



Built to *Endure*

Rocell has long served as an entity founded on principles of innovation and creativity, augmented by a farsighted vision to achieve enduring, timeless value that echoes across generations.

During the year, we continued to invest in our longstanding quest for expansion and growth - strengthened by revolutionary strategies and strong frameworks designed to safeguard the people and maintain our collective strength and resilience for the foreseeable future.

Our purpose-driven ethos ideally positions us to safeguard our stakeholders amid changing times, while remaining unwavering and steadfast through every eventuality.

Here at Rocell, we're reinforcing our legacy of excellence.

We're built to endure.



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The Group boasts the two top tile brands, Rocell and LANKATILES, and has over 40 years of experience in producing tiles of the finest quality that meet global standards of quality management. The Group's sanitaryware sector is the country's leading sanitaryware maker and also a world leader in supplying bathware to cabin cruisers, having made remarkable progress in this niche in previous years.

S H Amarasekera
Chairman



We maintained focus on product innovation, leveraging our relationships with reputed Spanish and Italian designers for tiles and bathware. These have been capitalised as intangibles and will be rolled out in the year ahead.

Aravinda Perera
Managing Director

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ABOUT THE REPORT

This report marks the eighth Integrated Annual Report of Royal Ceramics Lanka PLC, presenting a thorough and well-rounded overview of our performance for the financial year concluding on March 31, 2024. This report demonstrates how the Group delivered value to our stakeholders by navigating yet another year of political, economic, and social challenges.



GUIDING FRAMEWORKS AND PRINCIPLES



Financial Reporting

- Companies Act No.7 of 2007 and amendments there to
- Listing Rules of the Colombo Stock Exchange
- Sri Lanka Accounting & Auditing Standards Act no.15 of 2015
- Sri Lanka Financial Reporting Standards



Integrated Reporting

- International <IR> Framework



Sustainability Reporting

- Global Reporting Initiative Sustainability Reporting Standards
- Sustainable Development Goals (SDGs) of United Nations
- Sustainability Accounting Standards for,
 - Construction material
 - Containers and packaging
 - Iron and steel producers
- IFRS Sustainability Reporting Standards

We are currently assessing the criteria of both standards, aiming for a comprehensive alignment to adhere to them in its reporting by 2025. It's important to highlight that the report is compliant with SASB which is integrated into the IFRS Sustainability Standards.



Corporate Governance

- Code of Best Practices on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka
- Listing Rules of the Colombo Stock Exchange

SCOPE AND BOUNDARY

The report, following the most recent report for the year ended 31st March 2023, is comprised of both financial and non-financial information essential for evaluating the performance of Royal Ceramics Lanka PLC (the parent) and twenty-five legal entities spanning six sectors, collectively referred to as "the Group," for the financial year concluding on March 31, 2024. This includes comparative data where relevant. The reporting boundaries for both financial and non-financial aspects maintain consistency throughout the entire Group.

SIGNIFICANT CHANGES AND RESTATEMENTS

There were no significant changes requiring restatements of financial or sustainability information during the reporting period.

ASSURANCE

Assurance on financial statements and compliance with the Integrated Reporting Framework requirements have been provided by Messrs Ernst & Young, Chartered Accountants and their report is set out on pages 139.

FORWARD LOOKING STATEMENTS

The report contains forward-looking statements that rely on our current perceptions, opinions, and views of both external and internal information. These statements are included to assess the Group's potential to create value in the future. It's important to note that these statements are associated with a relatively high level of uncertainty, as they pertain to future events, outcomes, and impacts beyond our control, which can only be confirmed with the benefit of hindsight. These uncertainties have a significant impact on our ability to create value. We would like to advise users about the heightened levels of uncertainty in forward-looking statements, given the fluidity of the markets and the extreme volatility of key economic indicators. Users are encouraged to form their own judgments using the latest information available at the time of assessment. It's important to note that all forward-looking statements are provided without recourse or any liability whatsoever to the Board or other preparers of the Annual Report, considering the uncertainties mentioned above.

FEEDBACK AND INQUIRIES

We appreciate your feedback and are committed to enhancing the quality of our report. Please feel free to contact the following for any inquiries

Mr. Haresh Somashantha
 Director Finance
 No. 20, R A De Mel Mawatha,
 Colombo 3
 Email: haresh@rcl.lk
 Website: www.roccl.lk

REPORTING PRINCIPLES

Strategic focus and future orientation

The objective of this report is to offer a transparent insight into how we implement our strategy to generate value in the short, medium, and long term.

Connectivity of information

This report presents a comprehensive overview of the interconnections, dependencies, and relationships among the factors influencing our value creation process.

Stakeholder relationships

This report provides insight into the nature and quality of our relationships with the key stakeholders.

Materiality

This report includes a list of material factors that impact the sustainable value creation process, along with an explanation of the method used to determine materiality.

Consistency and comparability

Performance of the current year is provided along with the performance of the previous year and industry benchmarks where relevant and applicable.

Conciseness

The inclusion of both text and visual illustrations in this report aims to improve readability and comprehension.

Reliability and completeness

The information provided has been verified by the Board of Directors, Audit Committee, Other Board Sub-Committees and Group Management Committee as applicable.

THE STATEMENT OF RESPONSIBILITY

The Annual Report has been prepared by the Senior Management of the Group on behalf of the Board of Directors. Senior Management has used internal and external resources in compiling this report to enhance presentation and readability of the report.

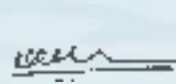
The Annual Report of the Board of Director includes an acknowledgement of the Directors' responsibility with regard to the Annual Report. The Board of Directors acknowledge their responsibility to ensure the integrity of the Integrated Report and are of the opinion that Integrated Annual Report of Royal Ceramics Lanka PLC for the financial year ended 31st March 2024 is presented in accordance with the <IR> Framework 2021.



Harsha Amarasekera
Chairman



L N de S Wijeyeratne
Audit Committee Chairman



Aravinda Perera
Managing Director

NAVIGATING OUR REPORT

The Capitals



Financial Capital



Manufactured Capital



Social and Relationship Capital



Intellectual Capital



Natural Capital



Human Capital

Stakeholders



Investor



Customers



Employees



Suppliers



Communities



Regulator



Business Growth



Operational Excellence



Financial Stability



A Sustainable Mindset



Competent and Inspired Team

Strategy

ABOUT ROYAL CERAMICS LANKA PLC

Established in 1991, Royal Ceramics Lanka PLC (Rocell) embarked on a journey with the vision of becoming the market leader in tile manufacturing. The company's evolution began with the founding of Royal Porcelain (Pvt) Limited in 2002, which later merged with Rocell. In 2009, Rocell ventured into sanitaryware manufacturing with establishment of Rocell Bathware Ltd. The acquisition of the Lanka Walltiles PLC Group in 2013 further solidified the company's market position.

The Rocell brand, along with Lanka Tiles and Lanka Walltiles, has emerged as the undisputed leader in the local tile manufacturing industry, distinguished by innovation and unique designs, colours, and textures that enhance the aesthetic appeal of surfaces. Over time, Rocell has transformed into a conglomerate in the construction industry with a predominant presence in five sectors: tiles, bathware, aluminium, packaging, and mining.

In addition to its core sectors, Rocell extends its influence into finance and services through its associates, LB Finance PLC and Delmege Ltd.



Eternal Elegance

Tiles and Associated Products



Market leader in Sri Lanka with state-of-the-art manufacturing facilities



Sanitaryware



Market leader in Sri Lanka and a manufacturer for world renowned brands



Aluminium



Produces top quality aluminium extrusions, profiles and value added aluminium products



ALUMINIUM
FOR THE PERFECT FINISH

ALLURA
INSPIRED BY DESIGN



Packaging



Supplier of packaging material to leading domestic and export-oriented industries



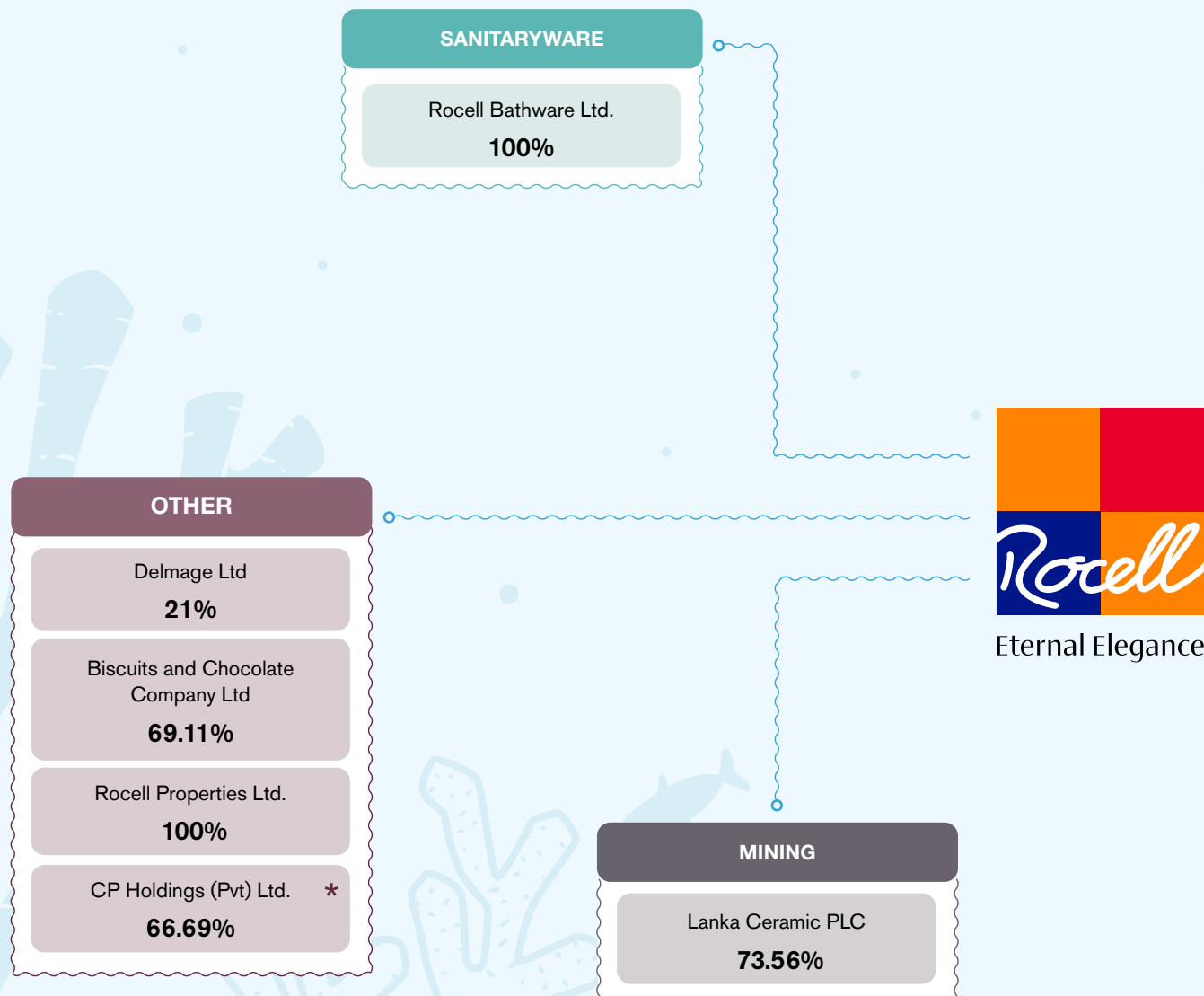
Mining



Supplier of quality feldspar and kaolin for ceramic industry in Sri Lanka

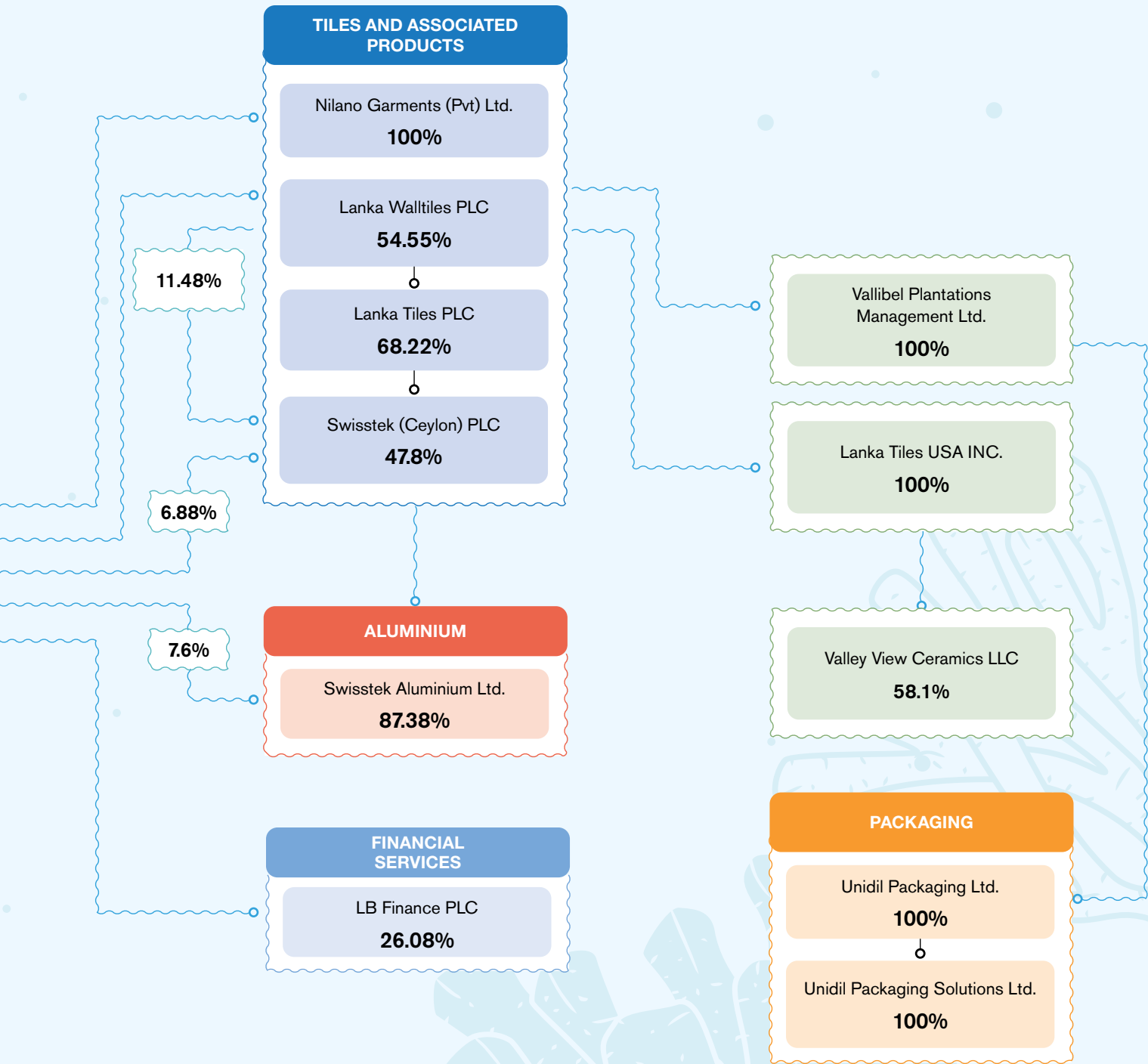


GROUP STRUCTURE

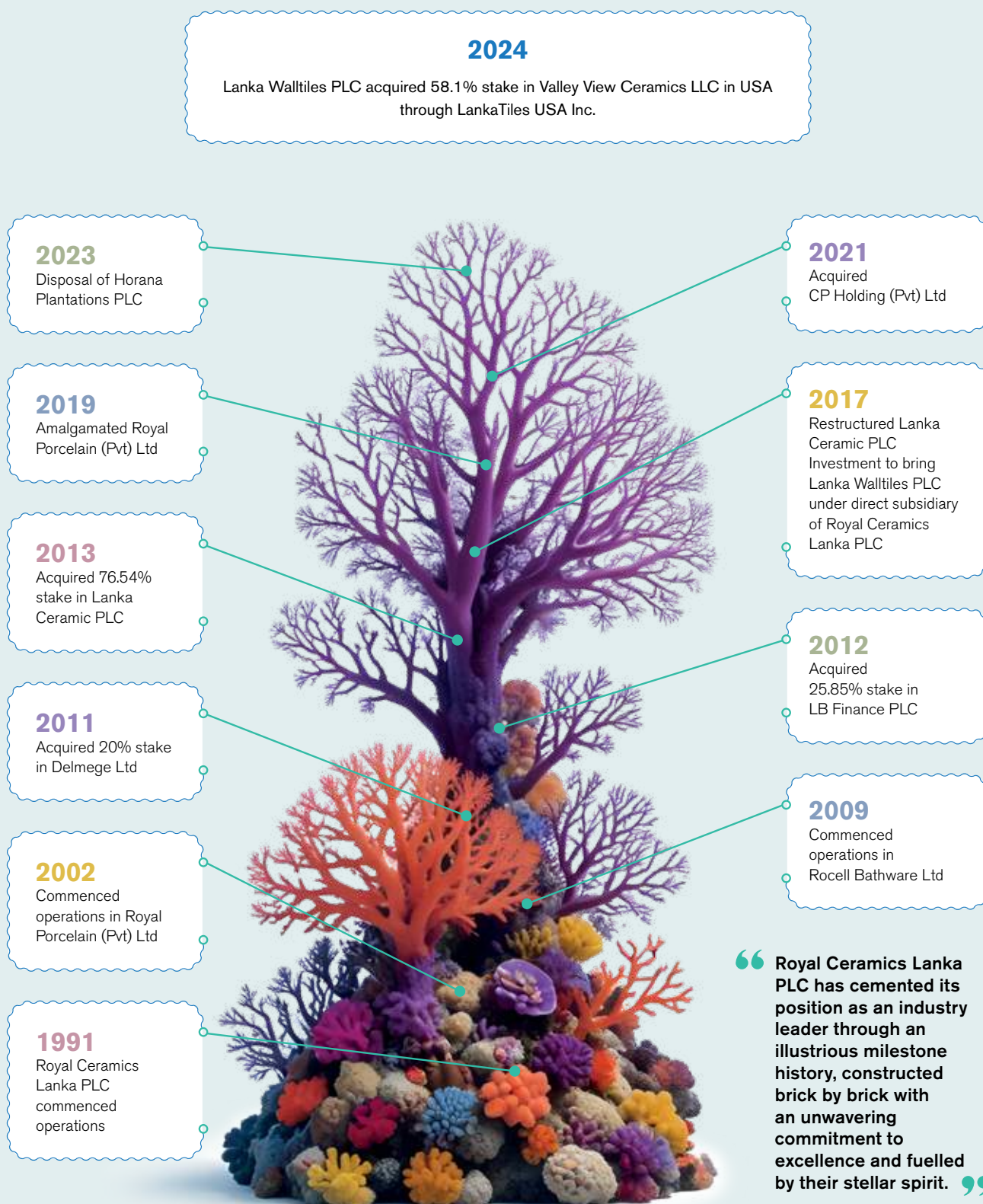


* Effective holding

Note : Above Group structure includes only the companies which have significant operations.



OUR MILESTONES



OUR COMMITMENT TO SUSTAINABLE DEVELOPMENT GOALS

The industry is faced with unprecedented uncertainties and challenges due to the economic downturn, resulting in a lacklustre performance in the construction sector. Additionally, factors such as social and economic inequalities, the impacts of climate change, and technological advancements have heightened the focus from consumers, suppliers, investors, and other stakeholders on entities demonstrating a commitment to sustainability. At Rocell, we have integrated sustainability into our business strategy, acknowledging it not only as a responsible and ethical choice but also as a strategic imperative for long-term success in a dynamic business environment. The following outlines our initiatives aimed at fostering a fair society and a more sustainable environment, aligning with the United Nations Sustainable Development Goals (SDGs).



