defects in glass bottles that appears as haziness or scum. This climate-related risk affects product appearance and quality, potentially leading to customer dissatisfaction, higher rejection rates, and additional quality control costs.
	Physical risk or transitional risk	Physical Risk
	Time horizon	S M L
	Define time horizon	Refer section 1.7 - Time Horizon
Business Model and Value chain	Current effects on business model and value chain	The risk of Weathering effect due to high humidity, is evident on the current impacts of the business model and value chain. Elevated humidity levels cause surface defects on bottles, leading to increased rework driven by customer complaints and quality rejections.
	Anticipated effects on business model and value chain	The disruption of timely delivery to customers results in long-term customer confidence and business growth.
	Where are the impacts concentrated?	Impacts are evident across key operational and commercial functions including Finished Goods Stores, logistics and quality assurance mainly in the form of rework incurring additional packing material and employee cost. The customer is impacted as rework necessitates additional time thus impacting the required timelines. This would result in timely adherence to value chain relationships, ultimately challenging the sustainability of the business model.

Strategy and Decision Making	Plans to respond to strategy, risk management, transition plans and climate-related targets	**Direct** PGP has adopted a direct strategy and decision-making approach centered on implementing operational control. By strengthening oversight across production, storage, and quality assurance processes, management ensures that defects are identified early and corrective measures are applied promptly. This operational control framework minimizes rework, reduces overhead costs, and enhances efficiency across the value chain. It also reinforces accountability within teams, ensuring that preventive actions are consistently executed to mitigate the impact of humidity-related defects. Collectively, these direct strategies demonstrate the Company's commitment to proactive decision-making, safeguarding product quality, customer satisfaction, and long-term business sustainability.
	How the Company is resourcing and plans to resource activities	The Company is strategically investing and allocating resources to reduce rework and reinforce operational resilience. Investments are being made in applying surface coatings to enhance product durability and longevity. Additionally, resources have been directed toward improving packing methods, safeguarding finished goods during storage and distribution. Collectively, these initiatives mitigate immediate risks of weathering and sustainability across the business model and value chain.
	Progress (qualitative and quantitative)	The Company has demonstrated clear qualitative and quantitative progress in mitigating defects and strengthening resilience. Production processes have been reinforced with strict FIFO practices for reducing prolonged storage risks. Agreements are being executed with customers to define acceptable holding times to minimize exposure to humidity-related quality concerns. Focused targeted trials are underway to identify the root cause of weathering concerns, enabling data-driven corrective actions. Collectively, these initiatives reflect measurable progress in operational control, customer collaboration, and technical innovation, directly addressing the challenges posed by weathering concerns and supporting long-term sustainability across the value chain.
Financial Effects	Current year financial effects to Profit and Loss Statement, Balance Sheet and Cash Flow	Immaterial impact on current financial year ended 31 March 2026
	Significant risk of material adjustments to carrying value of assets and liabilities in the next financial year	Immaterial impact on current financial year ended 31 March 2026
	Anticipated financial effect over short, medium and long term to Profit and Loss Statement, Balance Sheet and Cash Flow	Anticipated financials have not been performed in 2025/2026 financial year considering the transitional relief given as per SLFRS S1 & S2 standards. Refer to the transitional relief section 1.8 of the report.
Climate Resilience	Resilience assessment	Resilience assessment has not been performed in 2025/2026 financial year considering the transitional relief given as per SLFRS S1 & S2 standards. Refer to the transitional relief section 1.8 of this report.
		Scenario analysis has not been performed in 2025/2026 financial year considering the transitional relief given as per SLFRS S1 & S2 standards. Refer to the transitional relief section 1.8 of this report.
Judgements and Uncertainties	Judgements	Refer the judgment and uncertainties section 1.9 of this report
	Uncertainties	Refer the judgment and uncertainties section 1.9 of this report

CRRO 4 – Expanding Renewable Energy

CRROs Impact on Prospects	Description	The glass bottle manufacturing process is energy-intensive, presenting a clear climate-related opportunity to expand renewable energy adoption. By investing in solar power infrastructure, the Company can significantly lower energy costs while reducing greenhouse gas emissions.
	Physical risk or transitional risk	N/A – Opportunity
	Time horizon	S M L
	Define time horizon	Refer section 1.7 - Time Horizon
Business Model and Value chain	Current effects on business model and value chain	Solar self-consumption has reduced energy costs, lowered reliance on conventional electricity and reduced GHG emissions. It also supports asset value and long-term competitiveness. Collectively, these current outcomes demonstrate how resourcing renewable energy initiatives deliver both economic and environmental benefits across the value chain.
	Anticipated effects on business model and value chain	By reducing reliance on non-renewable energy sources, the Company expects to lower operational costs and stabilize long-term energy expenses. This transition not only enhances economic efficiency but also strengthens resilience against volatile fossil fuel markets. The resulting cost savings and improved sustainability performance contribute to long term economic stability aligning with climate related aspects and stakeholder expectations.
	Where is it (the effect of opportunity) concentrated?	Adopting renewable energy lowers energy intensity, reduces the carbon footprint, and reduces operational costs. It strengthens compliance with climate transition strategies, enhances and reinforces trust and credibility with regulators. Reduced reliance on non-renewable energy strengthens resilience, stability, and alignment with sustainability goals across the supply chain. Collectively, renewable energy integration delivers immediate and long-term value across the business model and value chain.
Strategy and Decision Making	Plans to respond to strategy, risk management, transition plans and climate-related targets	**Direct** Under the climate-related opportunity of expanding renewable energy, the Company has outlined clear plans to respond through direct strategy, and climate-related aspects. At both current and anticipated stages, the strategy focuses on increasing CO_2 savings, achieved through the shift from non-renewable energy to renewable energy. This initiative delivers measurable GHG emission reductions, directly lowering the Company's carbon footprint, while simultaneously generating energy cost savings by reducing dependence on fossil fuels. By embedding renewable energy into core operations, the Company strengthens resilience against energy price volatility, supports long-term economic stability, and aligns with global climate related aspects.
	How the Company is resourcing and plans to resource activities	PGP is actively investing and allocating resources to strengthen its energy transition. Significant capital has already been invested in the installation of solar panels across the Horana manufacturing facility and Ratmalana head office, with a total capacity of 3.61 MW. The management is continuously evaluating opportunities to invest in renewable energy such as solar, biogas, and wind within and outside the operation at its plants in Horana and Nattandiya. Collectively, these investments and allocations demonstrate a structured resourcing strategy that integrates renewable energy into core operations, delivering cost savings, emission reductions, and long-term sustainability benefits across the business model and value chain.
	Progress (qualitative and quantitative)	All possible roofs at the Horana manufacturing facility and Ratmalana head office have been fully covered with rooftop solar installations, delivering a total capacity of 3.61 MWp. The PGP group has initiated the investments in a wind–solar hybrid plant, further diversifying the renewable energy portfolio.
Financial Effects	Current year financial effects to Profit and Loss Statement, Balance Sheet and Cash Flow	Immaterial impact on current financial year ended 31 March 2026
	Significant risk of material adjustments to carrying value of assets and liabilities in the next financial year	Immaterial impact on current financial year ended 31 March 2026

	Anticipated financial effect over short, medium and long term to Profit and Loss Statement, Balance Sheet and Cash Flow	Anticipated financials have not been performed in 2025/2026 financial year considering the transitional relief given as per SLFRS S1 & S2 standards. Refer to the transitional relief section 1.8 of the report.
Climate Resilience	Resilience assessment	Resilience assessment has not been performed in 2025/2026 financial year considering the transitional relief given as per SLFRS S1 & S2 standards. Refer to the transitional relief section 1.8 of this report.
		Scenario analysis has not been performed in 2025/2026 financial year considering the transitional relief given as per SLFRS S1 & S2 standards. Refer to the transitional relief section 1.8 of this report.
Judgements and Uncertainties	Judgements	Refer the judgment and uncertainties section 1.9 of this report
	Uncertainties	Refer the judgment and uncertainties section 1.9 of this report

4. RISK MANAGEMENT

4.1 Enterprise Risk Management Framework

The Company maintains an integrated Enterprise Risk Management Framework ("ERMF") to support, identification, assessment, prioritisation, management and monitoring of climate-related risks and opportunities. Climate-related matters are integrated into broader enterprise risk management processes and are assessed alongside operational, financial, strategic and compliance-related risks.

4.2 Risk Identification and Assessment

The Company conducted structured assessments across its value chain to identify Climate-related risks and dependencies.

The assessment considered:

- Operational activities;
- Supply Chain dependencies;
- Warehousing and logistics activities;
- Workforce-related considerations;
- Regulatory developments;
- Stakeholder expectations;
- Climate-related operational exposures

4.3 Inputs and Parameters

Sustainability and Climate Related Risk identification and assessment processes incorporate:

- Financial and operational information;
- Enterprise risk registers;
- Operational assessments;
- Regulatory developments;
- Industry and market trends;
- Stakeholder feedback and
- Operational performance indicators

4.4 Climate Related Risk Evaluation Methodology

The Company applies a structured qualitative risk assessment methodology to assess:

- Nature of risk
- Likelihood of occurrence
- Magnitude of impact and

The assessment considers:

- Operational impacts;
- Financial impacts;
- Environmental considerations;
- Regulatory exposures;
- Reputational impacts and
- Strategic implications

4.5 Monitoring and Oversight

Material **Climate** related risks are monitored through:

- ESG Steering committee comprising Senior Management;
- Enterprise risk reporting processes;
- Sustainability governance structures;
- Internal controls and monitoring activities and
- Escalation procedure: ESG Steering Committee provides quarterly updates to the Audit and Risk Committee, which consolidates and escalates material matters to the Board of Directors where appropriate.

4.6 Climate-Related Scenario Analysis

The Company does not currently utilise formal climate-related scenario analysis methodologies within its risk management processes. Management continues to evaluate potential incorporation of scenario analysis methodologies to strengthen future climate-related risk assessment capabilities.

4.7 Prioritisation of Climate-Related Risks

Climate-related risks are prioritised within the enterprise risk management framework based on their potential impact on operational continuity, safety, compliance, financial performance and reputation. Catastrophic physical risks are prioritised alongside operational and sourcing risks due to their potential to disrupt logistics, supplier performance and operations.

Workforce-related climate risks are managed as people-related operational risks due to their effect on talent availability, capability development and service quality.

Risks identified through value-chain mapping were

prioritised based on likelihood, impact and the Company's ability to manage or mitigate exposure. Impact assessments considered implications for financial performance, cash flows, operational resilience and long-term sustainability across short-, medium- and long-term horizons. Material climate-related risks are incorporated into quarterly Audit and Risk Committee reporting and monitored alongside operational, financial, strategic and compliance-related risks.

4.8 Changes in Processes

The Company has retained the core processes used to identify, assess, prioritise and manage climate-related risks and opportunities during the reporting period. The existing ERM framework continues to underpin risk assessment activities across the Company. However, several enhancements were introduced to strengthen governance, integration and alignment with evolving sustainability and climate disclosure requirements.

These include:

- Enhanced governance oversight through the Board, Board Audit and Risk Committee and ESG Steering

5. METRICS AND TARGETS

Climate Related Matrix

A. Greenhouse Gas Emissions (GHG)

Basis of Determination of Organizational Boundary and Operational Boundary

The Company determines its organizational boundary for greenhouse gas (GHG) emissions based on the entities included within its operational boundary. The operational boundary includes Scope 1 and Scope 2 emissions, representing direct emissions from owned or controlled sources and indirect emissions from purchased electricity.

GHG emissions are measured using the GHG Protocol, applying internationally recognised emission factors, including those from the IPCC guidelines.

Emissions are monitored and reported as part of the Company's sustainability performance framework.

Methodology used for the measurement and disclosure of GHG Emissions

The Company measures and reports its greenhouse gas (GHG) emissions in accordance with the GHG Protocol (Corporate Accounting and Reporting Standard). Emissions are calculated using activity data (such as fuel consumption and electricity usage) combined with internationally recognised emission factors, including those published by the Intergovernmental Panel on Climate Change (IPCC) and other relevant sources. Scope 1 emissions are calculated based on direct fuel consumption from owned or controlled operations, while Scope 2 emissions are measured using a location-based and market-based approach for purchased electricity. The Company's emissions are reported in metric tons of carbon dioxide (tCO2), and performance is monitored through established sustainability Key Performance Indicators (KPIs) and internal reporting systems to ensure consistency, accuracy and completeness of disclosures.

Scope 1 and Scope 2 GHG Emissions

		FY26
Scope 1 Emissions	tCO_2	33968.7
Scope 2 Emissions (Market Based)	tCO_2	12750.8
Scope 2 Emissions (Location Based)	tCO_2	13893.3
Total Emissions (Scope 1 +2)	tCO_2	46719.6
Emissions Avoided through RE & CE	tCO_2	1142.4

Scope 3 GHG Emissions

Refer Section 1.8 for transitional relief.

