CENTRALITY

BPPL HOLDINGS PLC
ANNUAL REPORT 2023/24

BPPL
Building Quality. Improving Life.

Contents

Centrality

Sustainability has been the cornerstone of our business and this year too, we underscored its importance in being the lifeblood of our mission and vision. As we remain in the forefront of renewable practices, we have managed to reduce our carbon footprint through more than just our products but in every aspect of our business. Along with millions of PET bottles recycled, we have also improved our yarn production to utilised fabric waste which is a groundbreaking innovation by the company. By reducing the impact of fast fashion, we ensure that the clothes we discard are left out of landfills and instead, repurposed for the future. This dedication and innovation of our team have been central to our achievements and their unwavering commitment to our goals has been inspiring and essential in overcoming the challenges we face. As we look to the future, we remain steadfast in our commitment to expanding our recycling capacity, exploring new markets, and further integrating sustainable practices into every aspect of our operations. While we transcribe our progress in the year under review, we are enthused to note that we truly achieved centrality in our sustainable efforts.

About Us

BPPL Holdings PLC is dedicated to fostering environmental sustainability and developing eco-friendly products. Our subsidiaries, Beira Brush (Private) Limited and Eco Spindles (Private) Limited, are at the forefront of these efforts, driving significant contributions to our mission.

Beira Brush, a leading brush manufacturer in Asia with over three decades of experience, meticulously crafts products using responsibly sourced materials. Our brushes cater to a wide range of consumers, from household to commercial and professional segments, ensuring quality and sustainability in every bristle.

Eco Spindles, a key subsidiary, has revolutionized recycling with state-of-the-art facilities that convert waste plastic into high-grade polyester yarn and monofilaments. As one of only two such facilities worldwide, Eco Spindles uniquely produces yarn and monofilaments directly from plastic flakes. This innovative process supports polyester fabric production and the creation of advanced cleaning tools, underscoring our commitment to resource optimization and environmental preservation. Additionally, Eco Spindles has advanced its sustainability efforts by initiating the recycling of waste fabric back into yarn. This process not only reduces textile waste but also fosters a circular economy, where materials are continuously reused, significantly minimizing environmental impact.

Our comprehensive product lineup includes brushes, brooms, mops, and other cleaning tools, all designed to meet the highest standards of quality and performance. Our manufacturing processes leverage the latest technology and adhere to strict environmental standards, reflecting our dedication to responsible production.

At BPPL Holdings, our mission extends beyond manufacturing; we strive to reduce our carbon footprint, minimize waste, and contribute to a greener planet. We engage actively with local communities, supporting initiatives that enhance waste management and environmental conservation. Our collaborations with various organizations and stakeholders exemplify our commitment to positive societal and environmental impact.

The achievements of Beira Brush and Eco Spindles have established BPPL Holdings PLC as a leader in promoting a cleaner and greener world. Our efforts have earned us recognition both in Sri Lanka and internationally, highlighting our unwavering commitment to ethical value creation in all our ventures.

BPPL Holdings PLC is more than a company; we are a movement towards a sustainable future. Join us in our journey to make the world a cleaner, healthier place for generations to come.

Group Structure

BPPL Holdings PLC

Beira Brush (Pvt) Ltd
100%
Manufacturing and exporting of brooms and brushes

BPPL Enterprises (Pvt) Ltd
100%
Buying and exporting

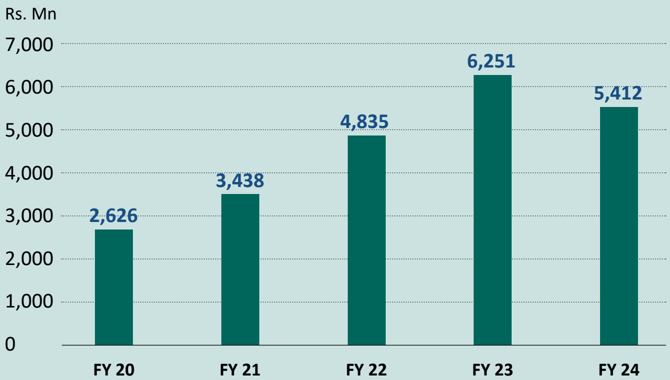
Eco Spindles (Pvt) Ltd
100%
Recycling of used PET bottles and plastics
Manufacturing of monofilaments for brush manufacturing and recycled polyester yarn for knitted fabrics and all for exports

Beira Brush General Trading L.L.C.
100%
Sales office – Dubai

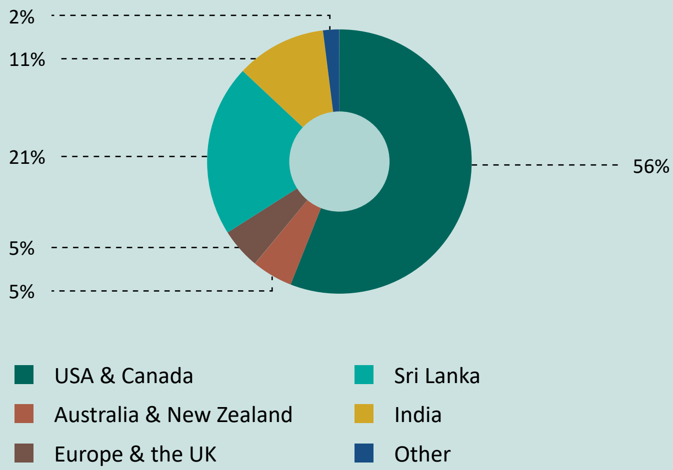
Our Global Presence

Performance Highlights

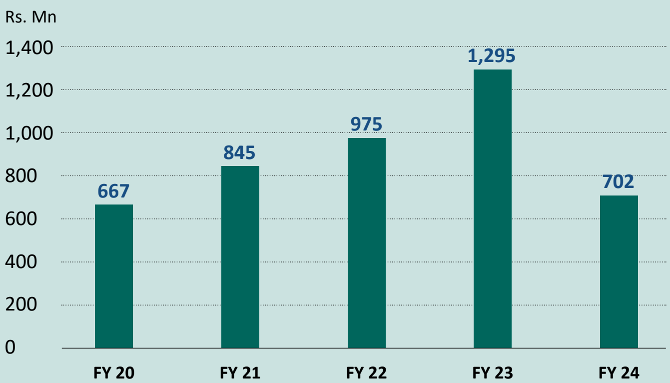
Revenue



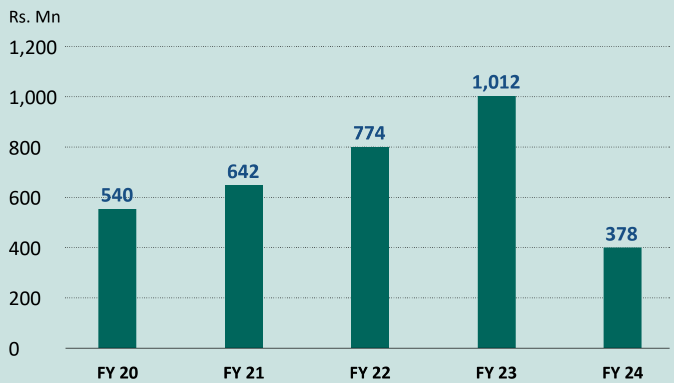
Revenue by Region



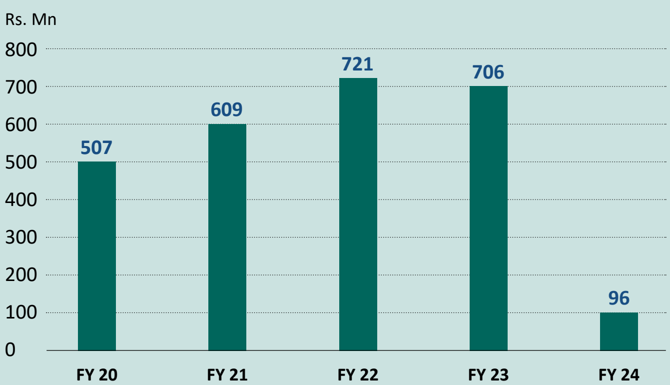
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)



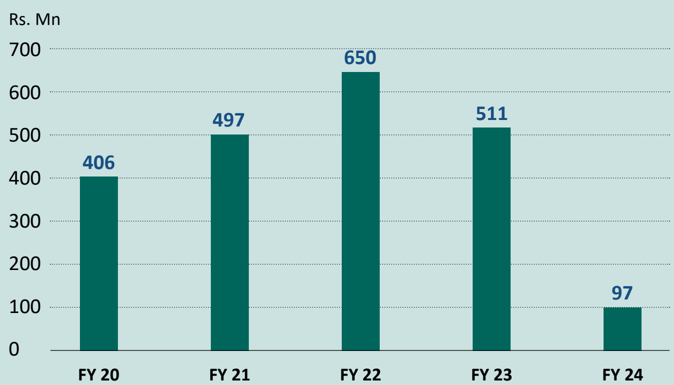
Earnings Before Interest and Tax (EBIT)



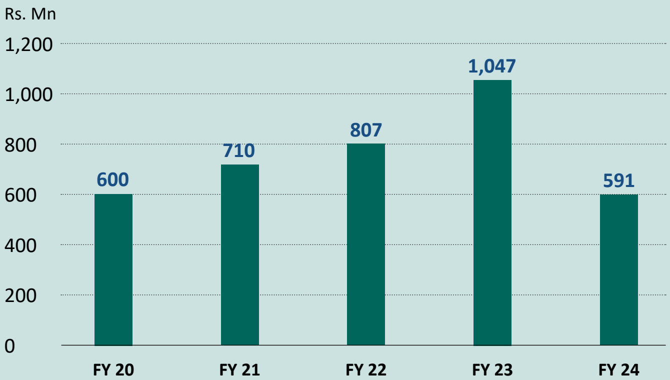
Profit Before Tax (PBT)



Profit After Tax (PAT)

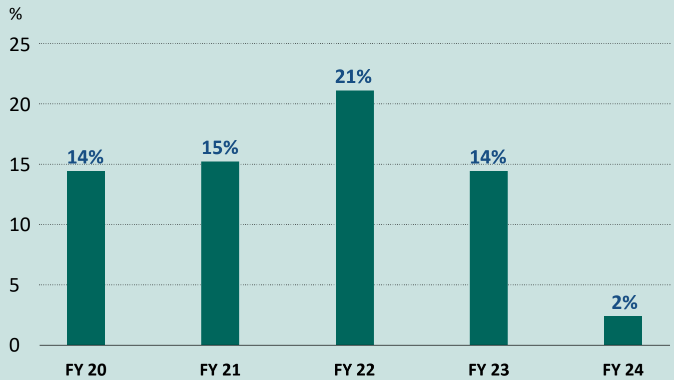


Cash Profit

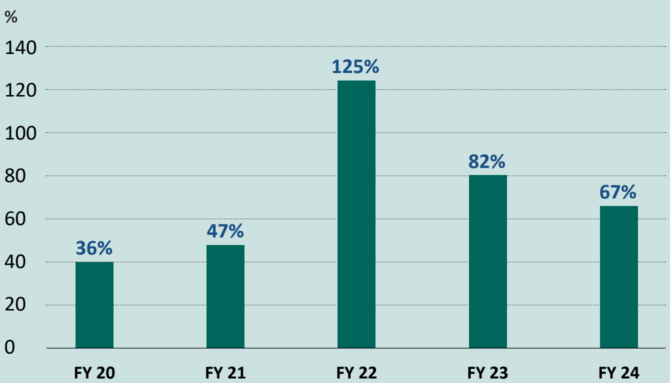


Cash Profit is derived after eliminating all non-cash entries from the reported net profit after tax

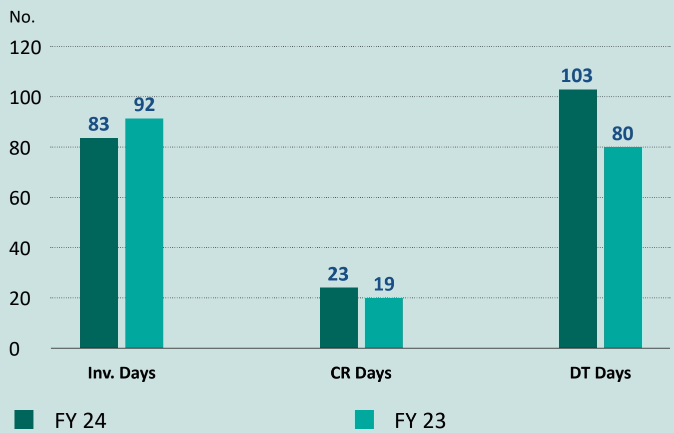
Return On Equity (ROE)



Debt-to-Equity (D/E)



Working Capital Cycle



"The industry environment improved especially during the latter half of the financial year under review, where a recovery in revenue was seen in the two main business segments, viz, brush and recycled polyester yarn."

Stabilization Amidst Challenges

Dear Shareholder

It is with pleasure that I present the Annual Report of BPPL Holdings PLC for the year ended 31st March 2024, a year which I would term as one of stabilization.

The industry environment improved especially during the latter half of the financial year under review, where a recovery in revenue was seen in the two main business segments, viz, brush and recycled polyester yarn. This was a much welcome reversal of the trend witnessed towards the latter part of the previous financial year, where high interest rate regimes in our key markets impacted the buying patterns of our customers as they opted to bring down inventory levels.

The recovery in sales volumes towards the latter part of the year enabled the Company to record a consolidated revenue of US$ 17.9 million for the 12 months ended 31st March 2024 as compared to US$ 18.4 million recorded in the previous financial year, a drop of 3%. However, the consolidated revenue in Rupee terms recorded for the year under review was Rs. 5.4 billion as against Rs. 6.2 billion in the previous year. The lower revenue in Rupee terms is attributed to the appreciation of the Sri Lankan Rupee during the year whereby US$ denominated sales were converted at comparatively lower exchange rates, and the charge arising from discontinuation of the hedge reserve, which is further explained below.

An appreciation of 11% on the average annual exchange rate coupled together with relatively higher input costs such as electricity costs that prevailed for most part of the 12 months under review, resulted in a contraction of margins in comparison to the previous year. The positive impact of an appreciating Rupee on imported materials will be seen after a time lag, as most of the materials consumed during the 12 months under review were imported at a relatively higher exchange rate that prevailed towards the end of the previous financial year and first half of the current financial year.

An aggregate amount of Rs. 406.1 million has been charged to the profit and loss statement during the year under review in accordance with the requirements of the Sri Lanka Accounting Standards, arising from the discontinuation of a hedge reserve created previously where foreign exchange impacts on US$ denominated borrowings were hedged against future US$ cash flows. We have now discontinued with hedge accounting as it distorts the financial numbers presented for a particular period. However, the hedge reserve already created will be released annually to the profit & loss statement corresponding to revenue realization. The hedge related entries do not affect the operations nor the cash flows of the Company.

Savings were recorded as compared to the previous year in shipping and distribution costs, and in finance costs arising mainly from loan repayments. Resultantly, a profit before tax of Rs. 96.4 million was recorded for the 12 months as compared to Rs. 706.4 million in the previous year. A net profit after tax of Rs. 96.6 million was recorded after accounting for tax credits on the hedge reserve reversal, as compared to a profit after tax of Rs. 511.2 million in the previous year. However, if the write-off from the hedge reserve is excluded, the net profit after tax for the year under review would be Rs. 431.4 million.

Considering the impacts of non-cash related accounting entries on recorded profit, we consider it meaningful to monitor cash profitability as a means of managing operational performance of the business. A cash profit of Rs. 590.9 million was thus generated during the year 2023/24 as compared to Rs. 1.1 billion in the previous year. The cash profit is derived after eliminating all non-cash entries from the reported net profit after tax to determine the cash profit generated from the business. The cash profit is deployed towards meeting net working capital requirements, undertake routine capital expenditure & investments, fund loan capital repayments and pay out dividends to shareholders.

Outlook & Way Forward

We are cautiously optimistic on the prospects for the new financial year 2024/25 as we expect the current momentum seen in sales in the brush, filament, as well as polyester yarn segments to sustain and stabilize. We foresee a further boost to our brush sales with the expected reduction in US treasury and global interest rates as it will drive demand from the key housing and construction industry.

We will continue with our focus on operational initiatives to offset the effect of inflationary pressures on costs, and improve planning & production efficiencies. At an operational level, it is imperative that we continuously streamline our processes and systems, leveraging on the tacit knowledge and industry expertise. This will also enable us to build operating processes which can be replicated as we expand and scale up.

Whilst our business model centers around using resources in a sustainable manner, we continue to undertake various initiatives that will reduce our carbon footprint and facilitate the communities that we work with to be financially independent. We consider employees as a strategic resource essential to driving innovation and operational excellence, many operational level interventions are being undertaken to build their capacity & expertise to respond swiftly to a rapidly evolving industry landscape.

Being competitive over the medium to long term in the polyester yarn segment would require us to build relationships with global brands and key players in the sports and leisure-ware industry through collaboration and alliances. We will also leverage on innovation and technology to introduce new product segments which are environmentally sustainable.

CEO's Letter

I remain positive on the medium to long term business prospects, we will undertake investments within the current business segments as well as in new strategic business segments after careful assessment, to enhance the medium to long term value to our shareholders. Debt is now at a sustainable level, providing an impetus to undertake further investments over the medium term through a mix of debt and surplus cash generated.

Finally, on behalf of the Board, I take this opportunity to thank the management and staff for their commitment, the resilience demonstrated, and the ability to swiftly respond to the many challenges posed during the year. I would also like to place on record our appreciation to our key stakeholders, suppliers and customers, for the support extended, and being an integral part of our journey through challenging times. We thank our Shareholders for their continued support and confidence placed on the Board and the management as we steer the Company towards achieving its strategic objectives.

With best wishes,

Dr Anush Amarasinghe
Managing Director / Chief Executive Officer

Management Discussion and Analysis

Financial Performance

Revenue

BPPL witnessed a recovery in revenue towards the latter part of the financial year ended 31st March 2024, as the market conditions and prospects improved across all the three product segments, viz, brush, recycled polyester yarn and the external sale of filaments. The total revenue for the year recorded a drop of 3% in US$ terms from the previous year, though the reduction in Rupee terms was much steeper due to the appreciation of the average exchange rate during the year.

The impact on revenues in the brush segment, stemming from the volatile economic conditions witnessed in our key markets, US and Europe, was compensated to some extent with the increase in revenues from the recycled polyester yarn segment and the sale of synthetic filaments to non-group customers. Polyester yarn revenues were US$ 3.1 million, up 7% from the previous year, whilst revenues from the sale of filaments to external customers increased by 15% to record US$ 2.1 million.

The increase in recycled polyester yarn revenues is the manifestation of the efforts taken to enhance operational efficiencies, and leveraging on the relationships built with our customers. We expect sales from the brush segment to reach previous levels as we have re-focused our strategies to enhance revenues from current customers, whilst ensuring steady increases in revenues from new customers and markets.

The United States and Canada remain our top markets contributing to 56% of our revenues in 2023/24, whilst sales in Sri Lanka which includes indirect exports to fabric and brush manufacturers comprised 21% of total sales. Sales to India too increased to 11% from 8% in the previous year, demonstrating the importance of diversifying our markets and developing new customers.

Profitability

A net revenue of Rs. 5.4 billion was recorded during the 12 months under review, as compared to a revenue of Rs. 6.3 billion in the previous year, after relevant transfers against revenue from the hedge reserve created previously to mitigate the accounting impact from fluctuating foreign exchange rates on US$ denominated borrowings.

The gross profit for the 12 months under review was Rs. 1.1 billion as compared to Rs. 1.9 billion recorded in the previous year. The drop in gross profits can be attributed to the impact of an 11% appreciation in the average exchange rate during the year resulting in a reduction in the average sales price in Rupee terms, transfers from the hedge reserve to revenue as explained above, and inflationary impacts on other input costs. Whilst the benefit of a lower exchange rate on imported materials will be fully seen after a time lag considering the inventory conversion cycle from raw material to finished goods, we have already seen a reduction in electricity costs due to lower tariffs towards the latter part of the financial year under review.

Many initiatives are in place to enhance productivity and operational efficiencies which will not only safeguard our margins, but most importantly enhance our competitiveness in the key operating markets where pricing is a key buying factor. We have also been able to streamline and enhance yields from our plastic recycling and the polyester yarn operations resulting in a reduction in the cost of production, which is imperative to sustain volumes in a highly price competitive industry. Distribution and shipping costs reduced to Rs. 281.7 million from Rs. 399.6 million in the previous year.

A total of Rs. 406.1 million was charged against revenue and foreign exchange gains from the hedge reserve created previously to manage the impact of fluctuating exchange rates on US$ denominated borrowings. The Company has now decided to cease hedge accounting as it distorts profitability in a given year.

Resultantly, an EBITDA of Rs. 702.2 million was recorded from operations, as compared to Rs. 1.3 billion in the previous year. The EBIT for the year was Rs. 378 million as compared to Rs. 1.0 billion in the previous year, reflecting a higher depreciation charge arising from relatively higher capitalization carried out during the year under review.

Net interest cost reduced to Rs. 281.1 million from Rs. 305.9 million recorded in the previous year, reflecting the reduction in interest rates towards the latter part of the financial year and the progressive repayment of short and long term loans.

The Group recorded a consolidated profit before tax of Rs. 96.4 million compared to Rs. 706.4 million recorded in the previous year. A net profit after tax of Rs. 96.6 million was recorded for the year under review after accounting for tax credits on the hedge reserve write off, compared to a net profit after tax of Rs. 511.2 million in the previous year.

Dividends

Your Board of Directors decided to pay a dividend of 18 cents per share amounting to a total payout of Rs. 55.2 million during the year under review, given the improved operational environment, and taking into account forecast cash flow generation and its deployment.

Management Discussion and Analysis

Cash and Capital

An amount of Rs. 737.5 million was generated from operations during the year before payment of interest and taxes, but after accounting for changes in working capital. Inventory days fell to 83 days from 92 days as of the end of the previous financial year, whilst, the debtor days increased to 103 days from 80 days recorded at the end of the previous year as support was extended to customers based on specific requests.

A net cash flow of Rs. 364.3 million was generated after payment of interest and income tax, being the amount available for investments in fixed assets, loan repayments and payment of dividends. The Company was able to settle a net amount of Rs. 104.5 million from the long and short term borrowings during the year under review.

We envisage investments in routine fixed assets consisting of replacements and operational improvements being made from the operating cash flows generated, whilst being able to service long term borrowings on a timely basis. Cash reserves will be built to fund expansions and investments in new projects.

Debt to Equity

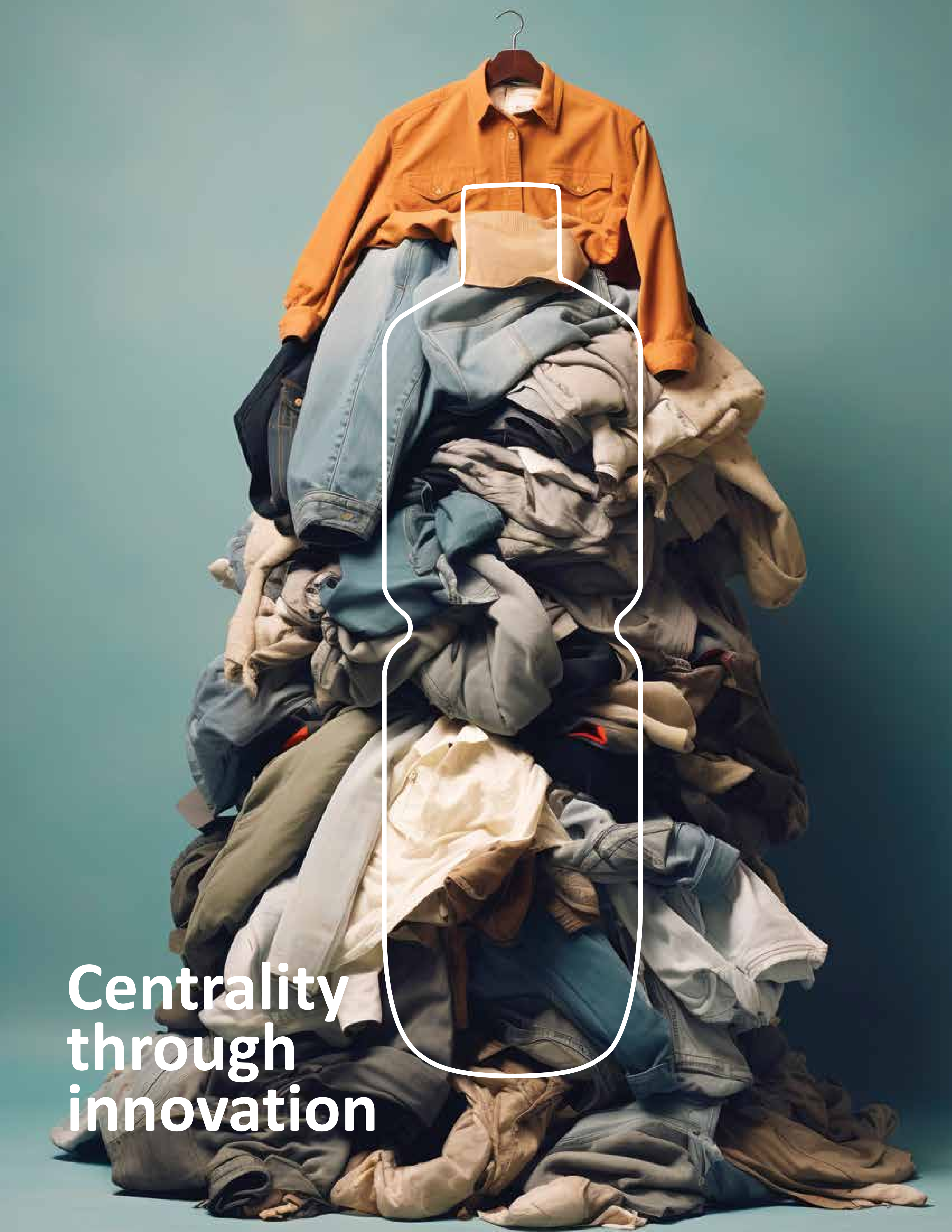
We were able to settle part of the long term loans as well as short term loans through prudent utilization of surplus cash generated. Accordingly, the debt to equity ratio fell to 67% from 82% at the end of the previous financial year. Net debt to capital employed was down to 40% from 45% previously. We believe that the current debt levels are sustainable given the projected future operating cash flows, and will aim to maintain within these levels as we undertake investments in new projects through a combination of debt and own funds.

Returns to Shareholders

A Return on Equity (ROE) of 11% was generated during the year under review as compared to a ROE of 14% generated in the previous year, if the transfer from hedge reserve which is a non cash entry, is eliminated. The ROE generated demonstrates the relatively higher returns provided to shareholders of the Company as opposed to benchmarked long-term Treasury Bill rates.

Human Resources Development

Many initiatives have been undertaken across the operating businesses to enhance employee engagement during the year, which also promotes team work and cooperation across different teams and functions. Reporting structures at an operational level were further strengthened, Executive Director – Operations has been assigned to overlook the PET recycling plant operations thereby enabling its CEO to focus on expanding the collection network and material recovery facilities.



Centrality through innovation

Risk Management

The risk management system of BPPL Holdings PLC, is structured to identify and control the risks specific to the industry in which it operates as well as general risks applicable to all entities. Therefore, appropriate systems, policies and procedures are in place in all areas of management and they are periodically reviewed to ensure adequacy and adherence. In the current business environment, change has become the norm rather than the exception. By effectively managing threats to the business in a changing environment, particularly the major threats that may affect our business plans and strategic objectives, we are able to protect our key assets appropriately.

The main threats to the business are identified, thereafter each threat is assessed for potential impact and likelihood of occurring to quantify the associated risk. A risk Heat Map is then used to plot the risk associated with each threat. The horizontal axis shows the likelihood of a given threat occurring, that is, the likelihood that the threat will materialise and become an issue. The vertical axis shows the potential impact that the threat will have on the objective or goal not being achieved should it materialise. The associated risks are then quantified and colour coded according to the level of risk (eg, green boxes are in the low area; yellow boxes are in the medium area; orange boxes are in the high area; red boxes are in the very high area).