- 4,726 direct employment opportunities
- Rs. 7,124 Mn paid as employee remuneration
- Rs. 43,785 Mn paid to local suppliers
- Rs. 13,428 Mn paid as taxes
- Donation of dry ration for needy families in the factory areas



- Safety committee at all manufacturing facilities
- Ongoing training in health and safety practices
- Regular monitoring of physical and mental health of employees
- Encouraging employees to maintain a healthy work-life balance
- Staff medical cost reimbursements/medical insurance coverages

- Continuous training and development opportunities covering 35,495 hours
- Financial assistance for educational qualifications
- Provision of school books and other necessities for the children of workers annually
- Provision of gifts to the children of employees who excelled in Grade 5 scholarship exam/OL/AL.
- Inhouse learning management system to improve knowledge of all categories of staff



- 12% female representation of workforce
- No gender pay gap
- Zero tolerance policy for any form of discrimination



- Nearly 100% of water used in our operations is recycled and reused in the production process after treatment



- Rs. 279 Mn invested in renewable energy projects
- 2,814 Kg of energy consumed is sourced from Biomass
- Implementation of various energy saving initiatives in all our premises

- 4,726 direct job opportunities
- 937 new recruitments across the Group
- Attractive, competitive and fair remuneration to all
- Compliant with all relevant labour laws



- Rs. 7,443 Mn invested in upgrading our manufacturing facilities
- 163 new products introduced
- Rs. 132 Mn spent on research and development



- Zero tolerance policy for any form of discrimination
- Fair and transparent recruitment policy in place
- No gender pay gap
- Fair and competitive remuneration



- Creating indirect job opportunities
- Rs. 37 Mn spent on CSR initiatives



- Strategic partnerships for business growth
- Rs. 559 Mn paid to dealers
- Industry collaborations

- Sustainable business practices to enhance productivity
- Innovation in product development and manufacturing processes
- Investing in research and development
- Obtaining third party expertise when necessary



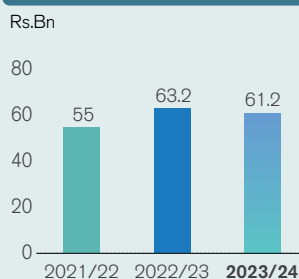
PERFORMANCE HIGHLIGHTS

Financial Highlights

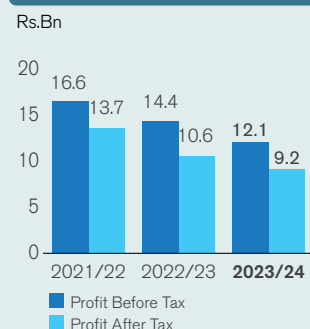
Performance

	Unit	2023/24	2022/23	%
Revenue	Rs. Bn	61.2	63.2	-3
Operating Expenses	Rs. Bn	12.5	11.5	8
Operating Profit	Rs. Bn	14.2	16.9	-16
Profit Before Tax	Rs. Bn	12.1	14.4	-16
Profit After Tax	Rs. Bn	9.2	10.6	-13
Gross Profit Margin	%	38.4	40.4	-2.0
Operating Profit Margin	%	23.3	26.7	-3.4

Revenue



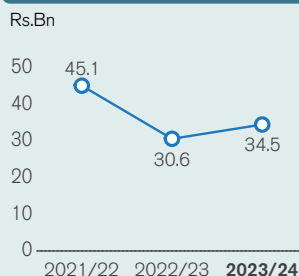
Profit



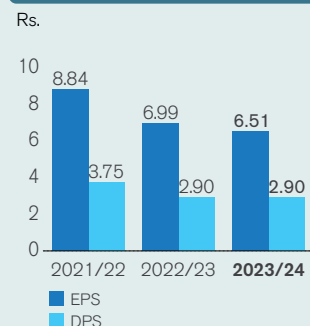
Return to shareholders

	Unit	2023/24	2022/23	%
Earnings Per Share	Rs.	6.51	6.99	-7
Dividend Per Share	Rs.	2.90	2.9	-
Dividend Yield	%	9.32	10.5	1.2
Return on Equity	%	15.4	19.8	4.5
Price to Book value	Times	0.77	0.77	-
Market Capitalisation	Rs. Bn	34.5	30.6	13
Market Value per Share	Rs.	31.10	27.60	13

Market Capitalisation



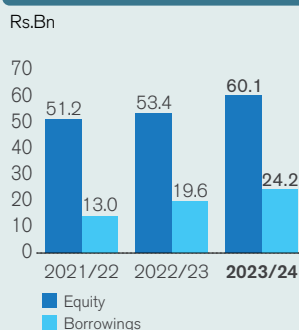
EPS & DPS



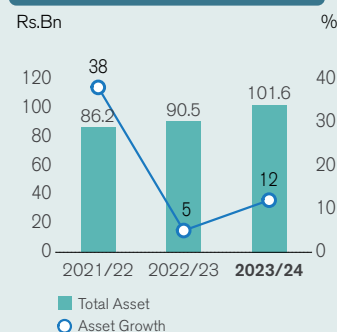
Growth and Stability

	Unit	2023/24	2022/23	%
Total Assets	Rs. Bn	101.6	90.6	12
Shareholder Funds	Rs. Bn	60.1	53.4	13
Total Debt	Rs. Bn	24.2	19.6	24
Inventory	Rs. Bn	28.7	25.1	14
Net Asset per Share	Rs.	40.4	35.7	13
Gearing Ratio	%	28.7	26.8	-1.9
Current Ratio	Times	1.67	1.4	19
Quick Assets Ratio	Times	0.48	0.51	-5

Funding



Assets



ESG Highlights

Environmental

Innovate and Reduce

- Overall energy saving of **5%**
- Usage of renewable energy sources
- Solar Power energy generation
- **6,549 MT** of Material recycled
- Heat recovery system

Social

Commit and Impact

- Rs. **7,124 Mn** Paid as employee remuneration
- **12%** Female representation in workforce
- CSR spent of Rs. **37 Mn**
- **937** Recruitments

Governance

Trust

- Maintaining Board diversity in skills, age and gender
- Zero fines paid
- Timely submissions of all regulatory returns
- Sustainability oversight elevated to Board level



AWARDS AND RECOGNITION



- 1 **Green Building Council of Sri Lanka 2023-2026**
Green Labelled Product - Rocell Bathware Limited
- 2 **Sri Lanka National Quality Award 2022**
National Level - Merit award – Large category-
Manufacturing sector - Horana Factory
- 3 **CNCI Achiever Awards 2023**
Merit Award National-Extra Large Category
Manufacturing Sector - Rocell Bathware Limited
- 4 **National Construction Awards 2023**
Most Attractive Stall - Swissteck Aluminium Ltd

- 5 **CNCI Achiever Award**
Top 10 Award 2023 - Eheliyagoda Factory
- 6 **CNCI Achiever Awards 2023**
National Level – Silver Award- Extra Large category –
manufacturing sector - Horana Factory
- 7 **National Project Management Excellence Award**
2023 Runners Up – Best Managed Project with Green
Outcome - Swissteck Aluminium Ltd
- 8 **CPM – Best Management Practices – Company**
Awards 2024 – Merit Award - Swissteck Aluminium Ltd

**9 CIOB Green Awards 2023**

Gold Award - Swissteck Aluminium Ltd

10 CPM – Best Management Practices

Company Awards 2024 – Merit Award - Unidil Packaging Ltd

11 CMA Excellence in Integrated Reporting Awards 2023

Next 10 Best Integrated Reports - Royal Ceramics Lanka PLC

12 CNCI Achiever Award - Provincial

Level Gold 2023 - Eheliyagoda Factory

13 CNCI Achiever Award

National Level Silver Award 2023 - Eheliyagoda Factory

14 TAGS Awards 2023 of CA Sri Lanka

Gold Award in Manufacturing Sector Turnover above Rs. 10Bn - Royal Ceramics Lanka PLC

16 National Industry Excellence Awards 2023

Gold Winner - Industry Excellence in Medium & Large Category in Granite, Tile, Pottery, Ceramics and Building Related Industries - Eheliyagoda Factory

16 Sri Lanka National Quality Awards 2022

Merit Award - Eheliyagoda Factory

CHAIRMAN'S MESSAGE



The Group boasts the two top tile brands, Rocell and LANKATILES, and has over 40 years of experience in producing tiles of the finest quality that meet global standards of quality management. The Group's sanitaryware sector is the country's leading sanitaryware maker and also a world leader in supplying bathware to cabin cruisers, having made remarkable progress in this niche in previous years. ●●

S H Amarasekera
Chairman



Dear Shareholders,

I am pleased to report that Royal Ceramics Lanka PLC Group delivered another year of solid earnings recording a Profit After Tax of Rs. 9.23 Bn for the year ending 31st March 2024 despite the low activity in the construction sector. Tiles, Packaging and the Finance sectors contributed positively to the bottom line cushioning the losses of the Bathware and Aluminium sectors. The Group invested Rs. 7.8 Bn in capital expenditure of which Rs. 7.2 Bn was to enhance our capacity in the Tiles sector, reflecting our confidence in growth opportunities for the Rocell Group. Rocell and Lanka Tiles continued to maintain their leadership in the market for tiles with an innovative product portfolio designed for inspiring spaces.

A GROWTH INDUSTRY

Royal Ceramics plays a dual role as the manufacturer of tiles and as the parent company of a Group with a broad presence across construction sector value chains. A 26.08% stake in LB Finance supports sustainable earnings with a steady dividend flow from the financial services sector.

Globally, the construction sector is expected to record healthy growth driven by strong demand for housing due to increased urbanisation. The global ceramic tile market is expected to move in tandem, driven by the increasing demand for aesthetic appeal combined with functionality for flooring and walls. The sector has embraced Sustainability as a priority, focusing on sustainable design, building materials and building practices to reduce emissions and ensure ethical sourcing across the entire value chain. Material price volatility is a key challenge for the sector as well as environmental concerns along the supply chain. Technology and AI present significant opportunities to engage potential customers and enhance insights into performance and trends.

In Sri Lanka, the construction industry is a key driver of the economy accounting for around 6% of the country's GDP. The demand for housing is expected to increase with the decline in interest rates making housing loans more affordable. The Condominium Property Sales Volume Index

increased by 81.2% in Q4 of 2023, reflecting the uptick in launch of projects by large developers, which is indicative of the demand for tiles.

MARKET LEADERSHIP

The Group boasts the two top tile brands, Rocell and LANKATILES, and has over 40 years of experience in producing tiles of the finest quality that meet global standards of quality management. The Group's sanitaryware sector is the country's leading sanitaryware maker and also a world leader in supplying bathware to cabin cruisers, having made remarkable progress in this niche in previous years. Despite facing challenges due to increased interest cost and exchange loss, the Aluminium sector has a trusted brand Swisstek that offers a growing range of products from hardware items to more value added solutions for the construction industry. The Group added the world renowned Hansgrohe and AXOR brands for taps and accessories in Sri Lanka. These products complement our bathware and sanitaryware range, enhancing our

customer value proposition. Expansion projects for tiles and bathware are expected to consolidate the market leadership further in line with the Group's long term vision.

ABATING UNCERTAINTY & VOLATILITY

2023/24 is best explained as a year of two halves. We commenced the year with high inflation, high interest rates, a devaluing currency and pressure on foreign exchange liquidity in addition notwithstanding the import restrictions in place and uncertainty related to the domestic debt optimisation and foreign debt restructuring. By the close of the first quarter, the second tranche of the IMF extended fund facility, improved migrant worker remittances and a resurgence in tourism supported foreign exchange liquidity. This led to a gradual easing of import restrictions from June 2023 to October 2023 for almost all categories including tiles with restrictions in force only for motor vehicles. Inflation was reined in from 40.52% at the beginning of the year to single digits by July 2023. Interest rates also decreased with AWPR decreasing by 673 basis points. Overall, costs remained at significantly elevated levels, exerting pressure on household budgets. During this period, there was high demand for tiles and sanitaryware as there were no imports in the market and Rocell also had orders that needed to be fulfilled.

The second half of the year saw prices that were relatively stable and economic growth as Q4 2023 recorded strong GDP growth of 4.5%. Lending rates decreased by over 1000 basis points during the year. However, VAT rates increased from 15% to 18% in January 2024 creating significant interest in purchasing requirements prior to the increase. Consequently, December 2023 recorded strong sales in tiles and consumer durables. The rest of the second half, demand dulled as cheap imports flooded the market, resulting in slower movement of inventory.

PERFORMANCE

Group revenue for the year under review was Rs.61.19 Bn, 3.2% below the previous year as increased pressure on disposable income combined with the flood of cheap imports to exert pressure on sales in the second half of the year. Expenses increased due to higher cost levels with the exception being Finance Cost which declined as interest rates declined sharply although borrowings increased. The share of profits from LB Finance increased by 16.8% supported by a strong performance. Accordingly, Rocell Group recorded Profit before tax and Profit After tax of Rs. 12.1 Bn and Rs. 9.23 Bn respectively, 16% and 13% below the previous year.

CORPORATE GOVERNANCE & ESG

The Colombo Stock Exchange issued Rule No. 9 on Corporate Governance during the year, and we have commenced implementing the changes in line with the dates specified therein. Rocell is compliant with the changes required to be effected by 1st April 2024 as at the reporting date. The Board also noted the issue of the new Code of Best Practice on Corporate Governance by the Institute of Chartered Accountants and seeks to comply with the same as set out in the Corporate Governance report.

The Board also noted the issue of SLFRS on Sustainability titled SLFRS which set out the framework for sustainability reporting in Sri Lanka which become effective for reporting periods commencing after 1st January 2025. Rocell will align itself to meeting with the requirements during the year in readiness for reporting in 2025/26. I am pleased to note that Rocell were adjudged a Gold winner at the TAGS Awards for excellence in corporate reporting organised by the Institute of Chartered Accountants of Sri Lanka, affirming our commitment to ESG reporting.

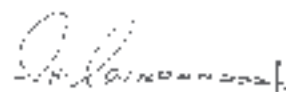
FUTURE OUTLOOK

Sri Lanka is on the path to recovery with two quarters of positive GDP growth and growth forecasts for 2024 by the World Bank indicate positive growth between 2.2%. With relatively stable inflation, interest rates and currency, Sri Lanka needs to now consolidate its growth. The foreign debt restructuring is yet to be finalised although progress has been made in other areas. The uptick in housing development and the shift from Colombo to other provinces is positive.

Rocell has invested in expanding the tiles and bathware sectors and is focused on growth both in our domestic market as well as exports. Working capital management and cost management are key to delivering profitable and sustainable growth and institutionalising sustainability reporting within the Group is key to achieving this outcome. The Board remains vigilant, monitoring performance and risks to identify early warning signs and initiate remedial action.

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to express my gratitude to the team at Rocell and its subsidiaries for their admirable performance during the year. I also acknowledge the leadership of the Managing Directors' who guided their teams through countless challenges during the year. I thank all our customers and business suppliers who were also essential in helping us operate. I appreciate the input of the Board members who used their expertise and skills to steer through a turbulent year. Finally, I thank our shareholders for the continued trust placed in our company.



S H Amarasekera
Chairman

MANAGING DIRECTOR'S MESSAGE



We maintained focus on product innovation, leveraging our relationships with reputed Spanish and Italian designers for tiles and bathware. These have been capitalised as intangibles and will be rolled out in the year ahead.

Aravinda Perera
Managing Director



Dear Stakeholders,

The progress made in stabilising the economy and moving to a growth trajectory is encouraging although pressure points remain. The Royal Ceramics Group recorded a resilient performance recording post tax earnings of Rs. 9.23 Bn supported by its market leadership and reputation for manufacturing products of a high standard with a modern design aesthetic.

CONTEXT TO PERFORMANCE

The year under review was one of easing pressure in the economy, continuing the implementation of monetary and fiscal policy measures commenced in the previous year. As set out by the Chairman, the first half of the year saw the stabilisation of inflation, interest and exchange rates and a gradual easing of foreign exchange liquidity, restrictions on remittances and imports. The second half was about focusing on growth while maintaining the newfound and potentially fragile balance.

Import restrictions on tiles were lifted in September 2023. Since then there had been influx of imports of tiles for the last five

months of the year higher than ever in the history of the country for the relevant period. Absence of anti-dumping levies have resulted China & India dumping tiles below the normal selling price, hurting domestic producers.

The Construction sector contracted by 20.8% in 2023, reflecting low levels of activity during the year. However, the Condominium Property Sales Volume Index which covers the Colombo district and other major cities, increased by 81.2% during Q4, 2023 compared to the previous quarter, due to launching of new projects by major developers. This trend will provide a much needed boost to the construction sector although the activity is largely driven through government funded projects.

HIGHLIGHTS 2023/24

We maintained focus on product innovation, leveraging our relationships with reputed Spanish and Italian designers for tiles and bathware. These have been capitalised as intangibles and will be rolled out in the year ahead.

The main thrust is to grow our own showrooms as we are happy with the strength of our distribution network. We need to upgrade our showrooms and plans are in place for work to commence on three of them. The Gampaha showroom will be moved to new and larger premises with a design hub to create interest in this key township. We also purchased one of our oldest showroom in Nawala and renovations on this will begin in the year ahead.

We added the globally reputed Hansgrohe range of products to our showrooms as its authorised representative in Sri Lanka, enhancing our relevance to customers. These high end products complement the elegance of our sanitaryware and bathware, with world class technology.

Warehouses are running at 94% capacity utilisation and it is imperative we deploy a warehouse management strategy to support our growth aspirations.

FOCUS ON RESILIENCE

Consolidated revenue declined marginally by 3.2% to Rs. 61.19 Bn as tile sector volumes decreased during the latter part of the year due to reasons discussed above. The Aluminium sector recorded encouraging volume growth of 53% as prices were reduced to align with world market prices. The Packaging sector revenue decreased by 14.5% despite a volume increase of 3% as market prices declined in line with the reduction in paper cost. Price realisation declined across all companies except for Rocell which realised 17% above the previous year in which the orders booked prior to floating of the exchange rate were invoiced at lower prices agreed.

Borrowing costs decreased by 29% as interest rates declined sharply, offsetting the impact of increased borrowings from Rs.19.58 Bn to Rs.24.25 Bn. Finance income declined by 69% due to the declining interest rates and deposits from customers. Expenses were also curtailed to modest increases of 4% and 20% for Distribution and Administration respectively, in view of the high level of costs that prevailed. Administration cost increased was mainly due to social security levy introduced on revenue. The share of profit from the sole equity accounted investee, LB Finance increased by 17% to Rs. 2.7 Bn reflecting the strong performance of the company. Profit before tax was Rs.12 Bn, a decrease of 16% over the previous year due to the combined effect of a decline in revenue and increased costs. Taxation declined by 28% to Rs. 3.02 Bn. Accordingly, Rocell recorded Rs. 9.23 Bn as profit after tax which was a decline of 13%.

Equity and Total Assets increased by 12.6% and 12.2% to Rs. 60.1 Bn and Rs.101.6 Bn respectively reflecting a strong financial position. We invested Rs. 7.4 Bn in expanding the manufacturing capacity in the Tiles sector at a cost of Rs. 7.3 Bn and Bathware sector of Rs. 55 Mn. All tiles sector factories operated at optimal capacity facilitating overhead absorption and managing the cost

per unit of production. As a result, inventories increased by 14% to Rs. 28.69 Bn. Borrowings increased by Rs. 4.66 Bn (24%) to Rs. 24.25 Bn to finance the expansion in capital expenditure. The Group remains liquid with a 1.67 current ratio and a conservative debt equity ratio of 40%.

SECTOR REVIEW 2023/24

The Group's fortunes are highly correlated to the construction sector and all sectors managed uncertainties to deliver a resilient performance for the year ended 31st March 2024.

Tiles Sector

The Tiles sector accounts for 71% of revenue and 73% of Profit after tax of the Group and is the largest sector. Three entities within the Group produce tiles of varying shapes, hues and sizes to create a comprehensive product portfolio that adds aesthetic to functionality. Strained disposable income and low construction activity combined with the lifting of import restrictions to dampen demand across all three entities resulting in a decrease of 7.5% in the top line with revenues of Rs. 43.3 Bn.

Gross margins were maintained at 45% despite lower realisation of prices due to production efficiencies gained at running plants at optimal capacity. We continued to expand the large format tile production unlocking efficiencies for the Group and the customer. Energy efficient technology and focus on Total Productive Maintenance combined to support significant cost savings. Finance costs increased by 18% as interest bearing liabilities increased and finance income declined due to declining interest rates. The sector recorded profit before tax of Rs. 9.2 Bn overcoming significant challenges, 22% below the previous year. Taxation decreased since last year had a deferred tax impact due to rates increased with effect from the second half of last year. Accordingly, Profit after tax from the Tiles sector was Rs. 6.6 Bn, 18% below that of the previous year.

Sanitaryware

Sanitaryware recorded positive top line growth of 10% despite reduced exports due to overstocking by customers in the previous year. Gross margins declined from 37% to 22% as we needed to discount products to move inventory as demand declined due to the contraction in the construction sector. Gross profit declined by 36% to Rs. 813 Mn as a result. Distribution costs exceeded the gross profit, increasing by 27% to Rs. 854 Mn. Administrative cost increased was curtailed to a mere 5% but Finance costs increased by 167% to Rs. 431 Mn as interest bearing liabilities increased during the year as supplier financing decreased with the normalisation of supply chains.

Packaging

The Unidil Packaging Group accounts for 12% of Group revenue and 8% of the Group's profit after tax in a year with considerable adjustments. Raw material costs declined sharply as supply chain disruptions normalised and the savings were passed onto customers as it was a difficult year for many businesses. Accordingly, the gross margins declined from 25% to 23%, resulting in a 20% decrease in gross profit which amounted to Rs.1.84 Bn. Costs were curtailed with distribution and administrative expenses declining marginally while Finance costs declining by 68% to Rs.217 Mn. Other income also declined by 67% to Rs.108 Mn. Consequently, profit before tax was declined by 16% to Rs.1.02 Bn. The effective tax rate increased due to the increase in tax rates in 2022/23 resulting Profit after tax recording a decrease of 23% to Rs. 713 Mn.

We continue to invest in our people and have switched to face to face methods as these are more effective. Training on both Technical skills and soft skills have been carried out for both head office and factory staff. Hansgrohe also conducted training for the showroom staff prior to the launch to ensure that they were sufficiently knowledgeable about the products.

Aluminium Products

The Aluminium sector recorded strong top line growth 38% to Rs. 7.26 Bn supported by volume growth which is commendable in a year that saw a double digit contraction in the construction industry. However, gross margins declined from 24% to 16% resulting in a decrease of 12% in gross profit. The sector witnessed expansion in both Administrative and Distribution cost corresponding to the increase in revenue. This was largely offset by the decline in finance costs by 52% to Rs.664 Mn. Consequently, the sector was able to significantly reduce the loss of Rs.1.07 Bn to Rs.337 Mn despite passing on the benefit of lower aluminium prices to customers.

Finance

The Group's associate company, LB Finance accounted for 28% of profit after tax contributing Rs. 2.53 Bn to the Rocell Group. The company recorded profit growth while also improving its credit quality and capital adequacy. The Company recorded healthy growth in credit portfolios as well as deposits, reflecting the trust and confidence of customers. A 50+ year old heritage, a leading position in the Non-Banking Financial sector and islandwide customer touchpoints support the sustainable growth and financial stability of this company.