B. Climate related transition risk

In line with SLFRS S1 and SLFRS S2 requirements regarding the disclosure of material sustainability-related financial information, the Company has determined that there was no material financial impact on the Company from this risk and therefore not disclosed in the FY 2025/2026 Annual Report.

C. Climate related physical risk

In line with SLFRS S1 and SLFRS S2 requirements regarding the disclosure of material sustainability-related financial information, the Company has determined that there was no material financial impact on the Company from this risk and therefore not disclosed in the FY 2025/2026 Annual Report.

D. Climate-related opportunities

In line with SLFRS S1 and SLFRS S2 requirements regarding the disclosure of material sustainability-related financial information, the Company has obtained revenue of Rs. 44.3 Mn from Solar power generation.

E. Capital deployment

In line with SLFRS S1 and SLFRS S2 requirements regarding the disclosure of material sustainability-related financial information, the Company has determined that there was no material financial impact on the Company from CRROs and therefore not disclosed in the FY 2025/2026 Annual Report.

F. Internal Carbon prices

The Company does not currently apply an internal carbon price in its investment decision-making processes.

G. Remuneration

The Company has incorporated sustainability-related performance metrics into executive remuneration frameworks.

FY2025/2026 – Climate-related metrics

Metric Category	Greenhouse Gas Emissions	Greenhouse Gas Emissions	Energy Intensity	Renewable Energy Use	Water Use
Metric	Scope 1 GHG emissions	Scope 2 GHG emissions (location-based)	Energy per tonne of glass produced	Solar electricity generation	Water withdrawal
Unit	tCO_2	tCO_2	GJ/tonne	MWh	m^3
	33968.7	13893.3	7.4	2813.8	56235
Methodology	Activity data × emission factors	Electricity consumption × grid factor	Energy / production output	Renewable electricity	Water use / production output
Emission/ Calculation Basis	IPCC / DEFRA emission factors/SL grid emission factor	SL Energy Balance-grid emission factor	Internal Data Tracking	Internal Data Tracking	Internal Data Tracking
Reporting Boundary	Operational control	Operational control	Manufacturing plant	Manufacturing Plant+HeadOffice	Manufacturing plant

FY2025/2026 -Climate-related targets

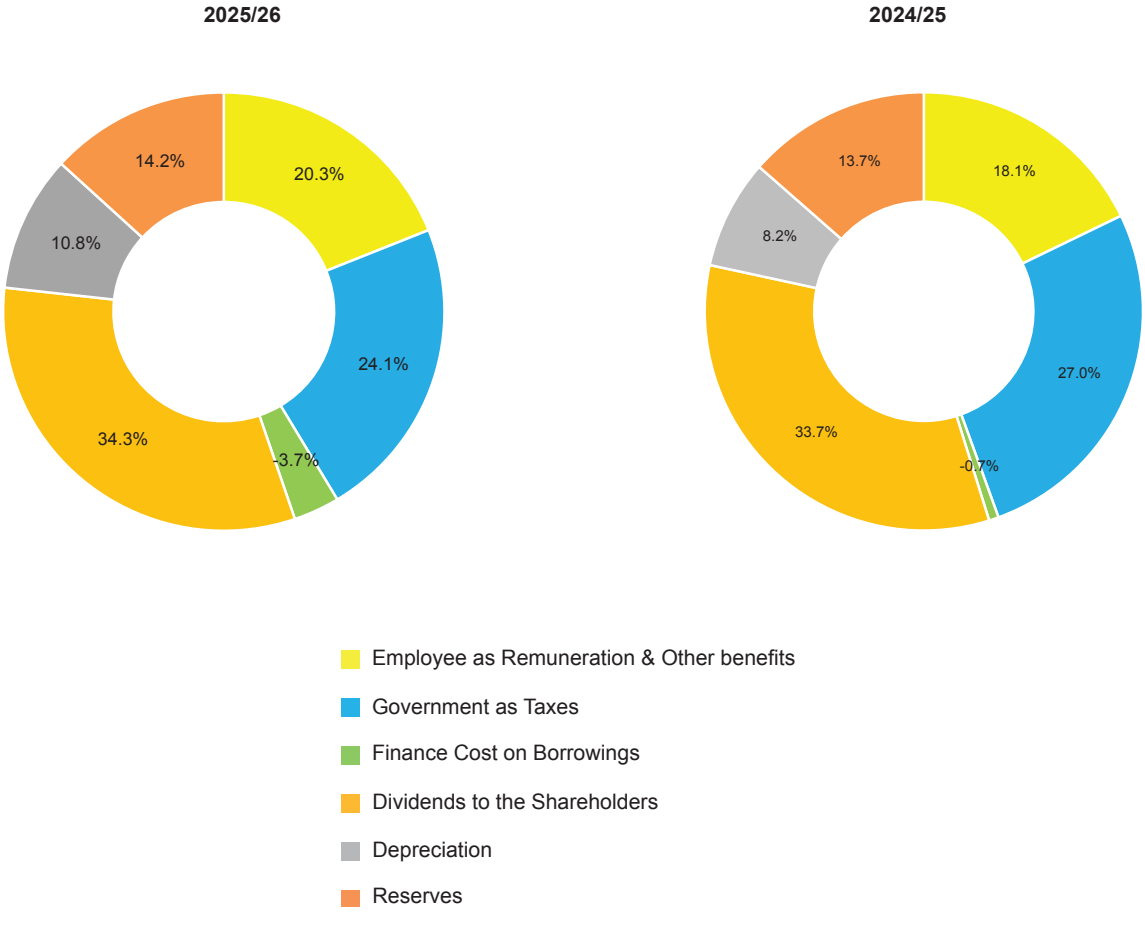
Target Area	GHG Emissions Reduction	Water Efficiency
Target Description	PGP Glass Private Limited commits to reduce absolute scope 1 and 2 GHG emissions 50.4% by FY2032 from a FY2023 base year	To reduce water Consumption by 20% by FY 2025/2026 compared to baseline FY 2022-23 in 3 Years.
Type (Absolute / Intensity)	Absolute	Absolute
Baseline Year	FY 23	FY 23

Target Value	50.4% reduction	20% reduction
Unit	tCO2	m3
Baseline Value	72395	73195
FY26	46720	56235
Key Actions	The disclosed GHG emissions reduction target relates to the PGP Group's SBTi-aligned target. PGP Glass Ceylon PLC, continuously monitors and reports its own GHG emissions performance (figures reported here) to support the achievement of the Group target. Drive emissions reductions through energy efficiency initiatives, renewable energy integration, and implementation of the ISO 50001 Energy Management System, enabling systematic monitoring and optimization of Significant Energy Uses (SEUs).	Strengthen water stewardship through implementation of the ISO 46001 Water Efficiency Management System, ensuring systematic monitoring and continual improvement of water performance. Reduce water consumption through rainwater harvesting, enhanced water measurement and monitoring systems, employee awareness programmes, and deployment of water-efficient technologies and equipment.
Progress	Achieved 8.3% renewable energy usage, progressing towards emission reduction target, supported by investments in rooftop solar and energy efficiency initiative	Achieved – The long-term target established in FY2022/2023 for achievement by FY2025/2026 was successfully met, with a 20% reduction achieved against the FY2022/2023 baseline.

Requirement	Disclosure
Changes to targets during the reporting period	No changes were made to climate-related targets during FY 2025/2026.
Changes to methodology or assumptions	No material changes to methodologies or assumptions were made during the reporting period.
Governance oversight	Progress against climate-related targets is reviewed periodically by management and reported to the Board Audit and Risk Committee.

STATEMENT *of Value Added*

	2026 Rs Mn	%	2025 Rs Mn	%
Gross Revenue	21,906		21,847	
Less : Cost of Material/ Service Provided	(13,649)		(13,220)	
Value Addition	**8,257**		**8,627**	
Employees as Remuneration & Other benefits	1,677	20.3%	1,560	18.1%
Government as Taxes	1,989	24.1%	2,332	27.0%
Providers of Capital				
Finance Cost on Borrowings net of interest income	(299)	-3.7%	(63)	-0.7%
Dividends to the Shareholders (Proposed - 2025/26)	2,831	34.3%	2,907	33.7%
Retained in the Business as				
Depreciation	891	10.8%	707	8.2%
Reserves	1,168	14.2%	1,185	13.7%
	8,257	**100.0%**	**8,627**	**100.0%**



RECOGNITION & AWARDS



PGP was recognized as **the Best Exporter** in the **Value-Added Minerals Category** at the **27th Presidential Export Awards 2024/25**, organized by the Sri Lanka Export Development Board.



NCPC Sustainability Excellence Award 2025 – Gold Award Winner for the Packaging Sector



PGP won the Gold Award in the **Glass and Glass Products Sector** under the **Extra-Large Category** at the **33rd Annual Export Awards 2025**, organized by the National Chamber of Exporters of Sri Lanka.



CSR projects



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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF PGP GLASS CEYLON PLC

Report on the Audit of Financial Statements

Opinion

We have audited the Financial Statements of PGP Glass Ceylon PLC ("the Company"), which comprise the statements of financial position as at 31 March 2026, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and note to the Financial Statements, including material accounting policies and other explanatory information.

In our opinion, the Financial Statements of the Company give a true and fair view of the financial position of the Company as at 31 March 2026, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company Financial Statements of the current period. These matters were addressed in the context of our audit of the Company Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Ms. S. Joseph FCA
R.M.D.B. Rajapakse FCA
M.N.M. Shameel FCA
Ms. P.M.K. Sumanasekara FCA

Principals: S.R.I. Perera FCMA (UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, Ms. F. R. Ziyard ACA, FCMA (UK), FCIT,
K. Somasundaram ACMA (UK), Ms. D Corea Dharmaratne

KPMG

Key audit matters

Revenue recognition	
Refer to the accounting policies in "Note 2.6.3 to the Financial Statements; Revenue from contract with customers:", and "Note 3.1. to the Financial Statements: Revenue"	
Risk Description	**Our responses**
The principal activity of the Company was the manufacturing and sale of glass bottles. The Company recognized revenue from the sale of glass bottles in the amount of Rs. 19,348,052,657 /- for the year ended 31 March 2026. Under Auditing Standards, we are required to consider that the fraud risk from revenue recognition is a significant risk. We identified revenue recognition as a key audit matter because of its significance to the Financial Statements. We focused on whether transactions have been recorded in the period in which the Company becomes entitled to record revenue in accordance with SLFRS 15.	Our audit procedures included: • Obtaining an understanding and assessing the design, implementation and operating effectiveness of key controls over the revenue recognition and measurement. • Evaluating the integrity of the general IT control environment and testing the operating effectiveness of key IT application controls over revenue. • Comparing revenue transactions recorded during the current year, on a sample basis, with invoices with customer acknowledgement and credit notes, to assess whether the related revenue was recognized in accordance with the Company's revenue recognition accounting policies. • Comparing, on a sample basis, specific revenue transactions recorded before and after the financial year end date with the underlying invoices with customer acknowledgement to assess whether the related revenue had been recognized in the correct financial period.

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Carrying value of Inventories	
Refer to the accounting policies in "Note 2.6.16 to the Financial Statements: Inventories", "Note 2.4 to the Financial Statements: Significant Accounting Judgments and Estimates and assumptions" and "Note 10 to the Financial Statements: Inventories"	
Risk Description	**Our responses**
The Inventory balance comprise of raw materials, packing materials, finished goods, work in progress, consumables and spares, which forms a significant part of the Company's current assets, amounting to Rs. 3,266,578,777 /- as at 31 March 2026. Carrying value of inventories is identified as a Key Audit matter because establishing a provision for slow-moving, obsolete and damaged inventory and valuation of inventories involve significant judgments and assumptions exercised by the management.	Our audit procedures included: • Obtaining an understanding and assessing the design, implementation and operating effectiveness of management's key internal controls over the supply chain and testing selected key controls over recognition and measurement of inventory and inventory provisioning. • On sample basis, testing the net realizable value by comparing the actual cost with relevant market data. • Attending stock counts as at the year-end. In addition, assessing the effectiveness of the physical count controls in operation at each count location to identify damaged stocks, and expired stocks that are written off in a timely manner and evaluating the results of the other counts performed by the management throughout the period to assess the existence of inventory. • Gaining an understanding of the movements in the inventory for the year and assess the adequacy of the provision for nonmoving and slow-moving inventory. • Assessing whether the Company's accounting policies had been consistently applied and the adequacy of the Company's disclosures in respect of the judgment and estimation made in respect of inventory provisioning.

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Board of Directors is responsible for the other information. These Financial Statements do not comprise other information.

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

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 3707.