Risk Category	Risk Element	BPPL's Mitigating Measures
Risk on Financial Capital	**1. Global Interest Rate Risk** Arising due to sensitivity to interest rate changes **Assessment** Impact: Major Likelihood: Almost certain	✪ Effective management of working capital ✪ Maintain a proper mix of fixed and floating rates ✪ Continuous discussions with banks to resolve issues ✪ Operating within a certain Debt-to-Equity Ratio
	2. Global Economic Risk Risks associated with operating in a global socioeconomic environment **Assessment** Impact: Major Likelihood: Almost certain	✪ Diversify markets we serve to reduce concentration risk ✪ Diversify product offering
	3. Liquidity Risk Availability of funds – the Group has to be liquid and solvent to carry out its operations smoothly **Assessment** Impact: Major Likelihood: Rare	✪ Effective treasury function to forecast fund requirements and availability ✪ Maintain adequate working capital lines ✪ Arrange sufficient financial facilities and leverage to build organizational resilience while continuously reviewing the business model
	4. Risk of Bad Debts Occurs due to settlement default by credit customers **Assessment** Impact: Minor Likelihood: Rare	✪ Implementation of Group credit policy and strengthening relationships with creditworthy customers ✪ Periodic review of receivables, legal and other proactive recovery actions

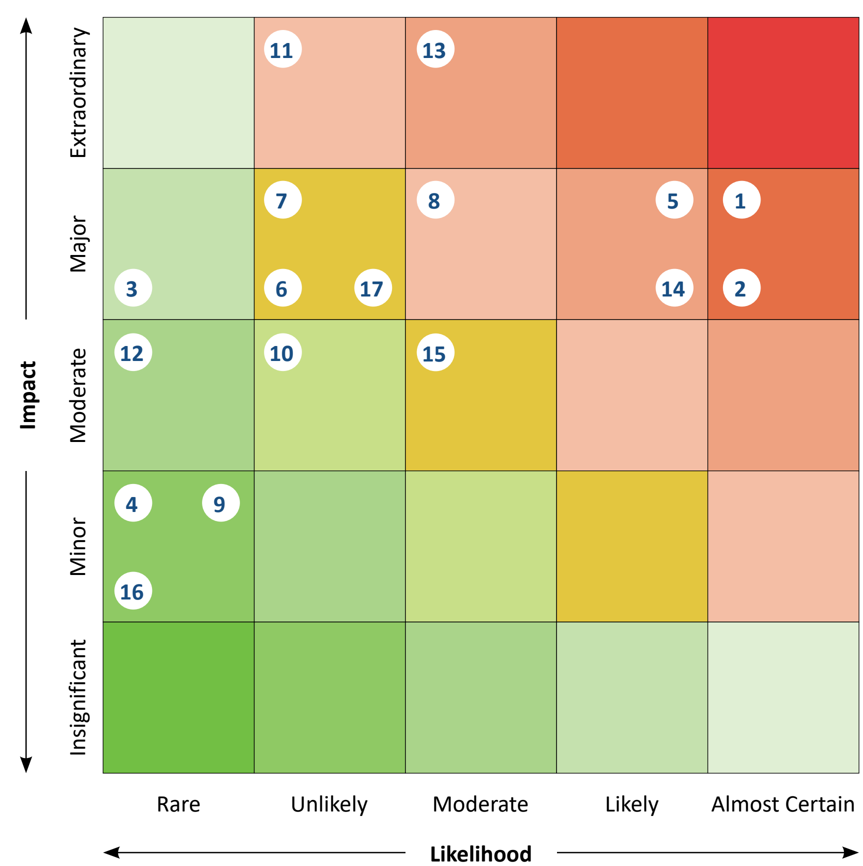
Risk Category	Risk Element	BPPL's Mitigating Measures
	5. Foreign Currency Risk Arises from exposure to foreign currency positions **Assessment** Impact: Major Likelihood: Likely	• Maintain foreign currency denominated assets to hedge against liabilities • Increase export earnings and price the products in hard currencies • Close monitoring of project timelines • Continuous dialogue with banks
	6. Regulatory/Compliance Risk Risk of generating negative goodwill, penalties or other action due to non-compliance. Risk of failure to meet regulatory requirements **Assessment** Impact: Major Likelihood: Unlikely	• Close monitoring of regulatory requirements • Strong Internal Audit teams to ensure compliance • Regular third party audits
	7. Fraud Risk Risk of fraud resulting in losses **Assessment** Impact: Major Likelihood: Unlikely	• Maintaining CT PAT compliance • Periodic inventory counts
Risk on Human Capital	**8. Labour Shortages** Reduction in skilled and un-skilled labour **Assessment** Impact: Major Likelihood: Moderate	• Maintaining competitive remuneration packages • Managing career development • A safe and peaceful work environment • Continuous training to upskill employees on new technologies, tools and good practices
	9. Industrial Health and Safety Could lead to workplace accidents, penalties, negative image and hiring difficulties for future requirements **Assessment** Impact: Minor Likelihood: Rare	• Complying with international health & safety standards • Focused training on health and safety to all employees • Insurance coverage to mitigate risks

Risk Management

Risk Category	Risk Element	BPPL's Mitigating Measures
Risk on Intellectual Capital	**10. Confidentiality of Information** Loss of confidential data through security breaches **Assessment** Impact: Moderate Likelihood: Unlikely	- Extensive controls and reviews to maintain security of IT infrastructure and data - Regular back up of data and off-site storage of data backup systems - Safeguard critical IT and operational assets through strict IT protocols, firewalls and business continuity plans
Risk on Social & Relationship Capital	**11. Business Interruption Risk** Risk of having interruptions to continuous operations **Assessment** Impact: Extraordinary Likelihood: Unlikely	- Regular fire drills, training and simulation of disaster situations to ensure uninterupted operations - Business continuity planning including implementation of disaster recovery facilities to ensure smooth operations
	12. Reputation Risk Risk of generating negative perception due to operational issues **Assessment** Impact: Moderate Likelihood: Rare	- Close relationships with Global brands and working together with industry associations to reassure customers - Managing and improving the Group's reputation through effective public relation programmes
	13. Availability of Raw Materials Risk of non-availability of the local and imported raw materials **Assessment** Impact: Extraordinary Likelihood: Moderate	- Maintain adequate stock levels - Develop multiple supplier channels
	14. Political Instability Unstable political environment. Risk of not being able to carry out production due to geo-political instability **Assessment** Impact: Major Likelihood: Likely	- Stay up-to-date with policy changes - Strengthen relationships with customers in order to provide reassurance during periods of instability
	15. Single Customer / Supplier Risk of having a few major customers and/or suppliers **Assessment** Impact: Moderate Likelihood: Moderate	- Diversify and increase the customer base geographically and within geographies - Widen product range in order to widen customer base - Maintain multiple supply channels

Risk Category	Risk Element	BPPL's Mitigating Measures
Risk on Natural & Environmental Capital	**16. Use of Hazardous Chemicals** Risk of using hazardous chemicals for the production can cause health and safety issues **Assessment** Impact: Minor Likelihood: Rare	✪ Ensure compliance with international environmental and health and safety standards ✪ Maintain adequate water and effluent treatment plants ✪ Regular compliance audits through internal and external auditors
	17. Environmental Distruption due to Unauthorised Waste Discharge Risks associated with environmental emissions and related issues **Assessment** Impact: Major Likelihood: Unlikely	✪ Continuous monitoring of environmental performance and related parameters ✪ Strict environmental compliance follow-ups ✪ Use approved chemicals with allowed doses, have proper disposal and recycling systems in the water treatment process

Risk Heat Map



Impact	Likelihood	Scaling
Insignificant	Rare	
Minor	Unlikely	
Moderate	Moderate	
Major	Likely	
Extraordinary	Almost Certain	

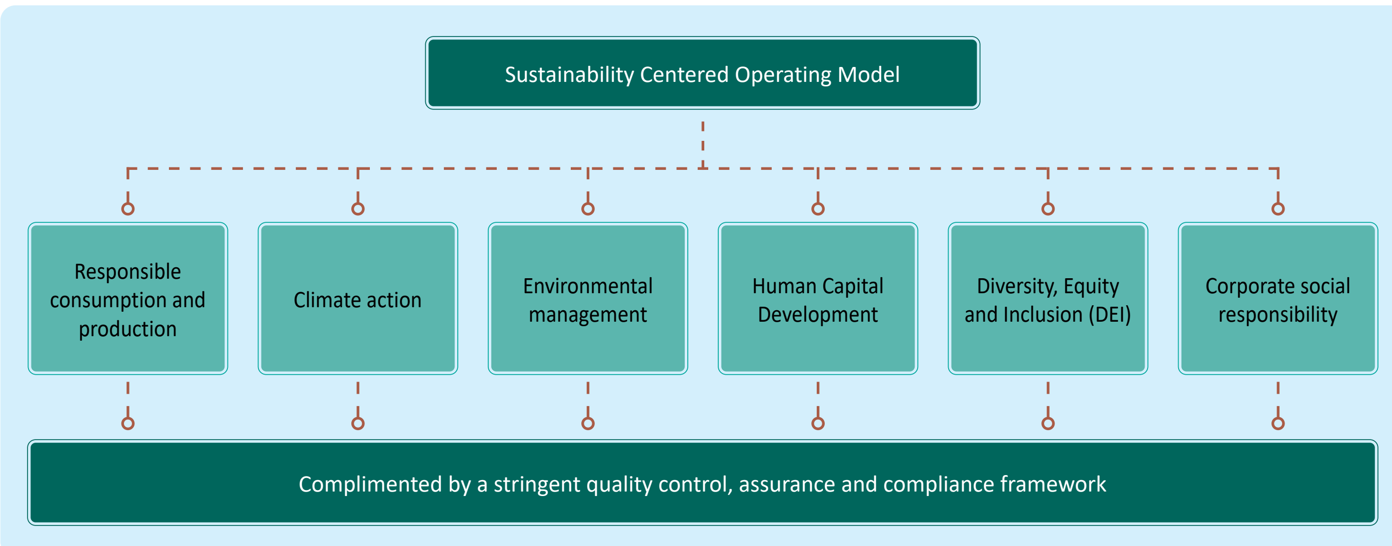
Our Commitment to Sustainable Development

Sustainability Centered Operating Model

BPPL Holdings PLC, a leader in the recycling industry, has remained steadfast in its commitment to sustainable development goals while ensuring environmentally-friendly practices across all operations. This year, the company has successfully met these goals, both directly and indirectly.

BPPL's dedication to sustainable development highlights its resolve to address the social, economic, and environmental challenges facing the world today. The company recognizes the critical importance of responsible business practices and aims to make a positive contribution to global sustainability efforts.

BPPL's core business operations centers around sustainable development. The key pillars of it's sustainability road map can be depicted in the schematic diagram presented below.



Excellence in product quality and process management

BPPL places significant emphasis on maintaining exceptional quality throughout its production processes. The company implemented robust quality control measures and secured international quality accreditations to ensure consistently superior outputs.

By following international best practices, BPPL remained committed to meeting and exceeding customer expectations. The company acknowledges the critical importance of producing products that adhere to global standards, ensuring they met the rigorous requirements set by customers worldwide.

BPPL continuously updates its quality control processes to reflect the latest industry standards, ensuring its production practices stay aligned with the highest quality benchmarks.

In summary, BPPL's dedication to quality in 2023/24 was demonstrated through its comprehensive quality control measures and international accreditations. By adopting global best practices and manufacturing to exacting standards, BPPL ensured exceptional quality across its production processes, maintaining its commitment to meeting customer expectations and delivering top-tier products.

Certifications

Certification	Activity	Outcome
GRS (Global Recycled Standard)	Regular reviews and upgrades of quality standards	Ensures alignment with international best practices, contributing to optimal operational standards.
Oeko-Tex 100	Consistent upgrades	Demonstrates dedication to excellence, providing assurance of high-quality products to customers.
Higg Index	Continuous evaluation and improvement	Supports sustainability and transparency, highlighting our commitment to environmental and social standards.
ISO 14001	Implementation of environmental management systems	Enhances environmental performance and compliance with regulations.
ISO 45001	Adoption of occupational health and safety management systems	Improves workplace safety and reduces risks.
ISO 9001	Maintenance of quality management systems	Ensures consistent quality and continuous improvement in products and services.

RESPONSIBLE CONSUMPTION AND PRODUCTION

From waste to wonder – *We kept 85,386,385 bottles out of landfills in the year under review.*

One of the key sustainable development goals achieved by BPPL is responsible consumption and production. The company prioritizes recycling and waste management, striving to minimize resource consumption and reduce waste generation. One of the key features of our operating model is the collection and recycling of PET bottles and used plastic items through a network of collection points spanning all over the country, and creating value through the conversion of recycled materials into recycled polyester yarn and synthetic mono-filaments for brush manufacture. This commitment supports a circular economy, where materials are continually reused and recycled, alleviating the pressure on natural resources.

Our Commitment to Sustainable Development

Furthermore, the company advocates sustainable production and consumption. BPPL encourages the use of recycled materials and promotes eco-friendly packaging solutions across its manufacturing process. These efforts help reduce the environmental impact on production processes and inspire customers to make sustainable choices.

We have further expanded our collection network for used PET bottles and plastics during the year, leading to an increase in the volume of plastics and PET bottles recycled for further value addition through conversion into polyester yarn and synthetic mono-filaments at our manufacturing facilities.

Below table highlights the increase in the volume of materials collected for recycling and value addition over the last three years, clearly demonstrating our contribution towards enabling a circular economy and avoiding potential environmental degradation and impacts.

Type of plastics	2021/22 (Kg)	2022/23 (Kg)	2023/24 (Kg)
PET	1,521,456	1,902,203	2,439,611
HDPE	53,650	35,222	59,143
LDPE	67,448	29,711	20,923

The table below displays the total amount of yarn and monofilaments produced from recycled plastics for each year, highlighting the quantities produced annually.

	2021/22 (Kg)	2022/23 (Kg)	2023/24 (Kg)
Yarn (DTY) production	588,281	653,658	675,742
Filament production	2,172,317	1,870,276	2,202,077

Following are some of the key initiatives undertaken during the year in expanding our collection network and material recovery facilities in collaboration with other corporates and institutions.

MRF Openings

BPPL Holdings, in collaboration with the Hemas Group, launched a significant initiative to enhance waste management and recycling efforts. In February 2024, two Material Recovery Facilities (MRFs) were opened in Colombo and Ampara. These facilities focus on collecting PET bottles and other plastic waste, converting them into valuable resources such as high-quality yarn and monofilaments through Eco Spindles' advanced recycling processes. This initiative underscores BPPL's commitment to sustainability and environmental stewardship while also fostering economic opportunities for local communities in Colombo and Ampara. Through this collaborative effort, BPPL Holdings and the Hemas Group aim to promote a cleaner and more sustainable future.

The table below indicates the number of collection points within our island-wide network, showcasing the extent of our operations.

Our island wide collection network	No.
Material Recovery Facilities (MRFs)	9
Bale sites	22
Registered collectors	600

CLIMATE ACTION

Another significant achievement is in the area of climate action. BPPL acknowledges the urgent need to address climate change and has implemented measures to reduce its carbon footprint. By optimizing energy use, embracing renewable energy sources, and adopting emission reduction strategies, the company makes a substantial contribution to mitigating climate change impacts.

E bikes introduction

BPPL Holdings introduced an innovative solution to urban sustainability with the purchase of e-bikes. In the trial stage, five e-bikes equipped with recyclable material collection trailers, were distributed to five Material Recovery Facilities (MRFs) located in Colombo, Katunayake, Matara, Wadduwa and Anuradapura. This initiative aims to reduce fuel costs and empower individuals in underserved communities to collect recyclables efficiently, additionally promoting both environmental sustainability and economic empowerment.

ENVIRONMENTAL MANAGEMENT

Environmental Responsibility

At BPPL, we have long recognized the importance of embedding sustainability into our business strategy. Our commitment to environmental stewardship precedes the commercialization of ethical and sustainable practices, guided by a robust environmental policy.

Environmental Policy and Compliance

BPPL's comprehensive environmental policy ensures that our operations align with regulatory requirements and best practices. We are dedicated to maintaining a cohesive environmental management system where every department contributes to our sustainability goals. This involves innovations in packaging, the adoption of sustainable energy solutions, and effective waste management, including setting waste reduction targets and continuously monitoring and improving our environmental performance.

Key Initiatives and Practices:

- Policy Communication: We ensure all employees and partners are informed about our environmental policy.
- Training and Sponsorship: We invest in programs and training to foster environmental awareness and responsible practices.
- Operational Efficiency: We manage our operations to minimize environmental impacts while striving for cost-effectiveness.
- Regulatory Compliance: We adhere to all relevant environmental laws and regulations and address the concerns of stakeholders.
- Objective Setting: We establish and review objectives and targets for pollution prevention and ongoing improvement.
- Resource Conservation: We practice the conservative use of materials, supplies, and energy, and prioritize recycling and the use of recycled materials.
- Incident Reporting: We maintain a system for prompt reporting of any serious environmental incidents to senior management.
- Stakeholder Engagement: We encourage information sharing and the adoption of similar environmental protection policies among our stakeholders.

Our environmental policy fosters a culture of environmental awareness and responsibility throughout our activities, products, and services. By aligning our operations with these principles, BPPL is committed to achieving our environmental objectives and contributing to a sustainable future.

Emission Management

At BPPL, environmental health is central to our business strategy. Throughout the reporting year, we have remained dedicated to addressing key areas such as energy, water, and waste management. Our comprehensive plans outline specific goals, milestones, and mitigation strategies aimed at reducing emissions.

Despite the fluctuations in emission levels, we continue to work tirelessly to refine our strategies and achieve our environmental targets, demonstrating our ongoing commitment to sustainability and responsible environmental management.

Water Management

Water is a fundamental human necessity, vital for survival and well-being. Recognizing the critical importance of this precious resource, BPPL is committed to responsible water management. We meticulously monitor and regulate our water usage to ensure it is limited to essential manufacturing processes, and the drinking and sanitation needs of our employees.

Throughout the year under review, we have observed changes in water consumption across various areas:

- Brush plant: Water consumption increased from 7,688 m^3 to 7710 m^3, a marginal increase of 0.3%.
- Eco Spindles yarn and recycling plant: Water usage rose from 18,015 m^3 to 27,528 m^3, marking an increase of 53%. This rise is attributed to the higher production volumes, which necessitated greater water usage.
- Eco Spindles monofilaments plant: Water consumption decreased from 6,477 m^3 to 5,979 m^3, representing a reduction of 8%.

To address these changes and enhance our water management practices, we have implemented several key measures:

- Water Audits: Regular audits to assess and optimize water usage.
- Ongoing Monitoring: Continuous tracking of water consumption to identify and address inefficiencies.
- Setting KPIs: Establishing key performance indicators to measure and improve water conservation efforts.

Our Commitment to Sustainable Development

- Awareness Programs: Educating staff on the importance of water preservation and responsible usage.

These initiatives are integral to our strategy for managing water resources effectively and reducing our environmental footprint. BPPL remains committed to ongoing improvements and sustainable practices to ensure the responsible use of water.

Water Usage Analysis	2021/22 (m^3)	2022/23 (m^3)	2023/24 (m^3)
Brush plant - Ingiriya	8,792	7,688	7710
Eco Spindles Yarn and Recycling plant – BOI Zone, Horana	20,771	18,015	27,528
Eco Spindles Monofilaments plant – Maugama	6,940	6,477	5,979

This year, our recycling plant has continued to advance its sustainability efforts with key initiatives focused on water management and conservation:

1. Enhanced Water Purification System

We have successfully maintained and optimized the water purification system installed last year at our recycling plant. This system allows for the efficient purification and treatment of water, which is then reused in the initial stages of our recycling process. This ongoing initiative plays a crucial role in conserving water resources.

2. Continued Water Reuse Practices

Our practice of reusing treated water in the early stages of the recycling process has been consistently applied and refined. By reusing water within the plant, we further reduce our reliance on fresh water sources and support a circular approach to water usage.

Commitment to Water Management

We continue to diligently measure our water footprint and manage water-related impacts, including the disposal of wastewater. This year, we have ensured the safe disposal of wastewater through the Municipal Council's waste recycling project. Additionally, our commitment to responsible water management is reinforced through regular awareness and training workshops, which are conducted to promote effective water waste management practices among our staff.

Waste Management

During the reporting year, BPPL continued to focus on effective waste management, primarily addressing waste generated from production and packaging operations, as well as general activities.

Waste Reduction Initiatives

Several key initiatives were launched this year to minimize the use of non-renewable and non-biodegradable materials. These efforts included:

- Enhanced Waste Segregation: We reinforced the importance of waste segregation through targeted workshops and various communication channels. This emphasis on proper segregation has significantly contributed to reducing the overall volume of waste.
- Material Substitution: We explored and adopted alternatives to non-renewable and non-biodegradable materials, aiming to lessen our environmental impact.

These initiatives reflect our ongoing commitment to sustainable waste management practices and resource conservation. By focusing on waste reduction and promoting effective segregation, we continue to make progress towards minimizing our environmental footprint.

Type of Waste	Emission Volume 2021/22 (Kg)	Emission Volume 2022/23 (Kg)	Emission Volume 2023/24 (Kg)
Polythene	31,109	75,105	10,008
Cartons	71,320	38,864	32,120
Rejected wooden blocks	1,074,230	756,820	696,070
Wood mix plastic dust	36,850	47,270	59,540
Saw dust	396,960	633,700	639,270

Food Waste

Throughout the reporting year, BPPL has made significant strides in addressing food waste as part of our sustainability efforts. Our initiatives aimed at reducing food waste have yielded positive results, reflecting our commitment to responsible resource management.

We launched a comprehensive awareness campaign to educate employees about the importance of minimizing food waste. This campaign included informative workshops, regular communications, and practical tips on reducing waste. By enhancing awareness and fostering a culture of responsibility, we have successfully encouraged staff to adopt more mindful practices in their food consumption and disposal within our manufacturing plants.

Despite ongoing training and workshops aimed at reducing food waste, we have observed an increase in food waste across our operations, rising from 9,563 kg in the previous year to 13,262 kg in the reporting year. This increase is primarily attributed to the growth in staff numbers during the year. While employees are becoming more conscientious about their food usage, the overall rise in food waste highlights the need for continued efforts and enhanced measures to support our environmental goals and improve operational efficiency.

Our ongoing efforts will continue to focus on enhancing awareness, implementing effective waste reduction strategies, and tracking progress to ensure sustained reductions in food waste.

	Volume 2021/22 (Kg)	Volume 2022/23 (Kg)	Volume 2023/24 (Kg)
Food waste	11,667	9,563	13,262

Paper Waste

This year, we have observed a significant increase in paper waste, with figures rising to 237 kg from 131 kg. This increase is primarily attributed to the expanded use of paper for various purposes, including documentation, packaging, and labeling.

To address this challenge and minimize the environmental impact of our increased paper usage, we are focusing on implementing effective waste management practices. We are reinforcing our paper recycling programs by placing additional recycling bins throughout the facility to facilitate proper waste segregation and collection. Additionally, we are conducting awareness campaigns to educate employees about the importance of responsible paper consumption and disposal, encouraging practices that reduce paper waste. We are also exploring opportunities to reduce paper use by optimizing our processes and seeking alternatives where possible.

These steps are aimed at mitigating the environmental impact of increased paper waste, conserving resources, and fostering a more sustainable approach within our operations. We are committed to continuously improving our paper waste management practices to support our sustainability goals.

	Volume 2021/22 (Kg)	Volume 2022/23 (Kg)	Volume 2023/24 (Kg)
Paper waste	127.1	131.3	237

Electronic Waste

During the reporting year, we are pleased to report a reduction in electronic waste, with figures decreasing from 104.55 kg last year to 103.85 kg this year. Our primary electronic waste consists of peripherals and equipment used in day-to-day operations, including toners, UPS batteries, USBs, keyboards, mice, laptop chargers, RAM drives, motherboards, and telephones.

To manage electronic waste responsibly and prevent environmental pollution, we have implemented effective disposal systems:

- Toners are returned to the supplier when new purchases are made, reducing waste and supporting recycling efforts.
- Electronic waste products are carefully segregated and processed through a certified e-waste partner, ensuring proper handling and disposal.

These measures have contributed to the reduction of our electronic waste, reflecting our commitment to responsible resource management and environmental protection.

	Volume 2021/22 (Kg)	Volume 2022/23 (Kg)	Volume 2023/24 (Kg)
Electronic waste	164.70	104.55	103.85

HUMAN CAPITAL DEVELOPMENT

Human Capital Development and Retention

BPPL recognizes that our human capital is integral to our success. We understand the crucial role diversity plays in fostering a culture of innovation. Therefore, we have created a welcoming space that enables all employees to collaborate and share new perspectives, ideas, and experiences at every stage. Our company prioritizes diversity, and we are committed to integrating this value throughout the organization to enhance openness and employee satisfaction.

Our Commitment to Sustainable Development

Our training and development programs are tailored for talent retention, driving our company's competitive advantage. We adopt a comprehensive approach that encompasses a range of skills through various programs supporting continuous learning and development. This approach enhances our employee proposition and creates a positive environment that fosters progress.

In 2023/24, amidst a challenging economic landscape in Sri Lanka, BPPL remained committed to supporting our employees, recognizing them as the backbone of our organization. Despite the economic insecurity that plagued the country and led to a significant brain drain, we ensured that our workforce received the support they needed.

Despite these challenges, our total number of employees increased from 948 in the previous year to 978 in the reporting year to support our expansion efforts.

At BPPL, we understand that the key to our success lies in securing the right individuals at the appropriate time and for suitable positions. Consistent with our commitment to fairness and equity, we employ a dual approach to recruitment. We actively seek talented individuals within our organization through internal promotions and transfers, whilst also engaging in external recruitment to tap into the broader talent pool available in the market. This balanced strategy ensures that we have access to both internal expertise and fresh perspectives from external sources, fostering a diverse and capable workforce.

Staff grade	2021/22	2022/23	2023/24
Senior management	8	9	9
Executives	110	109	117
Staff	106	104	101
Factory floor employees (skilled, unskilled and helpers)	733	726	751
Management trainees	1	0	0
Total	958	948	978

New Recruitment

Staff grade	2021/22	2022/23	2023/24
Senior management	0	1	0
Executives	18	11	16
Staff	25	19	23
Factory floor employees (skilled, unskilled and helpers)	156	149	182
Total	199	180	221

New Recruitments by Skill Category

Staff grade	2021/22	2022/23	2023/24
Engineers	0	1	0
Management graduates	15	11	14
Skilled personnel	48	33	52
Unskilled	136	135	155

Learning and Development

In the reporting year 2023/2024, BPPL continued to affirm its commitment to learning and development, building on the strong foundation laid in the previous year. The company expanded its training initiatives, offering 120 programs and achieving 1,900 employee participations, demonstrating a sustained focus on enhancing employee skills and growth. This follows the notable achievements of 2022/2023, when BPPL reached 1,702 participations across 115 programs, with each staff member benefiting from an average of 3.15 hours of training. The increase in both training programs and employee engagement highlights BPPL's ongoing investment in workforce development. Despite the broader scope, the average training duration per employee has remained consistent at 3.15 hours, ensuring that the quality and effectiveness of each session are maintained.

BPPL's sustained focus on learning and development underscores its strategic vision of nurturing a highly skilled workforce. By enhancing the breadth of training opportunities and maintaining a steady average training duration, BPPL continues to support its employees' professional growth and contributes to the overall success of the organization.

	2021/22	2022/23	2023/24
No of employees subjected to training	868 employee participations	1,702 employee participations	1,900 employee participations
Number of training programmes	67	115	120
Training hours per employee	1.55 hours	3.15 hours	3.15 hrs

Employee Events: A Year of Engagement and Celebration

BPPL is committed to fostering a vibrant and supportive workplace culture, and this year, we proudly organized events to enhance staff engagement and well-being. These events included a Sports Day, Book Distribution Day, and a Year-End Party.

Sports Day

We hosted a Sports Day for our staff, made possible by a donation from our welfare society fund. Employees participated in various sports and activities, which not only encouraged friendly competition but also helped build camaraderie among colleagues. The event was a refreshing break from daily routines and underscored our commitment to supporting a balanced and active lifestyle.

Book Distribution Day

Our Book Distribution Day was a heartwarming initiative aimed at supporting the education of employees' children. During this event, the company donated school books to young learners, with the goal of enriching their learning experiences and bolstering their educational journeys. By providing these essential resources, we not only created valuable opportunities for academic growth but also reinforced our commitment to nurturing the development of the next generation.