VALUE TO SHAREHOLDERS

The Rocell Group has declared a dividend of Rs. 2.90 per share as shareholders benefited from an return on equity of 15.4% as the Group delivered a commendable performance in a difficult year. Equity increased by 13% to Rs. 60.1 Bn as profits were relatively flat.

The share price increased from Rs. 27.60 as at 31st March 2023 to Rs. 31.10 in March 2024. Market capitalisation of the Group increased by 12.7% to Rs. 34.5 Bn as at 31st March 2024 Net Assets increased from Rs. 53 Bn in 2023 to Rs. 60 Bn in 2024 reflecting the value of the Group.

ENVIRONMENTALLY AND SOCIALLY RESPONSIBLE

We continue to use sustainability principles in driving productivity of our resources, doing more with less. The 3Rs are a well understood concept throughout the organisation and are applied throughout our processes. This year we continued to further refine our processes using these same principles. Accordingly, we commenced waste heat recovery in Eheliyagoda and this was first done at Horana in which we were able to recover the cost within 12 months, reflecting the profitability of sustainable production, Solar panels have been installed on all factory roofs. We will also install these at our own warehouses. Water is recycled although the usage of water in the manufacturing process is not very high. All wastewater is treated before release to the environment in accordance with approved guidelines.

PEOPLE MATTERS

We continue to invest in our people and have switched to face to face methods as these are more effective. Training on both technical skills and soft skills have been carried out for both head office and factory staff. Hansgrohe also conducted training for the showroom staff prior to the launch to ensure that they were sufficiently knowledgeable about the products.

Most employees of the Group belong to trade unions and we work with representative of these unions in ensuring that we maintain cooperative relationships. There were no trade union actions that disrupted work patterns. We maintain close contacts with temples and other religious institutions in the vicinity of our operations and recruit from local communities. Importantly, a significant proportion of our CSR work is done in collaboration with the temples and schools in the area.

OUTLOOK

We are optimistic about the year ahead, based on growth forecasts. Developing exports is a key priority in the year ahead as the build up of inventory needs to be liquidated, shortening working capital cycles to reduce finance costs. We will also look at working with the hotel and healthcare sectors as major refurbishments have not been carried out on these and they are likely to be scheduled in the near future. Additionally, the lower interest rates are expected to drive growth in housing as repayments become affordable. However, the government is the key player in the construction sector and the recovery of the construction sector will depend significantly on the projects commenced by the government. We will also look at doing some manufacturing overseas in locations with more competitive energy costs.

ACKNOWLEDGEMENTS

I thank the CEOs of the Rocell Group for the leadership of their teams to overcome challenges and deliver the performance set out in this report. I am sincerely grateful for the dedication of the staff who have helped in various ways to produce the results outlined in this report. I thank the Chairman and the Board for their advice in navigating the year. Finally, I thank all our stakeholders, specially our customers who join us in our journey and hope for their ongoing support in the future.



Aravinda Perera

Managing Director

BOARD OF DIRECTORS



MR. HARSHA AMARASEKERA

Chairman

MR. ARAVINDA PERERA

Managing Director



MR. A M WEERASINGHE

Deputy Chairman

MR. THARANA THORADENIYA

Director Marketing and
Business Development



MR. R N ASIRWATHAM

Director

MR. G A R D PRASANNA

Director

MRS. NIRUJA THAMBIAYAH

Director



MR. L N DE S WIJEYERATNE
Director



MR. NIVRAN WEERAKOON
Director



MR. SANJEEWA RENUKA JAYAWEERA
Director



MR. JITENDRA R GUNARATNE
Director



MR. SAMEERA MADUSHANKA LIYANAGE
Director



MS. BRINDHIINI PERERA
Director

MR. SHIRAN HARSHA AMARASEKERA**Chairman**

Mr. Harsha Amarasekera, a renowned lawyer and an eminent legal practitioner in the Sri Lanka legal fraternity since 1987, is an independent non-executive Director and the Chairman of the Company.

Mr. Harsha Amarasekera, President's Counsel is a leading luminary in the legal profession in Sri Lanka having a wide practice in the Original Courts as well as in the Appellate Courts. His fields of expertise include Commercial Law, Business Law, Securities Law, Banking Law and Intellectual Property Law.

Mr. Amarasekera has extensive experience in the corporate sector being an independent Director and Chairman of several listed Companies in the Colombo Stock Exchange

Mr. Amarasekera serves as Non Independent Non-Executive Chairman of Sampath Bank PLC, and Independent Non-Executive Chairman of Vallibel One PLC, CIC Holdings PLC, Swisstek (Ceylon) PLC and Vallibel Power Erathna PLC. He is also the Independent Non-Executive Chairman of CIC Agri Businesses (Private) Limited, Swisstek Aluminium Limited and Unidil Group of Companies and is an Independent Non-Executive Director of Expolanka Holdings PLC, Non-Executive Director of Ambeon Capital PLC, Ceylon Hotel Holdings (Pvt) Ltd, EFL Global Logistics (Pte) Ltd, Galle Face Management Company (Pvt) Ltd, Link Natural Products (Pvt) Ltd, Millennium Airlines (Pvt) Ltd, Millennium Investments Lanka (Pvt) Ltd, Silver Aisle (Pvt) Ltd, The Hill Club Company Ltd and President of The Hill Club Nuwara Eliya, comprising directorships in eighteen other companies.

MR. MAHAWADUGE YASALAL ARAVINDA PERERA**Managing Director**

Mr. Aravinda Perera is the Managing Director of this Company. He counts over 40 years in the Banking sector and functioned as the Managing Director of Sampath Bank PLC from 1st January 2012, until his retirement in September 2016.

He is presently holding nine Directorships and the Chairman of Singer Finance Lanka PLC and Pan Asia Banking Corporation PLC. He is a Non Executive Director of Hayleys PLC, Hayleys Aventura Private Limited, Hayleys Advantis Limited, SNAPS Residencies Private Limited and Kosgulana Hydro Company Private Limited. He is also an Executive Director of Rocell Bathware Ltd. In addition to his Directorships, he Chairs the Audit Committees of Hayleys PLC, Hayleys Aventura Private Ltd, Hayleys Advantis Ltd and Fentons Ltd.

He was the former Chairman of Siyapatha Finance PLC and former Director of Sampath Centre Ltd., Colombo Stock Exchange and Lanka Bangla Finance Limited in Bangladesh.

He passed out from the University of Moratuwa in 1980 with an Honours Degree in Mechanical Engineering. He is a Member of the Institute of Engineers (Sri Lanka) (MIESL) and a Chartered Engineer (C.Eng.). He is also a Fellow Member of the Chartered Institute of Management Accountants (UK) (FCMA) and a Fellow of the Institute of Bankers- Sri Lanka (FIB). He also holds an MBA from the Post Graduate Institute of Management.

Mr. Perera was honoured with the "CEO Leadership Achievement Award 2016" by the Asian Banker magazine and was also the recipient of the prestigious "Platinum Honours – 2014" Award by the Postgraduate Institute of Management Alumni (PIMA) of Sri Jayawardenapura University. He was honoured with the "Award for the Outstanding Contribution to the Banking Industry – 2015" by the Association of Professional Bankers and was also awarded an Honorary Life Membership by the Association of Professional Bankers in October 2018

MR. AMARAKONE MUDIYANSELAGE WEERASINGHE**Deputy Chairman**

Founder of Royal Ceramics Lanka PLC in 1990 a Gem Merchant by profession. Mr. Weerasinghe has been in the business field for more than 37 years involved in Real Estate, Construction, Transportation & Hospital Industry, and a Landed Proprietor

He holds directorships in sixteen other companies viz; Executive Chairman Rocell Bathware Limited, Non-Executive Chairman of Ever Paint and Chemical Industries (Private) Limited, Lanka Ceramics PLC, Lanka Tiles PLC Lanka Walltiles PLC, Singhe Hospitals PLC, Tradehuts (Pvt) Ltd, Weerasinghe Gems (Pvt) Ltd, and Weerasinghe Property Development (Pvt) Ltd. He is also Non-Executive Director of Swisstek (Ceylon) PLC, Swisstek Aluminium Limited, Biscuit and Chocolate Company Ltd, Rocell Properties Limited, Royal Ceramics Distributors (Private) Ltd, CP Holding (Pvt) Ltd and LC Plantation Projects (Pvt) Ltd.

MR. THARANA GANGUL THORADENIYA**Director Marketing and Business Development**

Mr. Thoradeniya has over two decades of Senior Management experience across diverse industries. He is currently the Group Director of Marketing and Business Development at Royal Ceramics Lanka PLC, and holds directorial positions in several prominent companies, including public listed entities.

Recognised as a pioneer in business innovation, Mr. Thoradeniya's expertise spans various sectors. He is a Chartered Marketer certified by the Chartered Institute of Marketing (UK), distinguishing himself as a skilled professional in marketing strategies and practices

He holds directorships in thirteen other companies, viz an Executive Director of Rocell Bathware Limited and a Non-Executive Director of Lanka Ceramic PLC, Lanka Tiles PLC, Fentons Limited, Greener Water Ltd, Biscuits and Chocolate Company Ltd, Rocell Properties Ltd, Royal Ceramics Distributors (Pvt) Ltd, Swisstek Aluminium Limited, Vallibel Plantation Management Limited, Delmege Ltd, Greener Water (Pvt) Ltd, Unidil Packaging (Pvt) Ltd and Lanka Walltiles PLC.

**MR. RAJANAYAGAM NALLIAH
ASIRWATHAM****Director**

Mr. Asirwatham who is a renowned accounting professional, was a Senior Partner and Country Head of KPMG from 2001 to 2008. He was the Chairman of the Steering Committee for the Sustainable Tourism Project funded by the World Bank for the Ministry of Tourism and also a member of the Presidential Commission on Taxation, appointed by His Excellency the President.

Mr. Asirwatham, a fellow member of the Institute of Chartered Accountants of Sri Lanka made his mark in the corporate world by serving on the Boards of several Companies as an Independent Non-Executive Director of 10 other companies viz: Vallibel One PLC, Dilmah Ceylon Tea Company PLC, Aitken Spence PLC, Aitken Spence Hotel Holdings PLC, Three Acre Farms PLC, Ceylon Grain Elevators PLC, Browns Beach Hotels PLC, Renuka Hotels (Private) Limited, Mercantile Merchant Bank and Yaal Hotels (Private) Limited. He also serves on the Board of Post Graduate Institute of Medicine

Mr. Asirwatham also serves as a Member of the Board of Lakshman Kadirgamar Institute of Strategic Studies. He is the Chairman of the Related Party Transactions Committee of this Company.

The Institute of Certified Management Accountants have inducted Mr. Asirwatham to the Global Accounting Hall of Fame for his services rendered to the accounting profession in Sri Lanka.

**MR GODAWATTA ARCHCHIGE DIMUTH
RASIKA PRASANNA****Director**

Mr. G A R D Prasanna has been a Director of this Company since May 2009. He has wide experience in various businesses and also in business management. He is the Chairman of LB Finance PLC. He was the former Chairman of Pan Asia Banking Corporation PLC.

He holds directorships in sixteen other companies viz: Managing Director of Wise Property Solutions (Pvt) Ltd, Executive Director of Wise Homes (Pvt) Ltd and Grandmark (Pvt) Ltd, Non-Executive Chairman of L B Finance PLC, Multi Finance PLC and Non-Executive Director of Rocell Bathware Limited, Rocell Ceramics Distributors (Private) Limited, Rocell Properties Limited, Country Energy (Private) Limited, La Forteresse (Private) Limited, Delmege Forsyth & Co. (Shipping) Ltd, Lewis Shipping (Pvt) Ltd, Delmege Air Services (Pvt) Ltd, Delmege Aero Services (Private) Limited, Delmege Insurance Brokers (Pvt) Limited and Delmege Airline Services (Private) Limited.

**MRS. NIRUJA RAJESWARI
THAMBIAYAH****Director**

Mrs. Thambiayah was appointed to the Royal Ceramics Board on 1st October 2015. She holds a Bachelor of Arts with Honours in Industrial Economics from the University of Nottingham, UK and a Master in International Business from Monash University, Australia.

She is a Director of nine Companies. She is the Managing Director/Executive Director of Cargo Boat Development Company PLC. She is also an Executive Director of Renuka Hotels PLC, Renuka City Hotels PLC, Renuka Consultants & Services Ltd, Renuka Properties Ltd, Lancaster Holdings Ltd and Crescent Launderers and Dry Cleaners Private Limited. She is a non-Executive Director of Amalgamated Theatres Private Limited and Portfolio Management Services Private Limited.

**MR. LALIT NIHAL DE SILVA
WIJEYERATNE****Director**

Mr. Wijeyeratne is a Fellow of the Institute of Chartered Accountants in Sri Lanka and counts over 35 years of experience in Finance and General Management both in Sri Lanka and overseas.

He is currently an Independent Non-Executive Director of several Listed Companies. He was a former Group Finance Director of Richard Pieris PLC and also held Senior Management positions at Aitken Spence & Company, Brooke Bonds Ceylon Ltd and Zambia Consolidated Copper Mines Ltd. He was also a former Director of DFCC Bank PLC and LB Finance PLC.

He holds Directorships in five Companies as a Non-Executive Director of Aitken Spence Plantation Management PLC, The Fortress Resorts PLC, The Nuwara Eliya Hotels Company PLC, Craft Brands Private Limited and AI Brands (Pte) Limited.

Mr. Wijeyeratne was a past Member of the Corporate Governance and Quality Assurance Board of the Institute of Chartered Accountants of Sri Lanka as well as a past member of the Accounting Standards and Monitoring Board of Sri Lanka. He is presently the Chairman of the Audit Committee of the Company.

MR. NIVRAN JOSEPH WEERAKOON**Director**

Mr. Nivran Weerakoon brings to the Board a wealth of experience and an impressive track record of success in both the local and international business landscapes.

Mr. Weerakoon is a Fellow Member of the Chartered Institute of Management Accountants (CIMA) and holds a Master of Business Administration (MBA) from the University of West London. His leadership roles span across various industries, underlining his versatile and dynamic approach to business management and strategic development.

Currently, Mr. Weerakoon serves as a Director of 9 Companies. He is the Managing Director/Executive Director of Media Monkey (Pvt) Ltd., Executive Director of the Colombo Academy of Hospitality Management (Pvt) Ltd. (William Angliss Institute @ SLIIT), Group Director Acorn of Acorn Ventures (Pvt) Ltd. (Holding Company of Acorn Group), Director/CEO of Global Conversions FZ-LLC (UAE) and Managing Director of Metaphase Global FZC LLC (UAE). His governance experience is further evidenced by his roles on the Boards of Directors of several leading organisations in Sri Lanka, including Non Executive Director in Delmege Limited, Kasper Global Private Limited, Fly Lanka Asia (Private) Limited and Alpha Fire Services PLC, where he also chairs the Audit Committee.

Complementing his business achievements, Mr. Weerakoon contributes to the community through his involvement with Child Action Lanka, an NGO dedicated to uplifting underprivileged children, and his commitment to sustainable development is encompassed with his engagement as a Council Member of the Sustainable Development Council of Sri Lanka.

MR. SANJEEWA RENUKA JAYAWEEERA

Director

Mr. Jayaweera was appointed to the Board in 2021 and also serves as a member of the Audit Committee. He has a proven track record spanning over two decades in a senior management position of several John Keells Group of Companies listed on the Colombo Stock Exchange (CSE) possessing a well-established reputation for adhering to high ethical standards and integrity.

He has expertise in Financial Accounting, Management Accounting, Hotel Management, Manufacturing, Retail, Audit and Compliance. He has also been a member of the Group Operating Committee (GOC) of John Keells Holding PLC from July 2005 to June 2018.

He is currently a non Executive Director of four Companies viz Lanka Walltiles Plc, Lanka Tiles Plc and Delmage Ltd.

MR. JITENDRA ROMESH GUNARATNE

Director

Mr. Jitendra R Gunaratne had over 40 years career experience at John Keells Holdings (JKH) PLC, leading the teams in Consumer Foods, Plantations and Leisure sectors of the Group.

He was a former Member of the Food Advisory Council of the Ministry of Health, Sri Lanka (2016-2018), Founder Chairman of the Beverage Association of Sri Lanka (2012-2018), Member of the Council for Hotel & Tourism of the Employer's Federation of Ceylon (2018-2020) and held Directorships and served on several public listed and private Companies within the JKH Group.

He holds directorships in seven other companies viz. Chairman of Delmage Limited, Independent Non-Executive Director of CIC Holdings PLC and Lanka Tiles PLC CIC and The Fortress Resorts PLC, Deputy Chairman of Link Natural Products Private Limited and Non-Executive Director of CIC Feeds (Private) Limited and CIC Poultry Farms Limited.

MR. SAMEERA MADUSHANKA LIYANAGE

Director

Mr. Liyanage is a respected professional with over 10 years' experience and a record for exceptional performance. He has demonstrated transformational leadership in business transformation for the companies under the Vallibel One PLC Group. He is the Managing Director of Unidil Packaging Limited.

He has a degree in Bachelor of Science in Industrial Management and Statistics from the Wayamba University of Sri Lanka and Master of Business Administration from University of Kelaniya. He holds a Diploma in Information Technology from University of Colombo.

He currently serves as a Group Director - Continuous Improvement and Research at Vallibel One PLC, where he is responsible for business strategic planning, supply chain development, developing new business

and coordinating manufacturing excellence projects at the Vallibel Group of Companies.

He currently serves as a Director of six other Companies - Non-Executive Director of Lanka Walltiles PLC, Lanka Tiles PLC, Lanka Ceramics PLC, Swisstek Aluminium Limited, and Horana Plantation PLC. He is the Managing Director of Uni Dil Packaging Limited.

He was certified as a Lean Six Sigma Black Belt and has trained as a Lean Six Sigma Master Black Belt. He was also declared as a certified TPM practitioner and has a publication on the topic of Lean Six Sigma 4.0 at the OELSS conference in Colombo.

Mr. Liyanage is a Member of the Alumina Association of SSMI Asia and Global. He has participated in International Business and Management at MSU, Malaysia.

MS. KULAPPU ARACHCHIGE DONNA BRINDHIINI PERERA

Director

Ms. Brindhiini Perera has earned a Masters in Mechanical Engineering from Imperial College London. Her studies included comprehensive coverage of subjects such as Manufacturing Technology and Management, Entrepreneurship, Corporate Finance, Statistics, and Mathematics.

She holds directorships in fifteen other companies viz; Non-Executive Director of Haycarb PLC, Hayleys Fabric PLC, Dipped Products PLC, The Kingsbury PLC, Hayleys Leisure PLC, Singer (Sri Lanka) PLC, Royal Ceramics Lanka PLC, Lanka Tiles PLC, Lanka Walltiles PLC, The Fortress Resorts PLC, Delmege Limited, Otwo Biscuit (Private) Limited, The Canbury Biscuit Company Limited, Manatee Clothing Company (Pvt) Ltd and Dhammika & Priscilla Perera Foundation. She also serves on the Board of Eurocarb Products Ltd (UK).

THE CORPORATE MANAGEMENT



ARAVINDA PERERA

Managing Director



THARANA THORADENIYA

Director Marketing and
Business Development



HARESH SOMASHANTHA

Director Finance



NANDAJITH SOMARATNE

Director Manufacturing



KUMUDU KEERTHIRATHNA

DGM - Manufacturing
(Eheliyagoda Factory)



DHAMMIKA RANAWEERA

DGM - Manufacturing
(Horana Factory)



SIDATH RODRIGO

Senior Head of Sales



WASANTHA SARATHCHANDRA

Group Finance Controller



HARSHANA RANMUTHUGALA

Head of Human Resources

**THILANKA SAMPATH**

Head of Internal Audit and Risk

**NALIN FERNANDO**

Head of IT

**SUDEEPHTA SENEVIRATNE**

Head of Brands

**ROHAN MENDIS**

Senior Export Manager

**MOTHILAL NANAYAKKARA**

Head of Bathware Factory Complex

**RANDEER MENDIS**

Head of Supply Chain

**UPUL DISSANAYAKE**

Head of Logistics

**SHAMMIKA DE SILVA**

Head of Warehouse Operations

**PRIYANKARA FERNANDO**

Head of Security

STRATEGY



An Adaptive Strategy

We deploy diverse, adaptive strategies to build our strengths and capabilities to deliver long-term growth amid changing dynamics.

Comprising over 6,000 known species, each with their own unique patterns, structures, and strategies to ensure their long-term sustainability and growth. Together, these corals build vast reefs that rely on synergies and collective strength to support an ever-growing, vibrant community teeming with life.

STRATEGY AND RESOURCE ALLOCATION

We remained consistent but adapted our business strategy to achieve our strategic objectives and navigate the uncertainties in the operating environment. The Group continued its focus on export markets as the lacklustre performance of the local construction industry persisted. We focused on maintaining our profitability by enhancing efficiency through innovation and continued investments in technology while continuously implementing more sustainable business practices to ensure business continuity.



Business Growth

Focus on expansion of exports as local construction industry remains dull.



Financial Stability amidst uncertainties in the Operating Environment

Group maintained a strong balance sheet to navigate the uncertainties in the operating environment



Operational Excellence through
Innovation and Investments in
Technology

We strive to achieve
optimum level
of productivity
and retaining our
competitive position
through innovation
and technological
advancements



A Competent and Inspired Team

We offer a
comprehensive value
proposition to all
employees across
the Group



A Sustainable Mindset

We are conscious
of the impact of our
operations on the
environment and take
all possible measures
to minimise any
harmful impact.