Chartered Accountants

Colombo, Sri Lanka

21 May 2026

STATEMENT *of Profit or Loss and Other Comprehensive Income for the year ended 31 March 2026*

	Notes	2026 Rs.	2025 Rs.
Revenue	3.1	19,348,052,657	19,529,102,215
Cost of sales		(13,225,042,554)	(13,013,614,023)
Gross profit		**6,123,010,103**	**6,515,488,192**
Other operating income	4.1	86,309,404	74,430,266
Selling and distribution expenses		(545,037,978)	(543,840,019)
Administrative expenses		(824,698,947)	(877,833,761)
Operating profit		**4,839,582,582**	**5,168,244,678**
Finance costs	4.3	(12,871,546)	(4,101,894)
Finance income	4.2	312,469,457	67,325,665
Profit before tax	4.4	**5,139,180,493**	**5,231,468,449**
Income tax expense	5.1	(1,092,869,334)	(1,073,985,167)
Profit for the Year		**4,046,311,159**	**4,157,483,282**
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent year:			
Actuarial loss on defined benefit plans	15.1	(64,157,890)	(88,500,746)
Income tax effect on defined benefit obligations	5.2	12,831,578	17,700,149
Gain on financial investments - Fair value through other comprehensive income	14.3	1,355,884	1,271,656
Net other comprehensive income not to be reclassified to profit or loss in subsequent year		(49,970,428)	(69,528,941)
Other comprehensive income for the year- net of tax		**(49,970,428)**	**(69,528,941)**
Total comprehensive income for the year - net of tax		**3,996,340,731**	**4,087,954,341**
Earnings per share - Basic / Diluted	6	4.26	4.38
Dividend per Share - Paid		2.26	2.35

The accounting policies and notes on pages 49 through 89 form an integral part of the financial statements.

STATEMENT *of Financial Position as at 31 March 2026*

ASSETS	Notes	2026 Rs.	2025 Rs.
Non-current assets			
Property, plant and equipment	7	8,824,285,192	5,426,885,833
Right of use assets	8.1	33,961,633	36,760,713
Financial investments	9.1	6,697,150	5,148,668
Other Receivables	11	7,350,000	4,239,583
Total non-current assets		**8,872,293,975**	**5,473,034,797**
Current assets			
Inventories	10	3,266,578,777	4,049,277,490
Trade and other receivables	11	3,046,812,002	3,932,333,170
Prepayments		68,242,352	26,807,842
Cash and short term deposits	12.1 & 12.2	5,792,830,042	2,885,388,507
Total current assets		**12,174,463,173**	**10,893,807,009**
Total assets		**21,046,757,148**	**16,366,841,806**
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	13	1,526,407,485	1,526,407,485
Reserves	14	106,645,733	105,289,849
Retained earnings		13,146,934,894	11,295,777,809
Total equity		**14,779,988,112**	**12,927,475,143**
Non-current liabilities			
Lease liability	8.2	6,622,942	11,504,001
Interest bearing loans and borrowings	9.2	1,425,000,000	-
Deferred tax liabilities	5.5	602,829,748	538,833,866
Employee benefit liability	15.1	452,747,034	332,434,597
Total non-current liabilities		**2,487,199,724**	**882,772,464**
Current liabilities			
Lease liability	8.2	6,185,352	6,308,665
Trade and other payables	16	2,115,022,325	1,803,798,352
Dividends payable	17	173,624,604	134,404,849
Interest bearing loans and borrowings	9.2	850,180,089	-
Income tax payable		509,643,780	577,002,712
Bank overdraft	12.3	124,913,162	35,079,621
Total current liabilities		**3,779,569,312**	**2,556,594,199**
Total liabilities		**6,266,769,036**	**3,439,366,663**
Total equity and liabilities		**21,046,757,148**	**16,366,841,806**

These Financial Statements have been prepared in compliance with the requirements of the Companies Act No.07 of 2007.

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Niloni Boteju
Financial Controller

The Board of Directors is responsible for the preparation and presentation on these Financial Statements in accordance with Sri Lanka Accounting Standards.

Approved and signed for and on behalf of the Board of Directors of PGP Glass Ceylon PLC.

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Samit Datta
Director

.....

Aruni Goonetilleke
Director

The accounting policies and notes on pages 49 through 89 form an integral part of the financial statements.
21st May 2026
Colombo

STATEMENT *of Changes In Equity for the year ended 31 March 2026*

	Stated capital Rs.	Fair value reserve Rs.	Revaluation reserve Rs.	Retained earnings Rs.	Total Rs.
As at 01 April 2024	**1,526,407,485**	**2,610,258**	**101,407,935**	**9,437,966,062**	**11,068,391,740**
Total comprehensive income for the year					
Profit for the period	-	-	-	4,157,483,282	4,157,483,282
Other comprehensive income	-	1,271,656	-	(70,800,597)	(69,528,941)
Total comprehensive income	-	1,271,656	-	4,086,682,685	4,087,954,341
Dividend Paid-Final Dividend	-	-	-	(1,472,633,424)	(1,472,633,424)
Dividend paid-Interim Dividend	-	-	-	(760,068,864)	(760,068,864)
Unclaimed dividend write back	-	-	-	3,831,350	3,831,350
As at 31 March 2025	**1,526,407,485**	**3,881,914**	**101,407,935**	**11,295,777,809**	**12,927,475,143**
Profit for the period	-	-	-	4,046,311,159	4,046,311,159
Other comprehensive income	-	1,355,884	-	(51,326,312)	(49,970,428)
Total comprehensive income	-	1,355,884	-	3,994,984,847	3,996,340,731
Dividend paid	-	-	-	(2,147,194,541)	(2,147,194,541)
Unclaimed dividend write back	-	-	-	3,366,779	3,366,779
As at 31 March 2026	**1,526,407,485**	**5,237,798**	**101,407,935**	**13,146,934,894**	**14,779,988,112**

The accounting policies and notes on pages 49 through 89 form an integral part of the financial statements.

STATEMENT *of Cash Flows for the year ended 31 March 2026*

	Notes	2026 Rs.	2025 Rs.
Cash flows from operating activities			
Profit before tax		5,139,180,493	5,231,468,449
Non-cash adjustment to reconcile profit before tax to net cash flows:			
Depreciation of property, plant and equipment	7.2	893,375,543	709,603,723
Provision for employee benefit liability	15.1	62,356,220	42,414,488
Provision for obsolete and slow moving inventory	10.1	(60,335,259)	248,034,704
Provision for impairment on trade receivable	11.2	9,576,590	12,855,999
Right of use asset - Depreciation	8.1	2,799,080	2,799,081
Script dividend income from quoted investment	4.2	(192,598)	(446,607)
Finance costs	4.3	12,871,546	4,101,894
Finance income	4.2	(312,276,859)	(66,879,058)
Gain on sale of property, plant and equipment	4.1	(15,836,857)	(505,973)
Operating profit before working capital changes		**5,731,517,899**	**6,183,446,700**
Working capital adjustments:			
(Increase) / decrease in inventories		843,033,972	510,102,598
(Increase) / decrease in trade and other receivables and prepayments		831,399,650	209,050,838
(Increase) / decrease in trade and other payables		(408,685,958)	(121,974,208)
Cash generated from operations		**6,997,265,563**	**6,780,625,928**
Income tax paid		(1,056,462,959)	(1,087,057,973)
Employee benefit liability costs paid	15.1	(6,201,673)	(14,460,954)
Interest paid		(12,871,546)	(4,101,894)
Net cash flow generated from operating activities		**5,921,729,385**	**5,675,005,107**
Cash flows from investing activities			
Acquisition of property, plant and equipment	7.1	(3,578,003,044)	(755,297,611)
Proceeds from sale of property, plant and equipment		17,593,690	505,973
Finance income	4.2	312,276,859	66,879,058
Loans and advances granted to company officers during the year		(25,434,167)	(17,203,439)
Repayment of loans and advances by company officers during the year		16,635,750	13,078,815
Net cash flow used in investing activities		**(3,256,930,912)**	**(692,037,204)**
Cash flows from financing activities			
Borrowings of interest bearing short term loans	9.3	-	250,000,000
Repayments of interest bearing short term loans	9.3	-	(250,000,000)
Borrowings of interest bearing long term loans	9.3	2,500,000,000	-
Repayments of interest bearing long term loans	9.3	(235,000,000)	-
Lease rental paid	8.4	(7,582,472)	(7,738,976)
Dividends paid	17	(2,104,608,007)	(2,177,932,662)
Net cash flow generated from / used in financing activities		**152,809,521**	**(2,185,671,638)**
Net increase in cash and cash equivalents		2,817,607,994	2,797,296,265
Cash and cash equivalent at the beginning of the year	12	2,850,308,886	53,012,621
Cash and cash equivalent at the end of the year	12	**5,667,916,880**	**2,850,308,886**

The accounting policies and notes on pages 49 through 89 form an integral part of the financial statements.

NOTES *to the Financial Statements Year ended 31 March, 2026*

1. CORPORATE INFORMATION

1.1 REPORTING ENTITY

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

1.2 PRINCIPAL ACTIVITIES AND NATURE OF OPERATIONS

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

1.3 PARENT ENTITY AND ULTIMATE PARENT ENTITY

The Company's parent undertaking is PGP Glass Private Limited (Formerly known as "Pristine Glass Private Limited") and the ultimate parent is Blackstone Inc. These two companies are Incorporated in Republic of India and United States of America respectively.

1.4 DIRECTIORS RESPONSIBILITY STATEMENT

The Board of Directors is responsible for financial statements of the Company as per Sri Lanka Accounting Standards and the provisions of the Companies Act No 7 of 2007.

1.5 DATE OF AUTHORIZATION FOR ISSUE

The financial statements of PGP Glass Ceylon PLC for the year ended 31 March 2026 were authorised for issue in accordance with a resolution of the Board of Directors on 21 May 2026.

2. BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

The financial statements of the Company, which comprise the Statement of Financial Position, Statement of Profit or Loss, Statement of Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Financial Statements have been prepared and presented in accordance with Sri Lanka Accounting Standards (SLFRSs and LKRSs) laid down by the Institute of Chartered Accountants of Sri Lanka.

2.1.1 Statement of preparation

The requirements of the Companies Act No. 07 of 2007 and provide appropriate disclosures as required by the Listing Rules of the Colombo Stock Exchange (CSE). These Financial Statements except for information on cash flows have been prepared following the accrual basis of accounting.

2.1.2 Basis of Measurement

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

- Equity instruments fair value through Other Comprehensive Income
- Retirement Benefit obligations.

NOTES *to the Financial Statements Year ended 31 March, 2026*

2. BASIS OF PREPARATION (CONTINUED)

2.2 FUNCTIONAL AND PRESENTATION CURRENCY

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

2.3 COMPARATIVE INFORMATION

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

2.4 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTION

Estimates and Assumptions

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

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

A) Judgement

Going Concern

In determining the basis of preparing the Financial Statements for the year ended 31 March 2026, management has considered all available information, the consequences of current macro economic conditions of the country, climate related risks, other events and conditions. It is the view of the management that there are no material uncertainties that may cast significant doubt on the Company's ability to continue to operate as a going concern due to the improving operating environment, developments to product strategies and actions taken to mitigate the impact of economic crisis.

Further, in determining the going concern, the management performed multiple stress tested scenarios; considering cost management practices, ability to continue operations under current economic crisis, cash reserves, ability to secure additional funding to finance the adverse effects to the cash flows, ability to secure required human resources, expected revenue streams, credit and collection management practices and expense management and curtailment practices including ability to defer non-essential capital expenditure.

Accordingly, the Management has assessed its ability to continue as a going concern and is satisfied that it has adequate resources to continue in the business for the foreseeable future. Further, the Management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the Financial Statements of the Company are continued to be prepared on a going concern basis.

B) Assumptions and estimation uncertainties

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Notes 2.6.22 & Note 15 – Employee Benefit Liability
- Note 2.6.11 & Note 7.4 – Depreciation
- Note 2.6.12 – Leases
- Notes 2.6.14 – Impairment losses on trade and other receivables
- Note 2.6.16 – Allowance for Slow moving inventories
- Notes 2.6.21 and 2.6.24 – Provisions, Commitments and Contingencies
- Note 2.6.10 – Taxation

2.4 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTION (CONTINUED)

Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values.

This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Management.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the Standards, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the audit committee.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.5. USE OF MATERIALITY, OFFSETTING AND ROUNDING

2.5.1 Materiality and aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of a dissimilar nature or function are presented separately, unless they are immaterial.

Notes to the Financial Statements are presented in systematic manners which ensure the understandability and comparability of Financial Statements of the Company.

Understandability of the Financial Statements is not compromised by observing material information or by aggregating material items that have different nature of functions.

2.5.2 Offsetting

Assets and liabilities and income and expenses in the Financial Statements are not set-off unless regained by Sri Lanka Accounting Standards.

2.5.3 Rounding

The amounts in the Financial Statements have been rounded off to the nearest rupees, except where otherwise indicated.

2.5.4 Current versus non-current classification

The Company presents assets and liabilities in the Statement of Financial Position based on current / non-current classification.