Our Commitment to Sustainable Development

Year-End Party

To celebrate the end of a successful year, we organized a grand Year-End Party exclusively for our employees. The party was a highlight of the year, offering a chance to reflect on our achievements and strengthen relationships among colleagues.

Each of these events underscored BPPL's commitment to creating a positive and engaging work environment. By promoting physical well-being, personal development, and team spirit, we continue to invest in our most valuable asset—our people.

Workplace Health and Safety

BPPL has remained steadfast in its commitment to employee well-being and safety. Our comprehensive Health and Safety policy ensures that employees operate in a hazard-free environment. We have continuously reinforced our safety initiatives by improving hygiene practices, raising employee awareness on best practices, and maintaining adequate medical and insurance coverage.

We are pleased to report a reduction in the number of incidents, with 34 recorded in the reporting year compared to 38 in the previous year. This reduction highlights our ongoing commitment to maintaining a safe and secure work environment for our employees. Our accident count remains significantly below industry standards, demonstrating our dedication to rigorous safety measures and protocols that exceed industry expectations.

Industrial Accidents

Accidents	2022/23	2023/24
Fatalities	0	0
Major accidents (more than 7 days of lost man days	8	3
Minor accidents	30	31
Lost man days	278 (201 on Major accidents)	119

Compliance Status with Labour Laws

As a responsible corporate entity, we are highly conscious of the importance of compliance with labour regulations applicable to our business activities. We are pleased to report that BPPL is fully compliant with all applicable labour laws and regulations and did not face any fines or penalties for non compliance or delays in compliance with labour laws.

Applicable regulation	Status of compliance
Shop and Office Employees Act of 1954	Fully complied
Factories Ordinance of 1942	Fully complied
Employees Provident Fund Act of 1958 (and subsequent amendments)	Fully complied
Over time, and holiday payments	Fully complied

DIVERSITY EQUITY AND INCLUSION (DEI)

Equal Opportunity, Diversity and Gender Parity

BPPL is deeply committed to fostering an environment of equal opportunity, diversity, and gender parity. The company recognizes that a diverse workforce is not only a reflection of its values but also a crucial element in driving innovation and achieving excellence. BPPL's dedication to these principles is evident in its proactive approach to creating a workplace where every employee has the opportunity to thrive, regardless of their background or identity.

The company has implemented comprehensive policies and practices aimed at ensuring equal opportunity for all employees. BPPL actively promotes an inclusive culture where diverse perspectives are valued and encouraged. This commitment extends to recruitment, where the company strives to attract a wide range of talent and ensure that hiring practices are fair and unbiased. By actively seeking to remove barriers and provide equal access to career development and advancement opportunities, BPPL supports a dynamic and equitable work environment.

Gender parity is a particular focus for BPPL, and the company is dedicated to addressing and overcoming gender imbalances. Initiatives to support gender diversity include targeted programs, leadership training, and policies designed to promote work-life balance. These efforts are aimed at empowering women within the organization and ensuring that they have equal opportunities to succeed and advance in their careers.

Overall, BPPL's commitment to equal opportunity, diversity, and gender parity is integral to its organizational culture and strategic goals. By championing these values, the company not only upholds its ethical responsibilities but also fosters a vibrant and innovative workplace that benefits from a wide range of perspectives and talents.

CORPORATE SOCIAL RESPONSIBILITY

A multitude of initiatives were undertaken permeating across our business segments towards enhancing our commitment to social sustainability, and enhancing the environmental and social well-being of the various communities with which we interact and collaborate.

Gampaha district drop off bin project

During the financial year, BPPL Holdings led the Gampaha District Drop-Off Bin Project, a major initiative to improve waste management in the region. This effort, in collaboration with 10 divisional secretariats in the Gampaha district, was coordinated by MP Ajith Mannapperuma of the Sectoral Oversight Committee on Environment, Natural Resources & Sustainable Development of the Sri Lankan Parliament. Through this initiative, BPPL Holdings demonstrated its commitment to environmental sustainability and community engagement, fostering a cleaner and healthier environment in the Gampaha district.

Coca-Cola contributed 10 bins to further support the project, which were strategically placed to promote effective waste management and recycling practices.

Drop off-bins establishment at Sri Lanka Parliament

As part of its CSR activities during the reporting year, BPPL Holdings collaborated with Coca-Cola to donate the drop-off bins to SL Parliament for the collection of recyclable plastics, demonstrating a strong commitment to environmental sustainability and community engagement. Coordinated by MP Ajith Mannapperuma of the Sectoral Oversight Committee on Environment, Natural Resources & Sustainable Development of the Sri Lankan Parliament, this initiative was launched in celebration of World Environment Day. The event, graced by the Speaker of the Parliament, Mr. Mahinda Yapa Abeywardena, highlighted the significance of this environmental effort. Additionally Eco Spindles donated Household broom and brush products made from recycled plastics for the housekeeping purposes.

Our Commitment to Sustainable Development

Sri pada cleanup event

During the reported financial year, BPPL Holdings organized the Sri Pada Cleanup Event, an initiative to promote environmental conservation. Two cleanup events were successfully completed in March and May 2024, in cooperation with Hemas Holdings. The final cleanup event, held on May 28th, saw participation from the Department of Local Government of Central Province and five local authorities. This initiative was affiliated with the Department of Wildlife Conservation in Nallathanniya, contributing to their ongoing efforts. On average, the Department of Wildlife collects around three tons of PET bottles during the pilgrim season which then will be collected by Eco Spindles for upcycling.

Waste to value-Katharagama

During the reported financial year, BPPL Holdings implemented a groundbreaking "Waste to Value" initiative in Kataragama, showcasing its commitment to sustainability and environmental stewardship. This initiative focused on the collection and recycling of plastic waste, effectively transforming it into valuable resources. This project not only mitigated the environmental impact of plastic waste but also generated economic opportunities for the local community. Through this sustainable initiative, BPPL Holdings has demonstrated a proactive approach to corporate social responsibility, promoting a cleaner and more sustainable future for Kataragama and its surrounding areas. The project included clean-up activities at the Devala Premises, the riverbank of Menik Ganga, Wedasiti Kanda, and Kataragama Pooja Buumi. This event was supported by the Ruhunu Maha Kataragama Devalaya, the Soba Mithuru Youth Society, and corporate partner Hemas Holdings.

Centrality through innovation

Board of Directors

1. Mr. Sarath Dayantha Amarasinghe
Chairman

2. Dr. Anush Amarasinghe
Managing Director/Chief Executive Officer

3. Mr. Vaithilingam Selvaraj
Executive Director/Chief Financial Officer (Resigned w.e.f. 16th May 2024)

4. Mr. B D Prasad Devapriya Perera
Executive Director

5. Mr. Ranil Prasad Pathirana
Non-Executive Director

6. Mr. Savantha De Saram
Independent Non-Executive Director

7. Mr. Manjula Hiranya De Silva
Independent Non-Executive Director

8. Ms. Sharmini Ratwatte
Independent Non-Executive Director

Mr. Sarath Dayantha Amarasinghe
Chairman

Business Experience

Mr. Sarath Dayantha Amarasinghe is a Chartered Engineer by profession. A Member of the Institute of Mechanical Engineers, UK – M I Mech E, a Member of the Institute of Marine Engineers, UK - M I Mar E and a Member of the Institute of Engineers, Sri Lanka – MIE (S.L). He is also a Member of the Institute of Chartered Engineers, UK. He counts over 35 years of service at Colombo Commercial Company (Engineers) Limited., of which he served as its General Manager/ Managing Director for a period of 10 years. He also served as Chairman/ Managing Director at Alumex Group of Companies for a period of Seven years.

Other Directorships

- Beira Brush (Pvt) Limited
- Eco Spindles (Pvt) Limited
- BPPL Enterprises (Pvt) Limited
- Infinity Capital (Pvt) Limited

Dr. Anush Amarasinghe
Managing Director/Chief Executive Officer

Business Experience

Dr. Amarasinghe holds a Bachelor of Science and a Ph.D. degree in Electronics Engineering from the Loughborough University of Technology, UK, and is a highly experienced investor with many years of hands-on business management experience.

Dr. Amarasinghe began his career as a Research Engineer at Thorn EMI Central Research Laboratories, UK where he patented two inventions on low cost, low energy consuming electronic ballasts for lighting equipment. Between 1993 and 1998, Dr. Amarasinghe worked at SG Securities as an investment research analyst and subsequently as an investment banker. He was an early investor in Millennium Information Technologies (MillenniumIT) and in 1999 joined MillenniumIT as its Chief Financial Officer. He was elected to the Board in 2001 and was appointed as its Chief Operating Officer in 2004. In 2009, MillenniumIT was sold to the London Stock Exchange Group, UK, and Dr. Amarasinghe left the company in 2012, after serving a mandatory three-year post-sale agreement.

Whilst at MillenniumIT, Dr. Amarasinghe was also a founding partner and investor in E-Channelling. Dr. Amarasinghe was also a director and an early investor in Alumex Anodising and Machine Tools (Pvt) Limited. BPPL Holdings PLC (BPPL) is Dr. Amarasinghe's most recent investment, having acquired the company in 2012.

Other Directorships

- Beira Brush (Pvt) Limited
- Eco Spindles (Pvt) Limited
- BPPL Enterprises (Pvt) Limited
- Infinity Capital (Pvt) Limited

Mr. Vaithilingam Selvaraj
Executive Director/Chief Financial Officer

Business Experience

Mr. Selvaraj holds an MBA from the Australian Institute of Business, is an Associate member of the Chartered Institute of Management Accountants of UK (ACMA & CGMA), and Associate member of the Institute of Data Processing Management of UK (AIDPM). He is a Fellow member of the Institute of the Certified Management Accountants of Sri Lanka (FCMA), and a Fellow Member of the Institute of Chartered Professional Managers of Sri Lanka (FCPM). He is also a Graduate Member of the Sri Lanka Institute of Directors.

In terms of business management experience, Mr. Selvaraj counts over 40 years in the manufacturing sector, out of which 36 years were in senior managerial positions in the areas of finance, supply chain management, export sales, IT and general management. He served as the Chief Accountant of the Phoenix Group of Companies for nine years, and has been a Director of Moosajees (Pvt) Limited for 29 years.

Mr. Selvaraj retired from the Executive Directorship of BPPL Holdings PLC, Beira Brush (Pvt) Limited, Eco Spindles (Pvt) Limited and BPPL Enterprises (Pvt) Limited from 16th May 2024. He is a Non- Executive Director of Moot Investments (Pvt) Limited and Moot Manor (Private) Limited.

Other Directorships

- Moosajees (Pvt) Limited
- Moot Investments (Pvt) Limited
- Moot Manor (Pvt) Limited

Mr. B D Prasad Devapriya Perera
Executive Director

Business Experience

Mr. Perera, who is a science graduate with a second class from the University of Colombo and a certified Director of the Sri Lanka Institute of Directors, is the chief operating officer at Beira Brush (Pvt) Limited. Starting his career at BPPL as a Management Trainee in 1991, Mr. Perera has served the Company for 33 years in various capacities. His previous employment was at Brandix Lanka Limited, as a sectional head.

Mr. Perera also holds Director positions at Beira Brush (Pvt) Limited, Eco Spindles (Pvt) Limited and BPPL Enterprises (Pvt) Limited.

Other Directorships

- Beira Brush (Pvt) Limited
- Eco Spindles (Pvt) Limited
- BPPL Enterprises (Pvt) Limited

Board of Directors

Mr. Ranil Prasad Pathirana

Non-Executive Director

Business Experience

Mr. Ranil Pathirana has extensive experience in finance and management in financial, apparel and energy sectors and presently serves as a Director of Hirdaramani Apparel Holdings (Private) Limited, Hirdaramani Leisure Holdings (Private) Limited and Hirdaramani Investment Holdings (Private) Limited which are the holding companies of the Hirdaramani Group. He is also the Managing Director for Hirdaramani International Exports (Pvt) Limited.

Mr. Pathirana is also the Chairman of Windforce PLC and a Non-Executive Director of Hemas Holdings PLC, BPPL Holdings PLC, Dankotuwa Porcelain PLC, Ceylon Hotels Corporation PLC and ODEL PLC.

He is a Fellow Member of the Chartered Institute of Management Accountants, UK and holds a Bachelor of Commerce Degree from the University of Sri Jayewardenepura.

Mr. Savantha De Saram

Independent Non-Executive Director

Business Experience

Savantha De Saram, is the Managing Partner of M/s D. L. & F. De Saram, Attorneys-at-Law, specialising in infrastructure, corporate restructuring, M&A, cross border financing (including project financing) and corporate and commercial law. He holds a LLB (Hons) from Holborn Law College London, and is a Barrister-of- Law (of Lincoln's Inn) and an Attorney-at- Law. He has been in practice for over 24 years. He currently serves as a Non-Executive director of Hunters & Co. PLC and Windforce PLC.

Other Directorships

- Hunters and Co. PLC
- Windforce PLC

Mr. Manjula Hiranya De Silva

Independent Non-Executive Director

Business Experience

Mr. Manjula De Silva holds a BA Hons (1st Class) degree in Economics from the University of Colombo and a MBA from London Business School, UK. He is also a FCMA (UK) and a CGMA. Mr. De Silva held the positions of CEO and Managing Director at HNB Assurance PLC and Chairman at the National Insurance Trust Fund (NITF). He served as the Secretary General and CEO at the Ceylon Chamber of Commerce until 31st January 2023. He has formerly held positions at AIA Insurance, NDB Wealth Management and the Public Enterprises Reform Commission (PERC). He has also served as the Chairman of CIMA (Chartered Institute of Management Accountants) Sri Lanka Board. He was also a commission member of the Securities and Exchange Commission of Sri Lanka (SEC).

Other Directorships

- Central Finance Company PLC
- Tertiary and Vocational Education Commission of Sri Lanka (TVEC)

Ms. Sharmini Ratwatte

Independent Non-Executive Director

Business Experience

Ms. Sharmini Ratwatte is a Fellow member of the Chartered Institute of Management Accountants, UK and holds a Master of Business Administration from the University of Colombo.

She is currently is a Non-Executive Director at Ceylon Cold Stores PLC, a John Keells Holdings group company in consumer foods & retail. She recently assumed Non-Executive Director roles in Convenience Foods Lanka PLC, manufacturer and marketer of protein based foods in the CBL group and at the National Credit Guarantee Institution, a joint venture with the government of Sri Lanka and 13 bank and non bank financial institutions supporting growth to the MSME sector.

She also supports non-profits with management input and is a Trustee of the Sunera Foundation, a non-profit organization working in theatre and arts with the differently abled. She was a former Chairperson of the Environmental Foundation Ltd - a non-profit organization working in promoting sustainable development and justice for the environment and a Founder Trustee and Chairperson of the Federation of Environmental Organisations, a non-profit organization engaging and building collaboration within the environmental space in Sri Lanka.

Sharmini has over thirty years working experience in the fields of finance and management. Previous positions include several executive C-Suite positions in the MAS Holdings group, Non-Executive Director at John Keells PLC, the tea broking arm in the JKH group. She was recognized as the Zonta "Woman of Achievement - Management" in 2004.

Other Directorships

- Ceylon Cold Stores PLC
- Convenience Foods Lanka PLC
- National Credit Guarantee Institution (Pvt) Ltd
- Trustee at Sunera Foundation

Key Management Profiles

Mr. Rizan Jiffrey
*Chief Financial Officer –
BPPL Holdings PLC*

Mr. Nalaka Senaviratna
*Chief Executive Officer – Yarn Operations,
Eco Spindles (Pvt) Ltd*

Mr. Prasantha Malimbadage
*Chief Executive Officer – Recycling
Operations, Eco Spindles (Pvt) Ltd
Chief Project Officer – BPPL Holdings PLC*

Mr. Ruwan Malwarage
*Deputy General Manager – HR and
Administration
BPPL Holdings PLC*

Ms. Vernee Kularasan
*Deputy General Manager – Finance
BPPL Holdings PLC*

Mr. Tharindu Bokanda
*Deputy General Manager – Yarn Operations,
Eco Spindles (Pvt) Ltd*

Mr. Mithila Dayatilleke
*Head of Sales – Beira Brush (Pvt) Ltd
Head of Sales – Monofilaments,
Eco Spindles (Pvt) Ltd*

Mr. Dinesh Welagedara
*Senior Manager – Local Sales,
Beira Brush (Pvt) Ltd*

Key Management Profiles

Mr. Rizan Jiffrey

Chief Financial Officer - BPPL Holdings PLC

Mr. Jiffrey, counts over 33 years of experience, having worked for leading listed local and multi-national companies in Sri Lanka, and within South East Asian region.

Mr. Jiffrey held senior level positions within Goodhope Asia Holdings Ltd, Singapore, the overseas Oils and Fats segment of the Sri Lankan Conglomerate Carson Cumberbatch PLC group. During a 12-year tenure as a Director & Exco member within Goodhope Group. Mr. Jiffrey functioned as the Director – Processing Operations where he was responsible for business turnaround of processing plants and manufacturing operations of the Group in Malaysia and Indonesia, having been a Board Director of Premium Vegetable Oils Sdn Bhd, the group's specialty oils & fats refinery in Malaysia.

He has also provided leadership to corporate finance, strategic & corporate planning functions, led the strategic business development initiatives in new overseas locations and managed the group's oil palm plantations in Malaysia.

Most recently, he was the CEO of The Sri Lanka Institute of Directors (SLID), whilst, he has previously functioned as CFO of listed and unlisted entities.

Mr. Jiffrey is a Fellow Member of the Chartered Institute of Management Accountants - UK (CIMA), holds a M.Sc in Management from the University of Sri Jayawardenapura Sri Lanka, is also a passed finalist of the Institute of Chartered Accountants of Sri Lanka, and has professional qualifications in marketing from the Chartered Institute of Marketing – UK (CIM) & information technology from Australian Computer Society (ACS).

Mr. Jiffrey also successfully completed an executive education program at the Said Business School of the University of Oxford, UK in organizational and corporate strategy. Mr. Jiffrey has previously served on the Council of the Chartered Institute of Management Accountants (CIMA) Sri Lanka Division from 2005-8.

Mr. Nalaka Senavirathna

Chief Executive Officer – Yarn Operations, Eco Spindles (Pvt) Ltd

Business Experience

Mr. Senavirathna has extensive and valuable work experience of over 15 years in the textile and apparel industry. Previously, he held senior positions at MAS Holdings, the globally renowned supplier of apparel brands heading the product development, innovation and souring departments. Additionally, he was the General Manager/ Country Head for Unifi Inc. USA, a world's renown PET Recycled Yarn manufacturer.

Throughout his career, Mr. Senavirathna has acquired a wealth of experience working with renowned international blue-chip conglomerates and companies such as Nike, adidas, lululemon and Decathlon, M&S, and VS. He joined Eco Spindles in March 2020.

Mr. Senavirathna holds an MBA from the University of West London and a BSc. (Chemistry Special) Hons. from the University of Colombo, a LLB from Buckinghamshire New University UK, a Higher diploma in Law from the University of Edhat and an Advance Diploma in Textile from the Sri Lanka Institute of Textile and Apparel. He is a Fellow Member of the Charted Professional Managers (FCPM) and serves as a guest lecturer for many universities, institutes and schools in Sri Lanka. He is currently reading for an AAL - Attorneyat Law attached to the Sri Lanka Law College and also pursuing a PhD in Commercial Law at Great American University.

Mr. Prasantha Malimbadage

Chief Executive Officer – Recycling Operations, Eco Spindles (Pvt) Ltd, Chief Project Officer - BPPL Holdings PLC

Business Experience

Mr. Malimbadage is a determined and focused leader with over 15 years of professional experience. Since joining BBPL Holdings in 2009, he has consistently demonstrated strong communication and organizational skills, a positive attitude, and the ability to adapt to any working environment. Throughout his career, Mr. Malimbadage has steadily risen through the ranks, showcasing his dedication and commitment to excellence.

Currently, Mr. Malimbadage oversees the recycling operations at Eco Spindles and new projects in the group, where he plays a pivotal role in driving efficiency and sustainability within the organization. His expertise and leadership have been instrumental in optimizing the recycling processes and ensuring adherence to environmental standards.

Mr. Malimbadage holds an MBA from the University of Wolverhampton UK, a Masters in Manufacturing Management from the University of Colombo, a Diploma in International Trade, Shipping & Logistics from the Institute of Commercial Studies and a BSc in Applied Sciences from the Rajarata University of Sri Lanka.

Mr. Ruwan Malawarage

Deputy General Manager – HR & Administration- BPPL Holdings PLC

Business Experience

Mr. Malawarage is a highly accomplished professional with an extensive background in Human Resources management and administration. With over 20 years of hands-on experience in Human Resources, he brings a wealth of knowledge and expertise to his role.

Mr. Malawarage holds a BSc in Human Resources Management (Special) from the University of Sri Jayewardenepura and has further pursued his professional development by obtaining certification in Professional Human Resource from SHRM - USA.

Mr. Malawarage joined the group in August 2018. Prior to joining the organization, he has held key positions in several leading companies in the apparel and plastic industries. His strong educational foundation, combined with his extensive practical experience, enables him to effectively navigate the complex challenges of human resources management.

Ms. Vernee Kularasan

Deputy General Manager – Finance BPPL Holdings PLC

Business Experience

Ms. Kularasan has over 27 years of experience in the field of finance. She began her career at PricewaterHouse Coopers, where she served as an Audit Senior for a period of 3 years, gaining valuable insights into financial auditing and assurance.

Since joining BPPL in 1996, Ms. Kularasan has played a pivotal role in the organization's finance department, accumulating vast experience in all aspects of manufacturing accounts. She has also been actively involved in the preparation of final accounts for the Group, consolidating financial information and providing accurate and timely reports.

Ms. Kularasan holds a BCom from the University of Colombo. Furthermore, as an esteemed professional she is an Associate Member of the Institute of Chartered Accountants of Sri Lanka (ACA), Member of the Certified Practicing Accountants of Australia (CPA), Member of the Institute of Certified Management Accountants of Sri Lanka (CMA), and a Member of the Institute of Chartered Professional Managers of Sri Lanka (CPM).

Mr. Tharindu Bokanda

Deputy General Manager – Yarn Operations, Eco Spindles (Pvt) Ltd

Business Experience

Mr. Bokanda is a result-oriented Strategic and Operational Management specialist having over 10 years of experience driving continuous growth and implementing sustainable business strategies through lean thinking.

Mr. Bokanda has been an external lean consultant for prestigious companies such as Hela Clothing, Bonville, Aqua Dynamics, and Aero Dynamics. During a 9-year tenure at Stretchline (Pvt) Ltd, a subsidiary of MAS Holdings, he played a key role in strategic planning, operational planning, manufacturing operations areas while advancing overall lean transformation, and implementing specialized lean tools within the organization.

He has received extensive training from Toyota consultants affiliated with the Toyota Engineering Corporation. His exposure to state-of-the-art manufacturing facilities includes visits to Toyota Corporation in India and Hyundai Motor Corporation in China, providing valuable insights into advanced production processes and techniques.

Mr. Bokanda holds an MBA from the University of Colombo, a BSc in Engineering from the University of Moratuwa. He has been awarded the Lean Leader Black Belt Certification from Center for Lean Excellence, Singapore and the TPS Certification - Grade 4 from the TMS & TPS Certificate Institution, Japan.

Key Management Profiles

Mr. Mithila Dayatilleke

Head of Sales - Beira Brush (Pvt) Ltd.
Head of Sales - Monofilaments,
Eco Spindles (Pvt) Ltd

Business Experience

Since 2013, Mr. Dayatilleke has demonstrated a consistently strong performance in managerial roles at Beira Brush and Eco Spindles. He commenced his career at the company as an Assistant Manager and has advanced to his current position as the Head of Sales. Currently, Mr. Dayatilleke is responsible for overseeing the sales operations and commercial growth of Beira Brush, Beira Parawood and Eco Spindles Monofilament businesses.

He is committed to increasing the customer base, fostering robust client connections, and exploring fresh market prospects. Having previously worked at Brandix Intimates and MAS Intimates, he possesses a considerable amount of expertise.

Mr. Dayatilleke possesses credentials as a Chartered Global Management Accountant (CGMA) and an Associate Member of the Chartered Institute of Management Accountants CIMA) in the United Kingdom. Additionally, he is a Full Member of Certified Practicing Accountants (CPA) in Australia. He possesses a Master of Business Administration degree from the University of Wolverhampton in the United Kingdom.

Mr. Dinesh Welagedara

Senior Manager - Local Sales,
Beira Brush (Pvt) Ltd

Business Experience

Mr. Dinesh Welagedara is a versatile marketer with an extensive background in strategic planning, corporate affairs, marketing and brand management, business development, project management, supply chain management, and sales. With an illustrious career spanning 15 years in sales management, Mr. Welagedara brings a wealth of experience and expertise to the organization.

Mr. Welagedara has consistently demonstrated exceptional leadership, strategic thinking and an unwavering commitment to achieving remarkable results, having showcased his entrepreneurial vision by creating the successful ‘Tip Top’ brand for Beira, which was launched successfully in Sri Lanka.

A notable achievement in his career was as the Brand Manager for Arpico Supercentre, where he played a pivotal role in leading the development and implementation of national-level sales, business development, and general marketing initiatives including brand launches and campaigns. Mr. Welagedara holds an MBA from the University of Wolverhampton UK, a BSc in Economics from University of London and a Post Graduate Diploma in Marketing from the Sri Lanka Institute of Marketing.

Corporate Governance Commentary

The Group's Corporate Governance framework has its own set of internal benchmarks, processes and structures towards meeting accepted best practices, in addition to the 'triggers' which ensure compliance with mandatory regulatory requirements. This framework is regularly reviewed and updated to reflect global best practices, evolving regulations, and stakeholder needs, whilst maintaining its foundational principles of accountability, participation and transparency.

Stewardship

Corporate governance and risk management combine to define how we conduct business at BPPL Holdings PLC. Together they form our playbook, articulating our vision, values and philosophy, providing structure for decision making at appropriate levels. Finely balanced to drive efficiency and innovation whilst providing sufficient safeguards to preserve value, they facilitate stewardship of the Company.

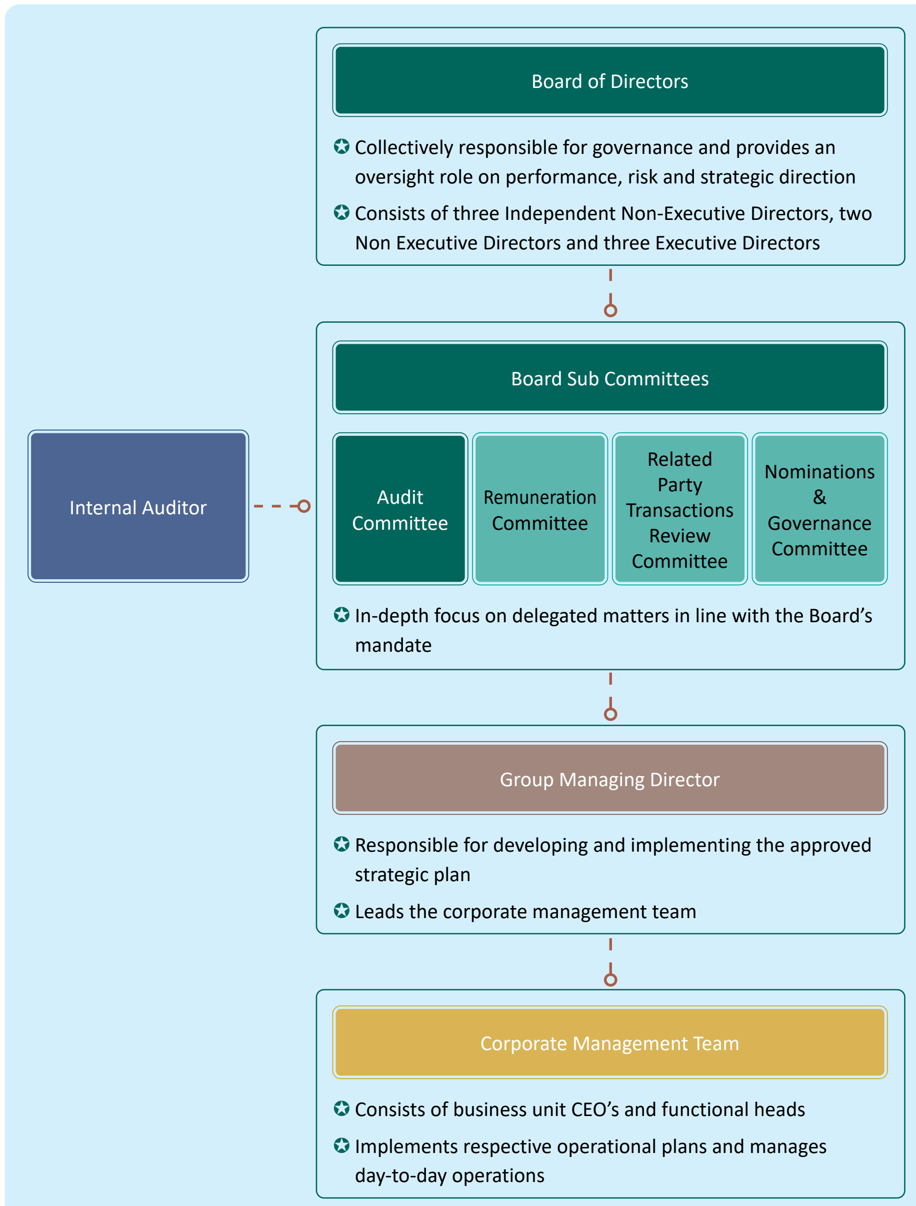
The Board is committed and oversees the conduct of the Company's business ethically and maintains the highest standards of Corporate Governance. The Board also ensures enhancement of stakeholders' value whilst ensuring that proper internal control systems are in place by complying with the generally accepted Corporate Governance practices such as,

- Listing Rules of the Colombo Stock Exchange (CSE)
- Companies Act No. 07 of 2007 and,
- Corporate Governance best practices stipulated jointly by the Securities & Exchange Commission (SEC) and the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

The Company's Corporate Governance framework is designed to ensure transparency and a good governance system leading towards enhancing profitability and long-term economic and environmental sustainability.