	 Business Growth	 Operational Excellence
Resource Allocated	- Capital expenditure of Rs. 7,852 Mn - Capacity expansions at a cost of Rs. 7.4 Bn - Upgrade of three showrooms - Investment of Rs. 16 Mn to acquire foreign business	- Ongoing training for staff - Rs. 132 Mn spent on research and development
Tiles and associated products 	- Completion of capacity expansion project in Meepe and Horana plant 7% growth in export sales - Refurbishing and relocation of 03 showrooms	- Cost saving initiatives in all manufacturing facilities - Establishing "loss tree" in all production facilities to minimise losses and wastage - Enhancing efficiency through automation
Sanitaryware 	20 new products - Obtaining the partnership for world renowned brands "Hansgrohe & AXOR"	- Assistance from Italian design experts to improve yield and minimise wastage - Enhancing efficiency through automation 21 TPM cost saving projects
Aluminium 	38% growth in sales - Expanded Swisstek Superior range by adding new features - Introduction of new products targeting the export markets	- Improving the quality of billets manufactured in house to use as a substitute for billets sourced from overseas - Significant cost savings achieved through TPM
Packaging 	- Capex of Rs. 162 Mn - Introduction of self-locking corrugated boxes - Approached global markets in Maldives, Ethiopia and Kenya	- Work closely with existing customers on product development - Cost savings through efficiency improvements
Highlights	10% revenue growth in sanitaryware 38% revenue growth in aluminium 11% decline in export sales 06 new export destinations	Total TPM savings of Rs. 850 Mn



Financial Stability

- Retained earnings of Rs. 37.8 Bn
- Debt to equity ratio of 28.7%
- Asset base of Rs. 102 Bn



A Sustainable Mindset

- Rs. 279 Mn investment in renewable energy
- Waste heat recovery systems in manufacturing plants



Competent and Inspired Team

- Continuous training opportunities
- Comprehensive value proposition
- Rs. 7,124 Mn paid as employee remuneration
- Employee recognition programmes

- Gearing of 25%
- Assets base of Rs. 67 Bn
- Maintaining a current ratio of 1.62:1

- Installation of rooftop solar panels in most factories
- Installation of heat recovery systems

- Total employee remuneration of Rs. 5,540 Mn
- Special incentives provided during financial difficulties
- 27,881 Training hours

- Maintaining a current ratio of 1.43:1
- Assets base of Rs. 7.2 Bn

- Use of third party expertise to improve yield
- Installation of rooftop solar panels

- Total employee remuneration of Rs. 346 Mn
- 1,261 Training hours

- Maintaining a current ratio of 1.55:1
- Total assets base of Rs. 7.5 Bn

- Waste recovery system in place
- Green practices on recycling, reusing and reducing.

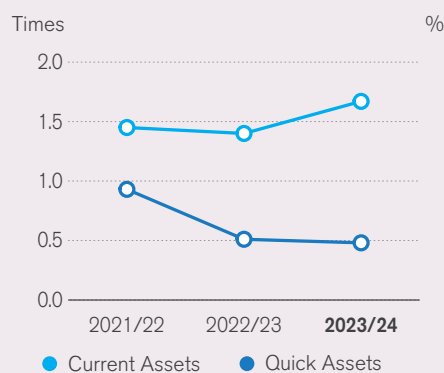
- Total employee remuneration of Rs. 694 Mn
- 4,468 Training hours

- Gearing of 30%
- Assets base of Rs. 5.3 Bn
- Maintaining a current ratio of 1.75 : 1

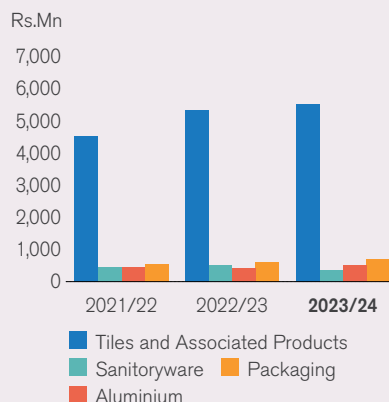
- Obtaining Carbon Footprint verification
- Providing eco-friendly packaging solutions

- Total employee remuneration of Rs. 507 Mn
- 1,885 Training hours

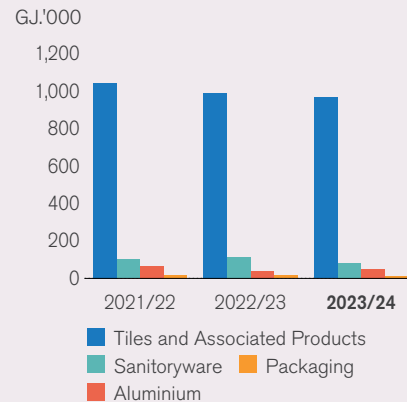
Current Assets & Quick asset Ratio



Employee Remuneration



Energy Consumption



INVESTMENT CASE

One of Sri Lanka's leading bathware manufacturer with a state-of-the-art production facility that produces superior quality bathware products

A leading bathware manufacturer

Rocell Bathware is a leading supplier for cruise ship builders.

A reputed supplier of bathware to cabin cruisers

Market Leader in Tiles

Rocell together with Lanka Walltiles and Lanka Tiles has the largest market share for both walltiles and floor tiles with market shares of 66% and 58% respectively.

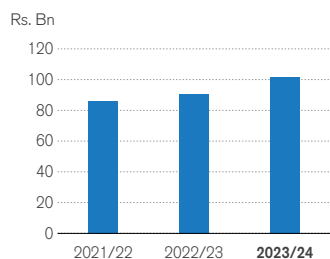
Strong Distribution network

The group has an extensive presence in the Island with

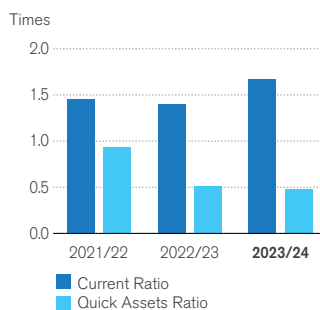
- 60 Own showrooms
- 66 Franchise showrooms
- 31 Factory outlets
- 5 Hybrid showrooms

A Strong Balance Sheet

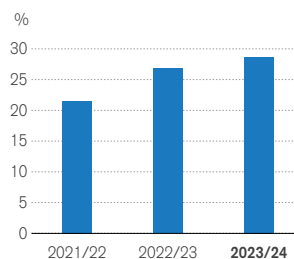
Asset Base



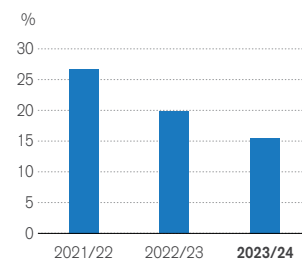
Current & Quick Asset Ratio



Gearing



Return on Equity



The Group incurs significant capital expenditure to maintain and upgrade our manufacturing plants that enable us to produce world class products

State-of-the-art manufacturing facilities



The Group has a strong presence in the construction sector interests in wall tiles and floor tiles, tile grout and accessories, bathware and bathware accessories and aluminium products

Group Synergies



International collaborations

Collaboration with Hansgrohe & AXOR, globally recognised German brand renowned for premium showers and bathroom accessories

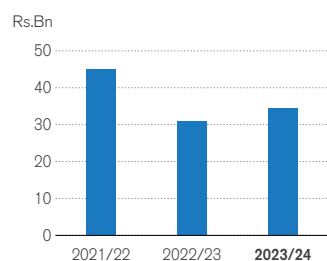
A global presence

At present we export to 14 overseas destinations including,

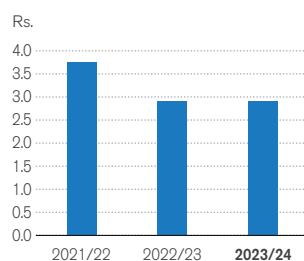
- USA
- Mexico
- China
- Mauritius
- India
- Seychelles
- Oman
- Puerto Rico
- Australia
- Hungary
- Ethiopia
- Maldives
- UK
- Kenya

Healthy Return on Investment

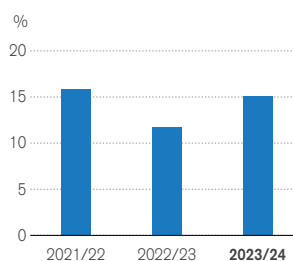
Market Capitalization



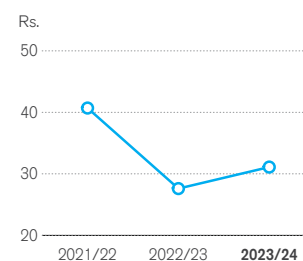
Dividend Per Share



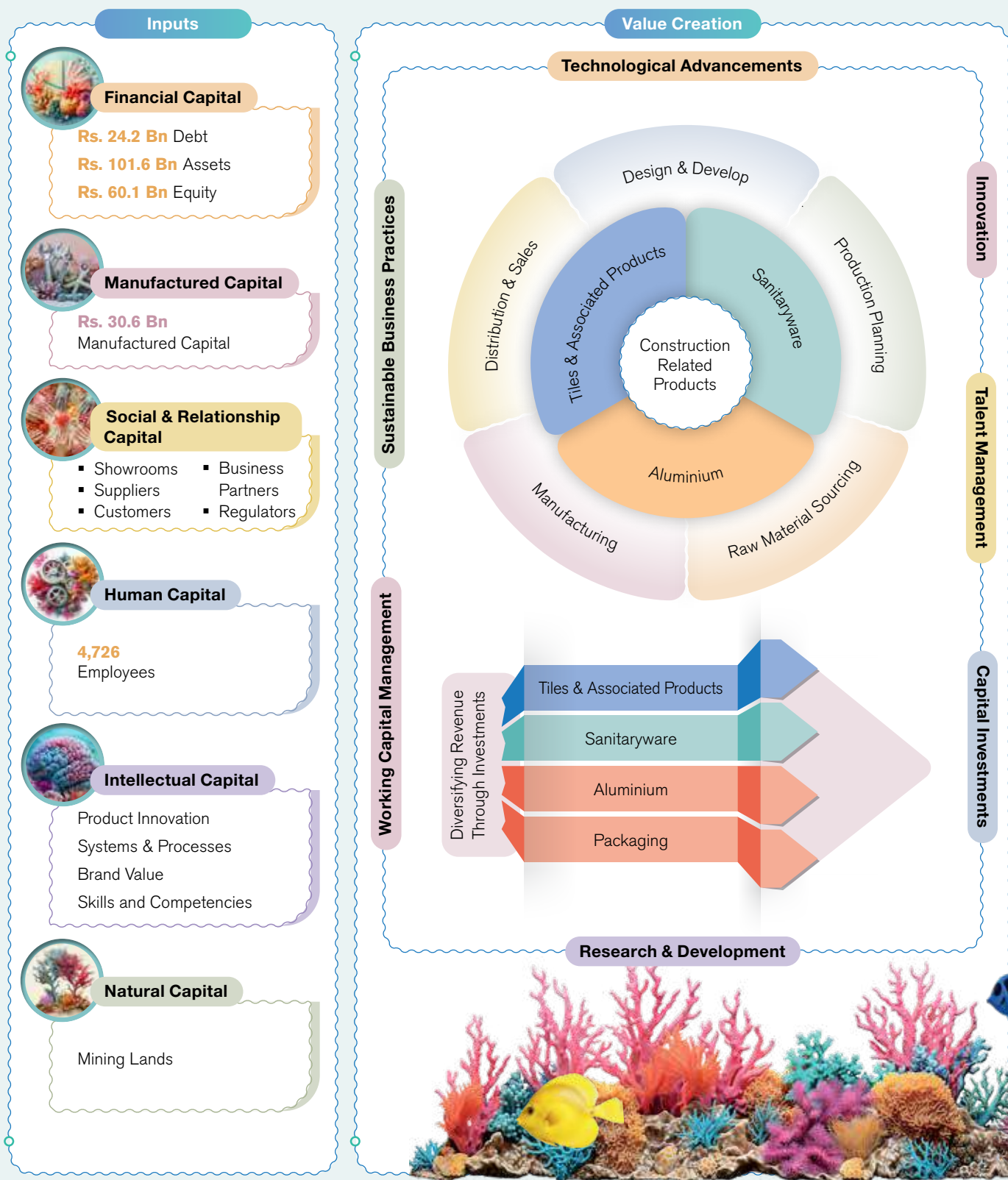
Return on Assets



Share Price Movement



OUR BUSINESS MODEL

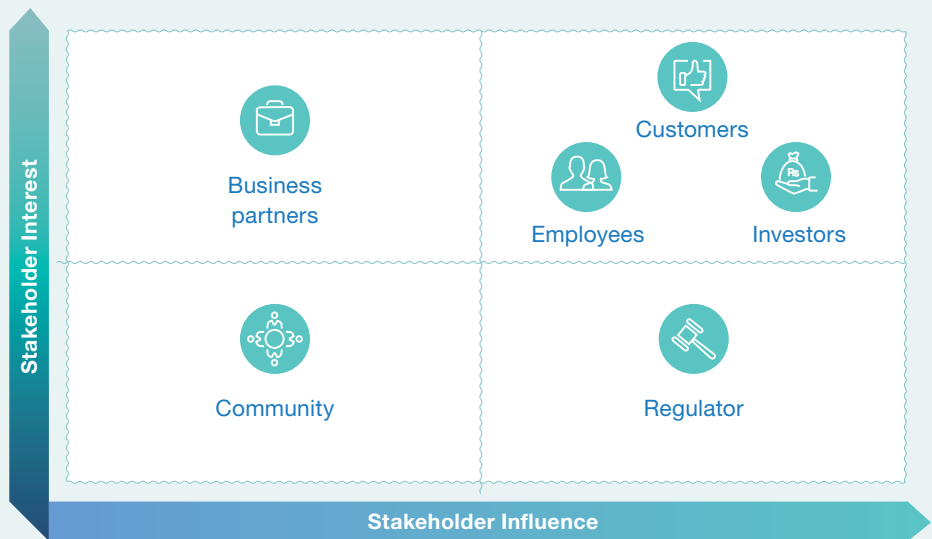
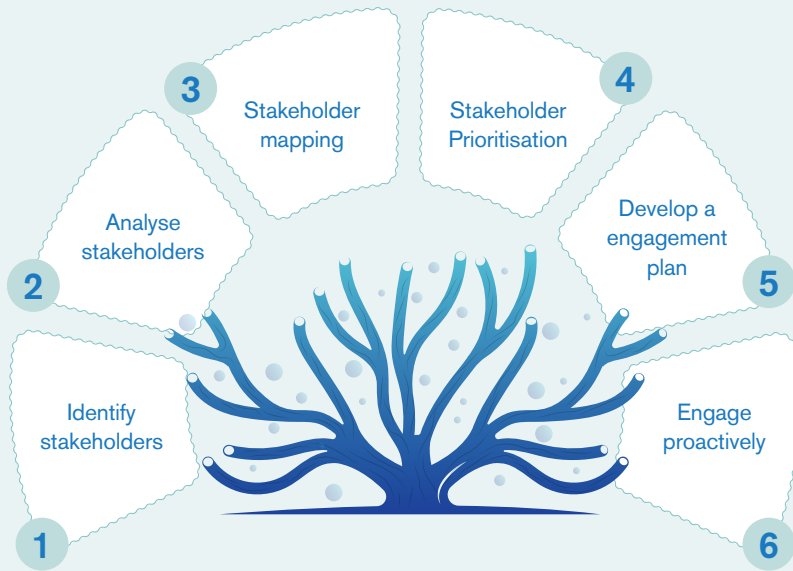




STAKEHOLDER ENGAGEMENT

Stakeholder engagement is crucial as it helps build trust, gather valuable insights, and foster mutually beneficial relationships. Given the current challenging operating environment, it has become essential to strengthen stakeholder engagement, which is crucial for sustainable value creation. We prioritise our stakeholders based on their interest in our business and the influence they hold over our operations.

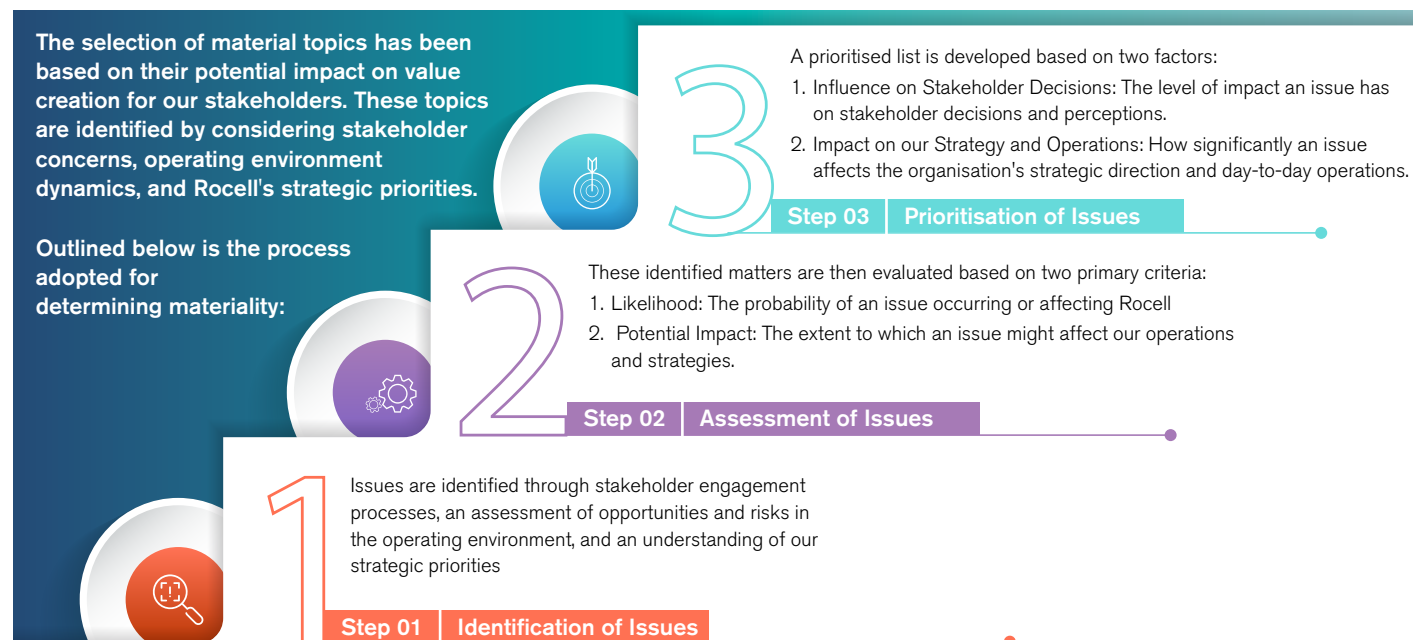
Outlined below is our systematic approach to stakeholder management, which has led to the development of stronger relationships, enhanced reputation, and the promotion of long-term success.