An asset is current when it is expected to be realised or intended to be sold or consumed in the normal operating cycle and held primarily for the purpose of trading or is cash or cash equivalent unless restricted from being exchanged or

NOTES *to the Financial Statements Year ended 31 March, 2026*

2.5. USE OF MATERIALITY, OFFSETTING AND ROUNDING (CONTINUED)

2.5.4 Current versus non-current classification (Continued)

used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. A liability is current when it is expected to be settled in the normal operating cycle and is held primarily for the purpose of trading and is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

2.6 MATERIAL ACCOUNTING POLICIES

The Company has consistently applied the following significant accounting policies to all periods presented in the Financial Statements by the Company, except as mentioned otherwise.

The Institute of Chartered Accountants of Sri Lanka has issued number of new amendments to Sri Lanka Accounting Standards (SLFRSs / LKASs) that are effective for the current financial year. These amendments and interpretations did not have any significant impact on the reported Financial Statements of the Company.

2.6.1 Foreign Currency Translation

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

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

2.6.2 Statement of Cash Flows

The Statement of Cash Flows has been prepared by using the 'Indirect Method' of preparing cash flows in accordance with Sri Lanka Accounting Standards – LKAS 7 on Statement of Cash Flows, whereby operating activities, investing activities and financing activities are separately recognised.

Cash and cash equivalents comprise of short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

2.6.3 Revenue from Contracts with Customers

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue and associated costs incurred or to be incurred can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and sales taxes. The following specific recognition criteria are used for the purpose of recognition of revenue that are in the scope of SLFRS 15.

2.6.4 Sale of Goods

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

2.6.5 Finance Income

Finance income comprises of interest income on funds invested. Interest income is recorded as it accrues using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income in the income statement.

2.6 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.6.6 Dividends

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

2.6.7 Other income

Other income is recognized on an accrual basis.

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

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

2.6.8 Expenses

Expenses are recognized in the statement of profit or loss on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to income in arriving at the profit for the year.

For the presentation of the Statement of Profit or Loss the Directors are of the opinion that the function of the expenses method present fairly the elements of the Company's performance, and hence such a presentation method is adopted.

Preliminary and pre-operational expenditure is recognized in the Statement of Profit or Loss. Repairs and renewals are charged to the Statement of Profit or Loss in the year in which the expenditure is incurred.

2.6.9 Finance cost

Finance costs comprise interest expense on borrowings and leases, unwinding of discounts on provisions and fair value losses on financial assets at fair value through profit or loss and impairment losses recognized on financial assets (other than trade receivables).

Interest expense is recorded as it accrues using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial liability.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

2.6.10 Taxation

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

IFRIC 23 'Uncertainty over income tax treatments' provides guidance on determining taxable profits, tax bases, unused tax losses, unused tax credits and tax rates, when there in an uncertainty over the income tax treatment. The Company has applied significant judgment in identifying uncertainties over income tax treatments for the year and the Company has determined that there were no uncertainties in tax treatments for the year and the Company has determined that there were no uncertainties in tax treatments that has an impact on the income tax expenses or any disclosures.

NOTES *to the Financial Statements Year ended 31 March, 2026*

2.6 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.6.10 Taxation (Continued)

Current Income Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred Tax

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

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

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

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

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

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

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

Transfer Pricing Regulation

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

Social Security Contribution Levy

With effect from October 1, 2022, Social Security Contribution Levy (SSCL) 2.5% was introduced on liable turnover. SSCL was recognized under selling and distribution to the financial statements.

2.6 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.6.11 Property, Plant and Equipment

Recognition and Measurement

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

The cost of certain items of property, plant and equipment at 1 April 2011, the Company's date of transition to the Standards, was determined with reference to its fair value at that date.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

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

Capital work-in-progress

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

Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognized in profit or loss. Land is not depreciated.

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

2.6.12 Leases

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

A. As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognised a right of use asset and a lease liability at the lease commencement date. The right-of use assets is initially measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimates of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

NOTES *to the Financial Statements Year ended 31 March, 2026*

2.6 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.6.12 Leases (Continued)

The right of use asset is subsequently depreciated using straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of lease term or the cost of the right of use asset reflects that the Company will exercise a purchase option. In that case the right of use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present values of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the assets leased.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date;
- Amounts expected to be payable under residual value guaranteed; and
- The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise and extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in substance fixed lease payment.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset or is recorded is profit or loss if the carrying amount of the right of use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in right-of-use assets and lease liabilities in the Statement of Financial Position separately.

Short term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities of leases of low-value assets and short-term leases. The Company recognize the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.6.13 Borrowing Costs

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

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

2.6 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.6.14 Financial Instruments

Recognition and initial measurement

Trade receivables are initially recognized when they are originated. All other financial assets are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- It's contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount of outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by investment basis

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment:

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to Management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest

NOTES *to the Financial Statements Year ended 31 March, 2026*

2.6 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.6.14 Financial Instruments (Continued)

rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- How the performance of the portfolio is evaluated and reported to the Company's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for de-recognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets. Financial assets that are held for trading or are managed an whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- Contingent events that would change the amount or timing of cash flows;
- Terms that may adjust the contractual coupon rate, including variable-rate features;
- Prepayment and extension features; and
- Terms that limits the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par-amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognizes in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognizing in profit or loss. Any gain or loss on de-recognition is recognizes in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognizing in profit or loss. Other net gains and losses are recognizing in OCI. On de-recognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognizing as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognizing in OCI and are never reclassified to profit or loss.

2.6 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.6.14 Financial Instruments (Continued)

Impairment

Non derivative financial assets

Financial instruments and contract assets Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Company considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as recognize security (if any is held); or
- The financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or being more than 90 days past due;
- The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- It is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market to a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

NOTES *to the Financial Statements Year ended 31 March, 2026*

2.6 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.6.14 Financial Instruments (Continued)

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures to recovery of amounts due.

2.6.15 Financial Liabilities

Initial Recognition and Measurement

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

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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

Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

a) Loans and Borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are de-recognized as well as through the EIR amortization process.

Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

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

Derecognition

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

2.6.16 Inventories

Inventories are valued at the lower of cost and net realizable value, after making do allowances for obsolete and slow-moving items as per Glass Bottles Manufacturing industry norms & practice which complies with the group reporting requirement. Net realisable value is the price at which inventories can be sold in the ordinary course of business, less the estimated cost of completion and the estimated cost necessary to make the sale.

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

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

2.6 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.6.17 Stated capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity.

2.6.18 Impairment of Non-Financial Assets

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

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

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

2.6.19 Cash and Short-Term Deposits

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

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

2.6.20 Dividend Distributions

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

2.6.21 Provisions

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

NOTES *to the Financial Statements Year ended 31 March, 2026*

2.6.22 Employee Benefits

A) Short term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

B) Defined Contribution Plans – Employees' Provident Fund & Employees' Trust Fund

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available

a) Employees' Provident Fund

The Company and employees contribute 12% and 8%, respectively, on the salary of each employee to the Employees' Provident Fund (EPF).

b) Employees' Trust Fund

The Company contributes 3% of the salary of each employee to the Employees' Trust Fund (ETF). These obligations come within the scope of a defined contribution plan as per LKAS -19 on 'Employee Benefits'. Obligations for contributions to defined contribution plans are recognized in profit or loss as the related service is provided.

c) Defined Benefit Plan – Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods.

That benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted.

The calculation is performed annually by a qualified actuary using the Projected Unit Credit (PUC) method as recommended by LKAS 19 – 'Employee Benefits'. When the calculation results in a benefit to the Company, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Company.

An economic benefit is available to the Company if it is realisable during the life of the plan, or on settlement of the plan liabilities. When the benefits of a plan are improved, the portions of the increased benefits related to past service by employees are recognised in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

The assumptions based on which the results of actuarial valuation was determined, are included in Note 15 – Employee Benefits, to the Financial Statements.

The Company recognises all actuarial gains and losses arising from defined benefit plan immediately in other comprehensive income and all expenses related to defined benefit plan in employee benefit expense in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

According to Gratuity Act No. 12 of 1983, the liability for the gratuity payment to an employee arises only on the completion of 5 years of continued service with the Company.

d) Lump-sum Payments to Employees

Provision has been made in the Financial Statements for lump-sum allowances payable to employees by the collective agreement decided by the management and trade union.

2.6 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.6.23 Events after the Reporting Period

All material post reporting period events have been considered and where appropriate adjustments or disclosures have been made in respective notes to the Financial Statements

2.6.24 Commitments and contingencies

All discernible risks are accounted for in determining the amount of all known liabilities.

Contingencies are possible assets or obligations that arise from a past event and would be confirmed only on the occurrence or non-occurrence of uncertain future events, which are beyond the Company's control. Commitments and Contingencies are disclosed in Note 19 to the Financial Statements.

2.6.25 Standards issued but not yet effective

The following new or amended standards and interpretations have been issued, but not yet effective, as at the reporting date of the Consolidated Financial Statements. These are not expected to result in material impact the Company on adoption.

Sri Lanka Accounting Standard - SLFRS 18 on "Presentation and Disclosure in Financial Statements" (SLFRS 18)

SLFRS 18 is a new accounting standard for presentation and disclosure in Financial Statements with effect from 1 January 2027. SLFRS 18 will replace the Sri Lanka Accounting Standard – LKAS 1 on "Presentation of Financial Statements" and applies to the Company effective from 1 January 2027. The new accounting standard introduces the following key new requirements

- Entities are required to classify all income and expenses into five categories in the Statement of Profit or Loss, namely operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly defined operating profit sub totals. Entities' net profit will not change.
- Management – defined Performance Measures (MPMs) are disclosed in a single note in the Financial Statements.
- Enhanced guidance is provided on how to Company information in the Financial Statements.

In addition, all entities are required to use the operating profit subtotals as the starting point for the Statement of Cashflows when presenting operating cashflows under indirect method.

The Company is still in the process of assessing the impact of the new accounting standards, particularly with respect to the structure of the Company Income Statement, the Statement of Cashflows and the additional disclosures required for MPMs. The Company is also assessing the impact on how information is grouped in the Financial Statements including items currently labelled as 'other'.

Sri Lanka Accounting Standard – SLFRS 19 on "Subsidiaries without Public Accountability"

SLFRS 19 is a new accounting standard for subsidiaries to apply the recognition, measurement, and presentation requirements of full SLFRS Standards while applying a reduced set of disclosure requirements in Financial Statements with effect from 1 January 2027. The Company does not expect this will result in a material impact on its Consolidated Financial Statements. However, this may have an impact on the separate Financial Statements of the subsidiaries of the Company as appropriate.

Annual improvements to SLFRS Accounting Standards – Volume II

The amendments apply for annual reporting periods beginning on or after 1 January 2026. These changes are not expected to have a significant impact on the Company Financial Statements.

NOTES *to the Financial Statements Year ended 31 March, 2026*

3. SEGMENT INFORMATION

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

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

3.1 Revenue

	2026 Rs.	2025 Rs.
Revenue from Sale of Goods (**Note - 3.2**)	19,348,052,657	19,529,102,215
	19,348,052,657	**19,529,102,215**

3.2 Sale of Goods

Local Sales		
- In House Production	11,777,084,456	12,099,426,498
- Trading	2,347,703,115	714,075,113
Total Local Sales	**14,124,787,571**	**12,813,501,611**
Export Sales	5,178,135,393	6,714,638,364
- In House Production	45,129,693	962,240
- Trading	**5,223,265,086**	**6,715,600,604**
Total Export Sales	**19,348,052,657**	**19,529,102,215**
Total Sales		

4. OTHER INCOME/EXPENSES

4.1 Other Operating Income

	2026 Rs.	2025 Rs.
Income from Solar Power Generation	44,270,947	66,540,174
Sundry Income	26,201,600	7,384,119
Gain on Sale of Property, Plant and Equipment	15,836,857	505,973
	86,309,404	**74,430,266**

4.2 Finance Income

Interest income	311,321,416	66,267,678
Interest income on loans given to company officers	955,443	611,380
Income from equity investments - Quoted	192,598	446,607
	312,469,457	**67,325,665**

4.3 Finance Costs

Interest Expense on Overdrafts	113,357	967,715
Interest Expense on Short Term Borrowings	-	444,682
Interest Expense on Long Term Borrowings	10,180,089	-
Interest Expense on Lease Liability	2,578,100	2,689,497
	12,871,546	**4,101,894**

NOTES *to the Financial Statements Year ended 31 March, 2026*

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

4.4 Profit Before Tax

	2026	2025
	Rs.	Rs.
Stated after Charging/(Crediting)		
Directors' fees and emoluments	103,285,286	104,572,426
Audit fees - Charge for the period	1,750,000	1,512,500
Technical Fee	338,040,413	374,922,128
Depreciation of property, plant & equipment	893,375,543	709,603,723
Personnel costs including the following;		
- Employee benefit plan costs - Gratuity	62,356,220	42,414,486
- Defined contribution plan costs - EPF & ETF	93,947,470	83,305,914
Donations	1,718,523	1,158,365
Exchange (Gain)/Loss	(71,936,120)	38,183,161
Provision for Impairments - Trade Receivables	6,285,542	8,552,050
Social Security Contribution Levy	255,795,180	237,709,991
Amortisation of right of use assets	2,799,080	2,799,080
(Reversal) / Provision for Obsolete and slow moving inventory	(60,335,260)	248,034,704

Technical Fee represents the amount payable to PGP Glass Private Limited - India for the technical advises and assistance provided during the year as per the agreement entered into between the two companies. As per the agreement, if the Company achieved positive Profit before Royalty Fee, Interest, Depreciation and Tax, the amount payable is 2% of the Net Sales Value of the locally manufactured products.