Corporate Governance Structure

The Company's Governance Framework is depicted in the following diagram.



Composition of the Board

The Board has the overall responsibility and accountability for the management of the affairs of the Company, maintenance of prudent risk management practices and safeguarding stakeholder rights. The Board is currently comprised of eight Directors consisting of three Executive Directors and five Non-Executive Directors. Out of the five Non-Executive Directors, three are independent and their independent outlook is to bring an independent view and judgment to the Board with their wide range of expertise and significant experience. There is

Corporate Governance Commentary

significant balance of power, minimizing the tendency for one or few members of the board to dominate the board processes or decision making. Brief profiles of the Directors are set out on Pages 28 to 30.

Name of the Director	Executive	Non-Executive	Independent
Mr. Sarath Amarasinghe		√	
Dr. Anush Amarasinghe	√		
Mr. Ranil Pathirana		√	
Mr. Manjula De Silva		√	√
Ms. Sharmini Ratwatte		√	√
Mr. Savantha De Saram		√	√
Mr. Vaithilingam Selvaraj, resigned with effect from 16th May 2024	√		
Mr. Prasad Perera	√		

Fit & Proper Assessment

The Company's fit and proper assessment for Directors and CEO is in line with the guidelines set out in the Listing Rules and includes criteria on honesty, integrity and reputation, competence and capability and financial soundness. The Directors and CEO satisfied the fit and proper assessment criteria stipulated in the Listing Rules of the CSE.

Operation of the Board

Board meetings are held on a quarterly basis with the flexibility to arrange ad-hoc meetings to supplement these when required. Meetings are arranged well in advance with the agenda and information relating to matters set out before the board circulated at least one week in advance, facilitating sufficient time for due consideration of the same. The board met 4 (four) times during the year under review. The attendance of the Directors for board meetings during the financial year ended 31st March 2024 were as follows,

Name of the Director	Role	Board Meetings
Dr. Anush Amarasinghe	ED/Managing Director/CEO	4/4
Mr. Sarath Amarasinghe	NED/Chairman	4/4
Mr. Ranil Pathirana	NED	3/4
Mr. Manjula De Silva	INED	4/4
Ms. Sharmini Ratwatte	INED	4/4
Mr. Savantha De Saram	INED	4/4
Mr. Vaithilingam Selvaraj, resigned with effect from 16th May 2024	ED/CFO	4/4
Mr. Prasad Perera	ED/Director-Factory operations	4/4

Senior Independent Director (SID)

Considering that the Chairperson and the CEO are close family members, a Senior Independent Director has been appointed in terms of Section 9.6.3 of the Listing rules issued by the Colombo Stock Exchange. The Senior Independent Director also acts as the independent party to whom concerns could be voiced on a confidential basis. The Senior Independent Director is made available to discuss shareholder concerns including those of minority shareholders.

The Senior Independent Director meets with other Non-Executive Directors, without the presence of the Chairperson, at least once a year to evaluate the effectiveness of the Chairperson and has regular meetings with the other Non-Executive Directors on matters relating to the effectiveness of the Board or the Board as appropriate.

The report of the Senior Independent Director is presented in page 43 of this report.

Sub Committees to the Board

The Board has delegated some of the functions to four Board sub committees, Audit Committee, Remuneration Committee, Related Party Transactions Review Committee and Nominations and Governance Committee which operate within clearly defined terms of reference. Each Sub Committee consists of three Non-Executive Directors and is chaired by a Non-Executive Independent Director.

1. Audit Committee

The Audit Committee is required to help the Company achieve a balance between conformance and performance. It is responsible for reviewing the function and process of internal controls in the Company and ensuring the effectiveness of the controls. The committee also reviews the Financial Statements of the Company to monitor the integrity of same. Furthermore, all audit activities are monitored by the committee to ensure compliance and adherence to statutory and regulatory requirements and industry best practices. The Audit Committee updates the Board at regular intervals of the outcome of its meetings and circulates the minutes of its meetings. The Audit Committee consists of the following three Non-Executive Directors, two of whom are Independent:

- Mr. Manjula De Silva - Chairman - Non-Executive independent Director
- Ms. Sharmini Ratwatte - Member - Non-Executive Independent Director
- Mr. Ranil Pathirana - Member - Non-Executive Director

The Company Secretary serves as its Secretary. The Board has appointed a group internal auditor to carry out the internal audit functions as directed by the Audit Committee and submit their findings. The Internal Auditor and the Chief Financial Officer (CFO) are invited to attend the meetings. Other Senior Executives are invited to attend where necessary.

The Audit Committee held four meetings for the financial year ended 31st March 2024. Audit Committee Report on Page 44 describes the activities carried out during the financial year ended 31st March 2024.

2. Remuneration Committee

Remuneration Committee ensures that the Company has well–established, formal and transparent procedures in place for developing an effective remuneration policy for both Executive and Non-Executive Directors. No Director is involved in deciding his/her own remuneration to avoid potential conflicts of Interest. The committee is also responsible for setting up the remuneration policy and providing guidelines to the Board on the overall remuneration framework (including setting performance incentives and targets) to ensure that remuneration levels are sufficient to attract and retain the caliber of professionals required for the successful management and operations of the Company. The Remuneration Committee consists of the following three Non-Executive Directors two of whom are Independent:

- Mr. Savantha De Saram - Chairman - Non-Executive Independent Director
- Ms. Sharmini Ratwatte - Member- Non-Executive Independent Director
- Mr. Ranil Pathirana - Member - Non-Executive Director

The Remuneration Committee held three meetings for the financial year ended 31st March 2024. The report on the Remuneration Committee is on page 46 and highlights its main activities.

3. Related Party Transactions Review Committee

The Related Party Transactions Review Committee ensures that the interest of shareholders as a whole is taken into account when engaging in transactions with related parties. The Related Party Transactions Review Committee consists of the following three Non-Executive Directors two of whom are Independent:

- Mr. Manjula De Silva - Chairman - Non-Executive Independent Director
- Ms. Sharmini Ratwatte - Member - Non-Executive Independent Director
- Mr. Ranil Pathirana - Member - Non-Executive Director

The Related Party Transactions Review Committee held four meetings for the financial year ended 31st March 2024. The report of the Related Party Transactions Review Committee is on Page 47 and highlights its main activities.

4. Nominations and Governance Committee

In terms of the section 9.11 of the listing rules of the Colombo Stock Exchange, a Nominations and Governance Committee chaired by an independent Director has been appointed, and we are in the process of setting up the charter and the operating framework. This will be effective by October 2024, being the timeline imposed for compliance to this requirement.

Managing Conflicts of Interests and Ensuring Independence

The Company takes necessary steps to ensure that Directors avoid situations in which they have, or could have, a direct or indirect interest which conflicts with, or might possibly conflict with, the interests of the Group. In order to avoid such potential conflicts or biases, the Directors make a general disclosure of interests, at appointment, at the beginning of every financial year and during the year as required. Such potential conflicts are reviewed by the Board from time to time to ensure the integrity of the Board's independence. Details of companies in which Board members hold Board or Board Committee memberships are available with the Company Secretary for inspection by shareholders, on request.

Compliance

Statement of Compliance

The Board places significant emphasis on strong internal compliance procedures. The Financial Statements of the Company are prepared in strict compliance with the guidelines of the Sri Lanka Accounting Standards and other statutory regulations. The Board of Directors, to the best of their knowledge and belief, are satisfied that all statutory payments have been made to date.

Each of the Non-Executive Directors have submitted a declaration of their independence/non-independence pursuant to Rule 9.8.5 (a) of the Listing Rules of the Colombo Stock Exchange and the Board of Directors have made an annual determination as to the independence / non-independence of each Non-Executive Director based on their declarations pursuant to Rule 9.8.5 (b) of the Listing Rules of the Colombo Stock Exchange. Accordingly, the following Directors are determined to be Independent Non-Executive Directors:

- Mr. Manjula De Silva
- Ms. Sharmini Ratwatte
- Mr. Savantha De Saram

Corporate Governance Commentary

As a responsible organization, BPPL Holdings PLC adheres to the following regulations, code and best practices published by different Government bodies.

- Companies Act No. 7 of 2007.
- Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995
- Code of Best Practices on Corporate Governance jointly issued by the Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission of Sri Lanka.
- Corporate Governance requirements listed under Section 7 & 9 of the listing Rules Issued by the Colombo Stock Exchange
- Listing Requirements of the Colombo Stock Exchange
- Inland Revenue Act No.24 of 2017
- Foreign Exchange Act No 12 of 2017
- Customs Ordinance
- Employees Provident Fund Act No 15 of 1958
- Employees Trust Fund Act No 46 of 1980
- Payment of Gratuity Act No 12 of 1983
- Factory Ordinance No 45 of 1942
- Shop and Office employees Act No 15 of 1954
- Workman Compensation Ordinance No 19 of 1934
- Maternity Benefits Ordinance No 32 of 1939

Key Internal Policies

- Recruitment Policy & Procedure
- Non Discrimination and Equal opportunities
- Employee Promotion Policy
- Anti-bribery and Corruption Policy
- Grievance Handling Policy and Procedure
- Prevention of Harassment and Bullying
- Child Labour and Remediation Policy
- Freedom of Association and Collective Bargaining
- Employee Discipline Policy & Procedure

Statement of Compliance with the Continuing Listing Requirements Section 7.6 - Contents of the Annual Report, issued by the Colombo Stock Exchange

Rule	Requirement	Compliance Status	Disclosure Reference
7.6 (i)	Names of persons who were directors during the financial year	In Compliance	Board of Directors
7.6 (ii)	Principal activities of the entity and its subsidiaries during the year, and any changes therein	In Compliance	Management Discussion and Analysis, Annual Report of the Board of Directors and Financial Statements
7.6 (iii), (iv)	Twenty largest Shareholders, float adjusted market capitalization, public holding percentage, number of public shareholders and minimum required public shareholding	In Compliance	Investor Information
7.6 (v)	Directors' and CEO's (MD's) holding in shares at the entity at the beginning and end of the Financial year	In Compliance	Note 29.4 to the Financial Statements
7.6 (vi)	Material foreseeable risk factors of the entity	In Compliance	Risk Management
7.6 (vii)	Details of material issues pertaining to employees and industrial relations of the Entity	In Compliance	Annual Report of the Board of Directors
7.6 (viii)	Extents, locations, valuations, number of buildings	In Compliance	Note 4.4, 4.5 and 4.6 to the Financial Statements
7.6 (ix)	Number of shares representing the Entity's stated capital	In Compliance	Investor Information
7.6 (x)	Shareholder Distribution Schedule including percentage of total holding in given categories	In Compliance	Investor Information
7.6 (xi)	Ratios and Market Price Information	In Compliance	5 Year Summary and Investor Information
7.6 (xii)	Changes in Entity's and subsidiaries' fixed assets and market value of land	In Compliance	Note 4 and Note 5 to the Financial Statements
7.6 (xiii)	If during the financial year the entity has raised funds either through a public issue, rights issue or private placement	Not Applicable	The Company had no public issue, rights issue or private placement during the year under review

Rule	Requirement	Compliance Status	Disclosure Reference
7.6 (xiv)	Information in respect of employee share ownership or stock option schemes	Not Applicable	The Company has no share option/purchase schemes made available to its employees
7.6 (xv)	Disclosures pertaining to Corporate Governance practices in terms of Section 9 of the Listing Rules	In Compliance	Corporate Governance Commentary
7.6 (xvi)	Related party transactions exceeding 10% of Equity or 5% of total assets of the Entity as per audited financial statements, whichever is lower	In Compliance	Note 29.2 to the Financial Statements and Report of the Related Party Transactions Review Committee
7.6 (xvii) to (xxi)	Disclosures pertaining to Foreign Currency denominated Securities, Sustainable Bonds, Perpetual debt Securities, Infrastructure Bonds and/or Shariah Compliant Debt Securities listed on the CSE	Not Applicable	The Company had no Foreign Currency denominated Securities,Sustainable Bonds, Perpetual debt Securities, Infrastructure Bonds and/or Shariah Compliant Debt Securities listed on the CSE

Statement of Compliance with the Continuing Listing Requirements Section 9 – Corporate Governance, issued by the Colombo Stock Exchange

Rule	Requirement	Compliance Status	Extent of Compliance
9.1.3	Statement confirming the extent of compliance with the Corporate Governance Rules	In Compliance	The extent of compliance with Section 9 of the Listing Rules of the Colombo Stock exchange on Corporate Governance Rules is tabulated in this table
9.2.1	The Company shall establish and maintain the policies and disclose the fact of existence of such policies together with the details relating to the implementation of such policies by the Company on its website	Effective Date 1st October 2024	The Company is in the process of developing the policies referred to in 9.2.1 and the said polices will be made available on the corporate website on or before the effective date
9.2.2	Any waivers from compliance with the Internal Code of business conduct and ethics or exemptions granted	Effective Date 1st October 2024	Refer 9.2.1 above
9.2.3 (i)	List of policies in place as per Rule 9.2.1, with reference to website	Effective Date 1st October 2024	Refer 9.2.1 above
9.2.3 (ii)	Any changes to policies adopted	Effective Date 1st October 2024	Refer 9.2.1 above
9.4.2	a) The policy on effective communication and relations with shareholders and investors b) The contact person for such communication c) The policy on relations with shareholders and investors on the process to make all Directors aware of major issues and concerns of shareholders	Effective Date 1st October 2024	This will be compliant with the establishment of the Policy on Relations with Shareholders and Investors Refer 9.2.1 above
9.5.2	Confirmation on compliance with the requirements of the Policy on matters relating to the Board of Directors. If non-complied reasons for the same with proposed remedial action	Effective Date 1st October 2024	This will be compliant with the establishment of the Policy on matters relating to Board of Directors Refer 9.2.1 above
9.6.3	Report of Senior Independent Director demonstrating the effectiveness of duties	In Compliance	Statement by the Senior Independent Director

Corporate Governance Commentary

Rule	Requirement	Compliance Status	Extent of Compliance
9.6.4	Rationale for appointing Senior Independent Director	In Compliance	Statement by the Senior Independent Director
9.7.5 (a)	A statement on Directors and CEO satisfying Fit and Proper Assessment Criteria	In Compliance	Corporate Governance Commentary
9.7.5 (b)	Any non-compliance/s by a Director and/or the CEO with the Fit and Proper Assessment Criteria and the remedial action taken.	Not Applicable	No non-compliances were reported during the year
9.8.5	Names of Directors determined to be 'independent'	In Compliance	Corporate Governance Commentary
9.9	Alternate Directors	Not Applicable	No Alternate Directors appointed during the financial year
9.10.4	Directors Details a) Name, qualifications and brief profile	In Compliance	a) Board of Directors
	b) Nature of his/her expertise in relevant functional areas		b) Board of Directors
	c) Whether either the Director or Close Family Members has any material business relationships with other Directors		c) Based on the individual declarations obtained from the Directors, it was evident that none of the Directors or their close family members have material business relationships with other Directors of the Company.
	d) Whether Executive, Non-Executive and/or independent Director		d) Board of Directors
	e) Total number and names of companies in Sri Lanka in which the Director concerned serves as a Director and/or KMP stating whether listed or unlisted, whether functions as executive or non-executive (If the directorships are within the Group names need not be disclosed)		e) Board of Directors
	f) Number of Board meetings attended		f) 'Operation of the Board' of Corporate Governance Commentary
	g) Names of Board Committees in which the Director serves as Chairperson or a member		g) 'Sub Committees to the Board' of Corporate Governance Commentary
	h) Attendance of board committee meetings		h) Committee Reports
	i) Terms of Reference and powers of Senior Independent Director		i) Statement of Senior Independent Director
9.11.6	Nominations and Governance Committee Report signed by Chairperson Nominations and Governance Committee Report shall include the disclosures referred to in 9.11.6	Effective Date 1st October 2024	Nominations and Governance Committee Report containing the requirements stipulated under this Rule will be included in the Annual Report of the Company for the financial year 2024/2025
9.12.8	Remuneration Committee Report a) Names of chairperson and members with nature of directorship b) Remuneration Policy c) The aggregate remuneration of the Executive and Non-Executive Directors	In Compliance	Report of the Remuneration Committee and Note 29.3 to the Financial Statements

Rule	Requirement	Compliance Status	Extent of Compliance
9.13.5	(1) The Audit Committee shall prepare an Audit Committee Report which shall be included in the Annual Report (2) The Audit Committee Report shall contain the disclosures referred to in 9.13.5 (2)	Effective Date 1st October 2024	The Company is compliant in terms of Rule 7.10.6(c), which is currently effective Audit Committee Report containing the disclosures referred to in this Rule will be included in the Annual Report of the Company for the financial year 2024/2025
9.14.8 (1)	Related Party Disclosures Non-recurrent Related Party Transactions exceeding 10% of the Equity or 5% of the Total Assets, whichever is lower (in the specified format)	Not Applicable	There were no non-recurrent Related Party Transactions which in aggregate value exceeds 10% of the equity or 5% of the total assets, whichever is lower of the Group as per Financial Statements
9.14.8 (2)	Recurrent Related Party Transactions exceeding 10% of the gross revenue/income (in the specified format)	In Compliance	Note 29.2 to the Financial Statements and Report of the Related Party Transactions Review Committee
9.14.8 (3)	Related Party Transactions Review Committee Report - Names of the Directors comprising the Committee - Statement that committee has reviewed RPTs and communicated comments/observations to the Board - Policies and procedures adopted by the Committee	In Compliance	Report of the Related Party Transactions Review Committee
9.14.8 (4)	Affirmative declaration by the Board of Directors on compliance with RPT Rules or negative statement to that effect	In Compliance	Annual Report of the Board of Directors
9.16	Additional disclosures by Board of Directors Declaration on the following: - All material interests in contracts and have refrained from voting on matters in which they were materially interested - Reviewed the internal controls covering financial, operational and compliance controls and risk management and obtained reasonable assurance of their effectiveness and successful adherence and, if unable to make any of these declarations an explanation on why it is unable to do so; - Made themselves aware of applicable laws, rules and regulations and are aware of changes particularly to Listing Rules and applicable capital market provisions; - Disclosure of relevant areas of any material non-compliance with law or regulation and any fines, which are material, imposed by any government or regulatory authority in any jurisdiction where the Company has operations	In Compliance	Annual Report of the Board of Directors

Corporate Governance Commentary

Culture and Conduct

The Board is bound by the Code of Conduct and Ethics for Directors, and remains responsible for integrating a culture of fair, ethical conduct across the Group. The Board of Directors sets the tone for strong business ethics and the highest levels of integrity, embedding principles that cascade down from the top to reach every level of the organization. The Board leads by example, and therefore sets clear expectations with respect to the culture, values and behaviour of the Group's employees. All employees are required to follow the Group's Code of Conduct. The following ethic-specific topics are described under the Code of Conduct:

Non Discrimination and Equal opportunities	Anti-bribery and Corruption Policy	Grievance Handling Policy and Procedure	Prevention of Harassment and Bullying
• BPPL places a significant importance on the need to provide equal opportunities to everyone since inception. • It strives to be viewed as a workplace that is home to a diverse pool of people regardless of ethnicity, religion, gender, physical appearance, and cultural differences.	• The policy articulates the framework in place to prevent bribery and corruption within the organization. The following aspects are covered therein. • Company Personnel are prohibited from giving or offering bribes, kickbacks, or similar payment or consideration of any kind, whether at home or abroad, to/from any person or entity. • Compliance with this Policy and laws is a condition of continued employment or association with BPPL, and violations will not be tolerated – any alleged breach will be investigated and disciplinary action taken as appropriate. • The policy is applicable to all Directors, consultants and employees without exception. • The business partners and third parties who act on behalf of the Company are aware of the guidelines set out in the Company's Anti-Corruption Policy and are required to adhere to the same.	• Maintain an open-door policy where grievance is concerned, by making a general invitation to all employees, to walk in at any time and speak over the grievances with the person/persons concerned. • All appropriate procedures are in place to conduct independent investigations into incidents reported.	• Workplace Anti-Harassment policy and Code of conduct reaffirmed a safe and healthy working environment for all employees. • The Company believes that any form of sexual harassment can adversely impact both the individual and the organization and does not tolerate any form of harassment to its employees. • Awareness of the Company Anti-Harassment and bullying Policy is created regularly through internal communication tools to all employees. The employees are able to report an incident confidentially to a committee member, and if warranted an investigation will be carried out on the matter.

Statement by the Senior Independent Director

This Statement is presented in compliance with the requirements set out in Section 9.6.3(e) of the revised Listing Rules on Corporate Governance of the Colombo Stock Exchange ("CSE"), as a practice of good governance.

The requirement of appointing a Senior Independent Director to BPPL Holdings PLC ("the Company") has arisen in terms of Section 9.6.3 of the Listing rules issued by the Colombo Stock Exchange, which requires a Senior Independent Director to be appointed in the event the Chairperson and CEO are close family members.

Accordingly, the Board of Directors ("the Board") of the Company designated Mr. Manjula De Silva (Independent, Non-Executive Director) as the Senior Independent Director of the Company and a disclosure was made to the CSE on 26th October 2023. A brief profile of Mr. Manjula De Silva is given on page 30 of this Annual Report.

Role and Responsibilities of the Senior Independent Director

The purpose of appointing a Senior Independent Director is to provide a sounding board for the Chairperson and to act as an intermediary with independent views for other Directors as needed. A formal Terms of Reference (ToR) for the Senior Independent Director is in place.

In terms of the ToR, the Senior Independent Director shall:

- Act as the Chairperson of the Board of Directors when matters concerning the Chairperson are considered.
- Act as a conduit to the Board for the communication of shareholder concerns when other channels of communication are inappropriate.
- Ensure that the views of other Non-Executive Directors are given due consideration.
- Chair a Meeting of the Non-Executive Directors without the Chairperson present, at least annually, to appraise the Chairperson's performance and on such other occasions as are deemed appropriate.
- Chair the meetings of the Independent Directors, without the presence of other Directors to discuss matters and concerns relating to the Entity and the operation of the Board. The Senior Independent Director shall provide feedback and recommendations from such Meetings to the Chairperson and the other Board members.
- Make himself available to attend meetings with major Shareholders, as and when required, to listen to their views to help develop a balanced understanding of the issues and concerns of major shareholders.
- Ensure the concerns of Directors are recorded in the Board Minutes, when Directors have concerns about matters of the Company, which cannot be unanimously resolved.

With respect to the above, a Meeting of the Non-Executive Directors without the Chairperson and a Meeting of the Independent Directors without the presence of other Directors, were held on 19th February 2024, to discuss matters and concerns relating to the Entity and the operation of the Board. The outcome of these discussions and the concerns have been duly communicated to the Chairperson and the Board of Directors.

Manjula De Silva
Senior Independent Director
25th July 2024

Report of the Audit Committee

Purpose of the Committee

The Audit Committee is delegated authority by the Board to provide independent oversight of the Group's financial reporting and internal control systems, compliance with legal and regulatory requirements, risk management practices, and of the adequacy of the external and internal audit, with a view to safeguarding the interests of the shareholders and all other stakeholders.

Composition of the Committee

The Audit Committee consisted of three Non-Executive Directors out of whom two are Independent. Mr. Manjula De Silva, Chairman, Ms. Sharmini Ratwatte and Mr. Ranil Pathirana are members of the Committee. All members of the Audit Committee are Fellow members of the Chartered Institute of Management Accountants (CIMA). The Company Secretary functions as Secretary to the Audit Committee.

Meetings and Attendance

The Committee met four times during the year. The attendance of the members at these meetings for the financial year ended 31st March 2024, is stated in the table below.

Mr. Manjula De Silva	4/4
Ms. Sharmini Tamara Ratwatte	4/4
Mr. Ranil Prasad Pathirana	3/4

CEO, CFO, and Group Internal Auditor are permanent invitees to all Committee meetings. Representatives of the Group's External Auditors, Messrs. Ernst & Young also attend the Audit Committee meetings when required to do so.

Duties and Responsibilities of the Audit Committee

- Financial Reporting & Assurance
- Internal Audit
- Risk Management
- External Audit
- Compliance

Financial Reporting & Assurance

The Committee reviewed the financial reporting system adopted by the Group in the preparation of its quarterly and annual Financial Statements to ensure reliability of the processes and consistency of the accounting policies and methods adopted and their compliance with the Sri Lanka Financial Reporting Standards. The methodology included obtaining statements of compliance from Heads of Divisions. The Committee recommended the Financial Statements to the Board for its deliberations and issuance. The Committee, in its evaluation of the financial reporting system, also recognized the adequacy of the content and quality of routine management information reports forwarded to its members.

Internal Audit

The Committee monitors the effectiveness of the internal audit function and empowered them to access information required to conduct their audits.

The objective of the Group Internal Audit (GIA) is to have an independent review of the system of internal controls as established by the management, its adequacy and integrity vis-à-vis objectives served and to determine the extent of adherence to the controls by staff responsible for the function and to take corrective action where necessary.

During the year 2023/24, audits were performed covering all 8-process areas of the group. The findings and contents of the GIA reports were discussed with the relevant management staff and subsequently these audit reports were circulated to the Audit Committee and to the senior management, providing an overview of the control environment and where relevant enabling visibility of corrective and preventive measures to be taken.

Risk Management

The committee obtained and reviewed the business risk management process and procedures adopted by the Group to manage and mitigate the effects of such risks and observed that a sound risk analysis had been conducted within the Group. The key risks that could impact operations have been identified and appropriate actions have been taken to mitigate their impact to the minimum extent. Key risk profile, analyzed in terms of Impact vs Likelihood, is presented from pages 12 to 15.

Reviews of the risk management, internal controls, business continuity planning and information security systems are carried out and appropriate remedial actions recommended to the Board.

External Audit

The Committee held meetings with the External Auditors to review the nature, approach, scope and fees of the audit prior to the commencement of the audit and the Committee followed up on the observations noted by the External Auditors during and after the Audit of Group Companies. Remedial action was recommended wherever necessary. The Committee has reviewed and satisfied itself on the independence and objectivity of the External Auditors, Messrs. Ernst & Young.

Report of the Audit Committee

The current auditors, Messrs. Ernst &Young, were initially appointed as the external auditors of the Company and continue to hold that position at present. A partner rotation of the auditors takes place at periodic intervals and the last rotation took place in the year 2019/20. The Committee has recommended to the Board that Messrs. Ernst & Young - Chartered Accountants be reappointed as the independent External Auditor for the financial year 2024/25 subject to the approval of the shareholders at the Annual General Meeting (AGM) and the required resolution be put to the shareholders at the AGM.