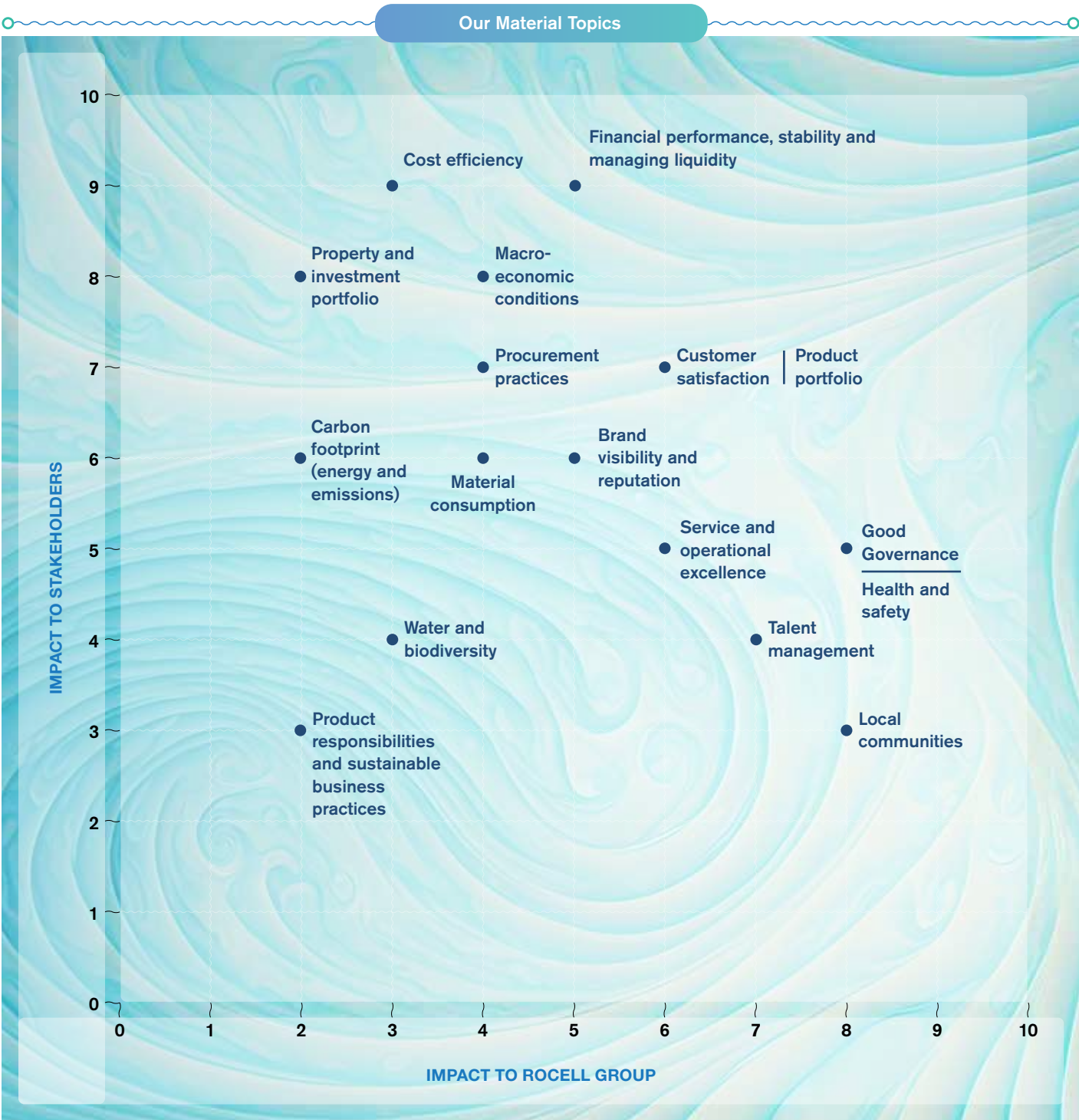
	 Customers	 Employees	 Business Partners/Suppliers
Stakeholder Concerns	- Product quality - Value for money - Variety in terms of designs, colours and size - Product availability - Convenience - Customer service - Reach	- Competitive and attractive remuneration - Career progression - Job security - Fair and safe workplace - Healthy work-life balance - Opportunities for skill development	- Competitive commission - Timely payments - Support for business growth - Training opportunities - Rewards and other benefits
Engagement Mechanisms	- Concept stores - Showrooms - Direct visits - Trade fairs - Call centre - Tilers' app - Social media - Corporate website	- Training programs - Open-door policy - Staff meetings/conferences - Staff appraisals - Digital platforms - CSR and welfare activities - Learning Management System	- Direct Meetings - Supplier Visits - Telephone/email communication - Dedicated service teams - Trade fairs - Training programmes - Tilers' app - Annual events - Industry events
Our Strategy	- Product innovation - A wide range of products and sizes - Continuous capital investments - Maintaining highest quality manufacturing processes - Secure supply of superior quality raw materials - Expansion of showroom network - Continuous improvement in customer care	- Effective Human Resource Management - Competitive remuneration - Continuous training opportunities - Offering career growth prospects - Maintaining strict safety standards - Inclusive and fair work environment - Good Governance	- Effective engagement - Timely payments - Offering competitive and fair payment terms - Providing training and growth opportunities - Industry collaboration - Ease of doing business
Value Delivered	10,286,989 SQM of tiles 341,620 pieces of sanitaryware and bathware accessories 4,221MT of aluminium products 20,956 MT of corrugated cartons 2,479 MT of paper sacks 33,214 MT of Feldspar 1,109 MT of Kaolin	- Employee remuneration of Rs. 7,124 Mn 35,495 Training hours 188 promotions - Staff welfare activities	- Purchases of goods and services Rs. 31 Bn - Dealer Commission paid - Rs. 559 Mn

	Investors	Regulator	Community
Stakeholder Concerns	▪ Groups' performance and stability ▪ Investment security ▪ Attractive returns ▪ Timely repayments ▪ Transparency ▪ Regulatory compliance	▪ Regulatory compliance ▪ Good Governance ▪ Timely returns filing ▪ Maintaining a fair marketplace	▪ Transparency ▪ Sustainable business practices ▪ Community development
Engagement Mechanisms	▪ Annual General Meetings ▪ Press Releases ▪ Annual and quarterly financial statements ▪ CSE disclosures ▪ Corporate website ▪ Access to Company Secretary to address their concerns	▪ Periodic filings ▪ Meetings ▪ Visits ▪ Tax filings ▪ Regulatory reporting disclosures ▪ Responses to proposals/letters ▪ Engagement with industry bodies	▪ Corporate website ▪ CSR activities ▪ Digital, print and social media ▪ Marketing and promotional events ▪ Events organised at showroom level
Our Strategy	▪ Implementing a sound business strategy to achieve sustainable growth ▪ Maintaining a strong and stable financial position ▪ Comprehensive governance framework ▪ Effective risk management framework	▪ Timely payments and disclosures ▪ Good corporate governance ▪ Effective Risk Management ▪ Collaboration with industry bodies	▪ Good governance ▪ Implantation of sustainable business practices ▪ CSR activities ▪ Creating job opportunities
Value Delivered	Payment to Investors Rs.Mn 6,000 5,000 4,000 3,000 2,000 1,000 0 2022/23 2023/24 ■ Dividends ■ Interest Taxes Paid Rs.Mn 15,000 12,000 9,000 6,000 3,000 0 2022/23 2023/24 Payment to Suppliers Rs.Mn 60,000 50,000 40,000 30,000 20,000 10,000 0 2022/23 2023/24 ■ Local ■ Foreign		

MATERIALITY



Material Topic	Impact to Stakeholders	Impact to Rocell	Reference
Financial performance, stability and managing liquidity	5	9	Financial Capital on page 71
Macro-economic conditions	4	8	Risk Management on page 41 and Operating environment on page 48
Customer satisfaction	6	7	Social and relationship capital on page 93
Service and operational excellence	6	5	Intellectual Capital on page 104
Cost efficiency	3	9	Financial Capital on page 74
Product portfolio	6	7	Intellectual Capital on page 103
Property and investment portfolio	2	8	Financial Capital on page 74
Talent management	7	4	Human Capital on page 77
Good Governance	8	5	Corporate Governance on page 108
Brand visibility and reputation	5	6	Intellectual Capital on page 101
Health and safety	8	5	Human Capital on page 80
Product responsibilities and sustainable business practices	2	3	Social and relationship capital page 92
Procurement practices	4	7	Social and relationship capital on page 93
Carbon footprint (energy and emissions)	2	6	Natural Capital on page 97 and 99
Water and biodiversity	3	4	Natural Capital on page 98
Material consumption	4	6	Natural Capital on page 96
Local communities	8	3	Social and relationship capital on page 94

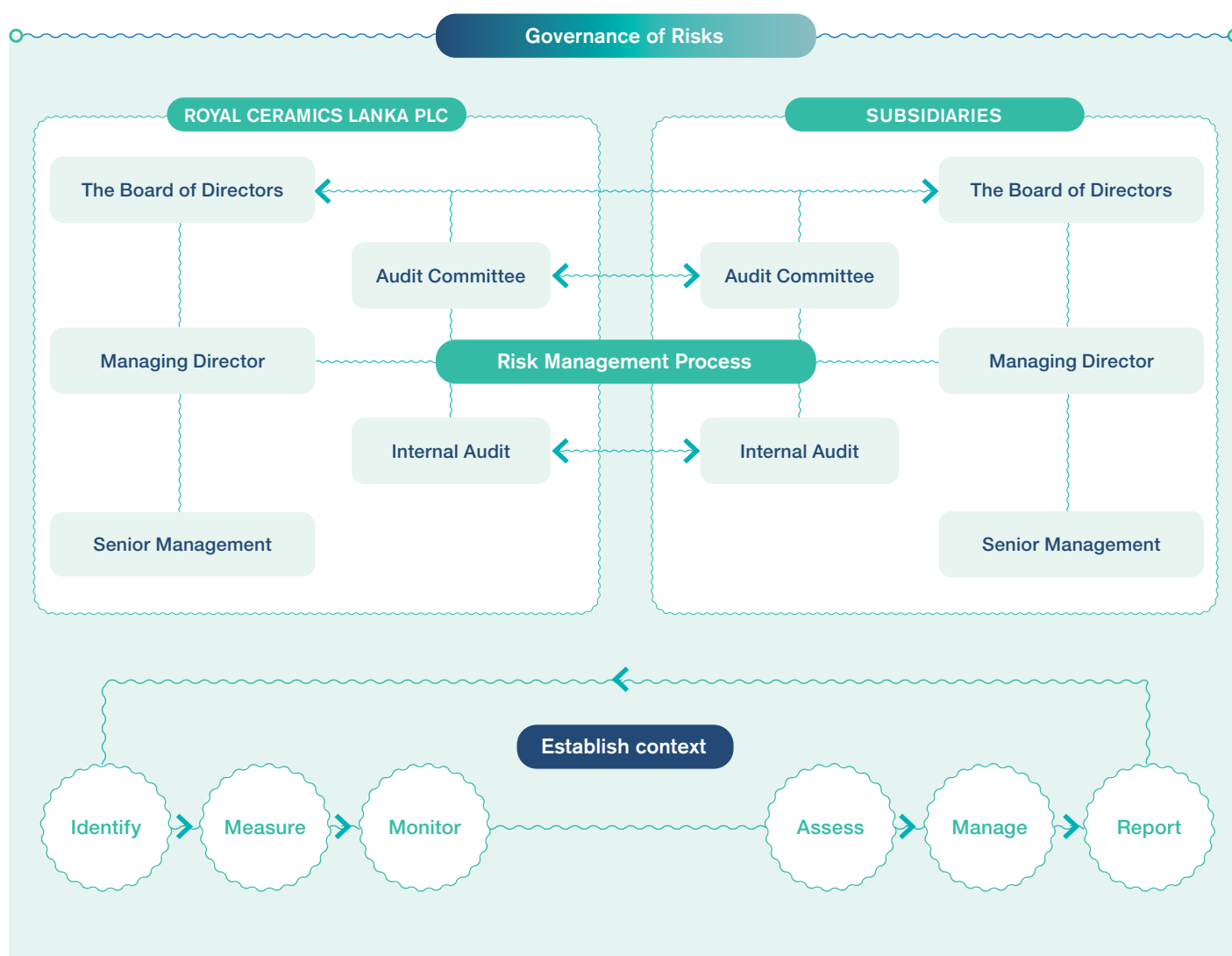


MANAGING RISK AND OPPORTUNITIES

Risk management continues to be a top priority for the Board, ranking high on the regular agenda as risk landscapes remain dynamic. It requires review through multiple lenses and clocks to ensure that the decisions taken today stand the test of time. Encouragingly, the tools available for risk management also continue to evolve supporting more sophisticated quantitative and qualitative analysis providing useful insights into management of the same in the short, medium and long term. Rocell continues to strengthen its risk management processes each year, ensuring it keeps pace with the needs arising from its business and regulatory landscape.

OVERSIGHT OF RISK MANAGEMENT

The Board bears collective responsibility for managing risk and is assisted by the Audit Committee in oversight of risk as set out in its Terms of Reference. The subsidiaries of the Group are also required to report on risk to their Boards and to the Board of Royal Ceramics PLC as depicted in the risk governance structure below. The Managing Director/Chief Executive Officer and Senior Management are responsible for implementing an effective risk management process as directed by the respective Boards and Audit Committees. The Board seeks to create a culture of risk awareness throughout the organisation with each function having an understanding of the risks that are inherent to the work they do and how their actions result in accepting, increasing, measuring, monitoring or mitigating risk in their respective roles. Risk is a key agenda item at Senior Management meetings with sufficient time spent on considering impacts of developments on risk and the formulation of mitigating plans.





A DYNAMIC RISK ENVIRONMENT

As a Group engaged in the manufacture of products for the construction sector with markets diversified across 14 countries, Rocell Group is impacted by the global and local risk environments which are summarised below.

A moderating world economic outlook

The global economic outlook is forecast to moderate with advanced economies growth forecast to be just 1.3%, just avoiding a recession. Demand is expected to moderate in line and we are already witnessing the impact on the country's exports which held steady throughout the economic crisis in 2022.

Consolidating the recovery in Sri Lanka

The Sri Lankan economy commenced positive GDP growth in the second half of the year, having reined in the sharp escalation of inflation and interest rates. The rupee appreciated by 12.1% during the year as the country recorded a surplus in the current account for the first time after 1977. The domestic debt optimisation was completed in June 2023 leaving the foreign debt restructuring on a crowded government agenda. Cost levels and taxation remain at high levels although there is early evidence of improving consumer confidence.

Technology

Our businesses are engaged in industries that are capital intensive and technology continues evolve, requiring continuous investment to modernise as well as to diversify in to new design trends.

Energy

Costs of energy remains a key concern as it increased twice during the financial year by 75% and then a further 65%. Sri Lanka is still dependent on oil imports to power the country. While oil prices have reduced, geopolitics are weighted to the downside and opening up of China could also increase demand.

Climate change

Climate action gather momentum as global warming reduces harvests and push more people into poverty. There is concerted action by multinational agencies and governments to move to low carbon economies which have the potential to drive up prices of commodities. The IFRS sustainability standards which are to be issued this year are expected to increase the rigour of reporting and we will need to assess readiness for reporting in the year ahead.

Innovation and design trends

Innovation is key to setting and staying in line with design trends which is a process that requires innovation at multiple levels and layers. We access knowledgeable designers who support us with the advice and technical guidance necessary to manufacture products that are future forward and technically sound.

Foreign exchange liquidity & Import restrictions

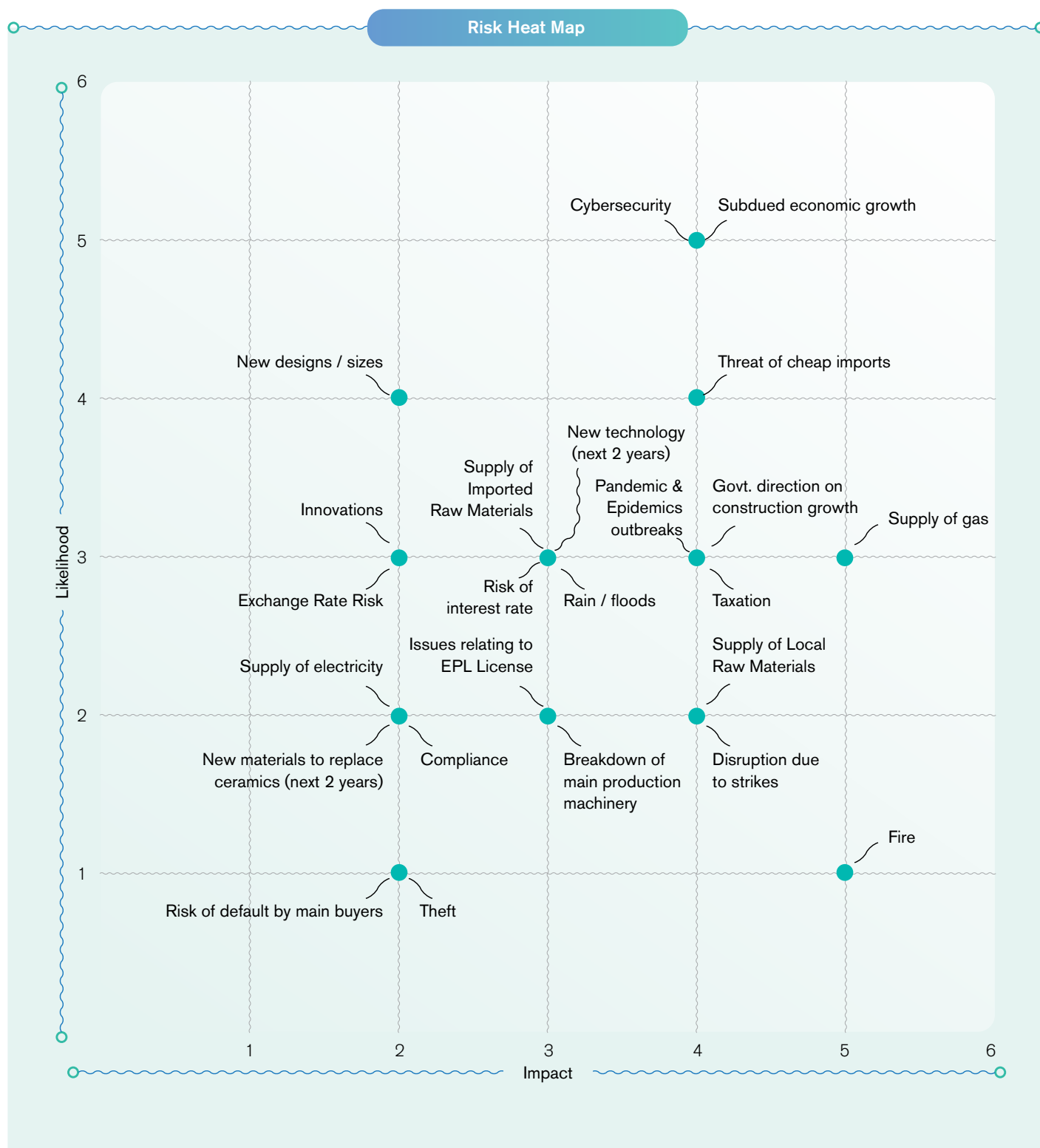
Foreign exchange liquidity improved boosted by a surge in tourist arrivals and migrant worker remittances as well as the temporary relief from repayment of external debt. Accordingly, import restrictions were lifted for almost all categories excluding motor vehicles. While this eased import of necessary raw materials, the industry also witnessed an influx of cheap imports resulting in intense competition as the construction industry activity remains at a low ebb.

Retaining employees

The decline in purchasing power has encouraged people to migrate at all levels resulting in reduced talent pools in the country while also exerting pressure on salaries and wages. We continue to strengthen our employee value proposition to retain critical talent and rising stars while also addressing the concern of many regarding the impact to lifestyles and dependents.

KEY RISKS

The Group maintains risk registers for its key businesses. A consolidated view of the key risks of the Group are given below.



All risks scoring above 4 for either the impact or likelihood of occurrence are described below.

Risk	Description and Mitigation Plans
1. Cybersecurity	Cybersecurity is a significant threat as we are increasingly reliant on IT for day-to-day operations across all systems and processes. Mitigating Factors & Activities ▪ Routine Audits on IT System general controls ▪ Updated anti-virus protections ▪ System upgrade with latest version
2. Subdued economic growth	Activity levels of the construction sector is a key driver of top line growth for tiles, bathware and aluminium products. The subdued economic conditions has see a slow down in construction activity which is expected to recover in the year ahead. Demand for housing and renovations has also been low due to high interest rates that deterred borrowing which may resume as interest rates have declined. Mitigating Factors & Activities ▪ Forecast economic growth in 2024 ▪ The uptick in the Condominium volume index is promising ▪ Targeted marketing to identified sectors
3. Threat of cheap imports	Sri Lanka has seen an influx of cheap imported tiles that compete at lower prices points. These cheap imports pose challenges to products manufactured locally to high quality standards with globally reputed certifications, exerting pressure on volumes and margins. Mitigating Factors & Activities ▪ Introducing fighter brands with low cost ▪ Entering into new markets
4. Supply of gas	Ensuring a continuous supply of gas for our kilns is critical as the temperatures of the kilns need to be maintained at extremely high levels. In normal times, there is a secure supply of gas. However, the fuel crisis and issues related to foreign exchange liquidity made this a key concern which was managed during the time. It remains on our risk grid due to the critical nature of the requirement. Mitigating Factors & Activities ▪ Converting kilns to run on dual fuel to shift to kerosene when gas prices increasing ▪ Maintaining good relationships with suppliers
5. Pandemic & Epidemics outbreaks	As a tropical country, we are subject to pandemics and epidemics which threaten the health and safety of our employees. While the threat of the COVID-19 pandemic has waned, our protocols are in place to reactivate at need. Mitigating Factors & Activities ▪ Protocols in place ▪ High levels of awareness among employees

Risk	Description and Mitigation Plans
6. Taxation	Taxation has been a key fiscal policy instrument used by the government to steer the country to economic stability and growth. Accordingly, we have seen rate increases across VAT, Income tax and import duties which impact the competitiveness of our products. In 2023/24, 38% of the value created has been distributed to the government in the form of taxes, duties and levies. Mitigating Factors & Activities ▪ Work with chambers of commerce and industry associations to make representations
7. Govt. direction on construction growth	The government is a key player in the construction sector of the country, driving demand for tiles, bathware and aluminium construction materials. Since projects were halted due to the economic crisis, activity has been sluggish. Mitigating Factors & Activities ▪ Targeted marketing with relevant value propositions for different sectors
8. Rains/Floods	Long periods of rain present difficulties in obtaining raw materials as well as the risk of floods in low lying areas around the factories. It also disrupts the transportation of raw materials and the distribution of finished goods in some areas. Mitigating Factors & Activities ▪ Built raw material stores ▪ Increasing stock holding
9. Interest Rate Risk	Interest rates declined sharply during the year as policy rates decreased by 700 basis points and benchmark interest rates such as AWPR and the 364 day Treasury bill declined by over 1,000 basis points. Mitigating Factors & Activities ▪ Renegotiating rates and /or restructuring loans to obtain favourable rates
10. Supply of imported raw materials	Imported raw materials although small in volume are necessary for production. Adequate inventories are maintained but sudden restrictions or supply chain disruptions can cause outages which can disrupt production schedules. Mitigating Factors & Activities ▪ Finding new suppliers in different geographical locations ▪ Increasing stock holding

Risk	Description and Mitigation Plans
11. Disruption due to strikes	Most of the factory employees belong to trade unions which are active. Economic stresses can lead to strike actions as well as political manoeuvrings in an election year. Mitigating Factors & Activities ▪ Maintaining healthy relationships with trade unions ▪ Renewing trade agreements
12. New Designs/Sizes	Design and innovation are critical success factors for tiles and bathware and a continuous pipeline of innovation is required to ensure that collections are refreshed in a timely manner. Mitigating Factors & Activities ▪ Constant researches on new product developments ▪ Collaborating with foreign consultants
13. Fire	Fire is an ever present threat as our kilns operate at extremely high temperatures. Mitigating Factors & Activities ▪ Strict controls and routine scheduled maintenance are mitigating factors ▪ High levels of awareness at all locations of operations. ▪ Conducting fire safety drills ▪ Providing regular fire safety trainings to employees



A Supportive Network

We rely on mutually beneficial partnerships to safeguard the future of our stakeholders and enable collective growth.