5. INCOME TAX

The major components of income tax expense for the Years ended 31 March 2026 and 31 March 2025 are:

5.1 Statement of Profit or Loss

	2026	2025
	Rs.	Rs.
Current income tax:		
Current tax expense on ordinary activities for the period **(Note 5.3)**	1,016,251,327	1,169,628,843
Under/(Over) provision of current taxes in respect of prior year -Year 2024/25	(209,453)	-
Deferred tax:		
Deferred taxation (reversal) / charge **(Note 5.5)**	76,827,460	(95,643,676)
Income tax expense reported in the statement of profit or loss	**1,092,869,334**	**1,073,985,167**

In terms of the agreement with the Board of investment of Sri Lanka (BOI), business profit from the manufacturing operation is exempted for a period of 5 years from 10 December 2007. This exemption expired on 9 December 2012. Upon the expiration of above tax exemption period, the Company's profits arising from Manufacturing Operations are taxable at a concessionary rate of 10% for a period of 2 years and at the rate of 20% thereafter. Accordingly tax profits from manufacturing liable for income tax at the rate of 20%.

The Company is liable to income tax on other income and investment income at 30%

NOTES *to the Financial Statements Year ended 31 March, 2026*

5. INCOME TAX (Contd…)	2026 Rs.	2025 Rs.
5.2 Statement of Other Comprehensive Income		
Actuarial Gains/(Losses) on defined benefit plans	12,831,578	17,700,149
Income tax charged directly to other comprehensive income	**12,831,578**	**17,700,149**

5.3 A reconciliation between Tax Expense and the Product of Accounting Profit Multiplied by the Statutory Tax Rates for the Years Ended 31 March 2026 and 31 March 2025 are as follows:

	2026 Rs.	2025 Rs.
Accounting profit before income tax	5,139,180,493	5,231,468,449
Aggregate disallowed items	2,167,673,952	1,037,794,709
Aggregate allowable expenses	(2,894,562,329)	(661,056,022)
Taxable profit from trade	**4,412,292,115**	**5,608,207,136**
Investment income	311,128,504	66,326,672
Other sources of income	25,847,128	7,082,948
Taxable income	**4,749,267,748**	**5,681,616,756**
Tax on taxable income at BOI rate at 20%	816,942,434	1,069,712,387
Tax on balance taxable income at normal rate 30%	199,308,893	99,916,456
Current income tax expense	**1,016,251,327**	**1,169,628,843**

5.4 Reconciliation of effective tax rate

	2026		2025	
	%	Rs.	%	Rs.
Profit before tax		5,139,180,493		5,231,468,449
Tax expense on applicable rate	20%	1,027,836,099	20%	1,046,293,690
Aggregate disallowed items	8%	433,534,790	4%	207,558,942
Aggregate allowable expenses	-11%	(546,212,250)	-2%	(106,246,674)
Tax on investment income	1.8%	93,338,550	0.4%	19,898,002
Tax on other sources of income	0.2%	7,754,138	0.0%	2,124,884
Current income tax expense		**1,016,251,327**		**1,169,628,843**
Over provision of current taxes in respect of previous years	0.0%	(209,453)	0.0%	-
Deferred taxation (reversal) / charge **(Note 5.5)**	1.5%	76,827,460	-1.8%	(95,643,676)
Income tax expense reported in the statement of profit or loss	**21%**	**1,092,869,334**	**21%**	**1,073,985,167**

NOTES *to the Financial Statements Year ended 31 March, 2026*

5. INCOME TAX (Contd...)

5.5 Deferred Tax

Deferred tax is recognised by providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.
Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the year when the asset is realised or liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted as at the reporting date.

Reconciliation of net deferred tax liability	2026 Rs.	2025 Rs.
Balance as at the beginning of the year	538,833,866	652,177,691
Charged/(Reversal) to statement of profit or loss	76,827,460	(95,643,676)
Income tax effect relating to components of other comprehensive income	(12,831,578)	(17,700,149)
Balance as at the end of the year	**602,829,748**	**538,833,866**

5.6 Deferred tax assets, liabilities and deferred income tax relate to the following:

	Temporary differences		Statement of financial position		Statement of profit or loss and statement of other comprehensive income	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Deferred tax liability						
Property, plant and equipment	3,844,613,968	3,457,286,081	768,922,794	691,457,216	77,465,578	(38,324,909)
Tax effect on revaluation reserve	115,049,703	115,049,703	23,009,941	23,009,941	-	-
ROU assets	33,961,634	36,760,714	6,792,327	7,352,143	(559,816)	(559,816)
	3,993,625,305	**3,609,096,498**	**798,725,062**	**721,819,300**	**76,905,762**	**(38,884,725)**
Deferred tax assets						
Lease liabilities	12,808,292	17,812,664	(2,561,658)	(3,562,533)	1,000,875	1,009,896
Employee benefit liability	452,747,034	332,434,597	(90,549,407)	(66,486,919)	(24,062,488)	(23,290,856)
Provision for impairment - Trade receivables	45,798,950	36,222,360	(9,159,790)	(7,244,472)	(1,915,318)	(2,571,200)
Provision for obsolete and slow moving inventory	468,122,293	528,457,552	(93,624,459)	(105,691,510)	12,067,051	(49,606,940)
	979,476,569	**914,927,173**	**(195,895,314)**	**(182,985,434)**	**(12,909,880)**	**(74,459,100)**
Deferred income tax (income) / expense reported in the statement of profit or loss					**76,827,460**	**(95,643,676)**
Deferred income tax (income) / expense reported in the statement of other comprehensive income					**(12,831,578)**	**(17,700,149)**
Net deferred tax liability reported in the statement of financial position			**602,829,748**	**538,833,866**		

5.7 Impact from the change in corporate income tax rate

There were no change in the corporate tax rate during the period.

NOTES *to the Financial Statements Year ended 31 March, 2026*

6. EARNINGS PER SHARE

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

The following reflects the income and share data used in the Basic/Diluted Earnings Per Share computations:	**2026**	**2025**
Amount used as the numerator:	**Rs.**	**Rs.**
Net earnings attributable to equity shareholders	4,046,311,159	4,157,483,282
Number of ordinary shares used as the denominator:	**Number**	**Number**
Weighted average number of ordinary shares in issue	950,086,080	950,086,080
	Rs.	**Rs.**
Basic earning per share	4.26	4.38

There were no potentially dilutive ordinary shares outstanding at any time during the year/previous year, hence diluted earnings per share is equal to the basic earning per share.

7. PROPERTY, PLANT AND EQUIPMENT

7.1 At Cost	Balance as at 01.04.2024	Additions during the year	Transfers during the year	Disposals during the year	Balance as at 31.03.2025	Balance as at 01.04.2025	Additions during the year	Transfers during the year	Disposals during the year	Balance as at 31.03.2026
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Freehold Land	132,870,000	-	-	-	132,870,000	132,870,000	-	-	-	132,870,000
Buildings	2,357,967,107	6,623,328	196,165,134	-	2,560,755,569	2,560,755,569	102,290,022	-	-	2,663,045,591
Plant and Machinery	5,546,990,768	251,765,899	499,021,600	(42,613,760)	6,255,164,507	6,255,164,507	1,288,116,705	-	(10,228,187)	7,533,053,025
Electrical Power Installation	1,041,267,196	-	58,888,079	-	1,100,155,275	1,100,155,275	261,941,807	-	(10,686,235)	1,351,410,847
Furnace	1,772,282,871	22,598,500	-	-	1,794,881,371	1,794,881,371	1,707,733,477	72,023,669	(1,618,905,175)	1,955,733,342
Motor Vehicles	48,066,374	-	85,500	-	48,151,874	48,151,874	-	-	-	48,151,874
Tools and Implements	44,056,648	6,220,514	-	-	50,277,162	50,277,162	588,341	-	-	50,865,503
Office Equipments	341,929,065	15,543,823	2,361,229	(47,519,497)	312,314,620	312,314,620	31,412,849	8,017,362	-	351,744,831
Gas Station	59,547,111	-	-	-	59,547,111	59,547,111	-	-	-	59,547,111
Solar Power Generation	410,175,402	34,599,607	-	-	444,775,009	444,775,009	-	-	-	444,775,009
Commercial Moulds	943,426,387	117,515,923	-	(64,293,545)	996,648,765	996,648,765	128,242,214	7,463,937	(107,802,613)	1,024,552,303
	12,698,578,929	454,867,594	756,521,542	(154,426,802)	13,755,541,263	13,755,541,263	3,520,325,415	87,504,968	(1,747,622,210)	15,615,749,436
In the Course of Construction										
Capital Work-in-Progress	234,054,754	603,872,828	(756,521,542)	-	81,406,040	81,406,040	772,206,320	(87,504,968)	-	766,107,392
	234,054,754	**603,872,828**	**(756,521,542)**	**-**	**81,406,040**	**81,406,040**	**772,206,320**	**(87,504,968)**	**-**	**766,107,392**
Total Gross Carrying Amount	**12,932,633,683**	**1,058,740,422**	**-**	**(154,426,802)**	**13,836,947,303**	**13,836,947,303**	**4,292,531,735**	**-**	**(1,747,622,210)**	**16,381,856,828**

7.2 Depreciation	Balance as at 01.04.2024 Rs.	Charge for the year Rs.	Transfers during the year Rs.	Disposals during the year Rs.	Balance as at 31.03.2025 Rs.	Balance as at 01.04.2025 Rs.	Charge for the year Rs.	Transfers during the year Rs.	Disposals during the year Rs.	Balance as at 31.03.2026 Rs.
Buildings	742,960,993	61,142,363	-	-	804,103,356	804,103,356	64,059,002	-	-	868,162,358
Plant and Machinery	3,820,404,958	268,761,348	-	(42,613,760)	4,046,552,546	4,046,552,546	310,029,212	-	(8,471,354)	4,348,110,404
Electrical Power Installation	710,269,314	42,848,934	-	-	753,118,248	753,118,248	44,161,285	-	(10,686,235)	786,593,298
Furnace	1,465,899,186	141,429,609	-	-	1,607,328,795	1,607,328,795	259,422,701	-	(1,618,905,175)	247,846,321
Motor Vehicles	38,796,503	1,749,365	-	-	40,545,868	40,545,868	1,720,111	-	-	42,265,979
Tools and Implements	36,411,035	2,146,516	-	-	38,557,551	38,557,551	2,452,779	-	-	41,010,330
Office Equipment	228,427,349	29,192,301	-	(47,519,497)	210,100,153	210,100,153	30,417,072	-	-	240,517,225
Gas Station	11,394,663	1,488,678	-	-	12,883,341	12,883,341	1,488,678	-	-	14,372,019
Solar Power Generation	148,066,097	24,601,153	-	-	172,667,250	172,667,250	26,458,383	-	-	199,125,633
Commercial Moulds	652,254,451	136,243,456	-	(64,293,545)	724,204,362	724,204,362	153,166,320	-	(107,802,613)	769,568,069
	7,854,884,549	**709,603,723**	**-**	**(154,426,802)**	**8,410,061,470**	**8,410,061,470**	**893,375,543**	**-**	**(1,745,865,377)**	**7,557,571,636**
Total Depreciation	**7,854,884,549**	**709,603,723**	**-**	**(154,426,802)**	**8,410,061,470**	**8,410,061,470**	**893,375,543**	**-**	**(1,745,865,377)**	**7,557,571,636**

NOTES *to the Financial Statements Year ended 31 March, 2026*

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

7.3 Net book values	2026 Rs.	2025 Rs.
Freehold land	132,870,000	132,870,000
Buildings	1,794,883,233	1,756,652,213
Plant and Machinery	3,184,942,621	2,208,611,961
Electrical power installation	564,817,549	347,037,027
Furnace	1,707,887,021	187,552,576
Motor vehicles	5,885,895	7,606,006
Tools and Implements	9,855,173	11,719,611
Office equipment	111,227,606	102,214,467
Gas station	45,175,092	46,663,770
Solar power generation	245,649,376	272,107,759
Commercial molds	254,984,234	272,444,403
	8,058,177,800	5,345,479,793
In the course of construction		
Capital work-in-progress	766,107,392	81,406,040
Total carrying amount of property, plant and equipment	**8,824,285,192**	**5,426,885,833**

7.4 The rates of depreciation is estimated as follows; (Straight line basis)

Buildings		2.5% on cost	2.5% on cost
Plant and Machinery		7.5% on cost	7.5% on cost
Electrical power installation		5% on cost	5% on cost
Furnace	- Steel	7.5% on cost	7.5% on cost
	- Refractory	12.5% & 16.6% on cost	12.5% on cost
Motor vehicles		15% on cost	15% on cost
Tools and implements		10% on cost	10% on cost
Office equipment - Furniture		10% on cost	10% on cost
	- IT related equipment	12.5% & 25% on cost	12.5% & 25% on cost
	- Laptops	33 1/3% on cost	33 1/3% on cost
Gas station		2.5% on cost	2.5% on cost
Solar power generation		5% & 7.5% on cost	5% & 7.5% on cost
Commercial moulds		50% to 25% on cost	50% to 25% on cost

7.5 Fully depreciated assets

Property, plant and equipment includes fully depreciated assets having a gross carrying amount of Rs.5,010,066,235/- (As at 31 March 2025 Rs.4,608,647,429/-).