Compliance

The Committee obtained representations from Group Companies on the adequacy of provisions made for possible liabilities and reviewed reports tabled by Group Companies certifying their compliance with relevant statutory requirements. It also obtained regular updates from the internal auditor and relevant HODs regarding compliance matters.

Conclusion

The Audit Committee is satisfied that the effectiveness of the organizational structure of the Group and of the implementation of Group's accounting policies and operational controls provides reasonable assurance that the affairs of the Group are managed in accordance with Group policies and that Group assets are properly accounted for and adequately safeguarded. The Committee is also satisfied that the Company and its subsidiaries are able to continue to operate as a going concern.

Manjula De Silva
Chairman
Audit Committee
25th July 2024

Report of the Remuneration Committee

The Remuneration Committee, appointed by and responsible to the Board of Directors, consists of two Non-Executive Independent Directors namely Mr. Savantha De Saram, Ms. Sharmini Tamara Ratwatte and Non-executive Director namely Mr. Ranil Prasad Pathirana. The committee is chaired by Mr. Savantha De Saram.

Name of the Director	Role	Independent	Non-Executive
Mr. Savantha De Saram	Chairman	√	√
Ms. Sharmini Tamara Ratwatte	Member	√	√
Mr. Ranil Prasad Pathirana	Member		√

The Committee met three times during the financial year. The attendance of the Directors and remuneration committee meetings for the financial year ended 31st March 2024:

Mr. Savantha De Saram	3/3
Ms. Sharmini Tamara Ratwatte	3/3
Mr. Ranil Prasad Pathirana	3/3

Role of the Committee

The Remuneration Committee has reviewed and recommended to the Board of Directors the policy for the remuneration of the executive staff. The aggregate remuneration received by the Directors during the financial year ended 31st March 2024 are given in note 29.3 of the financial statements.

Remuneration Policy

In a highly competitive environment, attracting and retaining high caliber executives is a key challenge faced by the Company. In this context, the Committee took into account competition, market information and performance evaluation methodology in declaring the overall remuneration policy.

The annual performance appraisal system and the calculation of bonus were executed in accordance with the proposals approved by the committee, based on discussions conducted between the Committee and the Management.

Savantha De Saram
Chairman
Remuneration Committee
25th July 2024

Report of the Related Party Transactions Review Committee

The Group complies with the relevant regulations by forming the Related Party Transaction Review Committee to ensure that the interests of shareholders as a whole are taken into account when engaging in transactions with related parties.

The Related Party Transactions Review Committee consists of three Non-Executive Directors out of whom two are Independent Non-Executive Directors namely Mr. Manjula De Silva, Ms. Sharmini Ratwatte and one Non-Executive Director namely Mr. Ranil Pathirana.

The Committee is chaired by Mr. Manjula De Silva. The Company Secretary functions as Secretary to the Committee. The committee held four meetings during the year under review. The attendance of the Directors at Related Party Transaction Review Committee meetings for the financial year ended 31st March 2024 is given below:

Mr. Manjula De Silva	4/4
Ms. Sharmini Tamara Ratwatte	4/4
Mr. Ranil Prasad Pathirana	3/4

The Policies and Procedures

The group has in place a Related Party Transaction Policy whereby the categories of persons who shall be considered as "related parties" have been identified. Accordingly, all Executive Directors and Non-Executive Directors have been identified as the Key Management Personnel of the Company. In accordance with the Related Party Transaction Policy, self-declarations are obtained annually from each Key Management Person of the Company for the purpose of identifying parties related to them.

As per the existing practice, a detailed report on the related party transactions is submitted to the Related Party Transaction Review Committee periodically and such transactions are also disclosed to the shareholders through the Company's financial statements. The Related Party Transaction Review Committee reinforces its functions by revisiting the Terms of References of the Committee and Related Party Transactions Policy and re-aligning the internal procedures and policies with the requirements thereof.

The Company's ERP system provides complete, timely, adequate and relevant information to the Board and senior management and thereby to the Related Party Transactions Review Committee.

The Related Party Transactions Review Committee reviewed the related party transactions and their compliances and communicated the same to the Board on a quarterly basis.

Non-recurrent Related Party Transactions which in aggregate value exceeding lower of 10% of the equity or 5% of the total assets of the Group as per the Audited Financial Statements of the previous year, if any, were communicated to the Committee through the Group Company Secretaries.

Recurrent Related Party Transactions exceeding 10% of the gross revenue of the Group as per the Audited Financial Statements of the previous year, if any, were communicated to the Committee through the Group Company Secretaries.

The recurrent related party transactions entered by the Company during the financial year ended 31st March 2024 are given in note 29.2 of the financial statements.

Manjula De Silva
Chairman
Related Party Transactions Review Committee
25th July 2024

Annual Report of the Board of Directors

The Board of Directors have pleasure in presenting the Eighth Annual Report of the Company for the year ended 31st March 2024, after listing on the Colombo Stock Exchange.

Principal Activities

The principal activities of the Company and the Group are detailed in Note 1.2 of the financial statements.

Financial Statements

The financial statements of the Group and Company for the year ended 31st March 2024 which have been prepared in accordance with Sri Lanka Accounting Standards (SLRFS/LKAS) with the inclusion of signatures of the Managing Director/CEO, Executive Director and Chief Financial Officer are set out on pages 56 to 107 which form a part of the Annual Report.

Auditor's Report

The Auditor's Report is set out on pages 53 to 55 of the Annual Report.

Financial Results and Appropriations

Revenue

Revenue generated by the Company amounted to Rs. 906 Mn (2023 – Rs. 1,249 Mn) whilst Group revenue amounted to Rs. 5,412 Mn (2023 – Rs. 6,251 Mn).

Profit and Appropriations

The profit after tax of the Company was Rs. 28 Mn (2023 – Rs. 129 Mn) whilst the Group profit/(loss) attributable to the equity holders of the Company was Rs. 97 Mn (2022 – Rs. 511 Mn).

The Company's total comprehensive income net of tax was Rs. 28 Mn (2023 – Rs. 93 Mn) and total comprehensive income attributable to the Group was a gain of Rs. 474 Mn (2022 – Rs. 546 Mn).

Accounting Policies

All the significant accounting policies adopted by the Company and the Group are mentioned in Note 2 to the financial statements.

Donations

Total donations made by the Company and the Group during the year amounted to Rs. 425,969 (2023 – Rs. 895,516) and Rs. 2,867,028 (2023 – Rs. 3,011,089) respectively.

Related Party Transactions

The Company's transactions with related parties given in Note 29 to the financial statements, have complied with Colombo Stock Exchange Listing Rule 9.14 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

Capital Expenditure

The Company's and Group's capital expenditure on property, plant and equipment amounted to Rs. 12 Mn (2023 – Rs. 117 Mn) and Rs. 597 Mn (2023 – Rs. 337 Mn) respectively and all other information and movements have been disclosed in Note 4 to the financial statements.

The Company did not acquire any intangible assets during the financial year and previous financial year. The Group's additions to intangible assets amounted to Rs. 43 Mn (2023 – Rs. 44 Mn) and all other information and movements have been disclosed in Note 6 to the financial statements.

Valuation of Property, Plant & Equipment

All information relating to property, plant and equipment is given in Note 2.4.8 and 4 to the financial statements.

Stated Capital

The stated capital of the Company as at 31st March 2024 was Rs. 100,371,584/- represented by 306,843,357 Shares.

Share Information

The distribution and composition of shareholders and the information relating to dividends, market value per share, and share trading are given in the Investor Information section of the Annual Report.

Major Shareholders

Details of the twenty five largest shareholders of the Company and the percentages held by each of them are disclosed in the Investor Information section of the Annual Report.

Investments

Detailed description of the long term investments held as at the reporting date is given in Note 7 to the financial statements.

Revenue Reserves

Revenue reserves as at 31st March 2024 for the Company and the Group amounted to Rs. 561 Mn (2023 – Rs. 589 Mn) and Rs. 3,696 Mn (2023 – Rs. 3,683 Mn) respectively. The movement and composition of the reserves are disclosed in the Statement of Changes in Equity.

The Board of Directors

The Directors of the Company as at 31st March 2024 were as follows and their brief profiles are given in the Board of Directors section of the Annual Report:

- Mr. S D Amarasinghe
- Dr. Anush Amarasinghe
- Mr. R P Pathirana
- Mr. V Selvaraj (Resigned w.e.f. 16th May 2024)
- Mr. B D P D Perera
- Mr. M H De Silva
- Mrs. S T Ratwatte
- Mr. S R Sproule De Saram

Retirement and Re-election of Directors

As per Article 81 of the Articles of Association of the Company, Mr. R P Pathirana and Mr. B D P D Perera retire by rotation, and being eligible, offer themselves for re-election.

A resolution for the re-appointment of Mr. S D Amarasinghe who is over the age of 70 years will be proposed at the Annual General Meeting of the Company.

Interests Register and interests in contracts

The Company has maintained an Interests Register as required by the Companies Act No. 7 of 2007.

All the Directors have made a general disclosure relating to share dealings and other Directorships to the Board of Directors as required by Section 192(2) of the Companies Act No. 7 of 2007 and no additional interests have been disclosed by any Director. The Interests Register is available at the office of the Company Secretaries of the Company, in keeping with the requirements of Section 119(1)(d) of the Companies Act No. 7 of 2007.

Directors Remuneration

Details of the remuneration and other benefits received by the Directors are set out in Note 29.3 to the financial statements.

Corporate Governance

The Board of Directors are committed towards maintaining an effective Corporate Governance Framework and implementing systems and structures required to ensure best practices in Corporate Governance and their effective implementation. The company is opposed to all forms of bribery and corruption. The Corporate Governance Framework is given in the Corporate Governance Review section of the Annual Report.

Employment

The Group employment policies focus on recruiting the best people, providing them training to enhance their skills, recognition of innate skills and competencies of each individual while offering equality of opportunity for all employees irrespective of ethnic origin, religion, political opinion, gender, marital status or physical disability. Employee's behavior is governed by a separate code of conduct including other policies and procedures such as the anti-bribery policy, disciplinary code,whistle blowing policy, anti-money laundering policy etc. Regular training is conducted for employees to raise awareness, reiterate the importance of reporting potential violations and to commit themselves to counter corruption by all means.

The number of persons employed by the Company and Group as at 31st March 2024 was nil (2023 - 623) and 978 (2023 - 948) respectively.

There have been no material issues pertaining to employees and industrial relations of the Company and the Group.

Environmental Protection

The Group complies with the relevant environmental laws, regulations and endeavors to comply with best practices applicable.

Statutory Payments

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company and its subsidiaries, all contributions, levies and taxes payable on behalf of and in respect of the employees of the Company and its subsidiaries, and all other known statutory dues as were due and payable by the Company and its subsidiaries as at the statement of financial position date have been paid or where relevant provided for.

Risk Management

The Board confirms that there is an ongoing process of identifying, evaluating and managing any significant risks faced by the Group. The significant risks faced by the group and the group's risk mitigating strategies are given in the Risk Management section of the Annual Report.

Events after the Reporting Period

There have been no material events subsequent to the reporting date which require disclosure or adjustments to the financial statements.

Going Concern

The Directors are satisfied that the Company and its subsidiaries have adequate resources to continue in operational existence for the foreseeable future, to justify adopting the going concern basis in preparing these financial statements.

Amounts payable to the firm holding office as an auditor

Details of audit fees paid to the Auditors for the period under review are set out in Note 20 to the financial statements.

Auditor's relationship or any interest with the Company

The Directors are satisfied that the auditors did not have any relationship or any interest with the Company that would impair their independence.

Appointment of Auditors

The Audit Committee of the Company has recommended the re-appointment of M/s. Ernst & Young, Chartered Accountants, as the auditors of the Company and a resolution to re-appoint the auditors, M/s. Ernst & Young, Chartered Accountants, who have expressed their willingness to continue, will be proposed at the Annual General Meeting of the Company.

Annual Report of the Board of Directors

Compliance with Laws and Regulations

To the best of knowledge and belief of the Directors, the Company or Group has not engaged in any activity which contravenes laws and regulations of the Country.

Annual Report

The Board of Directors approved the financial statements on 05th August 2024. The appropriate number of copies of this report will be submitted to the Colombo Stock Exchange and to the Sri Lanka Accounting and Auditing Standards Monitoring Board on 27th August 2024.

Annual General Meeting

The Annual General Meeting will be held at Excel World, Marcopolo Lounge, No. 338 T. B. Jayah Mawatha, Colombo 10 on Thursday, 12th September 2024 at 11.00 a.m. The Notice of Meeting appears on page 114 of this Annual Report.

This Annual Report of the Directors has been signed on behalf of the Board by:

Dr. Anush Amarasinghe
Director

Mr. Prasad Perera
Director

Secretarius (Private) Limited
Secretaries
Colombo
12th August 2024

Centrality through integration

FINANCIAL REPORTS

Independent Auditor's Report

Building a better working world

Ernst & Young
Chartered Accountants
Rotunda Towers
No. 109, Galle Road
P.O. Box 101
Colombo 03, Sri Lanka

Tel : +94 11 246 3500
Fax : +94 11 768 7869
Email : eysl@lk.ey.com
ey.com

TO THE SHAREHOLDERS OF BPPL HOLDINGS PLC

Report on the audit of the financial statements

Opinion

We have audited the financial statements of BPPL Holdings PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31 March 2024 and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31 March 2024, 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 Group in accordance with the Code of Ethics 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 matter that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Independent Auditor's Report

Key audit matter

Key audit matter	How our audit addressed the key audit matter
Cash Flow Hedge As disclosed in Note 23, the Group has hedged its exposure to variability of US Dollar cashflows by a cashflow hedge and has accounted for it in accordance with its accounting policy disclosed in Note 2.4.14 (iii) to the financial statements. As at 31st March 2024, the Group reported a hedge reserve amounting to Rs. 366 Mn. The effective portion of the Cash flow hedge recognized in other comprehensive income amounted to Rs. 406 Mn. This was a key audit matter due to the complexity of the accounting model and significance of management judgements and assumptions applied in continuing cashflow hedge accounting, as disclosed in Note 23 of the financial statements.	Our audit procedures included the following: Assessed the nature of the hedge relationship and compliance with hedge accounting requirements for cashflow hedge. Our procedures included evaluating the appropriateness of reclassifying gains and losses from hedge reserve to the income statement and adjustments to the carrying value of the hedged item. Involved our internal specialized resources to assist us in assessing appropriateness of the accounting model and reasonableness of management judgements and assumptions applied in continuing cashflow hedge accounting. Assessed the adequacy of disclosures in Note 23 to the financial statements.

Other Information included in the 2024 Annual Report

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the management and those charged with governance

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

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

Those charged with governance are responsible for overseeing the Company's and the Group'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 misstatements, 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.

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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 misstatements 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 controls.
- Obtain an understanding of internal controls 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 internal controls of the Company and the Group.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 Group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 controls that we identify during our audit.

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

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

Report on other legal and regulatory requirements

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

The Institute of Chartered Accountant of Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 1864.

Ernst & Young

08th August 2024
Colombo

Statement of Financial Position

As at 31 March	Notes	Group 2024 Rs. '000	Group 2023 Rs. '000	Company 2024 Rs. '000	Company 2023 Rs. '000
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	4	4,736,271	4,599,644	1,052,297	1,227,231
Right of Use Assets	5	37,000	53,679	702	15,295
Intangible Asset	6	42,902	43,527	-	3,845
Investment in Subsidiaries	7	-	-	501,572	9,102
		4,816,173	4,696,850	1,554,571	1,255,473
Current Assets					
Inventories	8	1,220,061	1,323,484	-	224,364
Trade and Other Receivables	9	1,680,903	1,564,127	22,125	234,862
Income Tax Receivables		805	816	-	-
Cash and Bank Balances	16	35,446	185,416	2,770	25,839
		2,937,215	3,073,843	24,895	485,065
Total Assets		7,753,388	7,770,693	1,579,466	1,740,538
EQUITY AND LIABILITIES					
Capital and Reserves					
Stated Capital	10	100,372	100,372	100,372	100,372
Revaluation Reserve		604,272	604,272	549,663	549,663
Hedging Reserve		(366,495)	(772,543)	-	-
Retained Earnings		3,696,364	3,683,281	561,297	588,828
		4,034,513	3,615,383	1,211,332	1,238,863
Non-Controlling Interests		-	-	-	-
Total Equity		4,034,513	3,615,382	1,211,332	1,238,863
Non-Current Liabilities					
Interest Bearing Loans and Borrowings	11	705,541	1,231,028	-	-
Deferred Tax Liabilities	13	342,020	478,694	270,558	271,292
Lease Liability	5	32,781	36,086	-	2,071
Retirement Benefit Obligations	14	90,542	52,291	-	14,466
		1,170,884	1,798,099	270,558	287,829

As at 31 March	Notes	Group 2024 Rs. '000	Group 2023 Rs. '000	Company 2024 Rs. '000	Company 2023 Rs. '000
Current Liabilities					
Trade and Other Payables	15	**424,634**	369,583	**8,445**	173,338
Income Tax Payable		**84,127**	36,797	**56,593**	10,206
Lease Liability	5	**2,179**	14,815	**1,041**	13,805
Interest Bearing Loans and Borrowings	11	**2,037,051**	1,936,017	**31,497**	16,497
		2,547,991	2,357,212	**97,576**	213,846
Total Equity and Liabilities		**7,753,388**	7,770,693	**1,579,466**	1,740,538
Net Asset per Share (Rs.)		**13.1**	10.6	**3.9**	3.2

These Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 2007.

Chief Financial Officer

The Board of Directors is responsible for these Financial Statements. Signed for and on behalf of the Board by;

Director **Director**

The accounting policies and notes on pages 63 through 107 form an integral part of the financial statements.

08th August 2024
Colombo

Statement of Profit or Loss

For the year ended 31st March	Notes	Group 2024 Rs. '000	Group 2023 Rs. '000	Company 2024 Rs. '000	Company 2023 Rs. '000
Revenue	3	5,411,506	6,250,891	906,286	1,248,565
Cost of Sales		(4,338,321)	(4,389,362)	(763,255)	(975,442)
Gross Profit		1,073,185	1,861,529	143,031	273,123
Other Operating Income	17	45,587	54,375	12,489	15,454
Foreign Exchange Gain		6,490	36,897	146	33,300
Selling and Distribution Expenses		(281,730)	(399,636)	(28,409)	(52,746)
Administrative Expenses		(465,536)	(540,862)	(34,736)	(88,117)
Operating Profit		377,995	1,012,303	92,521	181,014
Finance Cost	19	(281,907)	(314,374)	(3,366)	(6,938)
Finance Income	18	295	8,507	10	9
Profit Before Tax	20	96,383	706,436	89,165	174,085
Income Tax Expense	12	198	(195,276)	(61,465)	(44,610)
Profit for the Year		96,581	511,160	27,700	129,475
Number of Ordinary Shares		306,843,357	306,843,357	306,843,357	306,843,357
Earnings Per Share (Rs.)	21	0.31	1.67	0.09	0.42
Dividend		55,232	-	55,232	-
Dividend Per Share (Rs.)	22	0.18	-	0.18	-
Attributable to :					
Equity Holders of the Parent		96,581	511,160		

The accounting policies and notes on pages 63 through 107 form an integral part of the financial statements.

Statement of Comprehensive Income

Group	Notes	2024 Rs. '000	2023 Rs. '000
Profit for the Year		96,581	511,160
Other Comprehensive Income			
Other Comprehensive Income to be Reclassified to Profit or Loss in Subsequent Year (Net of tax)			
Hedge Adjustment	23	406,048	28,726
Other Comprehensive Income not to be Reclassified to Profit or Loss in Subsequent Year (Net of tax)			
Retirement Benefit Obligation Actuarial Gain/(Loss)	14	(38,289)	12,076
Deferred Tax Attributable to Actuarial (Gain)/Loss	13	10,022	(3,540)
Revaluation Surplus		-	142,131
Tax on Land revaluation		-	(144,362)
Other comprehensive income for the year (Net of tax)		377,781	35,031
Total Comprehensive Income for the Year, after Tax		474,362	546,191
Attributable to :			
Equity Holders of the Parent		474,362	546,191

Company	Notes	2024 Rs. '000	2023 Rs. '000
Profit for the Year		27,700	129,475
Other Comprehensive Income			
Other Comprehensive Income that will not be Reclassified to Profit or Loss			
Retirement Benefit Obligation Actuarial Gain/(Loss)	14	-	3,824
Deferred Tax Attributable to Actuarial (Gain)/Loss	13	-	(1,147)
Revaluation Surplus		-	98,492
Tax on Land revaluation		-	(137,816)
Other comprehensive income for the year (Net of tax)		-	(36,647)
Total Comprehensive Income for the Year, after Tax		27,700	92,828

The accounting policies and notes on pages 63 through 107 form an integral part of the financial statements.

Statement of Changes in Equity

Group	Stated Capital Rs. '000	Revaluation Reserve Rs. '000	Hedging Reserve Rs. '000	Retained Earnings Rs. '000	Total Equity Rs. '000
Balance as at 31 March 2022	100,372	462,142	(801,269)	3,307,948	3,069,192
Issue of Bonus shares	-	-	-	-	-
Profit for the Year	-	-	-	511,160	511,160
Other Comprehensive Income	-	142,131	28,726	12,076	182,933
Tax on Other Comprehensive Income	-	-	-	(147,902)	(147,902)
Total Comprehensive Income	-	142,131	28,726	375,334	546,191
Dividend Paid	-	-	-	-	-
Balance as at 31 March 2023	100,372	604,272	(772,543)	3,683,281	3,615,383
Profit for the Year	-	-	-	96,581	96,581
Other Comprehensive Income	-	-	406,048	(38,289)	367,759
Tax on Other Comprehensive Income	-	-	-	10,022	10,022
Total Comprehensive Income	-	-	406,048	68,314	474,362
Dividend Paid	-	-	-	(55,232)	(55,232)
Balance as at 31 March 2024	100,372	604,272	(366,495)	3,696,364	4,034,513

Company	Stated Capital Rs. '000	Revaluation Reserve Rs. '000	Hedging Reserve Rs. '000	Retained Earnings Rs. '000	Total Equity Rs. '000
Balance as at 31 March 2022	100,372	451,171	-	594,493	1,146,035
Profit for the Year	-	-	-	129,475	129,475
Other Comprehensive Income	-	98,492	-	3,824	102,316
Tax on Other Comprehensive Income	-	-	-	(138,963)	(138,963)
Total Comprehensive Income	-	98,492	-	(5,664)	92,828
Dividend Paid	-	-	-	-	-
Balance as at 31 March 2023	100,372	549,663	-	588,828	1,238,863
Profit for the Year	-	-	-	27,700	27,700
Other Comprehensive Income	-	-	-	-	-
Tax on Other Comprehensive Income	-	-	-	-	-
Total Comprehensive Income	-	-	-	27,700	27,700
Dividend Paid	-	-	-	(55,232)	(55,232)
Balance as at 31 March 2024	100,372	549,663	-	561,297	1,211,332

The accounting policies and notes on pages 63 through 107 form an integral part of the financial statements.

Statement of Cash Flows

For the year ended 31st March	Notes	Group 2024 Rs. '000	Group 2023 Rs. '000	Company 2024 Rs. '000	Company 2023 Rs. '000
Cash Flows from / (Used in) Operating Activities					
Cash Flow from Operating Activities					
Profit before tax		96,383	706,436	89,165	174,085
Adjustments for					
Depreciation	4	302,969	265,150	30,032	34,591
Amortisation	6	7,684	7,532	498	543
Amortisation - Leasehold land	5	13,557	9,733	11,471	7,648
Provision for Retirement Benefit Obligations	14	16,979	9,733	4,087	1,299
Interest Income	18	(295)	(8,507)	(10)	(9)
Finance Cost	19	281,907	314,375	3,366	6,938
Profit/(Loss) from disposal of fixed assets		(80,739)	(222)	(79,739)	(216)
Unrealised Exchange loss		57,323	(427,649)	-	(15,830)
Provision for Slow Moving Stocks		(1,418)	1,850	(372)	134
Operating Profit Loss Before Working Capital Changes		694,350	878,430	58,498	209,182
(Increase)/Decrease in Inventories		104,842	(372,083)	224,736	(52,308)
(Increase)/Decrease in Trade and Other Receivables		(116,777)	929,606	212,737	483,327
Increase/(Decrease) in Trade and Other Payables		55,051	(454,675)	(164,893)	(498,383)
Cash Generated from Operations		737,465	981,278	331,078	141,818
Income Tax Paid		(79,112)	(58,126)	(15,813)	(42,191)
ESC Paid		-	-	-	-
Retirement Benefit Obligations Costs paid		(17,016)	(22,613)	(18,552)	(3,257)
Interest Paid		(277,040)	(308,900)	(2,591)	(5,679)
Cash Flow from Operating Activities		364,297	591,639	294,122	90,691

Statement of Cash Flows

For the year ended 31st March	Notes	Group 2024 Rs. '000	Group 2023 Rs. '000	Company 2024 Rs. '000	Company 2023 Rs. '000
Cash Flow from Investing Activities					
Acquisition of Property, Plant and Equipment	4	(411,302)	(120,206)	(12,057)	(11,808)
Acquisition of investment		-	-	(492,470)	-
Acquisition of Intangible Assets	6	(10,406)	(2,765)	-	(2,135)
Proceeds from Disposal of Fixed Assets		241,285	1,029	240,046	896
Proceeds from Financial assets		-	67,042	-	-
Interest Received		295	543	10	9
Dividend Received		-	-	-	-
Capital Work In Progress	4	(185,493)	(75,501)	-	(6,236)
Net Cash Flows used in Investing Activities		(365,622)	(129,857)	(264,471)	(19,274)
Cash Flow from Financing Activities					
Repayment of Interest Bearing Loans and Borrowings		(5,064,087)	(4,021,158)	(43,887)	(173,010)
Proceeds from Interest Bearing Loans and Borrowings		4,959,615	3,656,274	43,887	132,216
Lease rental paid		(17,687)	(13,524)	(12,488)	(8,326)
Dividends Paid		(55,232)	-	(55,232)	-
Net Cash Flows from/(used in) Financing Activities		(177,391)	(378,408)	(67,720)	(49,120)
Net Increase/ (Decrease) in Cash and Cash Equivalents		(178,715)	83,374	(38,069)	22,297
Cash and Cash Equivalent at the beginning of the period	16	154,598	71,224	9,342	(12,955)
Cash and Cash Equivalent at the end of the period	16	(24,117)	154,598	(28,727)	9,342

The accounting policies and notes on pages 63 through 107 form an integral part of the financial statements.

Notes to the Financial Statements

1. Corporate Information

1.1 General

BPPL Holdings PLC ("Company") is a limited liability Company incorporated and domiciled in Sri Lanka. The registered office of the Company and principle place of business is located at level 17, Access Towers, No. 278/4, Union Place, Colombo 02.

1.2 Principal Activities and Nature of Operations

Company

During the year, the principal activities of the Company were manufacturing and exporting of wooden handles for brooms and brushes.

Group

During the year, the principal activities of the Group were manufacturing and exporting of wooden handles, brooms, brushes, mops, synthetic filament and polyester yarn.

1.3 Parent Enterprise and Ultimate Parent Enterprise

The Company's parent undertaking is Infinity Capital (Private) Limited, which is incorporated in Sri Lanka.

1.4 Date of Authorization for Issue

The consolidated financial statements of BPPL Holdings PLC for the year ended 31 March 2024 were authorized for issue in accordance with a resolution of the board of directors on 08 August 2024.

2. General Policies

2.1 Basis of Preparation

The consolidated financial statements of the Group have been on an accrual basis under the historical cost convention unless otherwise stated. The consolidated financial statements are presented in Sri Lankan Rupees which is the Group functional and presentation currency.

2.1.1 Statement of Compliance

The financial statements which comprise the statement of profit and loss and other comprehensive income, statement of financial position, statement of changes in equity and statement of cash flows for the year then ended and notes (to the "financial statements") have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) as issued by the Institute of Charted Accountants of Sri Lanka (CA Sri Lanka) and the requirements of the Companies Act No. 7 of 2007.

2.1.2 Going Concern

The Directors have made an assessment of the Group's ability to continue as a going concern and are satisfied that it has the resources to continue in business for the foreseeable future. The management has considered the potential downsides that the economic recession could bring to the business operations of the Group, in making this assessment.