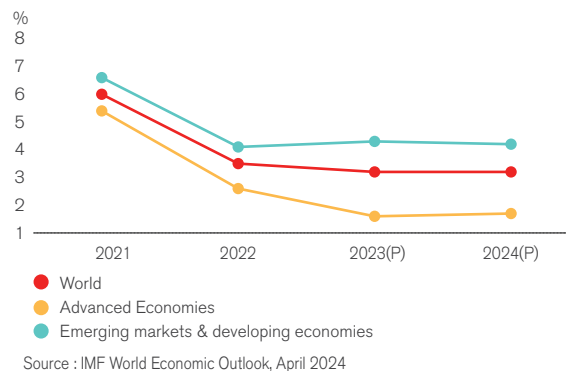
Coral reefs support countless inter-species relationships, creating an extensive web of interconnected partnerships that drive symbiotic growth. Depicted here is the partnership between the sea anemone and the clownfish. The clownfish relies on the sea anemone for protection against external threats, while the former often provides the latter with sources of food.

OPERATING ENVIRONMENT

Global Front

The global economy demonstrated resilience and continued its recovery despite disruptions in food and energy markets stemming from Russia's invasion of Ukraine and unprecedented monetary tightening measures worldwide aimed at curbing record-high inflation. According to estimation from the International Monetary Fund (IMF World Economic Outlook, April 2024), global growth is estimated at 3.2% in 2023, down from 3.5% in 2022, with variations across regions leading to growing disparities. Notably, the slowdown is more pronounced in advanced economies, projected to decrease to 1.6% from 2.6% the previous year, driven by stronger-than-anticipated momentum in the US but weaker growth in the Euro area. Growth in emerging markets and developing economies is forecasted to slow to 4.3% in 2023, primarily due to the property crisis in China.

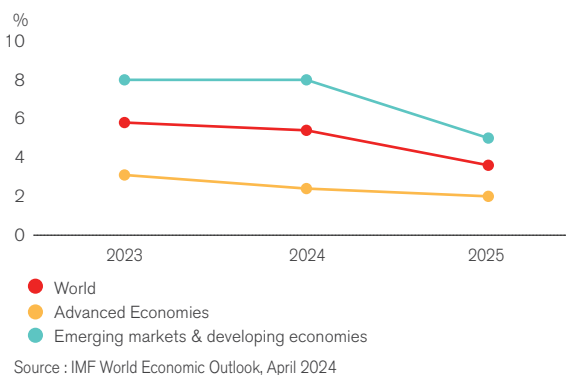
World GDP Growth



INFLATION

During the later part of 2023, headline inflation neared its pre-pandemic level in most economies for the first time since the start of the global inflation surge. During the last quarter, advanced economies reported a headline inflation of 2.3% on a quarter-over-quarter annualised basis, down from 9.5% reported in the second quarter of 2022. For emerging market and developing economies, inflation was 9.9% in the last quarter of 2023, down from a peak of 13.7% in the first quarter of 2022. This fall in headline inflation reflects weakening price shocks, especially of energy prices. The decline in energy prices is due to not only increased global energy supply, but also the effects of tight monetary policies.

World Consumer Price Projections



ELEVATED DEBT OBLIGATIONS

The debt-to-GDP ratios, which saw a significant increase during the pandemic, remain high, and substantial budget deficits persist, contributing to the continued escalation of debt burdens in numerous economies. Interest payments on debt have also risen as a proportion of government revenues, displacing essential budget allocations aimed at fostering growth. To restore flexibility in budgetary allocations and address the mounting trajectory of debt, fiscal policy is anticipated to adopt a tightening stance in 2024 and beyond. This adjustment may involve heightened taxes and reduced government spending in several advanced, emerging markets, and developing economies, thereby potentially dampening short-term economic activity.

Sri Lanka

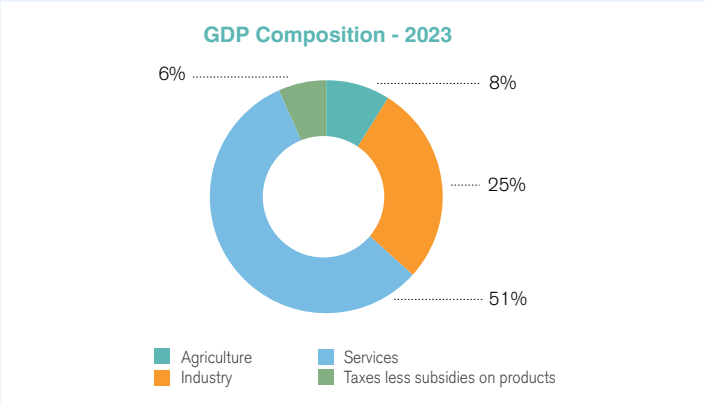
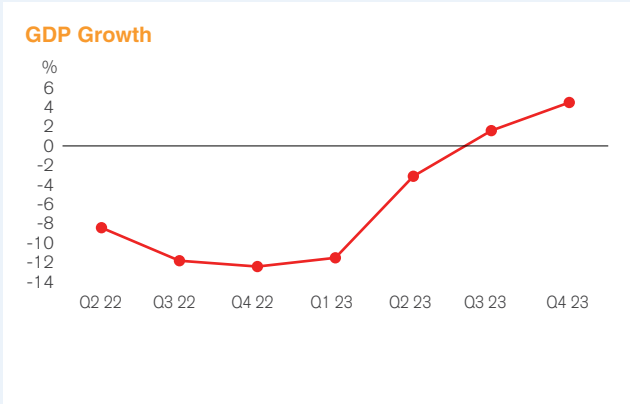
Despite a contraction of 2.3%, the Sri Lankan economy demonstrated initial signs of stabilisation in the first half of 2023, attributed to several pivotal reforms. These reforms include the implementation of measures such as adopting a floating currency, tightening monetary policies, and phasing out monetary financing. Notably, inflation returned to single-digit levels in July 2023, for the first time in 19 months. Furthermore, improvements in the trade balance, a promising resurgence in tourism and foreign remittances, ongoing suspension of external debt service, and inflows from development partners collectively bolstered usable official reserves. The approval of the International Monetary Fund's Extended Fund Facility (IMF-EFF) in March 2023 engendered confidence, while financial support from the Asian Development Bank and World Bank, in the form of budgetary assistance, contributed to alleviating liquidity constraints in the domestic foreign exchange market.

In 2023, the Sri Lankan economy displayed signs of recovery, experiencing a moderate contraction of 2.3%. This marks an improvement from the substantial contraction of 7.3% recorded in 2022. The Economy grew by 1.6% in Q3 2023, after recording contractions in 6 consecutive quarters. This progress was supported by a resurgence in macroeconomic stability, decline in inflationary pressures and a relaxation of external sector constraints.

Industrial activity experienced a significant downturn, with a notable 9.2% decline recorded in 2023. This contraction was primarily attributed to declines in both construction and manufacturing sectors. The construction sector contracted mainly due to the holdback of construction projects while the manufacturing sector, the largest segment of the industry sector, contracted during the year mainly due to the significant decline in global demand for the manufacture of textiles, wearing apparel and leather-related products.

The services sector also experienced an overall contraction of 0.2% in 2023. This was primarily driven by significant contractions in financial services, insurance, and real estate. However, this contraction was partially offset by growth in transportation, accommodation, food, and beverage services, owing to a revival in the tourism sector, easing of fuel shortages, and improved foreign exchange liquidity.

The agricultural sector showed resilience during the year, recording a growth of 2.6%. This growth was driven by the improved supply conditions, especially fertiliser, other agrochemical inputs and fuel



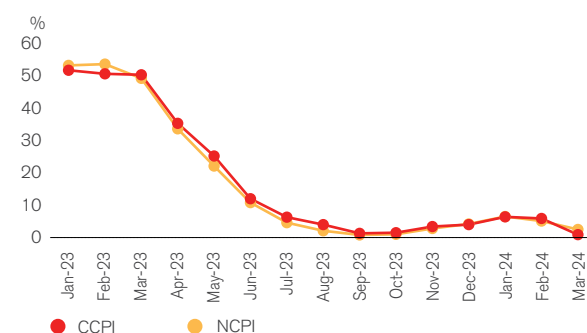
Sri Lanka

Inflation

Following its historically highest level in September 2022, headline inflation, as measured by the Colombo Consumer Price Index (CCPI), initiated a trend of moderation. It achieved single-digit levels in July 2023 (6.3% y-o-y), for the first time in 19 months, and further decelerated to 4% by December 2023. The decline in inflation primarily stems from the favourable impact of the base effect and has been reinforced by several factors including the gradual elimination of monetary financing, implementation of tighter monetary and fiscal policies, alleviation of supply-side disruptions, moderation of global commodity prices, and appreciation of the Rupee.

However, the increase in the Value Added Tax (VAT) from 15% to 18% along with the removal of certain exemptions at the beginning of 2024 resulted in a brief surge in inflation in January 2024. However, this was offset by the reduction in electricity tariffs in March and several responsive price reductions.

Inflation



External Sector

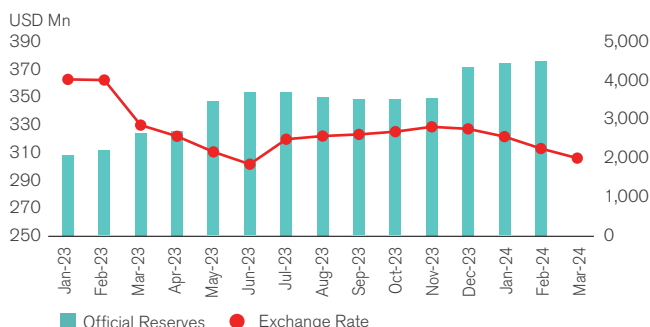
The external sector rebounded strongly in 2023 and showed greater stability. The commencement of the IMF-EFF program in March 2023 and its successful continuation have been instrumental in achieving stability in the external sector. Although they remain low, foreign reserves and liquidity improved due to an improved current account and inflows to the financial account. In the absence of large debt service payments, inflows from development partners such as IMF, ADB, and World Bank, strengthened the financial account.

Earnings from exports during 2023 declined by 9.1% compared to 2022. This decline was influenced by global factors including high cost of living and economic downturn in major export destinations and geopolitical tensions, which resulted in reduced demand for Sri Lankan exports. On the other hand, domestic factors, such as higher operating expenses and supply constraints of intermediate goods adversely impacted the overall competitiveness of exports.

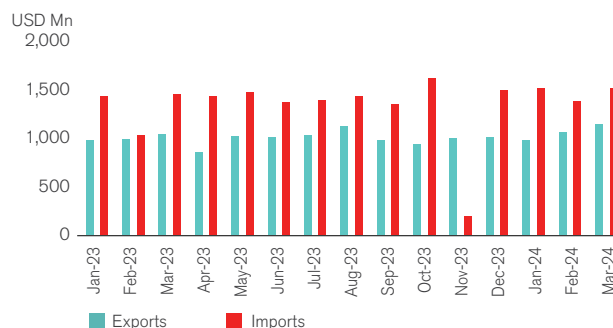
A notable contraction of 8.1% in import expenditure was recorded in 2023. This was driven by the continued restrictions on non-essential imports, subdued economic activity, and constrained spending capabilities of the public due to tight monetary and fiscal policies. The decline in import expenditure was a result of lower intermediate and investment goods imports, while expenditure on both food and non-food consumer goods imports increased.

The Sri Lanka rupee appreciated sharply in 2023 under a market-based exchange rate policy implemented by the Central Bank despite some intermittent volatility. The Sri Lanka rupee, which depreciated by 44.8% against the US dollar in 2022, appreciated by 12.1% in 2023.

Exchange Rate and Official Reserves



Imports and Exports

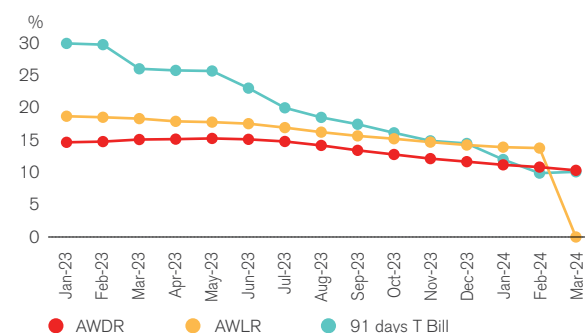


Sri Lanka

Interest Rates

Market interest rates declined significantly in 2023 from notably high levels recorded in 2022. The reduction of market interest rates was driven by the accommodative monetary policy measures implemented since June 2023. Policy rates were cut by 250 basis points in June 2023, further easing continued and by the end of 2023 Standing Deposit Facility rate down to 9% and Standing Lending Facility rate to 10%. Market interest rates also adjusted downwards in response to the monetary policy easing. The Average Weighted Deposit Rate (AWDR) stood at 11.64% in December 2023, while the Average Weighted Lending Rate (AWLR) stood at 14.21%, recording a decline of 242 basis points and 449 basis points respectively. Despite this downward momentum, treasury bill yields, especially 91-day yield remained at an elevated level indicating anomalies in the interest rate structure.

Interest Rates

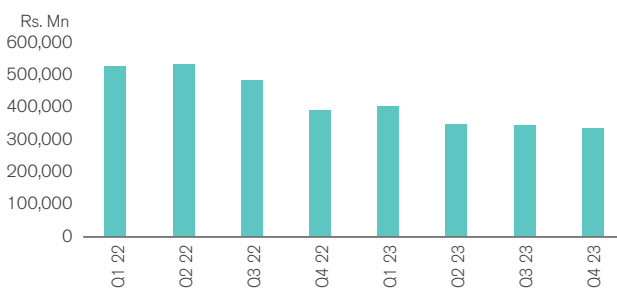


Construction Sector

Construction industry, which is highly vulnerable to economic downturns continued its dull performance in 2023. The industry contracted by 20.8% mainly on the back of holdback of construction projects.

Credit granted for construction projects was severely affected by the lack of government and private sector projects stemming from fiscal constraints, rising raw material prices, and associated finance costs due to the high interest rate environment in 2022 and early 2023. Large scale government projects ground to a halt due to fiscal constraints, homebuilders opted to defer their plans, resulting in a 7.4% decline in loans and advances granted by commercial banks in 2023. The notable increase in migration observed in Sri Lanka also adversely affected the construction industry, as a considerable number of individuals abandoned their plans to construct homes and instead opted to relocate abroad.

Performance of the Construction Sector



Tile and Bathware Sector

The domestic tile manufacturing sector remains largely controlled by four major companies: Royal Ceramics Lanka PLC, Lanka Tiles PLC, Lanka Walltiles PLC, and Mactiles Lanka (Pvt) Ltd.

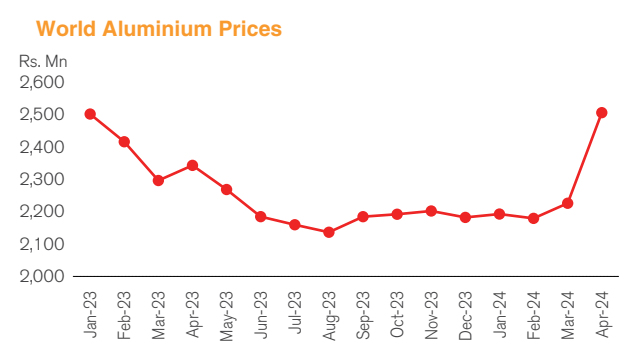
The industry recently experienced notable capacity expansions, with several capacity increase projects still underway. Despite substantial capital investments, the sector encountered numerous challenges stemming from the underperformance of the construction industry. Additionally, the lifting of the import ban on tiles aggravated the challenges faced by local manufacturers.

Both tile and bathware manufacturers confront significant challenges arising from the availability of imported substitutes offered at lower prices. Despite the superior quality of locally manufactured products, manufacturers struggle to compete against the pricing of imported alternatives due to the high production costs. Furthermore, the absence of anti-dumping levies has led to China and India flooding the market with tiles at unreasonably low prices.

Sri Lanka

Aluminium

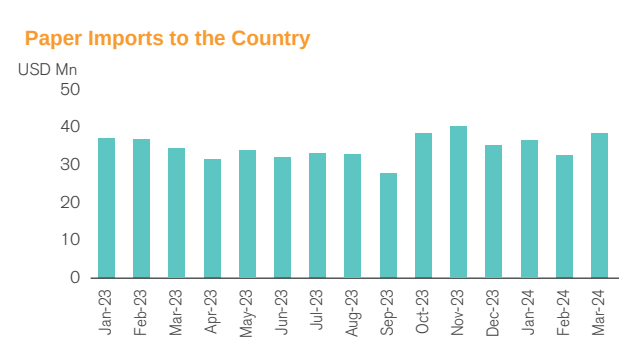
The domestic aluminium extrusion industry encountered significant difficulties, primarily due to its heavy reliance on the local construction sector, which remained stagnant since the inception of the pandemic. The halt in most large-scale construction projects resulted from a scarcity of foreign investments and fiscal constraints, directly affecting the demand for aluminium products. Additionally, customers were highly price-conscious due to tax reforms and inflationary pressures, impacting their real income. This made it challenging for local aluminium manufacturers to compete with cheaper imported substitutes in the market



Packaging

The highly competitive packaging industry comprises over 40 manufacturers and relies heavily on the fast-moving consumer goods (FMCG), garments, cement, tea, rubber, and tile sectors.

However, the industry encountered challenges as major export industries experienced setbacks amid the economic downturn, leading to a substantial decline in demand for packaging products. Nevertheless, the expansion of the e-commerce sector and the growing preference for eco-friendly packaging materials continue to create fresh avenues for the industry.



Outlook

Global Front

Global growth, estimated at 3.2% in 2023, is projected to continue at the same pace in 2024 and 2025. For advanced economies, growth is projected to rise from 1.6% in 2023 to 1.7 % in 2024 and 1.8% in 2025. In emerging market and developing economies, growth is expected to be stable at 4.2% in 2024 and 2025, with a moderation in emerging and developing Asia offset mainly by rising growth for economies in the Middle East and Central Asia and for sub-Saharan Africa.

Global headline inflation is expected to fall from an annual average of 6.8% in 2023 to 5.9% in 2024 and 4.5% in 2025, with advanced economies returning to their inflation targets sooner than emerging market and developing economies.



SRI LANKA

Sri Lankan economy started showing signs of recovery during the latter part of 2023 and is expected to record a moderate growth of 2.2% in 2024, as the benefits of the eased monetary policy stance and low inflation environment continue to be gradually channelled into the economy. The faster than expected recovery of the tourism sector is expected to support the growth momentum in the near term with positive spillover effects on other related sectors.

The industry sector is expected to benefit from recent positive developments such as the lifting of import restrictions, declining cost of credit and raw material prices. The monetary policy stance of the Central Bank is expected to remain accommodative in the period ahead, which would help stimulate economic activity.

CONSTRUCTION SECTOR

The Sri Lanka Purchasing Managers' Index for Construction (PMI – Construction) points to an expansion in construction activities in January 2024, suggesting a potential long-awaited revival of the industry. Furthermore, several infrastructure development projects previously put on hold by the Government are anticipated to recommence on a limited scale in the coming year. The gradual recovery of the economy, coupled with prevailing low interest rates, is expected to exert a positive influence on the construction industry.

BUSINESS LINE REVIEWS

Tiles and Associated Products



Our flagship brands 'Rocell' and 'LANKA TILES' continued its' market dominance in Sri Lanka, commanding 66% and 58% of the wall tiles and floor tiles markets respectively. Our continued investments in maintaining world-class manufacturing facilities have ensured superior quality tiles while continuously expanding product portfolio in terms of both designs and sizes.