7.6 During the 4th quarter of the financial year, a cold repair project was undertaken to refurbish the furnace and related machinery, with the objective of ensuring the generation of future economic benefits. This initiative involved a total investment of LKR 4.8 Bn. Consequently, the existing furnace, which had a gross carrying amount of LKR 1,618,905,175 was dismantled and removed.

7.7 Capitalised borrowing costs

The project was financed partially through LKR 2.5 Bn term loan from Hatton National Bank PLC & internal accurals funds. The interest cost incurred during the project period has been recognised as part of capital expendure which is amounting to LKR 42,456,034/-

7.8 Capital work-in-progress

Capital work-in-progress included the capital assets which mainly consists of construction of building and plant, machinery and equipment which are kept until available for use.

During the year, assets under construction amounting to Rs. 87,504,968/- were completed and transferred to the respective asset categories under Property, Plant and Equipment in accordance with LKAS 16.

7.9 Temporarily idle property, plant and equipment

There were no temporarily idle property, plant and equipment as at reporting date.

NOTES *to the Financial Statements Year ended 31 March, 2026*

8. SLFRS 16 - LEASES

8.1 Right of use asset

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

At gross value	**Balance As at 01.04.2025 Rs.**	**Additions Rs.**	**Advance Payment for Leases Rs.**	**Balance As at 31.03.2026 Rs.**
Land and Building - Factory 152	52,124,137	-	-	52,124,137
Land and Building - Factory 15	13,856,497	-	-	13,856,497
Land and Building - Factory 17	125,257	-	-	125,257
	66,105,891	**-**	**-**	**66,105,891**

Depreciation	**Balance As at 01.04.2025 Rs.**	**Charge during the Year Rs.**	**De-Recognition Rs.**	**Balance As at 31.03.2026 Rs.**
Land and Building - Factory 152	25,472,888	2,365,159	-	27,838,047
Land and Building - Factory 15	3,848,690	431,268	-	4,279,958
Land and Building - Factory 17	23,600	2,653	-	26,253
	29,345,178	**2,799,080**	**-**	**32,144,258**

Net book values

	2026 Rs.	**2025 Rs.**
Land and Building - Factory 152	24,286,090	26,651,249
Land and Building - Factory 15	9,576,539	10,007,807
Land and Building - Factory 17	99,004	101,657
	33,961,633	**36,760,713**

8. SLFRS 16 - LEASES (Contd...)

8.1 Right of use asset (Contd...)

The Rates of Amortization is Estimated as follows; (Straight line basis)	2026	2025
Land and Building - Factory 152	30 Years	30 Years
Land and Building - Factory 15	35 Years	35 Years
Land and Building - Factory 17	50 Years	50 Years

8.2 Lease liability / Lease creditor

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

	Balance as at 01.04.2024	Interest Expense Recognized in statement of Profit or Loss	Repayment	Balance as at 31.03.2025	Balance as at 01.04.2025	Interest Expense Recognized in statement of Profit or Loss	Repayment	Balance as at 31.03.2026
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.
Land and Building - Factory 152	17,634,998	2,092,678	(6,374,668)	13,353,008	13,353,008	1,987,949	(6,245,992)	9,094,965
Land and Building - Factory 15	5,178,086	591,193	(1,352,615)	4,416,664	4,416,664	584,541	(1,325,434)	3,675,771
Land and Building - Factory 17	49,061	5,626	(11,693)	42,994	42,994	5,610	(11,046)	37,558
	22,862,145	**2,689,497**	**(7,738,976)**	**17,812,666**	**17,812,666**	**2,578,100**	**(7,582,472)**	**12,808,294**

	2026			2025		
	Amount repayable within 1 year	Amount repayable after 1 year	Total	Amount repayable within 1 year	Amount repayable after 1 year	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land and Building - Factory 152	4,943,468	4,151,497	9,094,965	5,059,403	8,293,605	13,353,008
Land and Building - Factory 15	1,230,541	2,445,230	3,675,771	1,237,905	3,178,759	4,416,664
Land and Building - Factory 17	11,343	26,215	37,558	11,357	31,637	42,994
	6,185,352	**6,622,942**	**12,808,294**	**6,308,665**	**11,504,001**	**17,812,666**

8.3 Amount recognised in statement of profit or loss	2026 Rs.	2025 Rs.
Amortization of leased assets	2,799,080	2,799,081
Interest on lease liabilities	2,578,100	2,689,497

8.4 Amount recognised in Statement of Cash Flows		
Capital repayment for lease	7,582,472	7,738,976
Interest on lease liabilities	2,578,100	2,689,497

9. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES

9.1 Financial Investments

	2026		2025	
	No. of Shares	Rs.	No. of Shares	Rs.
Quoted Investments				
DFCC Bank PLC	44,698	6,157,150	43,478	4,608,668
Unquoted Investments				
Centre for Technical Excellence in Ceramics-CENTEC Limited	54,000	540,000	54,000	540,000
Total Investments	**98,698**	**6,697,150**	**97,478**	**5,148,668**

The Company designated the investments shown above as equity securities at FVOCI because these equity securities represent investments the Company intended to hold for the long term for strategic purpose.

No strategic investments were disposed during the year ended 31 March 2026 and there were no transfers of any cumulative gain or loss within equity relation to these investments.

9.2 Interest bearing loans and borrowings

	As at 31st March 2026			As at 31st March 2025		
	Amount Repayable Within 1 Year Rs.	Amount Repayable After 1 Year Rs.	Total Rs.	Amount Repayable Within 1 Year Rs.	Amount Repayable After 1 Year Rs.	Total Rs.
Long term loans **(9.3)**	850,180,089	1,425,000,000	2,275,180,089	-	-	-
Short term loans **(9.3)**	-	-	-	-	-	-
	850,180,089	**1,425,000,000**	**2,275,180,089**	-	-	-

9.3 Interest bearing loans and borrowings

	Balance as at 01.04.2024	New Loans Obtained	Repayments	Accrued Interest	Balance as at 31.03.2025
Short term loans	-	250,000,000	(250,000,000)	-	-
	-	**250,000,000**	**(250,000,000)**	-	-

	Balance as at 01.04.2025	New Loans Obtained	Repayments	Accrued Interest	Balance as at 31.03.2026
Long term loans **(9.4)**					
	-	2,500,000,000	(235,000,000)	10,180,089	2,275,180,089
	-	**2,500,000,000**	**(235,000,000)**	**10,180,089**	**2,275,180,089**

NOTES *to the Financial Statements Year ended 31 March, 2026*

9.4 Long term loans

Term loan facility - LKR 2,500 Mn	Hatton National Bank PLC	Total
	Rs.	Rs.
As at 01 April 2025	-	-
New loans obtained	2,500,000,000	2,500,000,000
Repayments	(235,000,000)	(235,000,000)
Accrued Interest	10,180,089	10,180,089
As at 31 March 2026	**2,275,180,089**	**2,275,180,089**

Interest rate	: 9.65% p.a (Fixed Rate)
Repayment terms	: To be repaid in 34 equal monthly Installment of Rs. 70 Mn each & final installment of Rs. 95 Mn
Tenor	:03 Years
Security	: Clean

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

9.5 Fair values

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

9.5.1 Fair Value Hierarchy

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

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

Fair value are determined according to the following hierarchy.

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

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

	Level 1		Level 2		Level 3		Total	
Assets measured at fair value	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**
As at 31 March	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**
Equity Instruments at FVTOCI								
Quoted equity shares	6,157,150	4,608,668	-	-	-	-	6,157,150	4,608,668
Unquoted shares	-	-	-	-	540,000	540,000	540,000	540,000
	6,157,150	**4,608,668**	**-**	**-**	**540,000**	**540,000**	**6,697,150**	**5,148,668**

As at 31 March 2026, the Company held the above financial instruments carried at fair value on the statement of financial position. Carrying value of the unquoted shares do not significantly different from the fair value of the investment.

Financial assets and liabilities by categories

	Financial Assets by Categories						Financial Liabilities by Categories	
	Measured at Amortised cost		Fair Value through Profit/Loss		Fair Value through OCI		Measured at Amortised cost	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Financial Assets								
Financial Investments	-	-	-	-	6,697,150	5,148,668	-	-
Trade and other receivables	2,675,660,432	3,814,664,295	-	-	-	-	-	-
Prepayment	68,242,352	26,807,842	-	-	-	-	-	-
Cash and short term deposits	5,792,830,042	2,885,388,507	-	-	-	-	-	-
	8,536,732,826	**6,726,860,644**	**-**	**-**	**6,697,150**	**5,148,668**	**-**	**-**
Financial liabilities								
Lease liabilities	-	-	-	-	-	-	12,808,294	17,812,666
Interest bearing loans and borrowings	-	-	-	-	-	-	2,275,180,089	-
Trade and other payables	-	-	-	-	-	-	1,859,388,049	1,626,236,472
Bank overdraft	-	-	-	-	-	-	124,913,162	35,079,621
	-	**-**	**-**	**-**	**-**	**-**	***4,272,289,594***	***1,679,128,759***

NOTES *to the Financial Statements Year ended 31 March, 2026*

10.	**INVENTORIES**	**2026**	**2025**
		Rs	**Rs.**
	Raw materials and packing materials	1,297,109,962	1,107,751,889
	Work in Progress	21,863,070	27,163,253
	Finished Goods	726,778,115	1,754,292,672
	Consumables and Spares	1,635,745,287	1,688,527,228
	Stock in transit	53,204,636	-
	Less: Obsolete and Slow Moving Inventory **(Note 10.1)**	(468,122,293)	(528,457,552)
		3,266,578,777	**4,049,277,490**

10.1	**Provision for Inventory**	**2026**	**2025**
		Rs.	**Rs.**
	Balance as at the beginning of the year	528,457,552	280,422,848
	Provision during the year	(60,335,259)	248,034,704
	Balance as at the end of the year	**468,122,293**	**528,457,552**

11.	**TRADE AND OTHER RECEIVABLES**		**2026** **Rs.**	**2025** **Rs.**
	Trade receivables	- Related party **(Note - 11.1)**	82,511,218	361,638,800
	Trade receivables	- Others	2,615,676,614	3,474,774,722
	Less : Provision for impairments **(Note - 11.2)**		(45,798,950)	(36,222,360)
			2,652,388,882	**3,800,191,162**
	Advances, deposits and Others		378,501,570	121,908,458
	Loans to company officers	- Current	15,921,550	10,233,550
		- Non Current	7,350,000	4,239,583
			3,054,162,002	**3,936,572,753**
	Total current		3,046,812,002	3,932,333,170
	Total Non - Current		7,350,000	4,239,583
			3,054,162,002	**3,936,572,753**

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

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

	Relationship	**2026** **Rs.**	**2025** **Rs.**
PGP Glass USA Inc	Fellow Subsidiary		
		82,511,218	361,638,800
		82,511,218	**361,638,800**

11.2	**Provision for impairments**	**2026** **Rs.**	**2025** **Rs.**
	Balance as at the beginning of the year	(36,222,360)	(23,366,361)
	(Provision)/reversal for bad & doubtful debts	(6,285,542)	(8,552,050)
	Write back during the year	(3,291,048)	(4,303,949)
	Balance as at the end of the year	**(45,798,950)**	**(36,222,360)**

NOTES *to the Financial Statements Year ended 31 March, 2026*

12. CASH AND SHORT TERM DEPOSITS

		2026 Rs.	2025 Rs.
12.1	**Favorable cash and cash equivalent balances**		
	Cash at bank	496,413,997	525,655,049
	Cash on hand	6,663,287	7,293,806
		503,077,284	**532,948,855**
12.2	**Short term deposits**		
	Fixed deposit - less than 90 days	4,950,000,000	2,000,000,000
	Money market funds	339,752,758	352,439,652
		5,289,752,758	**2,352,439,652**
	Favorable cash and cash equivalent balances in the statement of financial position	**5,792,830,042**	**2,885,388,507**
12.3	**Unfavorable cash and cash equivalent balances**		
	Bank overdraft	(124,913,162)	(35,079,621)
	Cash and cash equivalents for the purpose of cash flow statement	**5,667,916,880**	**2,850,308,886**

13. STATED CAPITAL

		2026 Number	2025 Number	2026 Rs.	2025 Rs.
13.1	Ordinary shares	950,086,080	950,086,080	1,526,407,485	1,526,407,485

13.2 Rights, preference and restrictions of classes of capital

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

14. OTHER RESERVES

	2026 Rs.	2025 Rs.
Revaluation reserve **(Note 14.1)**	101,407,935	101,407,935
Fair value reserve **(Note14.3)**	5,237,798	3,881,914
	106,645,733	**105,289,849**

14.1 Revaluation reserve

Balance as at beginning of the Year	101,407,935	101,407,935
Balance as at the end of the year	**101,407,935**	**101,407,935**

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

14.3 Fair value reserve

	2026 Rs.	2025 Rs.
Balance as at beginning of the year	**3,881,914**	**2,610,258**
Gain on financial investments - Fair value through other comprehensive income	1,355,884	1,271,656
Balance as at the end of the year	**5,237,798**	**3,881,914**

Fair value reserves consists of net gain reserves from valuation of financial investments.