The consequences of the economic recession on significant assumptions that are sensitive or susceptible to change or are inconsistent with historical trends. As the economic effects continue to evolve, the management has considered a range of scenarios to determine the potential impact on the underlying performance and future funding requirements. Furthermore, Board is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern and they do not intend either to liquidate or to cease operations of the Group. Therefore, the Financial Statements continue to be prepared on a going concern basis.

During the year under review, demand for brush ware remained strong during the year as the cleaning sector was declared as an essential service by most governments around the world. This process helped to minimise the adverse effect of the pandemic on the Group's performance.

The Group has adequate resources comprising cash and cash equivalents and sufficient headroom on unused credit lines at the date of authorisation of these financial statements.

Future Outlook

The continued impact of the recession on Sri Lanka's economy, global demand and supply cannot be accurately predicted at this time. The recovery period of key industries most likely to take at least several months. Hence, the overall future impact on the operations of the Group is not immediately predictable. Multiple risks that have persisted including increased exchange rate volatility, foreign currency availability and import restrictions.

The Group's businesses focus primarily on the foreign consumer. As such, The Group anticipates that demand for its products and services will continue to recover.

2.2 Significant Accounting Judgements, Estimates and Assumptions

Judgments

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

Notes to the Financial Statements

Deferred Tax Assets

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies.

Capitalization of borrowing cost on the foreign currency loan obtained to finance the capital work in progress

The maximum amount of borrowing costs capitalised on the foreign loan obtained to finance the capital work in progress is the amount of borrowing costs on the functional currency equivalent borrowing. The maximum amount of currency exchange differences attributed to interest rates that are capitalised is limited to the difference between the interest costs on the foreign currency loan and the local currency loan.

Revaluation of Freehold Lands

The Lands of the Group are reflected at fair value. Freehold Lands are valued by reference to market based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of Freehold Lands, with the assistance of an independent professional valuer.

In determining the fair value of the lands as at reporting date in the wake of economic recession, the group obtained advice of independent external valuer. Given the unprecedented and evolving set of circumstances arising due to economic recession, the external independent valuer has valued the lands having regarded all the relevant factors and reported the values as reflected on the basis of material valuation uncertainty.

In determining the regularity of revaluation, the Group refers to general market prices of lands in districts where the Group's operations are based, in consultation with an independent professional valuer. Further information including key inputs used to determine the fair value of the freehold lands and sensitivity analysis are provided in Note 4.

Estimates and Assumptions

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

Defined Benefit Plans

The Defined Benefit Obligation and the related charge for the year are determined using actuarial valuations. The actuarial valuations involve making assumptions about discount rates, future salary increases, mortality rates etc. Due to the long term nature of such obligations these estimates are subject to significant uncertainty. Further information is given in Note 14.

Incremental Borrowing rate

The Group recognised its lease liabilities in relation to leases and liabilities that were measured at the present value of the future lease payments, after discounting based on the lessee's incremental borrowing rate as of commencement date of the lease. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 31/03/2024 was 12%.

2.3 Consolidation Policy

2.3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

i. Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)

ii. Exposure, or rights, to variable returns from its involvement with the investee

iii. The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

i. The contractual arrangement(s) with the other vote holders of the investee

ii. Rights arising from other contractual arrangements

iii. The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.3.2 Transactions Eliminated on Consolidation

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.4 Material Accounting Policy Information

2.4.1 Foreign Currency Translation

The financial statements are presented in Sri Lankan Rupees, which is the Group's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

2.4.2 Taxation

a) Current Taxes

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the Commissioner General of Inland Revenue. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted on the reporting date in the country where the group operates and generates taxable income. Current income tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Profit or Loss.

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

Management has used its judgment on the application of tax laws including transfer pricing regulations involving identification of associated undertakings, estimation of the respective arm's length prices and selection of appropriate pricing mechanism.

Pursuant to the agreement dated 17 September 2009 entered into with the Board of Investment of Sri Lanka under section 17 of the Board of Investment Law No. 4 of 1978, Eco Spindles (Pvt) Ltd was 24% from income taxes on profit the business of manufacturing of plastic resins and monofilament yarn, for a period of 08 years, reckoned from the year in which the enterprise commences to make profits or any year of assessment not later than two years reckoned from the date of commencement of commercial operation which ever year is earlier as may be specified in a certificate issued by the Board. Thereafter it will be 10% for a period of 02 years immediately succeeding the last date of the tax exemption period and thereafter profit and income of the enterprise shall be charged for any year of assessment at the rate of 15%.
The Company is liable to pay tax on other income. Accordingly, Eco Spindles (Pvt) Ltd will be taxed at 15% on qualified profit, 30% on qualified export profits, 30% on manufacturing profits and liable to income tax at 30% on other taxable profits during the Year 2023/2024.

Deferred Taxation

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

Deferred income tax liabilities are recognised for all taxable temporary differences except where 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.

Notes to the Financial Statements

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 assets and unused tax losses can be utilised except where the deferred income 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 income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to 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 income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss and other comprehensive income.

On April 23, 2021 the institute of Chartered Accountants of Sri Lanka issued a guideline to provide an interpretation on the application of tax rates which is “substantively enacted” in the measurement of current tax and deferred tax for the financial reporting period ended after March 26, 2021 by replacing the guideline issued in 2015 on Application of Tax Rates in Measurement of Deferred Tax.

According to the said guidance ‘Substantively enacted’ means the Bill introducing the change being taken up at the Parliament for the First Reading. Accordingly, Financial Statements having a period ended after March 26, 2021, should use such proposed tax rules and rates in the Bill for determination of current tax and deferred tax.

2.4.3 Borrowing Costs

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 capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.4.4 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the statement of profit and loss and other comprehensive income in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. The rates of amortizations estimated as follows.

Assets Category	Group		Company	
	2024	2023	2024	2023
Enterprise Resource Planning System	8 Years	8 Years	8 Years	8 Years

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in statement of profit and loss and other comprehensive income in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

2.4.5 Inventories

Inventories are valued at the lower of cost and net realisable value, after making due allowances for obsolete and slow moving items. 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 condition are accounted using the following cost formulae: -

Raw Materials	–	At actual cost on weighted average cost basis
Finished Goods & Work-in-progress	–	At the cost of direct materials, direct labour and an appropriate proportion of manufacturing overheads based on normal operating capacity, but excluding borrowing Costs.
Consumables & Spares	–	At purchase cost on weighted average basis.
Good in Transit	–	At Purchase cost

2.4.6 Trade and Other Receivables

Most sales are made on the basis of normal credit terms, and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortized cost using the effective interest method. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognized immediately in profit or loss.

2.4.7 Cash and Cash Equivalents

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

2.4.8 Property, Plant and Equipment

Property, Plant and Equipment is stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing component parts of the Property, Plant and Equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of Property, Plant and Equipment are required to be replaced at intervals, the Group derecognises the replaced part, and recognises the new part with its own associated useful life and depreciation. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the Plant and Equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit or Loss as incurred.

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 less accumulated impairment. 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.

When items of Property, Plant and Equipment are subsequently revalued, the entire class of such assets is revalued. Any revaluation surplus is recognised in other comprehensive income and accumulated in equity in the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the Statement of Profit or Loss, in which case the increase is recognised in the Statement of Profit or Loss. A revaluation deficit is recognised in the Statement of Profit or Loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Lands are measured at fair value at the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Depreciation is calculated on straight line basis over the estimated useful lives of all Property, Plant and Equipment.

Notes to the Financial Statements

Depreciation is calculated on straight line basis over the estimated useful lives of the assets as follows;

Assets Category	Group		Company	
	2024	2023	2024	2023
Buildings on Freehold Lands	40 Years	40 Years	40 Years	40 Years
Plant and Machinery	10 - 20 Years	10 - 20 Years	10 - 20 Years	10 - 20 Years
Motor Vehicles	06 Years	06 Years	06 Years	06 Years
Furniture and Fittings	08 Years	08 Years	08 Years	08 Years
Factory Equipment	08 Years	08 Years	08 Years	08 Years
Air Conditioner and Generator	08 Years	08 Years	08 Years	08 Years
Office Equipment	08 Years	08 Years	08 Years	08 Years

An item of Property, Plant and Equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition 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 when the asset is derecognised.

2.4.9 Investments

a. Initial Recognition:

Cost of investment includes purchase cost and acquisition charges such as brokerages, fees, duties and bank regulatory fees. The Group distinguishes and presents current and non current investments in the date of statement of financial position.

b. Measurement

Current Investments

Current Investments are stated at the Cost or if the investment is traded at the market then at Market Value.

Long Term Investments

Long term investments are stated at cost. Carrying amounts are reduced to recognize a decline other than temporary, determined for each investment individually. These reductions for other than temporary declines in carrying amounts are charged to profit or loss.

2.4.10 Provisions

Provisions are recognised when the Group 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. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

2.4.11 Retirement Benefit Obligations

(a) Defined Contribution Plans – Employees' Provident Fund and Employees' Trust Fund

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed determinable contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Employees are eligible to Employees' Provident Fund (EPF) contributions and Employees' Trust Fund (ETF) contributions as per the respective statutes. These obligations come within the scope of a defined contribution plan as per LKAS -19 on 'Employee Benefits'.

The Group contributes 12% and 3% of gross emoluments of employees to Employees' Provident Fund and Employees' Trust Fund respectively. The contributions made are expensed to Profit or Loss as and when the contributions are made.

(b) Defined Benefit Plan – Gratuity

In accordance with the Gratuity Act No. 12 of 1983, a liability arises for a defined benefit obligation to employees. Such defined benefit obligation is a post-employment benefit obligation falling within the scope of Sri Lanka Accounting Standard LKAS -19 on 'Employee Benefits'.

The liability recognised in the Statement of financial position is the present value of the defined benefit obligation at the reporting date. The calculations performed annually by a qualified actuary using the projected unit credit method (PUC). Any actuarial gains and losses arising are recognised immediately in other comprehensive income. The discount rate has been derived considering the yield of government bonds.

However, as per the payment of Gratuity Act No. 12 of 1983 this liability only arises upon completion of 5 years of continued service.

The gratuity liability is not externally funded.

2.4.12 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration as per SLFRS 16 and recognise right of use assets and lease liabilities.

Group as a lessee

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

Right-of-use assets

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

The right-of-use assets are presented within Note 5 and are subject to impairment in line with the Group's policy for Impairment of non-financial assets.

Lease liabilities

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

Determination of the lease term for lease contracts with renewal and termination options (Group as a lessee)

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has lease contracts that include extension and termination options. The Group applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate.

Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ('IBR') to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use assets in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific adjustments.

2.4.13 Impairment of Non Financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's 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 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, an appropriate valuation model is used.

Notes to the Financial Statements

Impairment losses of continuing operations are recognized in the statement of profit or loss in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to equity. In this case the impairment is also recognized in equity up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot ''exceed' the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior periods. Such reversal is recognized in the Statement of Profit and loss and other Comprehensive Income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment losses recognized in relation to goodwill are not reversed for subsequent increases in its recoverable amount.

2.4.14 Financial Instruments

i. Financial Assets

Initial recognition and measurement

Financial assets within the scope of SLFRS 9, are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

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

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Subsequent measurement

The Group classifies all of these financial assets in the measurement category of financial assets at amortised cost, financial assets at fair value through profit or loss and financial assets at fair value through OCI. Categories of financial assets as per SLFRS 9 are limited only for the followings.

I. Financial assets at amortised cost

This category is the most relevant to the Group. The Group measures financial assets (debt instruments) at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade and other receivables, short term deposits and cash and bank.

II. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

III. Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under LKAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Derecognition

A financial asset is derecognised when:

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

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

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

For debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

ii. Financial Liabilities

Initial recognition and measurement

Financial liabilities within the scope of LKAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

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

The Group's financial liabilities include trade and other payables, bank overdrafts and loans and borrowings and. Accordingly Group financial liabilities have been classified as and loans and borrowings.

Subsequent measurement

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

- Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit or Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the Statement of Profit or Loss.

The accounting for financial liabilities under SLFRS 9 remains largely the same as it was under LKAS 39.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Notes to the Financial Statements

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit or Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if, and only if:

- There is a currently enforceable legal right to offset the recognised amounts and
- There is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously

Fair value of financial instruments

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

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

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

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 25.

iii. Hedge Accounting

Initial Recognition and Subsequent Measurement

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined).

A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged.

The item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Cash Flow Hedges

When a financial instrument is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the financial instrument is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the financial instrument that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the financial instrument is recognised immediately in profit or loss.

The Group has established a hedge ratio of 0.98 between the quantity of the hedging instrument and the quantity of the hedged item in terms of their relative weighting. Moreover, the hedge effectiveness is set at 98% as per the contractual terms where the fair value change in the hedge item is 98% efficient in offsetting the fair value change of the liability. The fair value is calculated as the present value of the estimated future cash flows.

Discontinuation of Cash flow Hedge

If the hedge no longer meets the criteria for hedge accounting (after taking into account any rebalancing of the hedging relationship) or the hedging instrument sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedge is discontinued, the amount that has been accumulated in the hedge reserve remain in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedge expected future cash flows affect profit or loss.

Cash Flow Hedge Reserve

The Group designates its identified foreign currency loans as a hedging instrument in order to hedge the variation in highly probable specifically identified future foreign currency revenue attributable to changes in foreign exchange rates.

The effective portion of the gain or loss on the hedging instrument is recognised in the Cash Flow Hedge Reserve, through Other Comprehensive Income while any ineffective portion is recognised immediately in the Statement of Profit or Loss.

2.4.15 Statement of profit and loss and other comprehensive income

Revenue Recognition

The Group is in the business of manufacturing and exporting of wooden handles, brooms, brushes, mops and synthetic fibre. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group, and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts, driver incentives and customer incentives.

The following specific criteria are used for recognition of revenue:

a) Sale of Goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, considering relevant terms of delivery. The normal credit term is 30 to 120 days upon Bill of Lading date.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, customer loyalty points and claims). In determining the transaction price for the sale of products, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

b) Significant Financing Component

Occasionally, the Group receives short-term advances from its customers. Using the practical expedient in SLFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

c) Rent Income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms.

d) Interest

For all financial instruments measured at amortised cost and interest bearing financial assets classified as available for sale, interest income or expense is recorded using the Effective Interest Rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the Statement of Profit or Loss of Profit or Loss.

e) Dividends

Revenue is recognised when the Group's right to receive the payment is established.

f) Others

Other income is recognised on an accrual basis.

2.4.16 Expenditure Recognition

Expenses are recognised in the income statement 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 the statement of comprehensive income. For the purpose of presentation of the statement of comprehensive income, the "function of expenses" method has been adopted, on the basis that it presents fairly the elements of the Group's performance.

2.4.17 Finance Cost

Finance costs comprise interest expense on borrowings that is recognized in the statement of comprehensive income.

2.4.18 Operating Segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. All operating segments operating results are reviewed regularly by the Group's Chief Executive Officer (CEO) to make decisions about resources to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Notes to the Financial Statements

2.5 Standards Issued But Not Yet Effective:

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

SLFRS 17 – Insurance Contracts

SLFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, SLFRS 17 will replace SLFRS 4 Insurance Contracts (SLFRS 4) that was issued in 2005. SLFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of SLFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in SLFRS 4, which are largely based on grandfathering previous local accounting policies, SLFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of SLFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

SLFRS 17 is effective for annual reporting periods beginning on or after 1 January 2025, with comparative figures required. Early application is permitted, provided the entity also applies SLFRS 9 and SLFRS 15 on or before the date it first applies SLFRS 17.

Definition of Accounting Estimates - Amendments to LKAS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to LKAS 12

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

Also, under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024.

Disclosure of Accounting Policies – Amendments to LKAS 1 and IFRS Practice Statement 2

Amendments to LKAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures.The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

The amendments are effective for annual reporting periods beginning on or after 1 January 2024.

Classification of Liabilities as Current or Non-current - Amendments to LKAS 1

Amendments to LKAS 1 Presentation of Financial Statements specify the requirements for classifying liabilities as current or non-current. The amendments clarify -

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024.

3. Revenue

For the year ended 31st March	Group 2024 Rs. '000	Group 2023 Rs. '000	Company 2024 Rs. '000	Company 2023 Rs. '000
Export Sales	4,523,008	4,941,645	251,557	549,582
Discontinuation of Cash Flow Hedging Instrument	(287,719)	-	-	-
Deemed Export - Inter Company	-	-	638,790	673,019
- Others	1,129,677	1,225,559	-	-
Local Sales - Inter comp	-	-	-	-
- Others	22,843	61,647	692	3,924
Rejected Log Sales	23,696	22,041	15,247	22,041
	5,411,506	6,250,891	906,286	1,248,565

4. Property, Plant and Equipments

4.1 Group

At Cost	Balance as at 01.04.2023 Rs. '000	Additions Rs. '000	Transfers Rs. '000	Disposals Rs. '000	Balance as at 31.03.2024 Rs. '000
Buildings	622,563	-	-	(603)	621,961
Plant and Machinery	3,372,225	104,833	201,548	(169,157)	3,509,449
Motor Vehicles	79,409	10,680	-	(8,149)	81,940
Furniture and Fittings	40,722	4,294	-	(10,834)	34,181
Factory Equipment	713,105	203,431	-	(133,583)	782,953
Tools	130,728	78,163	-	(200)	208,691
Office Equipment	98,269	9,902	-	(5,706)	102,465
	5,057,022	411,302	201,548	(328,232)	5,341,640
At Valuation					
Freehold Lands	881,138	-	-	-	881,138
	881,138	-	-	-	881,138
Capital Work-In-Progress					
Plant and Machinery	19,235	185,493	(201,548)	-	3,180
	19,235	185,493	(201,548)	-	3,180
Total Value of Assets	5,957,395	596,795	-	(328,232)	6,225,958

Notes to the Financial Statements

4.2 Depreciation

At Cost	Balance as at 01.04.2023 Rs. '000	Charge for the period Rs. '000	Transfers Rs. '000	Disposals Rs. '000	Balance as at 31.03.2024 Rs. '000
Buildings	105,630	15,122	-	(162)	**120,591**
Plant and Machinery	797,962	160,767	-	(93,066)	**865,663**
Motor Vehicles	69,760	4,543	-	(8,149)	**66,154**
Furniture and Fittings	22,424	3,669	-	(9,171)	**16,922**
Factory Equipment	250,859	65,992	-	(55,402)	**261,449**
Tools	57,021	43,429	-	(200)	**100,250**
Office Equipment	54,094	9,447	-	(4,884)	**58,657**
Total Depreciation	1,357,750	302,969	-	(171,033)	**1,489,686**

4.3 Net Book Values

At Cost	Balance as at 31.03.2024 Rs. '000	Balance as at 31.03.2023 Rs. '000
Buildings	**501,370**	516,934
Plant and Machinery	**2,643,785**	2,574,263
Motor Vehicles	**15,785**	9,648
Furniture and Fittings	**17,260**	18,298
Factory Equipment	**521,504**	462,246
Tools	**108,441**	73,708
Office Equipment	**43,808**	44,175
	3,851,954	3,699,271
At Valuation		
Freehold Lands	**881,138**	881,138
	881,138	881,138
Capital Work-In-Progress		
Plant and Machinery	**3,180**	19,235
	3,180	19,235
Total Net Book Value	**4,736,271**	4,599,644

4.4 During the financial year 2022/2023 the company has stated their properties at revalued amounts by expert independent valuer D Prathapasinghe. The surplus arising from the revaluation was transferred to revaluation reserve.

	No. of Buildings	Extent	Method of Valuation and Significant unobservable inputs	Range of Estimate for unobservable	Valuation Rs. '000	Date of Valuation
BPPL Holdings PLC						
Land - Ingiriya	37	9A-1R-30.80P	Market Comparable Method	Per Perch Value Rs. 500,000	755,000	31/03/2023
Land - Padukka	7	0A -3R-21P	Market Comparable Method	Per Perch Value Rs. 300,000	42,300	31/03/2023
Eco Spindles (Pvt) Ltd						
Land - Mawgama	10	01A-2R-27P	Market Comparable Method	Per Perch Value Rs. 312,500	83,438	31/03/2023

4.5 Increase or decrease in estimated price per perch in isolation would result in a higher or lower fair value measurement. Accordingly, a change of 10% in the estimated price per perch of the Group and Company will cause a Rs. 88,113,750/- and Rs. 79,770,000/- change respectively in the fair value of freehold land, directionally.

4.6 Company

At Cost	Balance as at 01.04.2023 Rs. '000	Additions Rs. '000	Transfers Rs. '000	Disposals Rs. '000	Balance as at 31.03.2024 Rs. '000
Buildings	249,229	-	-	(603)	**248,626**
Plant and Machinery	225,957	-	-	(168,110)	**57,848**
Motor Vehicles	8,149	-	-	(8,149)	**-**
Furniture and Fittings	11,906	-	-	(10,817)	**1,089**
Factory Equipment	193,646	11,502	-	(133,552)	**71,596**
Office Equipment	7,707	555	-	(5,234)	**3,029**
Total Value of Assets	696,595	12,057	-	(326,464)	**382,188**
At Valuation					
Freehold Lands	797,700	-	-	-	**797,700**
	797,700	-	-	-	**797,700**
Total Value of Assets	1,494,295	12,057	-	(326,464)	**1,179,888**

Notes to the Financial Statements

4.7 Depreciation

At Cost	Balance as at 01.04.2023 Rs. '000	Charge for the period Rs. '000	Transfer Rs. '000	Disposals Rs. '000	Balance as at 31.03.2024 Rs. '000
Buildings	61,344	5,859	-	(162)	**67,042**
Plant and Machinery	93,105	6,821	-	(92,140)	**7,787**
Motor Vehicles	7,880	269	-	(8,149)	**-**
Furniture and Fittings	9,348	639	-	(9,154)	**833**
Factory Equipment	88,890	16,143	-	(55,396)	**49,637**
Office Equipment	6,497	301	-	(4,505)	**2,292**
Total Depreciation	267,064	30,032	-	(169,505)	**127,591**

4.8 Net Book Values

At Cost	Balance as at 31.03.2024 Rs. '000	Balance as at 31.03.2023 Rs. '000
Buildings	**181,585**	187,885
Plant and Machinery	**50,061**	132,852
Motor Vehicles	**-**	269
Furniture and Fittings	**256**	2,557
Factory Equipment	**21,959**	104,756
Office Equipment	**736**	1,211
	254,597	429,531
At Valuation		
Freehold Lands	**797,700**	797,700
	797,700	797,700
Total Net Book Value	**1,052,297**	1,227,231

4.9 The rates of depreciation is estimated as follows.

	Group		Company	
As at 31 March	**2024**	**2023**	**2024**	**2023**
Buildings	**40 Years**	40 Years	**40 Years**	40 Years
Plant and Machinery	**20 Years**	20 Years	**20 Years**	20 Years
Motor Vehicles	**06 Years**	06 Years	**06 Years**	06 Years
Furniture and Fittings	**08 Years**	08 Years	**08 Years**	08 Years
Factory Equipment	**08 Years/20 Years/ 40 years**	08 Years/20 Years/ 40 years	**08 Years/20 Years/ 40 years**	08 Years/20 Years/ 40 years
Air Conditioner and Generator	**08 Years**	08 Years	**08 Years**	08 Years
Office Equipment	**08 Years**	08 Years	**08 Years**	08 Years

4.10 During the financial year, the Company acquired Property, Plant and Equipment to the aggregate value of Rs.12,057,424/- (2023 Rs18,043,555/-). Cash payments amounting to Rs.12,057,424/- (2023 - Rs.18,043,555/-) were made during the year for purchase of Property, Plant and Equipment.

During the financial year, the Group acquired Property, Plant and Equipment to the aggregate value of Rs.596,795,004/- (2023 - Rs.195,706,464/-). Cash payments amounting to Rs.596,795,004/- (2023 - Rs.195,706,464 /-) were made during the year for purchase of Property, Plant and Equipment.

4.11 Property, Plant and Equipment of Company includes fully depreciated assets having a gross carrying amounts of Rs.27,692,138 /- (2023 - Rs.80,777,439/-).

Property, Plant and Equipment of Group includes fully depreciated assets having a gross carrying amounts of Rs.292,850,234/- (2023 - Rs.301,207,281/-).