Strategic Priorities

- Focus on expanding export sales
- Enhancing operating efficiencies to maintain profitability
- Expanding the product range to cater to evolving customer preferences

Impact from the operating environment

- Elevated cost of living and reduction in real income having a direct impact on sales
- High economic migration having a negative impact on local housing construction industry
- Strengthening Rupee having a negative impact on export earnings

Our Approach

- Persistent cost saving initiatives to maintain profitability
- Improving product quality to pursue new markets

Our Brands



Capital Value Creation

Financial Capital

	2023/24	2022/23	%
Revenue (Rs.Mn)	43,262	46,787	(7.53)
Profit after tax (Rs.Mn)	6,567	7,978	(17.69)
Total assets (Rs.Mn)	66,875	57,086	17.15
Total liabilities (Rs.Mn)	32,081	27,158	18.13

Human Capital

	2023/24	2022/23	%
No of employees	3,354	3,256	3.01
Total Remuneration (Rs.Mn)	5,540	5,331	3.92
Training hours	27,881	30,529	(8.67)

Manufactured Capital

	2023/24	2022/23	%
Manufacturing capacity (SQM/Per Day)	44,100	41,500	6.31
Capacity utilisation (%)	98	89	9.00
Capital Investment (Rs.Mn)	7,173	4,811	49.10

Social and Relationship Capital

	2023/24	2022/23	%
Suppliers	2,244	2,183	2.79
Own showrooms	59	59	0.00
Franchise showrooms	54	53	1.89
Hybrid & Factory Outlets	36	36	-
Dealers & Distributors	186	187	(0.53)
Tiler club members	6,032	5,450	10.68

Natural Capital

	2023/24	2022/23	%
Material consumption (MT)	299,704	299,927	(0.07)
Water consumption (Mn.Liters)	424	457	(7.36)
Energy consumption (GJ.'000)	966	990	(2.39)

Intellectual Capital

- ISO 9001
- SLS 1181
- SLS ISO 18001
- ISO 14001
- CE Marking
- Green SL Labelling System

Our Presence in the Value Chain



Design & Develop

- Foreign and local expertise
- Innovation and technology
- Research & development



Raw Material Sourcing

- 2,100 Local Suppliers
- 144 Overseas Suppliers



Warehousing

- 12 Main Warehouses



Manufacturing

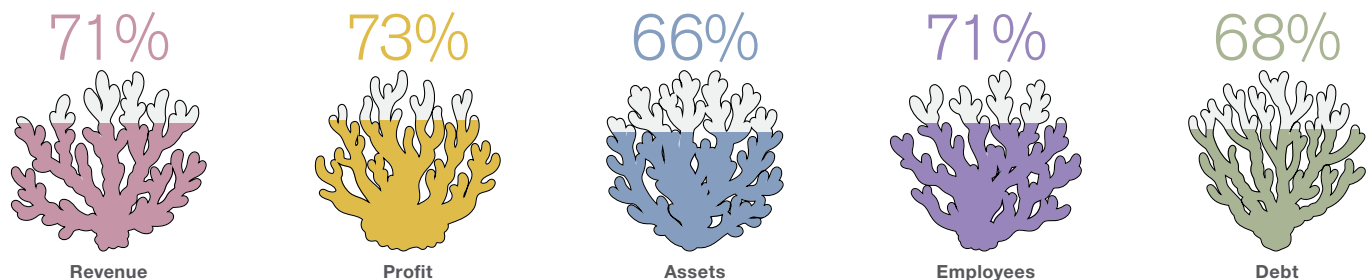
- 4 Tile manufacturing facilities
- 1 Grout & adhesive manufacturing plant



Distribution

- 59 Own Showrooms
- 72 Distributors
- 54 Franchises
- 36 Hybrid & Factory Outlets
- 114 Dealers

CONTRIBUTION TO THE GROUP



REVIEW OF 2023/24

The tile sector continued its resilience amidst prolonged adverse economic conditions and presents favourable results. Subsequent to lifting of the import ban, the local market witnessed a notable influx of imported tiles from India and China. With the absence of anti-dumping levies, these imported products flooded the market at significantly reduced prices, presenting a formidable challenge for us in terms of pricing competitiveness.

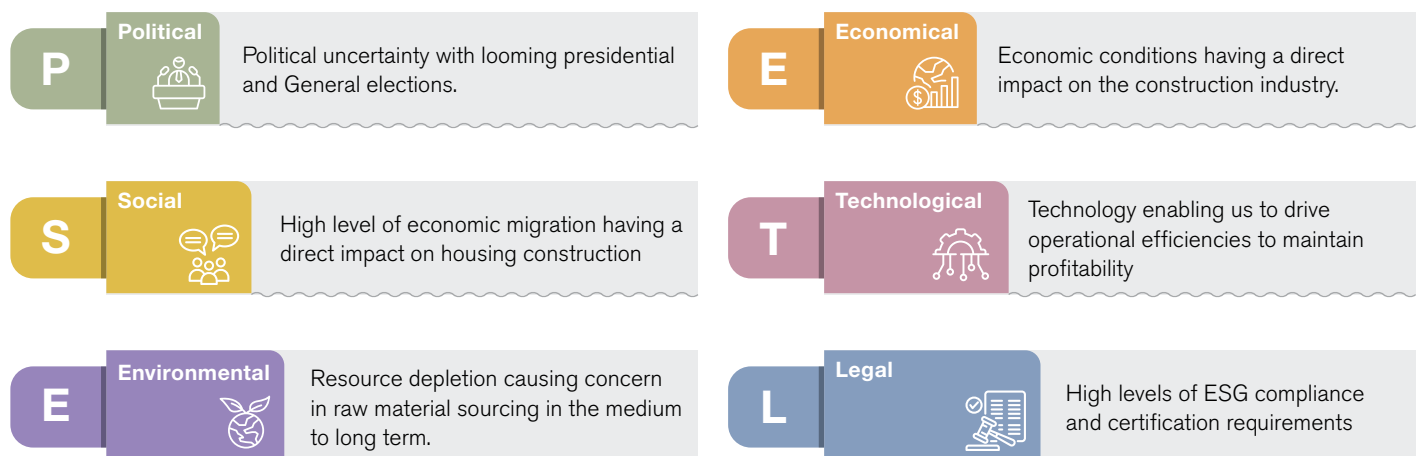
This surplus supply, coupled with the persistent sluggishness of the construction industry, exerted a considerable impact on the sector's top-line performance, as evidenced by the decline in sales volume. Capacity expansion in Horana factory was completed during the year and the plant is now equipped to produce larger format tiles. Accordingly, manufacturing of certain smaller format tiles was discontinued due to the increased preference for the larger format. The expansion project at our Meepe

manufacturing plant, operated by Lanka Walltiles PLC, was completed during the year. However, the commissioning of the plant was delayed due to the unavailability of the required technical expertise. The Lanka Tiles factory in Ranala was upgraded with a larger kiln to enhance the production capacity of mosaic tiles, which remained in demand both domestically and internationally.

Furthermore, comprehensive group-wide initiatives were undertaken to enhance production and operational efficiencies amidst challenging economic conditions. 'Loss Tree' were established at each production facility to effectively minimise waste, reduce machine downtime, and address issues related to human errors and negligence. As a result of these efforts, the group successfully achieved cost savings amounting to Rs. 837 Mn.

The group maintained increased levels of raw material stocks since the pandemic, and finished goods inventory steadily grew due to expanded factory capacities and reduced demand. However, all production facilities operated at full capacity throughout the year without any closures.

Lanka Walltiles actively pursued opportunities in the USA and India to leverage excess capacity once the upgraded plant is commissioned. To support this initiative, an office was established in Bangalore with a dedicated country representative, recognising the potential for our Mosaic line. In addition to that they acquired a USA company with wide customer base to penetrate USA market. While the outcomes of these efforts have not yet materialised, the Group remains confident that these efforts will yield positive results in the near future.



PERFORMANCE REVIEW

The sector recorded revenue contraction in terms of both value and volume on the back of dull performance of the construction industry. The upward price revision occurred in the previous year; however, due to pre-orders extending to several months, Rocell was unable to benefit from the increased prices until the later stages of the previous financial year.

Sales experienced a surge in the third quarter as consumers rushed to make purchases prior to the revised Value Added Tax (VAT) rate taking effect. On contrary, the last quarter showed a significant slowdown.

Despite not expanding the showroom network, the Group strengthened its distribution channels by relocating two showrooms to new better locations. Further, one showrooms underwent refurbishment at minimal capital infusions in order to provide a better customer experience.

The continued grim performance of the local construction industry forced the Group to focus on expanding its export market. We continued to export to Australia, USA, India and several other countries and strengthened engagement with these countries in order to retain and expand the client base.

Revenue

Rs. 43,262 Mn

(2022/23 - Rs. 46,787 Mn)

Profit After Tax

Rs. 6,567 Mn

(2022/23 - Rs. 7,978 Mn)

Total Assets

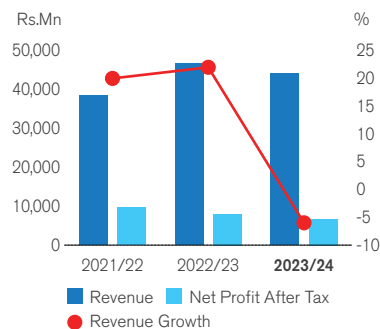
Rs. 66,875 Mn

(2022/23 - Rs. 57,086 Mn)

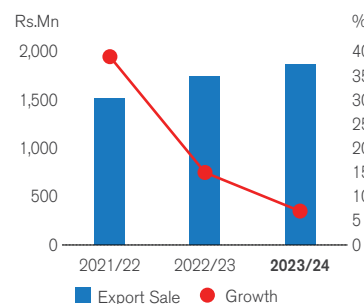
Financial Performance

- Revenue recorded a 8% contraction, driven largely by a 30% decline in sales volume. Total revenue recorded by the sector amounted to Rs. 43,262 Mn with exports contributing of Rs.1,874 Mn.
- Gross profit also recorded a decline of 4% in line with the reduction in revenue.
- Administrative expenses increased by 25% due to inclusion of the Social Security Levy while distribution expenses recorded a marginal increase of 2%. Operating profit for the period declined by 14% amidst rising expenses, accordingly operating profit margin declined to 24% from previous years' 26%.
- The sector recorded a net profit of Rs. 6,567 Mn for the period, recording a decline of 18%.

Sector Performance



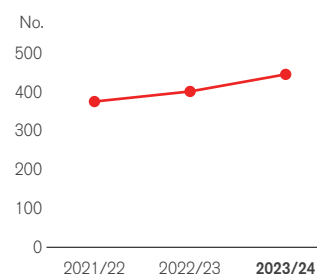
Export Performance



People perspective

- Annual increments and necessary salary adjustments were carried.
- Financially assisted the employees who were most affected by the economic downturn in the country
- Rocell was able to attract and retain the necessary talent despite the high migration levels.

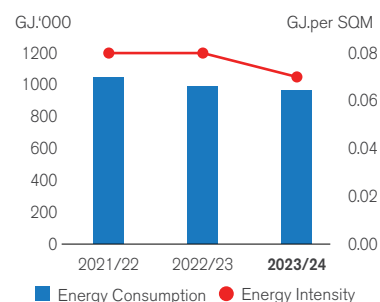
Employee Turnover



Environmental impact

- Energy consumption decreased by 2% despite of higher production volumes due to successful energy savings initiative of the Group
- Water consumption of 424 Mn. Litres
- Waste generation of 28,644 MT

Energy Consumption and Intensity



Outlook

The tile sector will actively pursue opportunities in international markets, considering the uncertain prospects for the revival of the local construction industry in the near term. We are hopeful that our efforts in this regard will reap benefits in the coming year.

The tile sector's manufacturing capacity will undergo a significant increase upon commissioning the newly expanded production plant. Efforts will be made to strengthen distribution channels to support this expansion. However, the sector will carefully monitor inventory levels and may need to adjust production if levels stock levels become too high due to increased capacity.

Despite the unpredictable operating landscape anticipated in the coming year, we maintain cautious optimism that our tile sector will successfully navigate these challenges due to our agile strategy and strong financial position.



Sanitaryware



Rocell Bathware Ltd has not only established itself as the leading sanitaryware manufacturer in Sri Lanka but has also gained recognition globally for its product innovation, aesthetically pleasing designs, and product quality. Our collaboration with Italian technical and design experts have enabled us to improve our productivity and designs, enabling us to expand our export customer base.

Strategic Priorities

- Pursue export opportunities as the local construction industry remains dull
- Maintain profitability through innovation and enhancing productivity and efficiency
- Assistance from Italian design and technical expertise to improve yield and expand the product range to cater to overseas clients

Impact from the operating environment

- Excess supply of bathware product in the market due to imported products
- Difficulty in competing in the local market in terms of the price as imported products are priced at comparatively lower prices

Our Approach

- Exploring opportunities with new market segments due to poor performance of the local construction industry
- Partnerships with internationally renowned brands
- Improving product yield and minimising wastage to maintain profitability

Our Brands



Capital Value Creation

Financial Capital

	2023/24	2022/23	%
Revenue (Rs.Mn)	3,750	3,401	10.26
Profit after tax (Rs.Mn)	(434)	443	(197.89)
Total assets (Rs.Mn)	7,283	7,584	(3.96)
Total liabilities (Rs.Mn)	3,608	3,471	3.95

Human Capital

	2023/24	2022/23	%
No of employees	346	460	(24.78)
Total Remuneration (Rs.Mn)	347	518	(33.01)
Training hours	1,261	159	693.08

Manufactured Capital

	2023/24	2022/23	%
Manufacturing Capacity (Pcs/per Annum)	376,000	376,000	-
Capacity utilisation (%)	79	91	(13.19)
Capital Investment (Rs:Mn)	291	168	73.21

Social and Relationship Capital

	2023/24	2022/23	%
Suppliers	283	264	7.20
Franchise showrooms	57	57	-
Hybrid & Factory Outlets	17	17	-
Dealers & Distributors	101	73	38.36

Natural Capital

	2023/24	2022/23	%
Material consumption (MT)	2,811	4,628	(39.26)
Water consumption (Mn.Liters)	67	73	(7.49)
Energy consumption (GJ:000)	82	113	(27.43)

Intellectual Capital

- ISO 9001
- SLS 1181
- Watermark Certification
- ISO 14001
- CE Marking

Our Presence in the Value Chain



Design & Develop

- Foreign and local expertise
- Innovation and technology
- Research & development



Raw Material sourcing

- 236 local suppliers
- 47 overseas suppliers



Warehousing

- 7 Main Warehouses



Manufacturing

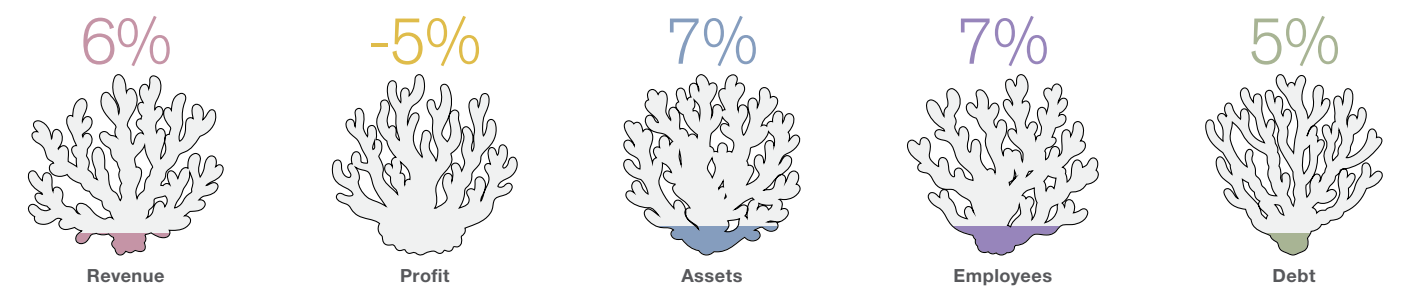
- Sanitaryware manufacturing plant in Homagama with a capacity of 35,000 pieces per month



Distribution

- 57 Showrooms
- 101 Dealers and Distributors
- 17 Hybrid and factory outlets

CONTRIBUTION TO THE GROUP



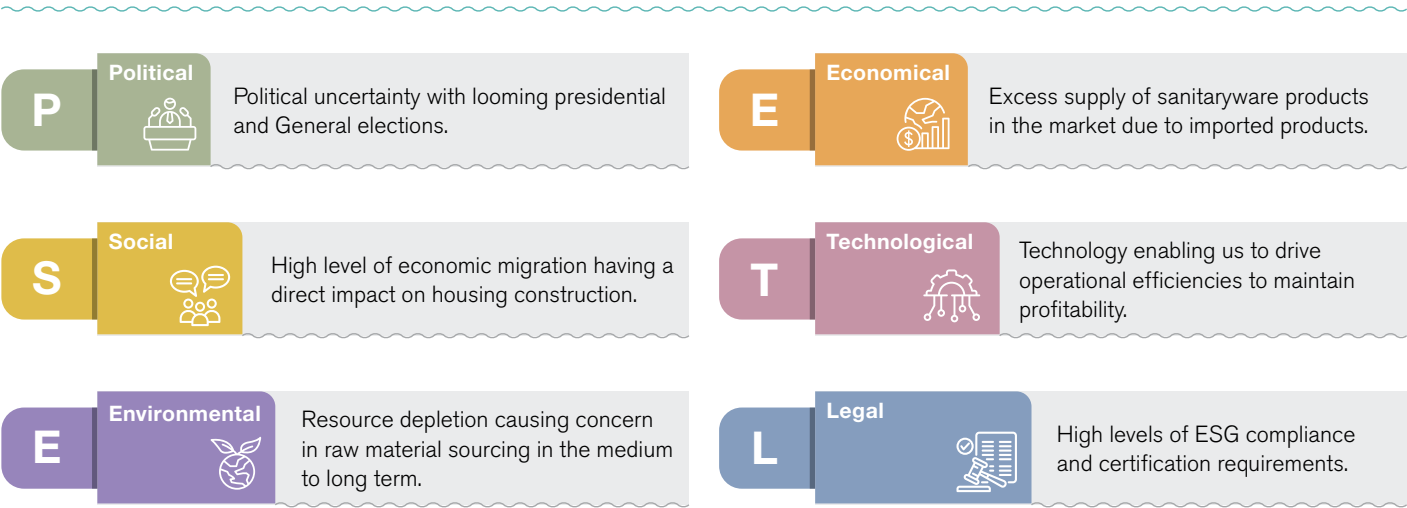
REVIEW OF 2023/24

The sanitaryware sector faced significant challenges during the year due to the underperformance of the domestic construction sector. This, combined with an oversupply of bathware products in the market, impacted our performance negatively. The lifting of import restrictions on sanitaryware led to an influx of imported products into the domestic market, particularly from China and India, which were offered at lower prices compared to locally manufactured products. This hindered the sector's performance for the year.

The production facility was optimised to improve efficiency, operating continuously throughout the year without any shutdowns. However, production was rationalised to avoid excessive inventory buildup, which incurred additional costs. We continued to collaborate with the Italian design and technical experts resulting in an expanded product range and improved production yield.

A substantial portion of our production was supplied to customers in the marine industry, specifically targeting shipbuilders. However, the underperformance of the marine industry coupled with rupee appreciation towards latter part of the year had a negative impact on our export sales.

During the year we embarked on an unprecedented collaboration with Hansgrohe & AXOR, globally recognised German brand renowned for premium showers and bathroom accessories. In a first-of-its-kind initiative in South Asia, Rocell launched the "Experience Centre for Hansgrohe and AXOR", a dedicated space showcasing Hansgrohe's & AXOR's top-tier faucets, showers, and fittings



PERFORMANCE REVIEW

Despite the difficult operating environment, the sanitaryware sector reported a revenue growth of 10%, driven largely by increased prices. Sales experienced a surge in the third quarter as consumers rushed to make purchases before the revised Value Added Tax (VAT) rate took effect. Conversely, the last quarter showed a significant slowdown.

The sanitaryware sector relies heavily on imported raw materials. Throughout the year, the Group ensured a continuous supply of the required raw materials by maintaining higher stock levels as a precautionary measure since the onset of the pandemic. Despite this, profitability was negatively affected as raw material prices increased internationally.

The Group took caution in spending and refrained from expanding the showroom network as the performance of the local construction industry continues to be dull. However, the necessary maintenance work and upgrading were carried out with minimal expenditure.

Revenue

Rs. 3,750 Mn

(2022/23 - Rs. 3,401 Mn)

Gross Profit

Rs. 813 Mn

(2022/23 - Rs. 1,269 Mn)

Total Asset

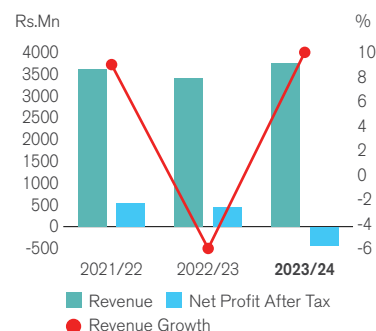
Rs. 7,283 Mn

(2022/23 - Rs. 7,584 Mn)

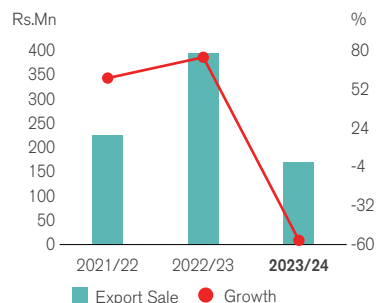
Financial Performance

- Total revenue for the year amounted to Rs. 3,750 Mn, out of which Rs. 169 Mn was generated through export sales. Exports for the year recorded a decline of 57% while total revenue grew by 10%
- Despite the growth in revenue, gross profit reported a decline of 36% due to significant price increase of raw materials, and unit cost of production increased due to low production volume which resulted a gross profit margin of 22%, compared to the gross profit margin of 37% achieved in the previous year.
- Administrative expenses increased by 5% due to the social security levy while distribution expenses also saw an increase of 27%.
- Finance expenses for the year increased by more than two and half folds as borrowings increased.
- Sanitaryware sector recorded a net loss of Rs. 434 Mn, on the back of increased operating expenses and finance expenses.