NOTES *to the Financial Statements Year ended 31 March, 2026*

15. EMPLOYEE BENEFIT LIABILITY

15.1 Defined benefit obligation	2026	2025
Changes of the defined benefit obligation are as follows:	Rs.	Rs.
Balance at the beginning of the year	332,434,597	215,980,317
included in profit or loss		
Interest Cost	36,567,805	25,917,640
Current Service Cost	25,788,415	16,496,848
included in other comprehensive income		
Actuarial Losses on Obligation	64,157,890	88,500,746
Benefits paid during the period	(6,201,673)	(14,460,954)
Balance at the end of the year	**452,747,034**	**332,434,597**

15.2 M/S Actuarial and Management Consultants (Pvt) Ltd, Actuaries carried out an actuarial valuation for defined benefit plan for the year ended 31 March 2026. The actuarial valuation involves making assumptions about discount rate, average expected future working lives, salary escalation rate, promotion rates and mortality rates. The key assumptions used by the actuary include the following.

	2026	2025
Method of actuarial valuation:	Projected Unit Credit method	Projected Unit Credit method
Discount rate:	10.00%	11.00%
Retirement age:	60 Years	60 Years
Salary escalation rate		
Non executive	11%	10%
Executive	10%	11%
Attrition rate:		
Non executive	3%	3%
Executive	8%	8%
Expected future working life (No of Years)		
Non executive	14.17	14.59
Executive	8.52	8.72
Weighted Average Duration of Defined Benefit Obligation (Years)	8	8
Mortality table:	A1967-70 Mortality Table for Assured Lives	A1967-70 Mortality Table for Assured Lives

A long-term treasury bond rate of 10.00% p.a. (2025 - 11.00% p.a.) has been used to discount future liabilities taking into consideration the remaining working life of eligible employees.

NOTES *to the Financial Statements Year ended 31 March, 2026*

15. EMPLOYEE BENEFIT LIABILITY (Contd...)

15.3 Sensitivity of Assumptions Employed in Actuarial Valuation

The following table demonstrates the sensitivity to a reasonable possible change in the key assumptions employed with all other variables held constant in the employment benefit liability measurement, in respect of the year ended 31 March 2026.

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

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

		Increase Rs.	Decrease Rs.
2026	Effect on the defined benefit obligation	37,612,901	(33,249,484)
2025	Effect on the defined benefit obligation	27,157,395	(24,155,030)

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

		Increase Rs.	Decrease Rs.
2026	Effect on the defined benefit obligation	(31,303,072)	36,057,283
2025	Effect on the defined benefit obligation	(22,533,048)	25,738,775

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

	2026 Rs.	2025 Rs.
Within the Next 12 Months	73,280,381	16,934,375
Between 1 and 6 Years	155,861,469	141,949,289
Between 6 and 10 Years	82,191,804	70,717,611
Beyond 10 years	141,413,380	102,833,322
	452,747,034	**332,434,597**

NOTES *to the Financial Statements Year ended 31 March, 2026*

16.	TRADE AND OTHER PAYABLES		2026	2025
			Rs.	Rs.
	Trade payable	- Related Party **(Note 16.1)**	358,910,490	108,527,996
		- Others	864,045,496	855,148,832
	Other payables	- Related Party **(Note 16.2)**	140,117,990	124,836,235
		- Capital Expenditure	187,361,046	59,560,013
	Sundry creditors including accrued expenses		564,587,303	655,725,276
			2,115,022,325	**1,803,798,352**

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

16.1	Trade payables to related party	Relationship		
	PGP Glass Private Limited - India	Parent Company	358,910,490	108,527,996
			358,910,490	**108,527,996**

16.2	Other Payables - Related Party	Relationship		
	PGP Glass Private Limited - India	Parent Company	140,117,990	124,836,235
			140,117,990	**124,836,235**

17.	DIVIDENDS PAID AND PAYABLE	2026	2025
		Rs.	Rs.
	As at the beginning of the year	134,404,849	83,466,573
	Dividends declared during the year **(Note 17.1)**	2,147,194,541	2,232,702,288
	Dividends paid during the year	(2,104,608,007)	(2,177,932,662)
	Written back of unclaimed dividends	(3,366,779)	(3,831,350)
	As at the end of the year	**173,624,604**	**134,404,849**

17.1	Declared and paid during the year		
	Equity dividends on ordinary shares		
	- Final dividend per share for 2023/24 - Rs.1.55	-	1,472,633,424
	- Interim dividend per share for 2024/25 - Rs.0.80	-	760,068,864
	- Final dividend per share for 2024/25 - Rs. 2.26	2,147,194,541	-
		2,147,194,541	**2,232,702,288**

NOTES *to the Financial Statements Year ended 31 March, 2026*

18. RELATED PARTY DISCLOSURES

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

18.1 Transaction with Group Companies		2026	2025
		Rs.	Rs.
Name of Company	**Relationship**		
PGP Glass Private Limited - India	Parent company		
Nature of transaction			
Purchase of bottles		922,163,349	274,893,199
Purchase of bottles and lids - In transit		53,204,636	-
Purchase of lids		4,219,435	672,750
Purchase of capital items		10,990,015	2,266,440
Technical fees		338,040,413	374,922,128
Maintenance cost for ERP and Network systems		119,062,610	43,738,408
		1,447,680,458	**696,492,925**
Name of Company	**Relationship**		
PGP Glass USA, INC.	Fellow subsidiary		
Nature of transaction			
Sale of Bottles		1,027,352,572	1,801,598,634
Purchase of raw material		-	3,030,000
		1,027,352,572	**1,804,628,634**
Name of Company	**Relationship**		
Ansa Decoglass Pvt Ltd	Fellow subsidiary		
Nature of transaction			
Purchase of raw material		-	69,592
		-	**69,592**

The amounts payable to the above related parties as at 31 March 2026 and 31 March 2025 are disclosed in Notes 16.1 and 16.2 and amounts receivable from the above related parties as at 31 March 2026 and 31 March 2025 are disclosed in Note 11.1.

The transactions with related parties are made on ordinary course of business. Outstanding balances at the year-end are unsecured. No corporate guarantees provided to/received from related parties.

NOTES *to the Financial Statements Year ended 31 March, 2026*

18.2 Transactions with Directors/Key Management Personnel	2026 Rs.	2025 Rs.
Short term employee benefits	103,285,286	104,572,426
Total Compensation paid to Key Management Personnel	**103,285,286**	**104,572,426**

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

19. COMMITMENTS AND CONTINGENCIES

19.1 Capital Expenditure Commitments

The Company has commitments for acquisition of property, plant and equipment incidental to the ordinary course of business as at 31 March 2026 are as follows:

	2026 Rs.Mn	2025 Rs.Mn
Contracted but not provided	617	51
Authorized by the Board, but not Contracted for	524	68
	1,141	**119**

19.2 Contingent Liabilities

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

20. ASSETS PLEDGED

There are no any assets pledged as securities for liabilities as at the reporting date.

21. EVENTS OCCURRING AFTER THE REPORTING DATE

There are no events which require adjustment to, or disclosure in the Financial Statements except for the followings;
The Directors declared a final dividend of Rs. 2.98 per share for the year ended 31 March 2026 on 21st May 2026.

NOTES *to the Financial Statements Year ended 31 March, 2026*

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

22.1 Introduction

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

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

22.1.1 Market Risk

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

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

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

22.1.2 Commodity Price Risk

The Entity is affected by the availability and price of certain commodities. The main impact for PGP Glass Ceylon PLC is through energy and Imported Raw Material. The imported Raw material price risk is mitigated through long term agreements and central purchasing done by PGP Global supply chain team. The energy cost consists of LPG, Furnace oil and Electricity.

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

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

22.1.3 Interest Rate Risk

Interest rate risk is the risk that the entity's financial position will be adversely affected by movements in floating interest.

Exposure to inherent rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

	As at 31 March 2026 Rs.	As at 31 March 2025 Rs.
Variable rate instruments		
Loans and borrowings - Short term loan	-	-
Loans and borrowings - Long term loan	2,275,180,089	-

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

	Increase/(Decrease) in Interest Rate	Effect on Statement of Profit or Loss Rs.	Effect on Statement of Financial Position Rs.
2026	1%	(1,066,678)	(1,066,678)
	-1%	1,066,678	1,066,678
2025	1%	(143,975)	(143,975)
	-1%	143,975	143,975

22.1.4 Exchange Rate Risk

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

The Principle exchange rates used by the Company for conversion of foreign currency balances and transactions for the year ended 31 March 2026 are as follows;

	Average rate		Closing rate	
	2026	2025	2026	2025
USD	303.80	297.87	316.00	296.00
EUR	351.66	319.74	362.03	320.00
INR	3.45	3.53	3.32	3.46
GBP	407.44	380.33	416.62	383.61

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

	USD	EUR	INR	GBP
Cash and Bank	1,417,984	334	32,644	-
Trade Receivables	2,428,512	-	-	-
Trade Creditors	2,269,858	300,669	6,004,307	1,418

NOTES *to the Financial Statements Year ended 31 March, 2026*

	Increase / (Decrease) in Exchange Rate	Effect on Statement of Profit or Loss Rs.	Effect on Statement of Financial Position Rs.
2026	1%	719,361	719,361
	-1%	(719,361)	(719,361)
2025	1%	381,832	381,832
	-1%	(381,832)	(381,832)

22.1.5 Liquidity Risk

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

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

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

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

The below table summarises the maturity profile of the Company's financial liabilities as at 31 March 2026.

	As at 31 March 2026 Carrying Value Rs.	Contractual cash flows			
		1 - 6 Months Rs.	6 - 12 Months Rs.	More than one Year Rs.	Total Rs.
Lease liability **(Note 8.2)**	12,808,294	3,730,561	-	41,570,478	45,301,039
Trade and other Payables **(Note 16)**	2,115,022,325	2,032,217,570	82,804,755	-	2,115,022,325
Bank overdraft **(Note 12.3)**	124,913,162	124,913,162	-	-	124,913,162
Long Term Loans **(Note 9.3)**	2,275,180,089	521,652,836	499,998,500	1,547,605,233	2,569,256,568
	4,527,923,870	**2,682,514,129**	**582,803,255**	**1,589,175,711**	**4,854,493,094**

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

22.1.6 Equity Price Risk

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

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

22.1.7 Credit Risk

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

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

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was;

	2026	2025
	Rs.	Rs.
Financial investments	6,697,150	5,420,899
Trade and other receivables	3,046,812,002	3,130,722,742
Cash and short term deposits	5,792,830,042	1,287,204,300
	8,846,339,194	**4,423,347,941**

Trade receivables and expected credit loss assessment

	2026				2025			
	Gross carrying value	Loss allowance	Weighted average loss rate	Credit impaired	Gross carrying value	Loss allowance	Weighted average loss rate	Credit impaired
Current (not past due)	2,401,211,848	34,004,840	1.42%	No	3,514,753,626	26,186,498	0.75%	No
60-120 days past due	277,086,259	56,586	0.02%	No	302,872,793	-	0.00%	No
121- 180 days past due	11,777,593	-	0.00%	No	14,826,362	-	0.00%	No
181-365 days past due	(3,625,392)	-	0.00%	No	(6,075,121)	-	0.00%	No
More than 365 days past due	11,737,524	11,737,524	100.00%	Yes	10,035,862	10,035,862	100.00%	Yes
	2,698,187,832	**45,798,950**			**3,836,413,522**	**36,222,360**		

Cash at bank

Company held cash at bank Rs.496,413,997/-at 31 March 2026 and Rs.525,655,049/- as at 31 March 2025 respectively. The cash at bank are held with reputed commercial banks and financial institution counterparties, which are rated AAA and BBB- based on fitch rating.

22.2 Capital management

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

23. Comparative information

The comparative information has been reclassified where ever necessary to confirm with the current years classification in order to provide a better presentation.