5. Right of Use Assets

5.1 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;

Group

5.1.1 At Gross Value

	Balance as at 01.04.2023 Rs. ’000	Additions Rs. ’000	Balance as at 31.03.2024 Rs. ’000
Buildings - Office & Factory Premises	59,357	(3,122)	**56,234**
Land - Factory Premises	30,720	-	**30,720**
	90,077	(3,122)	**86,954**

Notes to the Financial Statements

5.1.2 Depreciation

	Balance as at 01.04.2023 Rs. '000	Charge for the period Rs. '000	Balance as at 31.03.2024 Rs. '000
Buildings - Office & Factory Premises	32,760	12,884	**45,644**
Land - Factory Premises	3,637	673	**4,310**
	36,397	13,557	**49,954**

5.1.3 Net book values

	2024 Rs. '000	2023 Rs. '000
Buildings - Office & Factory Premises	**10,590**	26,596
Land - Factory Premises	**26,410**	27,083
	37,000	53,679

Company

5.1.4 At Gross Value

	Balance as at 01.04.2023 Rs. '000	Additions Rs. '000	Balance as at 31.03.2024 Rs. '000
Buildings - Office Premises	42,405	(3,122)	**39,283**
	42,405	(3,122)	**39,283**

5.1.5 Depreciation

	Balance as at 01.04.2023 Rs. '000	Charge for the period Rs. '000	Balance as at 31.03.2024 Rs. '000
Buildings - Office Premises	27,110	11,471	**38,581**
	27,110	11,471	**38,581**

5.1.6 Net book values

	2024 Rs. '000	2023 Rs. '000
Buildings - Office Premises	**702**	15,295
	702	15,295

5.1.7 The Rates of Amortization is estimated as follows; (Straight Line basis)

	2024	2023
Group		
Land - Factory Premises	40 Years	41 Years
Building - Office & Factory Premises	8 Years	9 Years
Company		
Building - Office Premises	2 Years	3 Years

5.2 Lease Liability

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

5.2.1 Group

	Balance as at 01.04.2023 Rs. '000	Addition Rs. '000	Interest Expense Rs. '000	Lease Payment Rs. '000	Balance as at 31.03.2024 Rs. '000
Buildings - Office & Factory Premises	29,548	(3,122)	2,331	(15,128)	13,629
Land - Factory Premises	21,353	-	2,536	(2,559)	21,330
	50,901	(3,122)	4,867	(17,687)	34,959

	Amount Repayable within 1 year Rs. '000	Amount Repayable after 1 year Rs. '000	Total Rs. '000
Buildings - Office & Factory Premises	2,155	11,474	13,629
Land - Factory Premises	24	21,307	21,330
	2,179	32,781	34,959

Notes to the Financial Statements

5.2.2 Company

	Balance as at 01.04.2023 Rs. '000	Addition Rs. '000	Interest Expense Recognized in Profit or Loss Rs. '000	Realization of Liability Rs. '000	Balance as at 31.03.2024 Rs. '000
Building - Office Premises	15,876	(3,122)	775	(12,488)	**1,041**
	15,876	(3,122)	775	(12,488)	**1,041**

	Amount Repayable within 1 year Rs. '000	Amount Repayable after 1 year Rs. '000	Total Rs. '000
Building - Office Premises	1,041	-	1,041
	1,041	-	1,041

6. Intangible Assets

6.1 Group

	2024 Rs. '000	2023 Rs. '000
Cost		
As at 1 April	**87,101**	84,336
Acquired	**10,406**	2,765
Disposed	**(8,122)**	-
As at 31 March	**89,385**	87,101
Amortisation		
As at 1 April	**43,574**	36,042
Disposed	**(4,774)**	-
Amortisation for the year	**7,684**	7,532
As at 31 March	**46,484**	43,574
Net book value		
As at 1 April	**43,527**	48,294
As at 31 March	**42,902**	43,527

6.2 Company

	2024 Rs. '000	2023 Rs. '000
Cost		
As at 1 April	8,122	5,987
Acquired	-	2,135
Disposed	(8,122)	-
As at 31 March	-	8,122
Amortisation		
As at 1 April	4,276	3,734
Disposed	(4,774)	-
Amortisation for the year	498	543
As at 31 March	-	4,276
Net book value		
As at 1 April	3,845	2,253
As at 31 March	-	3,845

7. Investment

7.1 Company

	Direct Holdings		Direct Investments	
	2024	2023	2024	2023
Beira Brush (Pvt) Ltd	99.9%	99.9%	501,572,230	9,102,230
BPPL Enterprises (Pvt) Ltd	100%	100%	10	10
Total			501,572,240	9,102,240

7.2 Group Companies

	Principal Place of Business	Relationship	Principal Activities
Beira Brush (Pvt) Ltd	Level 17, Access Towers II, 278/4 Union Place, Colombo 2	Subsidiary	Manufacturing and exporting of brooms and brushes and mops
Eco Spindles (Pvt) Ltd		Sub-Subsidiary	Manufacturing of Monofilament and yarn for direct and indirect export
BPPL Enterprises (Pvt) Ltd		Subsidiary	Buying and exporting brush, mops and cleaning material

Notes to the Financial Statements

8. Inventories

As at 31 March	Group 2024 Rs. '000	Group 2023 Rs. '000	Company 2024 Rs. '000	Company 2023 Rs. '000
Raw Materials	**766,304**	807,939	**-**	144,205
Work in Progress	**8,090**	16,448	**-**	8,766
Finished Goods	**169,755**	201,922	**-**	33,135
Goods In Transit	**86,082**	151,631	**-**	-
Consumables and Spares	**192,819**	149,951	**-**	38,629
Less: Provision for slow moving inventory (8.1)	**(2,989)**	(4,407)	**-**	(372)
	1,220,061	1,323,484	**-**	224,364

8.1 Provision for slow moving inventory

As at 31 March	Group 2024 Rs. '000	Group 2023 Rs. '000	Company 2024 Rs. '000	Company 2023 Rs. '000
At the beginning of the year	**4,407**	2,557	**372**	238
Charge (reversal) for the year	**(1,418)**	1,850	**(372)**	134
At the end of the year	**2,989**	4,407	**-**	372

9. Trade and Other Receivables

9.1 Summary

As at 31 March	Group 2024 Rs. '000	Group 2023 Rs. '000	Company 2024 Rs. '000	Company 2023 Rs. '000
Trade Receivables - Other	**1,533,278**	1,378,349	**-**	112,829
- Related Parties (9.2)	**-**	-	**7,152**	521
Other Debtors - Other	**77,949**	40,917	**6,023**	5,889
- Related Parties (9.2)	**-**	-	**-**	-
Loans to Company Officers (9.3)	**-**	7	**-**	7
Advances and Prepayments	**64,764**	134,372	**4,038**	105,134
Other Receivables	**4,912**	10,482	**4,912**	10,482
	1,680,903	1,564,127	**22,125**	234,862

9.2 Trade Receivables - Related Party

As at 31 March	Relationship	Company 2024 Rs. '000	Company 2023 Rs. '000
Beira Brush Limited	Sub-Subsidiary	**6,989**	-
ECO Spindles (Pvt) Ltd	Sub-Subsidiary	**163**	508
BPPL Enterprises	Subsidery	**-**	13
		7,152	521

9.3 Loans to Company Officers

	Balance as at 01.04.2023 Rs. '000	Loans Granted During the year Rs. '000	Repayments During the year Rs. '000	Balance as at 31.03.2024 Rs. '000
Loans to Company Officers	7	-	7	-
	7	-	7	-

9.4 Trade Debtors Age Analysis

Group	Total	Neither past due nor impaired	Past due but not impaired		
			30-90 days	91-120 days	>120 days
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
2024	1,533,278	1,375,406	157,696	177	-
2023	1,378,349	1,378,349	-	-	-

Company	Total	Neither past due nor impaired	Past due but not impaired		
			30-90 days	91-120 days	>120 days
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
2024	-	-	-	-	-
2023	112,829	112,829	-	-	-

10. Stated Capital

	Group		Company	
As at 31 March	2024	2023	2024	2023
Ordinary Shares (No's)	306,843,357	306,843,357	306,843,357	306,843,357

	Group		Company	
As at 31 March	2024 Rs. '000	2023 Rs. '000	2024 Rs. '000	2023 Rs. '000
Ordinary Shares	100,372	100,372	100,372	100,372

Notes to the Financial Statements

11. Interest Bearing Loans and Borrowings

11.1 Group

As at 31 March	2024			2023		
	Amount Payable within One Year Rs. '000	Amount Payable after One Year Rs. '000	Total Rs. '000	Amount Payable within One Year Rs. '000	Amount Payable after One Year Rs. '000	Total Rs. '000
Bank Loan (11.1.1)	1,977,488	705,541	2,683,030	1,905,199	1,231,028	3,136,227
Bank Overdraft (16.2)	59,563	-	59,563	30,818	-	30,818
	2,037,051	705,541	2,742,592	1,936,017	1,231,028	3,167,044

11.1.1 Bank Loan

	Balance as at 01.04.2023 Rs. '000	New Loans Obtained Rs. '000	Loan Repayment Rs. '000	Exchange Gain / (loss) Rs. '000	Balance as at 31.03.2024 Rs. '000
Term Loan - Hongkong and Shanghai Banking Corporation Limited	1,819,880	-	(391,463)	(342,928)	1,085,490
Money market - National Development Bank PLC	1,012,525	3,381,584	(3,420,142)	81,658	1,055,625
Money market - Standard Chartered Bank Ltd	119,315	1,329,427	(1,101,935)	(7,846)	338,961
Term Loan - National Development Bank PLC	184,507	161,795	(103,945)	(81,513)	160,844
Short Term loan-Hongkong and Shanghai Banking Corporation Limited	-	86,809	(46,602)	1,903	42,110
	3,136,227	4,959,615	(5,064,087)	(348,725)	2,683,030

11.2 Company

As at 31 March	2024			2023		
	Amount Payable within One Year Rs. '000	Amount Payable after One Year Rs. '000	Total Rs. '000	Amount Payable within One Year Rs. '000	Amount Payable after One Year Rs. '000	Total Rs. '000
Bank Loan (11.2.1)	-	-	-	-	-	-
Bank Overdraft (16.2)	31,497	-	31,497	16,497	-	16,497
	31,497	-	31,497	16,497	-	16,497

11.2.1 Bank Loan

	Balance as at 01.04.2023 Rs. '000	New Loans Obtained Rs. '000	Loan Repayment Rs. '000	Exchange Gain / (loss) Rs. '000	Balance as at 31.03.2024 Rs. '000
Money Market Loan - Standard Chartered Bank Ltd	-	43,887	-	(43,887)	-
	-	43,887	-	(43,887)	-

11.3 Interest Bearing Loans and Borrowings

As at 31 March	2024		2023	
	Interest Bearing Loans and Borrowings Rs. '000	Loans Designated with Cash Flow Hedge Rs. '000	Interest Bearing Loans and Borrowings Rs. '000	Loans Designated with Cash Flow Hedge Rs. '000
ECO Spindles(Pvt) Ltd				
Term Loan - Hongkong and Shanghai Banking Corporation Limited	1,085,490	1,085,490	1,819,880	1,819,880
Short Term Loan - Hongkong and Shanghai Banking Corporation Limited	42,110	-	569	-
	1,127,599	1,085,490	1,820,449	1,819,880
Beira Brush (Pvt) Ltd				
Money market - National Development Bank PLC	1,055,625	-	1,012,525	-
Term Loan - National Development Bank PLC	160,844	-	184,507	-
Money market - Standard Chartered Bank Ltd	338,962	-	119,315	-
Bank Overdraft	28,066	-	13,751	-
	1,583,496	-	1,330,098	-
BPPL Holdings PLC				
Bank Overdraft	31,497	-	16,497	-
	31,497	-	16,497	-
Total	2,742,592	1,085,490	3,167,044	1,819,880

Notes to the Financial Statements

11.4 Terms and conditions

1) Short Term Loan - National Development Bank
Security - Nil
Repayment - To be repaid within 90 days
Interest - 8%

2) Long Term Loan - National Development Bank
Security - Ingriya Land, Building & Brush Plant &Machinery / Padukka Land &Building / Maugama Land &Building and Filament Plant & Machineries
Repayment - To be repaid within 60 months
Interest - 1 month SOFR+2.9%

3) Term Loan - Hongkong and Shanghai Banking Corporation Limited
Security - Plant & Machinery Yarn
Repayment - To be repaid within 48 months
Interest - 1M LIBOR+3.15% & 3M LIBOR+3.20%

4) Short Term Loan - Standard Chartered Bank Ltd
Security - Debtor & Stock
Repayment - To be repaid within 90 days
Interest - 3M LIBOR + 3%

12. Income Tax

The major components of income tax expense for the years ended 31 March are as follows :

	Group		Company	
For the year ended 31st March	**2024 Rs. '000**	**2023 Rs. '000**	**2024 Rs. '000**	**2023 Rs. '000**
Income Statement				
Current Income Tax				
Current Income Tax charge	**147,272**	93,167	**62,200**	43,431
Under/(Over) Provision of current taxes in respect of prior years	**(250)**	84	**-**	380
Tax on reversal of Hedge	**(20,569)**	-	**-**	-
Deferred Income Tax				
Deferred Taxation Charge/(Reversal) (12.2)	**(126,651)**	102,026	**(734)**	799
Income tax expense reported in the Income Statement	**(198)**	195,276	**61,465**	44,610

12.1 A reconciliation between tax expense and the product of accounting profit multiplied by the statutory tax rate is as follows :

For the year ended 31st March	Group		Company	
	2024 Rs. '000	2023 Rs. '000	2024 Rs. '000	2023 Rs. '000
Accounting Profit before Income Tax	96,383	706,436	89,165	174,085
Allowed Expenses	(814,301)	(781,417)	(44,667)	(96,443)
Disallowed Expenses	613,402	935,225	242,584	153,409
Investment Income	(30,021)	(44,172)	(10)	(9)
Non Taxable Item	(231,784)	(878,932)	(79,739)	(7,208)
Taxable Profit/ (Loss)	(366,322)	(62,860)	207,332	223,834
Other sources of income	-	-	-	24,460
Less - Business loss	-	-	-	-
Taxable Income	-	-	207,332	248,294
Income tax expense reported in the income statement				
Income tax at 14%	-	49,644	-	26,726
Income tax at 18%	-	3,032	-	384
Income tax at 24%	-	3,924	-	1,030
Income tax at 30%	126,703	-	62,200	15,291
	126,703	56,599	62,200	43,431

12.2 Deferred Tax Expenses / (Income)

For the year ended 31st March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Deferred tax expense / (income) arising due to origination and reversal of timing differences	(126,651)	102,026	(734)	799

Notes to the Financial Statements

13. Deferred Tax

Deferred Income taxes are calculated on all temporary differences under the liability method using the principal tax rate of 15% for Eco Spindles (Pvt) Ltd and 30% (2022-14%) for all other companies.

13.1 Deferred Tax Liability/(Assets)

	Group		Company	
As at 31 March	**2024 Rs. '000**	**2023 Rs. '000**	**2024 Rs. '000**	**2023 Rs. '000**
Balance as at Beginning of the Year	478,694	228,767	271,292	131,531
Provision / (Reversal) Made During the Year				
Due to change in the rate	-	67,458	-	42,052
Due to change in the temporary differences	(76,029)	34,568	(734)	(41,253)
Tax on Land revaluation	-	144,362	-	137,816
Impact on reclassification on cash flow hedging	(50,623)	-	-	-
Impact on Other Comprehensive Income	(10,022)	3,540	-	1,147
Balance as at the end of the Year	342,020	478,694	270,558	271,292

13.1.1 Group

	Statement of Financial Position		Other Comprehensive Income		Income Statement	
As at 31 March	**2024 Rs. '000**	**2023 Rs. '000**	**2024 Rs. '000**	**2023 Rs. '000**	**2024 Rs. '000**	**2023 Rs. '000**
Deferred Tax Liability						
Property Plant and Equipment	387,179	343,957	-	-	43,222	142,694
Deferred tax attributable to land revaluation	240,977	240,977	-	137,816.03	-	-
Unrealized Foreign Exchange Gain	13,240	66,968	-	-	(53,728)	42,997
ROU & Lease creditor	660	(26)	-	-	686	(983)
	642,056	651,876	-	137,816.03	(9,819)	184,707
Deferred Tax Asset						
Employee Benefits Liabilities	(23,830)	(13,942)	(10,022)	3,540	(9,888)	(2,996)
Tax Loss	(224,846)	(158,092)	-	-	(66,754)	(75,419)
Impact on reclassification on cash flow hedging	(50,623)	-	-	-	-	-
Inventory Provision	(737)	(1,148)	-	-	411	(922)
Debtor Provision	-	-	-	-	-	195
	(300,036)	(173,182)	(10,022)	3,540	(76,231)	(79,142)
Deferred tax charge /(Reversal)	-	-	(10,022)	141,356	(86,051)	105,565
Net deferred tax liability /(Asset)	342,020	478,694				

13.1.2 Company

As at 31 March	Statement of Financial Position 2024 Rs. '000	Statement of Financial Position 2023 Rs. '000	Other Comprehensive Income 2024 Rs. '000	Other Comprehensive Income 2023 Rs. '000	Income Statement 2024 Rs. '000	Income Statement 2023 Rs. '000
Deferred Tax Liability/Asset						
Deferred Tax Liability						
Property Plant and Equipment	38,477	72,770	-	-	(34,294)	42,283
Deferred tax attributable to land revaluation	232,551	232,551	-	137,816	-	-
Unrealized Foreign Exchange Gain	(368)	(29,476)	-	-	29,109	(38,792)
ROU & Lease creditor	(102)	(174)	-	-	73	(174)
	270,558	275,671	-	137,816	(5,113)	3,316
Deferred Tax Asset						
Employee Benefits Liabilities	-	(4,267)	-	1,147	4,267	(1,432)
Tax Loss	-	-	-	-	-	-
Inventory Provision	-	(112)	-	-	112	(79)
Debtor Provision	-	-	-	-	-	140
	-	(4,378)	-	1,147	4,378	(1,370)
Deferred tax charge /(Reversal)	-	-	-	138,963	(734)	1,946
Net deferred tax liability /(Asset)	270,558	271,292				

14. Expense on Retirement Benefit Obligation - Gratuity

14.1 Expense on Defined Benefit Plan

As at 31 March	Group 2024 Rs. '000	Group 2023 Rs. '000	Company 2024 Rs. '000	Company 2023 Rs. '000
Current Service Cost	6,860	3,514	1,526	(1,738)
Interest Cost on Benefit Obligation	10,119	6,219	2,560	3,037
	16,979	9,733	4,087	1,299
Actuarial (Gain)/Loss on Obligation	38,289	(12,076)	-	(3,824)
	38,289	(12,076)	-	(3,824)
	55,268	(2,342)	4,087	(2,525)

Notes to the Financial Statements

14.2 Defined Benefit Obligation

Changes in the Present Value of the Defined Benefit Obligation are as follows:

As at 31 March	Group 2024 Rs. '000	Group 2023 Rs. '000	Company 2024 Rs. '000	Company 2023 Rs. '000
Defined Benefit Obligation as at the Beginning of the Period	52,291	77,245	14,466	20,248
Interest Cost	10,119	6,219	2,560	3,037
Current Service Cost	6,860	3,514	1,526	(1,738)
Benefits Paid	(17,016)	(22,613)	(3,575)	(3,257)
Transfers	-	-	(14,977)	-
	52,253	64,366	-	18,290
Actuarial (Gain)/Loss on Obligation	38,289	(12,076)	-	(3,824)
Defined Benefit Obligation as at the End of the Period	90,542	52,291	-	14,466

14.3 An Actuarial valuation of the employee retirement benefit liability scheme was carried out by Piyal S Goonetilake and Associates as at 31st March 2024. The principle assumptions used are follows:

	Group 2024	Group 2023	Company 2024	Company 2023
Rate of Interest	12.60%	17.70%	12.60%	17.70%
Rate of Salary Increase	10%	10%	10%	10%
Retirement Age : Male	60 years	60 years	60 years	60 years
: Female	60 years	60 years	60 years	60 years

14.4 Sensitivity of Assumptions Used in the Actuarial Valuation

The following table demonstrates the sensitivity to a reasonably possible change in the key assumptions used with all other variables held constant in the employment benefit liability measurement.

The sensitivity of the Statement of Profit or Loss and Statement of Financial Position is the effect of the assumed changes in discount rate and salary increment rate on the profit or loss and employment benefit obligation for the year.

	Group Effect on Profit or Loss` 2024 Rs. '000	Group Performa Post Employment Benefit liability 2023 Rs. '000	Company Effect on Profit or Loss 2024 Rs. '000	Company Performa Post Employment Benefit liability 2023 Rs. '000
Assumed Change in Financial Assumptions				
If Discount Rate Increased By 1%	8,978	3,967	-	1,009
If Discount Rate Decreased By 1%	(10,585)	(4,542)	-	(1,133)
If Salary Increment Rate Increased By 1%	(10,453)	(4,660)	-	(1,136)
If Salary Increment Rate Decreased By 1%	9,012	4,113	-	1,024

14.5 Following Payments are Expected Weighted Average Life Span Obligation on the Future Years:

	Group		Company	
	2024 Rs. '000	2023 Rs. '000	2024 Rs. '000	2023 Rs. '000
Years from the Current Period				
1st Following Year	3,350	2,906	-	601
2nd Following Year	4,034	3,587	-	701
3rd Following Year	4,600	4,312	-	802
4th Following Year	8,852	15,165	-	6,619
5th Following Year	12,755	13,493	-	2,707
Beyond 5 Years	105,175	109,212	-	32,551

15. Trade and Other Payables

	Group		Company	
As at 31 March	2024 Rs. '000	2023 Rs. '000	2024 Rs. '000	2023 Rs. '000
Trade Payable - Related Parties (15.1)	-	-	-	128,590
- Others	251,895	228,229	5,176	27,564
Other Payables	130,762	115,678	2,551	16,664
Sundry Creditors Including Accrued Expenses	41,978	25,677	718	520
	424,634	369,583	8,445	173,338

15.1 Trade Payables - Related Parties

		Company	
As at 31 March	**Relationship**	2024 Rs. '000	2023 Rs. '000
Beira Brush (Pvt) Ltd	Subsidiary	-	128,590
		-	128,590

Notes to the Financial Statements

16. Cash and Cash Equivalents

	Group		Company	
As at 31 March	2024 Rs. '000	2023 Rs. '000	2024 Rs. '000	2023 Rs. '000
16.1 Favorable Cash and Cash Equivalents Balance				
Cash and Bank Balances	35,446	185,416	2,770	25,839
	35,446	185,416	2,770	25,839
16.2 Unfavorable Cash and Cash Equivalents Balance				
Bank Overdraft	(59,563)	(30,818)	(31,497)	(16,497)
Cash and Cash Equivalents for the Purpose of Cash Flow Statement	(24,117)	154,598	(28,727)	9,342

17. Other Operating Income

	Group		Company	
For the year ended 31st March	2024 Rs. '000	2023 Rs. '000	2024 Rs. '000	2023 Rs. '000
Rent Income	-	-	1,980	2,640
Solar income	36,747	43,937	8,790	11,364
Sundry Income	8,839	10,437	776	-
Drying charges	-	-	942	1,450
	45,587	54,375	12,489	15,454

18. Finance Income

	Group		Company	
For the year ended 31st March	2024 Rs. '000	2023 Rs. '000	2024 Rs. '000	2023 Rs. '000
Interest Income on FD	-	7,997	-	-
Interest Income	295	510	10	9
	295	8,507	10	9

19. Finance Cost

	Group		Company	
For the year ended 31st March	2024 Rs. '000	2023 Rs. '000	2024 Rs. '000	2023 Rs. '000
Interest Expense on Overdrafts	2,569	2,510	1,506	1,878
Lease interest	4,867	5,475	775	1,259
Interest Expense on Bank Loans	274,471	306,389	1,085	3,801
	281,907	314,374	3,366	6,938

20. Profit/(Loss) Before Tax

Stated after Charging/(Crediting)

	Group		Company	
For the year ended 31st March	2024 Rs. '000	2023 Rs. '000	2024 Rs. '000	2023 Rs. '000
Including in Cost of Sales				
Depreciation	291,861	254,497	29,091	33,149
Personnel Costs including the following;				
- Defined Benefit Plan Costs - Gratuity	14,424	7,940	3,755	1,278
- Defined Contribution Plan Costs - EPF & ETF	17,214	16,472	561	792
Including in Administration Expenses				
Personnel Costs including the following;				
- Defined Benefit Plan Costs - Gratuity	2,554	1,793	61	21
- Defined Contribution Plan Costs - EPF & ETF	30,234	28,607	1,723	2,526
Directors' Fees and Emoluments	2,400	2,200	2,400	2,200
Auditors' Remuneration				
Audit Services	2,448	1,308	915	576
Non-Audit Services	1,630	1,003	592	349
Depreciation	24,390	20,066	12,413	9,090
Amortization	498	543	498	543
Provision for slow moving inventory (8.1)	(1,418)	1,850	(372)	134
Including in Selling and Distribution Costs				
Advertising Costs	5,864	9,534	1,589	764

Notes to the Financial Statements

21. Earnings Per Share

21.1 Basic Earnings Per Share is calculated by dividing the net profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. The weighted average number of ordinary shares outstanding during the period and the previous 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.

21.2 The following reflects the income and share data used in the basic Earnings Per Share computations.

	Group		Company	
Amount Used as the Numerator:	**Year ended 2024 Rs. '000**	**Year ended 2023 Rs. '000**	**Year ended 2024 Rs. '000**	**Year ended 2023 Rs. '000**
Net Profit/(Loss) Attributable to Ordinary Shareholders for basic Earnings/(Loss) Per Share	**96,581**	511,160	**27,700**	129,475

Number of Ordinary Shares Used as Denominator:	**As at 2024**	**As at 2023**	**As at 2024**	**As at 2023**
Weighted Average Number of Ordinary Shares in Issue	**306,843,357**	306,843,357	**306,843,357**	306,843,357
Earnings Per Share - Basics/Diluted (Rs.)	**0.31**	1.67	**0.09**	0.42

22. Dividend Per Share

	Group		Company	
	2024	**2023**	**2024**	**2023**
Declared and Paid During the Year				
Dividend on ordinary shares (Rs. '000)	**55,232**	-	**55,232**	-
Dividend per share (Rs.)	**0.18**	-	**0.18**	-

23. Other Component of Equity

Revaluation Reserve

The Revaluation Reserve relates to the net surplus on revaluation of Property, Plant and Equipment.

Hedging Reserve

Cash Flow Hedge

The Group designates its identified foreign currency loans as a hedging instrument in order to hedge the variation in highly probable specifically identified future foreign currency revenue attributable to changes in foreign exchange rates.

The hedge effectiveness is set at 98% as per the contractual terms where the fair value change in the hedge item is 98% efficient in offsetting the fair value change of the liability. The fair value is calculated as the present value of the estimated future cash flows.

The effective portion of the gain or loss on the hedging instrument is recognized in the Cash Flow Hedge Reserve, through Other Comprehensive Income while any ineffective portion is recognized immediately in the Statement of Profit and Loss.

The hedge ineffectiveness can arise from:

(1) Differences in the timing of the cash flows of the hedged items and the hedging instruments

(2) Different indexes (and accordingly different curves) linked to the hedged risk of the hedged items and hedging instruments

(3) The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items

(4) Changes to the forecasted amount of cash flows of hedged items and hedging instruments

In respect of the cash flow hedge instrument, Group recognized Rs. 366.5 Mn (2022/2023- Rs.772.5 Mn) under cash flow hedge reserve being the Group's portion of the fair value loss recognized by the subsidiaries.

	Group		Company	
	2024 Rs. '000	2023 Rs. '000	2024 Rs. '000	2023 Rs. '000
Balance at the Beginning of the Year	(772,543)	(801,269)	-	-
Hedge Adjustment	406,048	28,726	-	-
Balance at the End of the Year	(366,495)	(772,543)	-	-

Notes to the Financial Statements

24. Fair Value

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:

Cash and short-term deposits, trade receivables and trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

Long-term floating-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. As at 31 March 2024, the carrying amounts of such receivables, net of allowances, are not materially different from their calculated fair values.

Fair value hierarchy - Company and Group

The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques.

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

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

Group	31-Mar-2024 Rs. '000	Level 1 Rs. '000	Level 2 Rs. '000	Level 3 Rs. '000
Non-Financial Assets Measured at Fair Value				
Land	881,138	-	-	881,138

Company	31-Mar-2024 Rs. '000	Level 1 Rs. '000	Level 2 Rs. '000	Level 3 Rs. '000
Non-Financial Assets Measured at Fair Value				
Land	797,700	-	-	797,700

25. Financial Risk Management Objectives and Policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company has loan and other receivables, trade and other receivables, and cash and short-term deposits that arrive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The Company's senior management is supported by the Board of Directors (BOD) that advises on financial risks and the appropriate financial risk governance framework for the Company. BOD provides assurance to the Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company policies and risk appetite. It is the Company's policy that all derivative activities for risk management purposes are required to be approved by Board of Directors.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below.

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 and deposits.

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.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest Rates Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Company's profit before tax (through the impact on floating rate borrowings).

		Effect on Profit Before Tax	
	Increase/(Decrease) in Basis Points	**Group Rs. '000**	**Company Rs. '000**
2024	+ 100 basis points	26,830	-
	- 100 basis points	(26,830)	-
2023	+ 100 basis points	31,670	165
	- 100 basis points	(31,670)	(165)

The assumed spread of basis points for the interest rate sensitivity analysis is based on the currently observable market environment changes to base rates such as LIBOR.

Notes to the Financial Statements

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency).

Foreign currency sensitivity

The following table demonstrates the sensitivity of net operating cash flows before taxation and derivative financial instruments existing as at 31 March in GBP,CAD and USD to a reasonably possible change of such underlining foreign currencies (GBP, CAD and USD) exchange rate against LKR, with all other variables held constant. The company's exposure to foreign currency changes for all other currencies is not material.

			Effect on Profit Before Tax	
	Foreign Currency	Change in Exchange Rate	Group Rs. '000	Company Rs. '000
2024	GBP	1%	461	-
	CAD	1%	401	-
	USD	1%	(13,468)	-
	AUD	1%	-	-
	NZD	1%	-	-
2023	GBP	1%	202	28
	CAD	1%	249	-
	USD	1%	(19,688)	1,100
	AUD	1%	89	-
	NZD	1%	159	-

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) and from its financing activities which includes deposits with banks.

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, BPPL Holdings PLC. 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.

Group	2024 Rs. '000	2023 Rs. '000
Borrowings (Note 11)	2,742,592	3,167,044
Trade and other payables (Note 15)	424,634	369,583
Less: cash and short-term deposits	24,117	(154,598)
Net debt	3,191,343	3,382,029
Equity	4,034,513	3,615,383
Capital and net debt	7,225,856	6,997,412
Gearing ratio	44%	48%

Trade Receivables

Customer credit risk is managed by each company subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed based on the credit risk evaluation model and individual credit limits are defined in accordance with this assessment.

Outstanding customer receivables are regularly monitored and contracts are signed and agreed with all credit customers.

Additionally, a large number of minor receivables are grouped into homogenous groups and assessed for Impairment collectively. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 9. The Company does not hold collateral as security.

Financial Instruments and Cash Deposits

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties as per the Treasury Policy and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Treasury Committee. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through potential counterparty's failure. The Company's maximum exposure to credit risk for the components of the statement of financial position is the carrying amounts as illustrated in Note 9 except for financial guarantees and derivative financial instruments.

Liquidity Risk

The Company monitors its risk to a shortage of funds by setting up a minimum liquidity level. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

Notes to the Financial Statements

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual payments.

Group

As at 31 March 2024	On Demand Rs. '000	Less Than 3 Months Rs. '000	3 to 12 Months Rs. '000	1 to 5 Years Rs. '000	> 5 Years Rs. '000	Total Rs. '000
Interest-Bearing Loans and Borrowings	59,563	-	1,977,488	705,541	-	2,742,592
Trade and Other Payable	-	251,895	-	-	-	251,895
	59,563	251,895	1,977,488	705,541	-	2,994,487

As at 31 March 2023	On Demand Rs. '000	Less Than 3 Months Rs. '000	3 to 12 Months Rs. '000	1 to 5 Years Rs. '000	> 5 Years Rs. '000	Total Rs. '000
Interest-Bearing Loans and Borrowings	30,818	-	1,905,199	1,231,028	-	3,167,044
Trade and Other Payable	-	228,228	-	-	-	228,228
	30,818	228,228	1,905,199	1,231,028	-	3,395,273

Company

As at 31 March 2024	On Demand Rs. '000	Less Than 3 Months Rs. '000	3 to 12 Months Rs. '000	1 to 5 Years Rs. '000	> 5 Years Rs. '000	Total Rs. '000
Interest-Bearing Loans and Borrowings	31,497	-	-	-	-	31,497
Trade and Other Payable	-	5,176	-	-	-	5,176
	31,497	5,176	-	-	-	36,674

As at 31 March 2023	On Demand Rs. '000	Less Than 3 Months Rs. '000	3 to 12 Months Rs. '000	1 to 5 Years Rs. '000	> 5 Years Rs. '000	Total Rs. '000
Interest-Bearing Loans and Borrowings	16,497	-	-	-	-	16,497
Trade and Other Payable	-	27,565	-	-	-	27,565
	16,497	27,565	-	-	-	44,062

26. Commitments and Contingencies

26.1 Capital Expenditure Commitments

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

27. Assets Pledged

	Nature of Assets	Nature of Liability	Carrying Amount Pledged 2024 Rs.	Carrying Amount Pledged 2023 Rs.
BPPL Holdings PLC	Inventory, Trade Receivable ,Land & Building Ingriya	Money market loan - NDB &SCB	-	USD 5,500,000 NDB USD 3,000,000 SCB Combine facility with BPPL Holding
BPPL Holdings PLC	Land & building, Ingriya and Land Padukka	Term Loan - NDB FOR Beira Brush	USD 3,912,000	-
Eco Spindles(Pvt) Ltd	Yarn Plant & Machinery	Term Loan - HSBC	USD 3,500,000 USD 6,373,000	USD 3,500,000 USD 6,373,000
Eco Spindles(Pvt) Ltd	Filament Machinery, Land & Building Maugama	Term Loan - NDB FOR Beira Brush	USD 3,912,000	-
Beira Brush (Pvt) Ltd	Inventory, Trade Receivable, Land & Building, Ingriya	Money market loan - NDB & SCB	-	USD 5,500,000 NDB USD 3,000,000 SCB Combine facility with BPPL Holding
Beira Brush (Pvt) Ltd	Inventory, Trade Receivable	Money market loan - SCB	USD 3,000,000 SCB Combine facility with BPPL Holding	-
Beira Brush (Pvt) Ltd	Plant & Machinery,Ingriya and Plant & Machinery Padukka	Term Loan - NDB	USD 3,912,000	-

28. Events Occurring After the Reporting Date

There were no material events occurring after the reporting date that require adjustment to or disclosure in the Financial Statements.

Notes to the Financial Statements

29. Related Party Disclosures

During the period the Company entered into transactions with the following Related Parties.

29.1 Transaction with Group Companies

Company

Terms and Conditions

The sales to and purchases from related parties are made at terms equivalent to those that in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free.

Nature of Transactions	Subsidiaries Rs. '000	Total 2024 Rs. '000	Total 2023 Rs. '000
Balance as at 1st of April	(128,069)	(128,069)	(306,517)
Sale of Goods	477,370	477,370	673,262
Purchase of Goods	(62,701)	(62,701)	(138,482)
Settlements	(847,446)	(847,446)	(361,800)
Settlement of Liabilities on behalf of the company	567,997	567,997	5,467
Balance as at 31st March	7,152	7,152	(128,069)

29.2 Recurrent Related Party Transactions

Name of the Related Party	Relationship	Nature of the Transaction	Aggregate value of Related Party Transactions Entered into During the Financial Year Rs. '000	Aggregate value of Related Party Transactions as a % of Gross Revenue	Terms and Conditions of the Related Party Transactions
Beira Brush (Pvt) Ltd	Subsidiary	Sales	477,010	53%	The transactions from related parties are made at terms equivalent to those that in arm's length transaction
		Purchased	(62,701)	-7%	
		Settlement of sales/fund transfer	(760,498)	-84%	
		Expenses paid	481,768	53%	
Eco Spindles (Pvt) Ltd	Sub-Subsidiary	Sales	360	0%	
		Purchased	-	0%	
		Fund Transfer	(86,934)	-10%	
		Expenses paid	86,228	10%	

29.3 Transactions with Directors/ Key Management Personnel

According to LKAS 24, KMPs are those having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly KMP includes member of Board of Directors and identified senior management personnel of the company and its ultimate parent company BPPL Holdings PLC. Close family members of a KMP are those family members who may be expected to influence or be influenced by, that KMP in their dealing with the company.

Year ended 31 March	2024 Rs. '000	2023 Rs. '000
Group		
Short term employment benefit	20,296	24,102
Post employment benefit	-	3,615
	20,296	27,717
Company		
Short term employment benefit	20,296	19,351
Post employment benefit	-	2,903
	20,296	22,253

29.4 Directors Shareholdings

Name of the Director	Role	2024 No.	2023 No.
Mr. Sarath Amarasinghe	Chairman	NIL	NIL
Dr. Anush Amarasinghe	Managing Director/CEO	NIL	NIL
Mr. Vaithilingam Selvaraj	Director-Finance/ CFO	NIL	NIL
Mr. B D P D Perera	Director-Factory Operations	NIL	NIL
Mr. Ranil Pathirana	NED	NIL	NIL
Mr. Manjula De Silva	INED	NIL	NIL
Mrs. Sharmini Ratwatte	INED	6,200	6,200
Mr. Savantha S De Saram	INED	NIL	NIL

Notes to the Financial Statements

30. Segment Information

For management purposes, the Group is organized into business units based on their products and services and has two reportable segments as follows:

Operating Segments	Brush ware		Filament and Yarn	
For the Year Ended 31 March	**2024 Rs. '000**	**2023 Rs. '000**	**2024 Rs. '000**	**2023 Rs. '000**
Revenue	4,663,350	5,437,435	2,082,311	2,019,830
Cost of Sales	(3,674,071)	(3,829,783)	(1,996,285)	(1,762,136)
Gross Profit	989,279	1,607,652	86,026	257,694
Other Operating Income	18,819	22,800	29,690	35,664
Foreign Exchange Gain	25,125	(44,723)	(18,635)	81,621
Selling and Distribution Expenses	(240,331)	(359,160)	(41,399)	(40,476)
Administrative Expenses	(290,351)	(347,608)	(175,185)	(193,254)
Net Finance (Cost)/ Income	(144,951)	(162,359)	(136,661)	(143,508)
Profit Before Tax	357,589	716,602	(256,163)	(2,259)
Income Tax Expense	(54,596)	(205,863)	54,794	10,587
Profit for the Year	302,993	510,738	(201,369)	8,328
Assets & Liabilities Balance as at,				
Total Non-Current Assets	4,562,159	2,937,693	3,149,878	3,083,450
Total Current Assets	2,210,525	2,910,866	978,041	919,917
Total Assets	6,772,684	5,848,559	4,127,919	4,003,367
Total Equity	4,366,005	3,577,178	2,615,748	1,408,832
Total Non-Current Liabilities	569,147	466,027	601,737	1,332,071
Total Current Liabilities	1,837,531	1,805,354	910,434	1,262,464
Total Liabilities	6,772,684	5,848,559	4,127,919	4,003,367

Inter-segment revenues are eliminated upon consolidation; and operation results, assets and liabilities of segments are reflected in the eliminations and adjustments column.

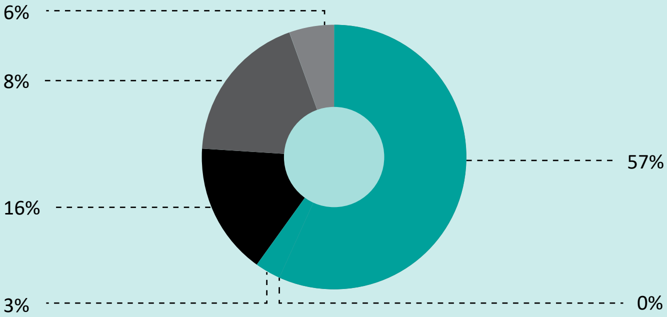
Eliminations and Adjustments		Consolidated	
2024 Rs. '000	2023 Rs. '000	2024 Rs. '000	2023 Rs. '000
(1,334,154)	(1,206,374)	5,411,506	6,250,891
1,332,035	1,202,556	(4,338,321)	(4,389,362)
(2,120)	(3,817)	1,073,185	1,861,529
(2,922)	(4,090)	45,587	54,375
-	-	6,490	36,897
-	-	(281,730)	(399,636)
-	-	(465,536)	(540,862)
-	-	(281,612)	(305,867)
(5,043)	(7,907)	96,383	706,436
-	-	198	(195,276)
(5,043)	(7,907)	96,581	511,160
(2,895,864)	(1,324,293)	4,816,173	4,696,850
(251,351)	(756,940)	2,937,215	3,073,843
(3,147,215)	(2,081,233)	7,753,388	7,770,693
(2,947,240)	(1,370,628)	4,034,513	3,615,382
-	-	1,170,884	1,798,099
(199,974)	(710,606)	2,547,991	2,357,212
(3,147,214)	(2,081,233)	7,753,388	7,770,693

Financial Information

For the year ended 31 March	Group 2024 Rs. '000	Group 2023 Rs. '000	Company 2024 Rs. '000	Company 2023 Rs. '000
Turnover	**5,411,506**	6,250,891	**906,286**	1,248,565
Other Operating Income/(Loss)	**45,587**	54,375	**12,489**	15,454
Finance Income	**295**	8,507	**10**	9
Cost of Material & Services	**(3,703,253)**	(4,170,050)	**(495,345)**	(897,786)
Value Added	**1,754,135**	2,143,722	**423,440**	366,241

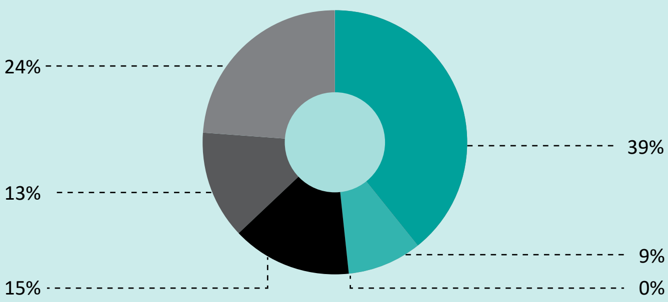
For the year ended 31 March	Group 2024 Rs. '000	%	Group 2023 Rs. '000	%	Company 2024 Rs. '000	%	Company 2023 Rs. '000	%
Distributed as follows:								
To Employees								
as remuneration and other employee costs	**996,407**	57	840,497	39	**233,674**	55	142,438	39
To Government								
as income tax	**(199)**	0	195,276	9	**61,465**	15	44,610	12
To Providers of Capital								
as dividends to shareholders	**55,232**	3	-	0	**55,232**	13	-	0
as interest to finance providers	**281,907**	16	314,375	15	**3,366**	1	6,938	2
Retained in Business								
as depreciation and amortisation	**324,207**	18	282,415	13	**42,002**	10	42,781	12
as profit/(loss) for the year	**96,581**	6	511,160	24	**27,700**	7	129,475	35

Group – 2024



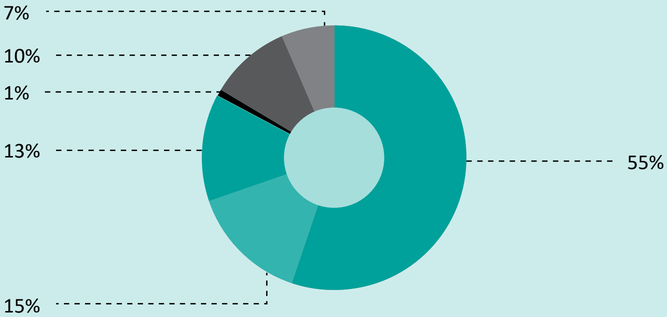
- As remuneration and other employee costs
- As interest to finance providers
- As income tax
- As depreciation and amortisation
- As dividends to shareholders
- As profit/(loss) for the year

Group – 2023



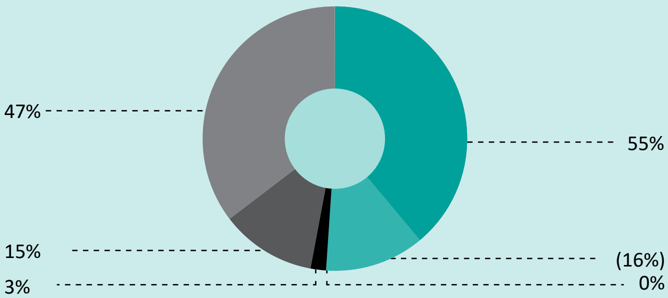
- As remuneration and other employee costs
- As interest to finance providers
- As income tax
- As depreciation and amortisation
- As dividends to shareholders
- As profit/(loss) for the year

Company – 2024



- As remuneration and other employee costs
- As interest to finance providers
- As income tax
- As depreciation and amortisation
- As dividends to shareholders
- As profit/(loss) for the year

Company – 2023



- As remuneration and other employee costs
- As interest to finance providers
- As income tax
- As depreciation and amortisation
- As dividends to shareholders
- As profit/(loss) for the year

Five Year Summary

For the year ended 31st March	2024 Rs. '000	2023 Rs. '000	2022 Rs. '000	2021 Rs. '000	2020 Rs. '000
Revenue	5,411,506	6,250,891	4,834,955	3,437,997	2,626,193
Profit Before Tax	96,383	706,436	721,437	609,316	506,747
Taxation	199	(195,276)	(71,739)	(112,415)	(101,192)
Profit for the Year	96,581	511,160	649,699	496,901	405,555
Equity Funds Employed					
Stated Capital	100,372	100,372	100,372	100,372	100,372
Reserves	237,778	(168,270)	(339,127)	398,904	446,038
Retained Earnings	3,696,364	3,683,281	3,307,948	2,741,833	2,328,867
Assets Employed					
Non-Current Assets	4,816,173	4,696,850	4,616,528	3,549,898	3,222,248
Current Assets	2,937,215	3,073,164	3,629,723	2,279,316	1,810,230
Current Liability	2,547,991	2,357,213	2,925,900	1,405,759	1,499,405
Capital Employed (Net Debt Basis)	6,777,106	6,782,427	6,896,377	4,772,825	3,923,107
Cash Flow					
Net Cash Inflow/(Outflow) from Operating Activities	364,297	591,639	166,777	134,843	986,159
Net Cash Inflow/(Outflow) from Investing Activities	(365,622)	(129,857)	(1,028,345)	(775,187)	(376,371)
Net Cash Inflow/(Outflow) from Financing Activities	(177,391)	(378,408)	878,940	164,682	(95,648)
Net Increase/(Decrease) in Cash and Cash Equivalents	(178,715)	83,374	17,372	(475,662)	514,140
Key Indicators					
Current Ratio	1.15	1.30	1.24	1.62	1.21
Gearing Ratio	67%	82%	125%	47%	36%
Asset Turnover Ratio	0.70	0.80	0.59	0.59	0.52
Earnings per Share (Rs)	0.31	1.67	2.12	1.62	1.32
Dividends per Share (Rs)	0.18	-	0.42	0.24	0.42
Net assets per Share (Rs)	13.15	11.78	10.00	10.56	9.37
Return on Equity	2%	14%	21%	15%	14%
Return on Capital Employed	6%	15%	11%	13%	14%
Interest Cover (Times)	1.34	3.31	14.72	19.68	16.05
Dividend Payout Ratio	57%	0%	20%	15%	32%

ANNEXURES

Investor Information

Analysis of Shareholders According to the Number of Shares as at 31 March 2024

Shareholdings	Resident			Non Resident			Total		
	Number of Shareholders	No. of Shares	Percentage (%)	Number of Shareholders	No. of Shares	Percentage (%)	Number of Shareholders	No. of Shares	Percentage (%)
1 to 1000 Shares	736	205,898	0.09	1	1,000	0.00	737	206,898	0.09
1001 to 10,000 Shares	311	1,351,140	0.44	4	12,295	0.00	315	1,363,435	0.44
10,001 to 100,000 Shares	130	4,645,707	1.51	1	30,000	0.01	131	4,675,707	1.52
100,001 to 1000,000 Shares	31	10,661,889	3.47	3	715,378	0.23	34	11,377,267	3.70
Over 1,000,000 Shares	9	285,831,721	93.15	2	3,388,329	0.10	11	289,220,050	94.25
Total	1,217	302,696,355	98.66	11	4,147,002	1.34	1,228	306,843,357	100.00

Categories of Shareholders

Categories of Shareholders	No. of Shareholders	No. of Shares
Individual	1,153	102,130,066
Institutional	75	204,713,291
Total	1,228	306,843,357

Share Trading Information

Year Ended	31 March 2024	31 March 2023
Share Information		
Highest Price (Rs.)	**23.40**	32.10
Lowest Price (Rs.)	**18.60**	13.50
Closing Price (Rs.)	**20.00**	21.10

Public Holding as at 31st March 2024

The Company is in compliance with the Minimum Public Holding requirements for Companies listed in the Diri Savi Board as per Rule 7.13.1 (b) of the Listing Rules of the Colombo Stock Exchange, under Option 2, i.e. Float-Adjusted Market Capitalization is less than Rs.1 Billion with more than 200 Public Shareholders and a Public Holding percentage of 10%.

Ordinary shares of the Company held by the public as at 31st March 2024;

Float-Adjusted Market Capitalization (Rs.)	840,465,820
Percentage of Ordinary Shares Held by the Public	13.70%
Number of Public Shareholders	1,224

There were no non-voting shares as at 31st March 2024.

The Stock Exchange code for BPPL Holdings PLC shares is “BPPL”.

List of 25 Major Shareholders Based on their Shareholdings as at 31st March 2024

No	Name of the Shareholder	No. of Shares as at 31st March 2024	%
1.	Infinity Capital (Pvt) Ltd	154,382,777	50.31
2.	Mrs. Kalsha Upeka Amarasinghe	80,546,372	26.25
3.	Hirdaramani Investment Holdings Private Limited	29,884,717	9.74
4.	MAS Capital (Private) Limited	9,208,692	3.00
5.	Mr. Roger Keith Modder	5,856,096	1.91
6.	Mr. S. C. Weerasooria	1,976,007	0.64
7.	Citibank Newyork S/A Norges Bank Account 2	1,888,329	0.62
8.	Mr. D.G. Wijemanna	1,772,562	0.58
9.	Hallsville Frontier Equities Ltd.	1,500,000	0.49
10.	Hatton National Bank PLC A/C No. 4 (HNB Retirement Pension Fund)	1,187,293	0.39
11.	Deutsche Bank AG Trustee to Lynear Wealth Dynamic Opportunities Fund	1,017,205	0.33
12.	Mrs. D. G. U. P. Jayasekara	999,219	0.33
13.	Jafferjee Brothers Exports (Private) Limited	772,800	0.25
14.	Mr. M. J. Fernando (Deceased)	750,000	0.24
15.	People's Leasing & Finance PLC/L.P.Hapangama	748,849	0.24
16.	Mr. A.A. Hirdaramani	732,100	0.24
17.	Mr. M.L. Hirdaramani	713,137	0.23
18.	Hatton National Bank PLC-CT CLSA Equity Fund	562,250	0.18
19.	Mr. M.A.H. Esufally	502,602	0.16
20.	GF Capital Global Limited	476,600	0.16
21.	Katunayake Garments Limited	419,200	0.14
22.	Mr. S.J. Hirdaramani	412,700	0.13
23.	Mr. K.S.N. Hirdaramani	412,300	0.13
24.	Mr. M.H.M. Fawsan	400,000	0.13
25.	Mr. D.J. De Silva Wijeyeratne	355,000	0.12
Total		297,476,807	96.94

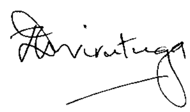
Notice of Meeting

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of B P P L Holdings PLC will be held on 12th September 2024 at 11:00 a.m. at Excel World, Marcopolo Lounge, No. 338 T. B. Jayah Mawatha, Colombo 10 for the following purposes:

1. To read the Notice convening the Meeting.
2. To receive and consider the Annual Report and the Financial Statements for the Financial Year ended 31st March 2024 with the Report of the Auditors thereon.
3. To re-elect as Director, Mr. R P Pathirana who retires by rotation in terms of Article 81 of the Articles of Association of the Company.
4. To re-elect as Director, Mr. B D P D Perera who retires by rotation in terms of Article 81 of the Articles of Association of the Company.
5. To re-appoint as Director, Mr. S D Amarasinghe who retires, in terms of Section 211 of the Companies Act No. 7 of 2007 and for which notice of the following resolution is given:

   "THAT the age limit stipulated in terms of Section 210 of the Companies Act No. 7 of 2007 shall not apply to Mr. S D Amarasinghe who is 87 years and that he be re-appointed a Director of the Company in terms of Section 211 of the Companies Act No. 7 of 2007."
6. To re-appoint Messrs. Ernst & Young, Chartered Accountants, as Auditors and to authorize the Directors to determine their remuneration.
7. Any Other Business of which due notice has been given in terms of the relevant laws and regulations.

By Order of the Board
B P P L HOLDINGS PLC



Secretarius (Private) Limited
Secretaries
Colombo
12th August 2024

Notes:

- A member unable to attend is entitled to appoint a Proxy to attend and vote at the Meeting in his/her place.
- A form of proxy is enclosed for this purpose.
- A proxy need not be a member of the Company.
- Members are encouraged to vote by Proxy through the appointment of a member of the Board of Directors to vote on their behalf and to include their voting preferences on the resolutions to be taken up at the Meeting in the Form of Proxy.
- In order to be valid, the completed Proxy Form must be lodged at the Registered Office of the Company not less than forty eight hours before the time fixed for the Meeting.
- Should Members wish to obtain a hard copy of the Annual Report, they may send a request to the Company by filling the request form attached to the Form of Proxy. A printed copy of the Annual Report will be forwarded by the Company within eight (8) market days, subject to the prevailing circumstances at the time, from the date of receipt of the request.

Form of Proxy

I/We ………

of ………

being a member/members of B P P L HOLDINGS PLC hereby appoint:

Mr./Mrs./Miss ………

of ………

or failing him/her,

Mr. S D Amarasinghe	of Colombo, or failing him
Dr. K A Amarasinghe	of Colombo, or failing him
Mr. B D P D Perera	of Negombo, or failing him
Mr. R P Pathirana	of Rajagiriya, or failing him
Mr. M H De Silva	of Nugegoda, or failing him
Mrs. S T Ratwatte	of Dehiwela, or failing her
Mr. S R Sproule De Saram	of Colombo

as my/our proxy to represent me/us and vote on my/our behalf at the Annual General Meeting of the Company to be held on 12th September 2024 at 11:00 a.m. and at any adjournment thereof and at every poll which may be taken in consequence thereof.

I/We, the undersigned, hereby direct my/our proxy to vote for me/us and on my/our behalf on the specified Resolution as indicated by the letter “X” in the appropriate cage:

	For	Against
To re-elect as Director, Mr. R P Pathirana who retires by rotation in terms of Article 81 of the Articles of Association of the Company.		
To re-elect as Director, Mr. B D P D Perera who retires by rotation in terms of Article 81 of the Articles of Association of the Company.		
To re-appoint as Director, Mr. S D Amarasinghe who retires in terms of Section 211 of the Companies Act No. 7 of 2007 and for which notice of the following resolution is given:		
“THAT the age limit stipulated in terms of Section 210 of the Companies Act No. 7 of 2007 shall not apply to Mr. S D Amarasinghe who is 87 years and that he be re-appointed a Director of the Company in terms of Section 211 of the Companies Act No. 7 of 2007.”		
To re-appoint Messrs. Ernst & Young, Chartered Accountants, as Auditors and to authorize the Directors to determine their remuneration.		

As witness my/our hands on this …………….. day of ……………………….. Two Thousand & Twenty Four.

…………………………………………………

Signature/s

Instructions as to Completion of the Form of Proxy are set out on the Reverse.

Form of Proxy

Instructions as to Completion of the Form of Proxy

1. Kindly perfect the Form of Proxy by filling in legibly your full name and address and signing in the space provided. Please fill in the date of signature.
2. If the Form of Proxy is signed by an Attorney, the relevant Power of Attorney should also accompany the completed Form of Proxy for registration, if such Power of Attorney has not already been registered with the Company.
3. If the appointer is a Company/Corporation, the Form of Proxy should be executed under its Common Seal or by a duly authorised officer of the company or Corporation in accordance with its Articles of Association.
4. The completed Form of Proxy should be deposited at the Registered office of the Company at Level 17, Access Towers, No. 278/4, Union Place, Colombo 2 not later than forty eight hours before the time appointed for the holding of the meeting.

Please fill in the following details:

Name	:	....
		....
Address	:	....
		....
		....
Jointly with	:	....
Share Folio No.	:	....

Office Address

Head Office

Level 17,
Access Towers II,
No. 278/4, Union Place,
Colombo 02

Wood, Brush and Mop Factory

No 88,
Ratnapura Road,
Ingiriya

Synthetic Filament Factory

Batuvita,
Mawgama,
Horana.

Recycling and Yarn Factory

Lot 7,
Horana Export Processing Zone,
Boralugoda,
Poruwadonda,
Horana.

Dubai Sales Office

Office MF 70,
Nooraniyah Building,
Hor Al Anz,
Dubai,
U.A.E
(Incorporated Date: 23rd November 2023)

Notes

Notes

Corporate Information

Company Name
B P P L Holdings PLC

Date of Incorporation
26th August 1991

Legal Form
Incorporated in Sri Lanka on 26th August 1991 as a public company under the Companies Act No. 17 of 1982 [N (PBS) 291)], re-registered under the Companies Act No. 07 of 2007 on 21st January 2009 (PB 859), converted to a private limited liability on 20th July 2012 (PB 859 PV),converted to a public company on 29th July 2016 (PB 859 PV) and subsequently converted to Public Quoted Company (PB 859 PQ) on 29th June 2017. Authority of Incorporation: Registrar of Companies (ROC), Colombo.

Company Registration Number
PB 859 PQ

Registered Office and Current Place of Business
B P P L Holdings PLC,
Level 17, Access Towers II,
No. 278/4, Union Place,
Colombo 02.
Tel : +94 11 2307168
Fax: +94 11 2307169

Board of Directors
Mr. Sarath Dayantha Amarasinghe – Chairman

Dr. Anush Amarasinghe – Managing Director / Chief Executive Officer

Mr. Vaithilingam Selvaraj - Executive Director / Chief Financial Officer (Resigned with effect from 16th May 2024)

Mr. B. D. Prasad Devapriya Perera - Executive Director

Mr. Ranil Pathirana – Non-Executive Director

Mr. Manjula De Silva - Independent Non-Executive Director

Ms. Sharmini Ratwatte - Independent Non-Executive Director

Mr. Savantha De Saram – Independent Non-Executive Director

Company Secretary
Secretarius (Pvt) Ltd.
3rd Floor, 40, Galle Face Court 2,
Colombo 03.
Tel : +94 11 2333431
Fax: +94 11 2381907

Company Registrar
S S P Corporate Services (Private) Limited,
101, Inner Flower Road, Colombo 03.
Tel : +94 11 2573894
Fax : +94 11 2573609
Email : sspsec@sltnet.lk

Auditors to the Company
Messrs. Ernst & Young
(Chartered Accountants)
Rotunda Towers,
No. 109, Galle Road,
Colombo 03.
Tel : +94 11 2204444
Fax: +94 11 2697369

Lawyers to the Company
AIM LAW
Attorneys-at-Law and Notaries Public
No. 514C, R A De Mel Mawatha
Colombo 03.
Tel: +94 11 2503426/ +94 712 228 044
Email: aimlaw@sltnet.lk

Company Website
www.bpplholdings.com

Company E-Mail
info@bpplholdings.com

Bankers to the Company and Group

Bank of Ceylon
04, Bank of Ceylon Mawatha,
Colombo 01.

National Development Bank
42, DHPL Building,
Nawam Mawatha,
Colombo 02.

Sampath Bank
110,
Sir James Pieris Mawatha,
Colombo 02.

Hongkong and Shanghai Banking Corporation Limited
24, Sir Baron Jayathilake Mawatha,
Colombo 01.

Hatton National Bank
HNB Towers,
479, T.B. Jayah Mawatha,
Colombo 10.

Standard Chartered Bank
37, York Street,
Colombo 01.

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Tel : +94 11 2307168 | Fax: +94 11 2307169