SHAREHOLDERS' *and Investor Information*

1 STOCK EXCHANGE LISTING

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

2 MAJOR SHAREHOLDERS AS AT 31st MARCH

	Name of Shareholder	2026 No. of Shares	%	2025 No. of Shares	%
1	Deutsche Bank AG Colombo Branch/ DB International Trust (Singapore) Limited/PGP Glass Private Limited	747,236,631	78.65	747,236,631	78.65
2	Employee's Provident Fund	90,317,140	9.51	90,317,140	9.51
3	Mona Exports (Pvt) Limited	24,719,213	2.60	22,976,193	2.42
4	Bangkok Glass Industry Company Limited	6,280,000	0.66	6,280,000	0.66
5	Mr. G.C. Goonetilleke	3,932,957	0.41	3,930,457	0.41
6	Mr. H.M. Udeshi	2,945,882	0.31	2,749,519	0.29
7	Tranz Dominion L.L.C.	1,650,000	0.17	1,650,000	0.17
8	Mr. C. Wijesinghe	1,440,000	0.15	1,440,000	0.15
9	Mrs. P. Dissanayake	1,440,000	0.15	1,440,000	0.15
10	Mr. S.R. Perera	1,215,000	0.13	1,215,000	0.13
11	Mr. M.S.A. Hussny	1,179,580	0.12	1,183,280	0.13
12	Mrs. S.S. Tiwari & Mr. S.K. Tiwari	1,014,166	0.11	1,214,166	0.13
13	Mr. A.D. Edussuriya	1,000,000	0.11	1,000,000	0.11
14	Hatton National Bank PLC A/C No.4 (HNB Retirement Pension Fund)	990,566	0.10	755,759	0.08
15	National Development Bank PLC/ Mithila Meepal Somasiri	971,261	0.10	-	-
16	Mr. P.R. Anthonis	928,000	0.10	928,000	0.10
17	Employees Trust Fund Board	887,426	0.09	899,671	0.10
18	Mr. S. Yusoof	865,000	0.09	1,200,000	0.13
19	CT CLSA Asset Management/ Hanif Yusoof	823,606	0.09	833,606	0.09
20	SSCT-Parametric Tax-Managed Emerging Markets Fund	683,370	0.07	683,370	0.07
	Mr. C. Amerasinghe	-	-	1,292,250	0.14
	Mr. M.M. Somasiri	-	-	971,261	0.10
	Sub Total	890,519,798	93.72	890,196,303	93.72
	Others	59,566,282	6.28	59,889,777	6.28
	Grand Total	**950,086,080**	**100.00**	**950,086,080**	**100.00**

SHAREHOLDERS' *and Investor Information*

3 SHARE DISTRIBUTION

3.1 Shareholding as at 31st March

From	To	No. of Holders		No. of Shares		%	
		2026	2025	2026	2025	2026	2025
1	1,000	3,502	3,159	1,207,847	1,141,354	0.13	0.12
1,001	10,000	6,842	6,921	18,709,935	19,043,419	1.96	2.00
10,001	100,000	637	645	19,096,085	19,485,539	2.01	2.05
100,001	1,000,000	104	101	27,701,644	26,291,132	2.92	2.77
Over 1,000,000		12	14	883,370,569	884,124,636	92.98	93.06
		11,097	**10,840**	**950,086,080**	**950,086,080**	**100.00**	**100.00**

3.2 Categories of Shareholders

	No. of Holders		No. of Shares		%	
	2026	2025	2026	2025	2026	2025
Local Individuals	10,887	10,644	67,892,433	69,671,049	7.15	7.33
Local Institutions	153	141	124,777,842	122,111,085	13.13	12.85
Foreign Individuals	53	50	1,565,804	1,769,858	0.16	0.19
Foreign Institutions	4	5	755,850,001	756,534,088	79.56	79.63
	11,097	**10,840**	**950,086,080**	**950,086,080**	**100.00**	**100.00**

Percentage of Shares held by the public	21.24%	21.22%
Number of Public Shareholders	11,095	10,837

4 SHARE PRICE

Market price per share for the year		**2025/26**			**2024/25**	
Highest Price	Rs	61.50	08.10.2025	Rs	36.50	14.02.2025
Lowest Price	Rs	34.00	07.04.2025	Rs	26.00	12.09.2024
Last Traded price	Rs	54.90	31.03.2026	Rs	34.80	28.03.2025

5 SHARE TRADING

	2025/26	2024/25
Number of Shares Traded During the year	12,229,691	31,329,116
Value of Shares Traded during the year - Rs.	638,876,530	938,287,612
Number of Trasactions during the year	11,869	6,030

6 MARKET CAPITALISATION

As at 31st March - Rs. Mn	52,160	33,063

7 FLOAT ADJUSTED MARKET CAPITALIZATION

As at 31st March - Rs. Mn	10,516	6,915

The Float adjusted market capitalization of the Company falls under Option 1 of Rule 7.13.1(i) (a) of the listing Rules of the Colombo Stock Exchange and the company has complied with the minimum public holding requirment applicable under the said option.

TEN *Year Financial Review*

31st March	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
LKR (000)										
OPERATING RESULTS										
Revenue (Gross)	19,348,053	19,529,102	17,823,510	20,067,308	10,229,011	8,531,802	7,531,179	7,398,270	6,815,727	6,783,010
Profit before Tax	5,139,180	5,231,468	3,839,911	3,960,316	2,335,951	1,190,835	495,406	510,496	541,049	602,840
Tax Expenses	1,092,869	1,073,985	901,082	780,016	421,406	95,054	106,418	164,126	197,168	117,364
Profit after Tax	4,046,311	4,157,483	2,938,829	3,180,300	1,914,545	1,095,781	388,988	346,370	343,882	485,476
SHARE CAPITAL & RESERVES										
Stated Capital	1,526,407	1,526,407	1,526,407	1,526,407	1,526,407	1,526,407	1,526,407	1,526,407	1,526,407	1,526,407
Other Reserves	13,253,581	11,401,068	9,541,984	8,182,714	5,003,811	4,042,216	3,143,795	2,919,121	2,737,865	2,684,817
Shareholders' Funds	14,779,988	12,927,475	11,068,391	9,709,121	6,530,218	5,568,623	4,670,202	4,445,528	4,264,272	4,211,224
ASSETS LESS LIABILITIES										
Current Assets	12,174,463	10,893,807	9,133,629	7,653,802	5,309,270	3,685,701	3,559,848	4,152,326	3,398,158	2,856,123
Current Liabilities	(3,779,569)	(2,556,594)	(2,302,239)	(2,463,875)	(3,511,750)	(2,506,565)	(2,864,878)	(2,946,014)	(2,522,950)	(1,715,915)
Net Current Assets	8,394,894	8,337,213	6,831,390	5,189,927	1,797,520	1,179,136	694,970	1,206,312	875,208	1,140,208
Non Current Assets	8,872,294	5,473,035	5,121,525	5,321,468	5,731,344	6,182,984	6,596,726	6,017,666	6,050,435	6,209,581
Total Assets Less Current Liabilities	17,267,188	13,810,248	11,952,915	10,511,395	7,528,864	7,362,120	7,291,696	7,223,978	6,925,644	7,349,789
Non Current Liabilities	(2,487,200)	(882,772)	(884,523)	(802,274)	(998,645)	(1,793,496)	(2,621,494)	(2,778,449)	(2,661,372)	(3,138,564)
Net Assets	**14,779,988**	**12,927,476**	**11,068,392**	**9,709,121**	**6,530,219**	**5,568,624**	**4,670,202**	**4,445,529**	**4,264,272**	**4,211,225**

31st March	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Ratios & Other information										
Earning Per Share (Rs.)	4.26	4.38	3.09	3.35	2.02	1.15	0.41	0.36	0.36	0.51
Dividend Per Share (Rs.) - Paid	2.26	2.35	1.66	-	1.08	0.20	0.18	0.18	0.26	0.35
Return on Equity (%)	27	32	27	33	29	20	8	8	8	12
Dividend Payout ratio (%)	70	70	50	50	25	50	49	50	50	51
Market value per share (Rs..)	54.90	34.80	29.50	19.20	11.40	11.10	3.30	3.50	5.80	5.60
Price Earning Ratio (times covered)	12.89	7.95	9.55	5.73	5.64	9.65	8.05	9.72	16.11	10.98
Interest Cover (times covered)	291.08	998.11	31.16	10.62	13.02	5.07	2.05	2.03	2.04	3.75
Current Ratio (times covered)	3.22	4.26	3.97	3.11	1.51	1.47	1.24	1.41	1.35	1.66
Liquidity Ratio (times covered)	2.36	2.68	1.88	1.37	0.84	0.73	0.51	0.64	0.68	0.82
Gearing Ratio	0.15	-	-	0.02	0.14	0.34	0.56	0.61	0.61	0.76
Net Asset per share (Rs.)	15.56	13.61	11.65	10.22	6.87	5.86	4.92	4.68	4.49	4.43

GLOSSARY *of Financial Terminology*

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

NOTICE *of Meeting*

NOTICE IS HEREBY GIVEN THAT The Seventy First (71st) Annual General Meeting of The Company will be held as a physical Meeting on The 24th July 2026 (Friday), at 10.00 a.m at Hotel Mount Lavinia, 100, Hotel Road, Mount Lavinia for the following purposes.

1. To receive and consider the Annual Report of the board and the Financial Statements of the Company for the year ended 31st March 2026, together with the report of the auditors thereon.

2. To re-elect as a director Mrs.Aruni Goonetilleke who retires by rotation in terms of article 98 of the Articles of Association of the company and being eligible has offered herself for re-election.

3. To approve and declare a final dividend of Rs. 2.98 per share as authorized by the Directors.

4. To re-appoint Messrs. KPMG, Chartered Accountants as auditors of the company until the next Annual General Meeting and to authorize the directors to fix their remuneration.

5. To approve the donations and contributions made by the directors during the year under review and to authorize the board to determine donations and contributions for the ensuing year.

Note:

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

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

By Order of the Board

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

Colombo on this 21st May 2026

ANNUAL GENERAL MEETING

FORM *of Proxy*

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

"Failing him, Mr.Vijay Shah, the Chairman of PGP Glass Ceylon PLC, or failing him, Mr.Samit Datta or failing him Mr.Sanjay Tiwari or failing him, Mr.Mayura Fernando or failing him, Mrs.Aruni Goonetilleke my /our proxy to speak / vote for me / us on me / our behalf at the 71st Annual General Meeting of the Company to be held as a Physical Meeting on the 24th July 2026 (Friday) at 10.00 a.m. at Hotel Mount Lavinia, 100, Hotel Road, Mount Lavinia as for the following purposes.

		For	**Against**
1	To receive and consider the Annual Report of the Board and the Financial Statements of the Company for the year ended 31st March 2026, together with the Report of the Auditors thereon.	☐	☐
2	To re-elect as a Director Mrs.Aruni Goonetilleke who retires by rotation in terms of Article 98 of the Articles of Association of the Company and being eligible has offered himself for re-election	☐	☐
3	To approve and declare a final dividend of LKR 2.98 per share as authorized by the Directors	☐	☐
4	To re-appoint Messrs. KPMG, Chartered Accountants as Auditors of the Company until the next Annual General Meeting and to authorize the Directors to fix their remuneration.	☐	☐
5	To approve the donations and contributions made by the directors during the year under review and to authorize the Board to determine donations and contributions for the ensuing year.	☐	☐

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

ATTENDANCE SLIP

SHAREHOLDER - PLACE YOUR SIGNATURE ONLY IN THE SPACE PROVIDED

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

SIGNATURE OF SHARE HOLDER	
SIGNATURE OF PROXY HOLDER	
PROXYHOLDER'S FULL NAME	
PROXYHOLDER'S NIC NUMBER	

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

FORM *of Proxy*

A Proxy need not be a member of the Company.

INSTRUCTIONS FOR THE COMPLETION OF THE FORM OF PROXY

Shareholders are requested to:

1. Forward the completed form of proxy to the Registered Office of the Company, PGP Glass Ceylon PLC at No. 148, Maligawa Road, Borupana, Ratmalana, not less than 48 hours before the time appointed for the holding of the meeting.

2. The completed Form of Proxy can be forwarded via email address of **AGM2026@pgpfirst.com** or handover to the Registered office of the Company apart from posting.

3. Perfect the form of proxy by filling in all necessary details legibly, signing and dating.

4. Complete the form in capital letters.

5. Please indicate with an “X” in the space provided, how your Proxy is to vote on each Resolution. If no indication is given, the Proxy, at his/her discretion, will vote as he/she thinks fit.

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

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

PGP Glass Factory Locations

Sri Lanka

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

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

India

Kosamba
O.N.G.C. Road, P.B.No.6,
Tarsadi Village, Kosamba
Surat – 394120
Gujarat, India.

Jambusar
Off-Masar Chowkadi, Masar Gajera Road,
Ucchad Village, Jambusar Taluka
Bharuch – 392150
Gujarat, India.

Decoration Facility
ANSA Decoglass Private Limited,
Sahol – Kosamba Road, Amod
Surat – 394120
Amod, Gujarat – 394120

PGP Glass Ceylon PLC
PQ 190

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