Sector Performance



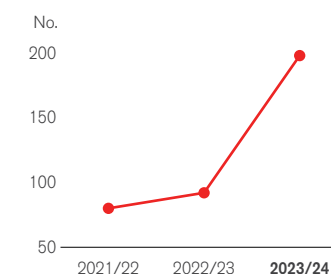
Export Performance



People perspective

- The necessary salary adjustments were carried out despite the below average performance of the sector
- Financially assisted employees who were most affected by the economic downturn in the country
- High labour turnover was seen in showroom staff as the country saw unprecedented levels of migrations. Despite this we were able to attract the necessary talent
- Special training sessions carried out for sales staff by Hansgrohe both locally and overseas

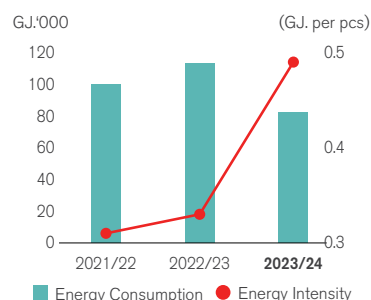
Employee Turnover



Environmental impact

- Both Material consumption and energy consumption decreased by 39% and 27% respectively due to lower production volumes.
- Water consumption of 67 Mn. Litres
- Waste generation of 3,735 MT

Energy Consumption and Intensity



Outlook

As signs of recovery in the local construction industry remain uncertain, Rocell Bathware will focus on expanding its export market, as we believe that this segment presents significant untapped opportunities. We will work closely with our Italian counterparts to enhance the quality and expand our product range to better suit the international markets. These collaborations will also assist us in enhancing our productivity and adopting a more sustainable approach to our manufacturing process.

We have initiated a project to automate production at our manufacturing facility, which will enable us to create larger basins that cannot be achieved manually. We anticipate that this automation will also have a significant impact on reducing wastage.

Efforts are underway to increase the warehouse capacity and to strengthen the distribution network. We will closely monitor inventory levels and make production adjustments if stock levels become too high due to less demand from the domestic market.

Despite the uncertainty of the coming year, we are cautiously optimistic that sanitaryware sector will overcome these challenges owing to our prudent business strategy and stable financial position.



Aluminium



Swisstek Aluminium is esteemed as one of Sri Lanka's premier aluminium extrusion companies, offering an extensive and innovative product portfolio to a diverse customer base. Our strength is rooted in our rigorous quality assurance processes and commitment to innovation, which has led to a value-added product portfolio that is both functional and durable. Over the years we have built a brand name as favoured aluminium extrusion supplier by many construction projects and companies in the country.

Strategic Priorities

- Focus on cost leadership to maintain market share
- Aggressively pursuing export opportunities
- Enhancing productivity and efficiency to maintain profitability

Impact from the operating environment

- Exchange rate fluctuation having an impact on both cost and export revenue
- Customers being price sensitive due to economic constraints, prioritising affordability over quality considerations.

Our Approach

- Substituting imported raw materials with internally manufactured components
- Implementing cost saving initiatives that has resulted in significant
- Expanding product offerings

Our Brands

ALLURA
INSPIRED BY DESIGN

SWISSTEK
ALUMINIUM
FOR THE PERFECT FINISH

Capital Value Creation

Financial Capital

	2023/24	2022/23	%
Revenue (Rs.Mn)	7,265	5,257	38.19
Profit after tax (Rs.Mn)	(337)	(1,069)	(68.44)
Total assets (Rs.Mn)	7,500	7,377	1.67
Total liabilities (Rs.Mn)	7,111	6,812	4.39

Human Capital

	2023/24	2022/23	%
No of employees	484	369	31.17
Total remuneration (Rs.Mn)	507	419	21.04
Training hours	4,468	1,914	133.44

Manufactured Capital

	2023/24	2022/23	%
Manufacturing Capacity (MT/Per Month)	700	700	-
Capacity utilisation (%)	48	36	33.33
Capital Investment (Rs:Mn)	55	135	(59.20)

Social and Relationship Capital

	2023/24	2022/23	%
Suppliers	343	317	8.20
Own showrooms	1	1	-
Franchise showrooms	12	13	(7.69)
Dealers and Distributors	184	195	(5.64)
Aluminium fabricators	1,750	1,207	44.99

Natural Capital

	2023/24	2022/23	%
Material consumption (MT)	5,448	3,936	38.41
Water discharge (Mn.Liters)	15	9	69.13
Energy consumption (GJ:000)	50	40	25.52

Intellectual Capital

- ISO 5001:2018
- ISO 14001:2015
- ISO 9001:2015
- SLS 1410:2011
- Qualicoat certificate
- Qualicoat Sea side Certificate
- Jotun Approved Applicator
- Green Labelled Product

Our Presence in the Value Chain



- ### Raw Material sourcing
- 250 local suppliers
 - 93 overseas suppliers



- ### Warehousing
- 1 Warehouse

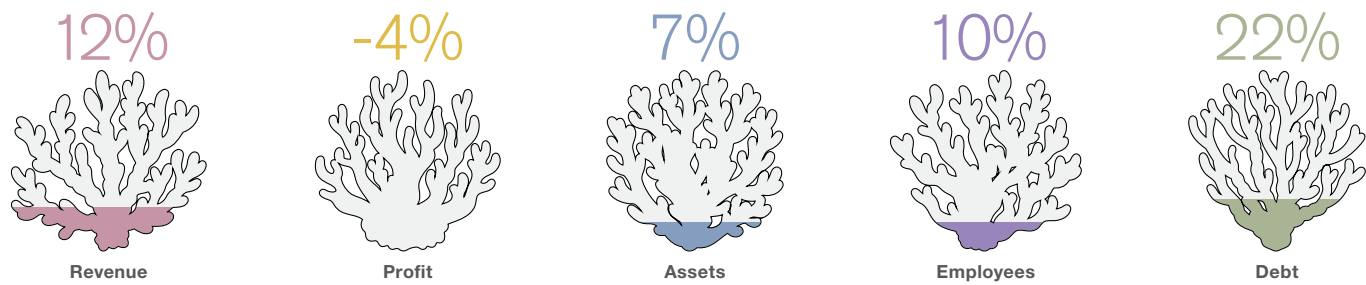


- ### Manufacturing
- Plant in Dompe with a capacity of 700 MT per month



- ### Distribution
- 1 Own showroom
 - 12 Franchises
 - 184 Dealers and Distributors

CONTRIBUTION TO THE GROUP



REVIEW OF 2023/24

The industry faced another challenging year as the domestic construction sector remained lacklustre. Additionally, customers were highly price-conscious due to tax reforms and inflationary pressures, impacting their real income. This made it challenging for Swisstek Aluminium to compete with cheaper imported substitutes in the market. Consequently, the sector's profitability suffered as we were unable to adjust prices to reflect the increased costs, given the market's sensitivity to price changes.

As the industry relies heavily on imported raw materials, we are particularly susceptible to fluctuations in exchange rates and the global price of aluminium. To mitigate this risk and reduce the cost of raw materials, we implemented an initiative to manufacture the necessary billets in-house. We successfully met the required quality standards through this initiative, leading to a notable decrease in

the quantity of raw materials imported during the year. Further, we implemented several cost efficiency initiatives and continued our Kaizen programs and was successful in achieving record breaking cost savings. Additionally, our production processes were fine tuned and realigned to support these initiatives.

During the year, we actively pursued opportunities to broaden our export market presence. This proved challenges due to the formidable competition posed by global industry giants leveraging economies of scale. Due to our persistent efforts, Swisstek Aluminium managed to secure contracts with three major customers based in the United States. We anticipate that these successful endeavours will yield substantial benefits in the years to come.

P Political Political uncertainty with looming presidential and General elections.	E Economical Customers being price sensitivity due to economic constraints, prioritising affordability over quality considerations
S Social High level of economic migration having a direct impact on housing construction	T Technological Technology enabling us to drive operational efficiencies to maintain profitability
E Environmental Resource depletion and emission from the manufacturing process.	L Legal High levels of ESG compliance and certification requirements

PERFORMANCE REVIEW

Despite the challenges in the market, Swisstek Aluminium achieved a top line growth of 38%, driven largely by growth in volume. Sales in the domestic market grew by 33% with a significant growth in sales from large construction projects. Exports saw a growth of 152%. However, despite the healthy topline growth, profitability was negatively affected as we were unable to modify prices to accommodate the increased costs, given the market's sensitivity to price adjustments.

We improved our product offerings by introducing new features to our "Swisstek Superior" range. Additionally, we enhanced our premium product line, "Swisstek Allura," by incorporating new features. We strengthened our distribution network by enhancing our service offerings. This was reflected in faster turnaround times and training hours exceeding 4,468 hours.

In a human capital front, we continued to inculcate a learning culture by conducting various training programs throughout the year. Despite the high labour turnover we strengthened our factory level staff by recruiting top talent from the industry.

Despite the growth in revenue, Swisstek Aluminium continued to face working capital constraints. As a result of resorting to short-term borrowings to address these requirements, the company incurred significantly high finance costs.

The strengthening of the Rupee observed during the second half of the year had a mixed impact on the company. While the stronger Rupee positively influenced the cost of imported raw materials, it had a negative effect on revenue from exports.

Revenue

Rs. 7,265 Mn (2022/23 - Rs. 5,257 Mn)

Gross Profit

Rs. 1,131 Mn (2022/23 - Rs. 1,280 Mn)

Total Assets

Rs. 7,500 Mn (2022/23 - Rs. 7,378 Mn)

Financial Performance

- Topline reported a healthy growth rate of 38% driven mainly by volume growth. Domestic sales which amounted to Rs. 6,647 Mn saw a growth of 33% while revenue from exports grew by 152% to reach Rs. 618 Mn
- Gross profit contracted by 8% as the cost of raw materials surged significantly. However, the company strategically opted not to transfer this increase to the end consumer, aiming to retain price-conscious customers. Accordingly, aluminium sector reported a gross profit of Rs. 1,131 Mn for the year.
- Administrative expenses increased by 43% to reach Rs. 333 Mn due to social security levy charged on turnover while distribution expenses grew by 12% to Rs. 652 Mn.
- Finance expenses declined by 52%, however remained significantly high due to the short-term borrowing made to meet the working capital requirements. Total finance cost for the year amounted to Rs. 664 Mn
- Aluminium sector reported a net loss of Rs. 337 Mn for year against a loss of Rs. 1,069 Mn reported in the previous year.

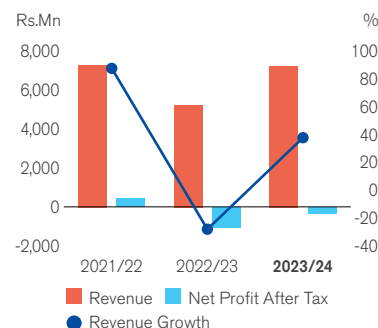
People perspective

- Employee turnover improved marginally but remained high due to the high level of economic migration in the country.
- Despite the high turnover, the sector reinforced the strength of the factory staff by recruiting the best available talent in the market.
- Total training hours for the year amounted to 4,468 compared to 1,914 of the previous year.

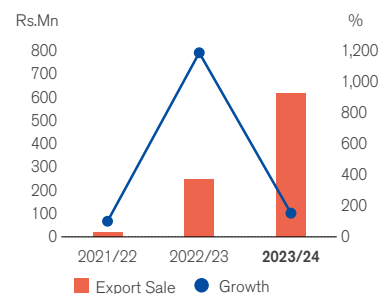
Environmental impact

- Obtained the Carbon Footprint verification.
- Only company complying with both ISO 5001 and ISO 14001
- Material and energy consumption increased by 38% and 26% respectively due to production increase
- Water consumption of 33 Mn. Litres

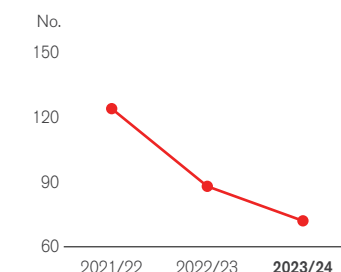
Sector Performance



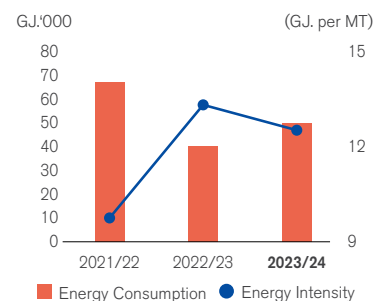
Export Performance



Employee Turnover



Energy Consumption and Intensity



Outlook

Despite the uncertainties, we maintain optimism for the upcoming year, as Swisstek Aluminium is confident that the efforts made this year to revitalise our operations in both the domestic and export markets will begin to yield results. Our endeavours to secure overseas customers have successfully led to contracts with three large customers, which are expected to generate revenue starting from the upcoming year.

Despite not planning for significant capital injections to expand capacity in the near future, we will closely monitor demand patterns and adjust our supply chain strategy if necessary to meet demand requirements.



Packaging



Established in 1994, Unidil Sri Lanka has become one of Sri Lanka's leading packaging solution providers specialising in paper sacks and corrugated cartons. Unidil has gained a reputation for its superior quality and environmentally friendly packaging material that is tailor-made to suit customers from different industries. At present the company hold a market share of 17% for corrugated cartons and 40% for paper sacks.

Strategic Priorities

- Increased focus on offering sustainable packaging solutions
- Driving cost efficiencies to minimise the pressure on profit margins
- Reinforcing customer engagement to retain market share

Impact from the operating environment

- Cost of production increasing due to higher energy cost but being unable to increase product prices due to price sensitive nature of the industry
- Revised corporate tax rate affecting profitability
- Challenges faced by export industries having a direct negative impact on demand for our products

Our Approach

- Expanding our presence in overseas markets
- Driving cost efficiencies through various cost saving initiatives

Our Brands



Capital Value Creation

Financial Capital

	2023/24	2022/23	%
Revenue (Rs.Mn)	7,885	9,226	(14.53)
Profit after tax (Rs.Mn)	713	923	(22.79)
Total assets (Rs.Mn)	5,281	5,279	0.05
Total liabilities (Rs.Mn)	2,634	2,988	(11.85)

Human Capital

	2023/24	2022/23	%
No of employees	494	457	8.10
Total remuneration (Rs.Mn)	694	618	12.31
Training hours	1,885	1,194	57.87

Manufactured Capital

	2023/24	2022/23	%
Manufacturing Capacity (MT/Per Annum)	33,000	33,000	-
Capacity utilisation (%)	64	63	1.00
Capital Investment (Rs:Mn)	162	195	(17.02)

Social and Relationship Capital

	2023/24	2022/23	%
Customers	193	184	4.89
Suppliers	544	510	6.67

Natural Capital

	2023/24	2022/23	%
Material consumption (MT)	23,850	23,668	0.77
Water discharge (Mn.Liters)	16.51	13.20	25.08
Energy consumption (GJ:000)	11	15	(26.67)

Intellectual Capital

- ISO 9001
- ISO 14001
- ISO 22000
- WRAP certification
- HACCP
- SMETA Certification

Our Presence in the Value Chain



Raw Material sourcing

- Paper and other raw material suppliers
- 511 local suppliers
- 33 overseas suppliers



Manufacturing

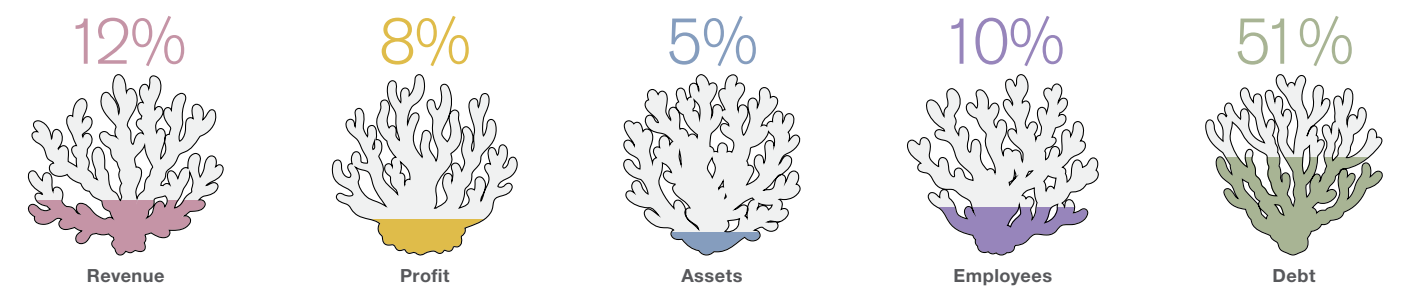
- 33,000 MT Corrugated cartons and 3,600 MT paper sacks per annum



Warehousing

- Direct to customers in apparel, tea, rubber, FMCG and home appliances

CONTRIBUTION TO THE GROUP



REVIEW OF 2023/24

The year posed considerable challenges for the packaging industry, primarily due to a downturn in the export sector. As a significant portion of our clientele consists of direct or indirect exporters, this slowdown had a direct adverse effect on demand for our products. The slowdown in tea and cement industry resulted in a significant decline in demand for paper sacks.

Further, the high energy costs and paper prices had a negative impact on our profitability as the industry's high sensitivity to price limited our ability to pass on these increased costs to customers. As reflected in our topline, to retain customers in a highly competitive industry, Unidil took a strategic decision to revise prices downwards. The revised corporate tax rate which came into effect from beginning of year 2024 had further impacted our profitability.

Securing a continuous supply of necessary raw materials presented another challenge during the year. The impact of war and economic sanctions, coupled with global logistics issues, created numerous obstacles in obtaining raw materials. In response, Unidil was compelled to augment its raw material inventory and strengthened its supplier screening process to navigate these challenges effectively.

The significant economic migration experienced in the country contributed to a high turnover of labour within the company, particularly among skilled machine operators. While we were able to recruit individuals with the required skill sets, the high turnover adversely affected operational efficiency, leading to production delays and challenges in fulfilling orders promptly.

On a positive note, Unidil displayed its ability provide innovative packaging solutions by introducing new self-locking corrugated boxes targeting some of our key customers. Further, we have approached potential customers with our unique laminated and inner die cut cartons. And are hopeful that these efforts will reap benefits in future.

P Political Political uncertainty with looming presidential and General elections.	E Economical Downturn in the export industry having a direct negative impact on demand for packaging products.
S Social High level of talent migration resulting in high labour turnover.	T Technological The growing e-commerce industry creating opportunities for the industry.
E Environmental Increased demand for sustainable packaging solutions.	L Legal High levels of ESG compliance and certifications requirements

PERFORMANCE REVIEW

Downturn in the export industry resulted in significant contraction demand for packaging solutions as industry mainly caters to export oriented customers. Demand for paper sacks saw a significant decline as both tea industry and cement industry underperformed during the year. Further, Unidil was compelled to revise prices downward due to intense competition in the market. This coupled with the increased cost of raw materials and energy prices had a significant negative impact on our profitability.

We pursued opportunities in overseas and were successful in securing clients in Maldivian fisheries industry and apparel sector in Ethiopia and Haiti.

Unidil achieved the “Great Place to Work” certification for the current year, reaffirming our status as an employer of choice that provides a holistic value proposition to all employees. Additionally, we obtained Carbon Footprint Verification, underscoring our commitment to sustainable business practices and environmentally friendly packaging solutions.

Revenue

Rs. 7,885 Mn

(2022/23 - Rs. 9,226 Mn)

Profit After Tax

Rs. 713 Mn

(2022/23 - Rs. 923 Mn)

Total Assets

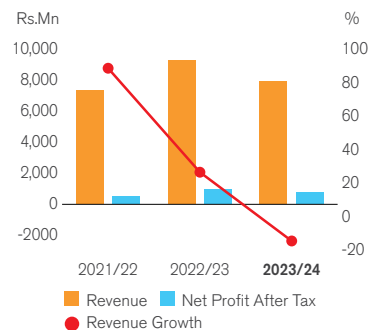
Rs. 5,281 Mn

(2022/23 - Rs. 5,279 Mn)

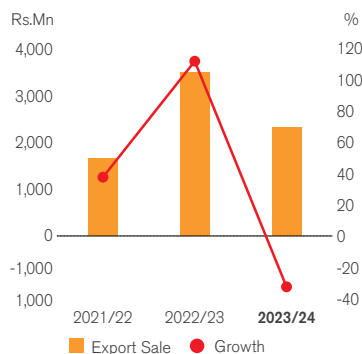
Financial Performance

- Revenue contracted by 15% to reach Rs. 7,885 Mn, driven by decline in both volume and prices. Domestic sales accounted for 60% and amounted for Rs. 4,634 Mn, the remaining was accounted for by indirect exports.
- Gross profit decline by 20% , in line with the revenue contraction and increased costs.
- Distribution expenses saw a decline of 2% on the back of decline in sales while administrative expenses also declined by 4%.
- Finance expenses contracted by 68% on the back of lower interest rates. Finance cost for the year amounted to Rs. 217 Mn
- The applicable corporate tax rate was increased to 18% from previously applicable 15% from January 2024
- Packaging sector reported a net profit of Rs. 713 Mn, a decline of 23% compared to net profit of Rs. 923 Mn reported in the previous year.

Sector Performance



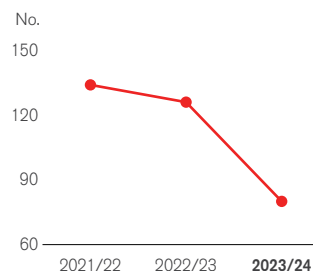
Export Performance



People perspective

- Obtained the “Great Place to Work” certification.
- Employee turnover reduced despite significant migration of employees reported in the country.
- Total remuneration of Rs. 694 Mn
- 1,885 training hours

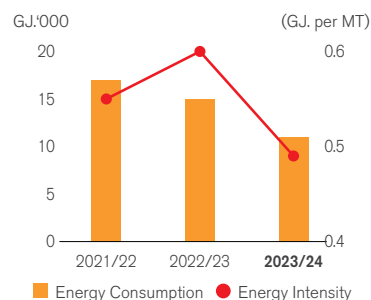
Employee Turnover



Environmental impact

- Obtained the Carbon Footprint verification.
- Energy consumption decreased by 24% despite of higher production volumes due to successful energy savings initiative of the Company
- Water consumption of 24 Mn. Litres
- Waste generation of 3,118 MT

Energy Consumption and Intensity



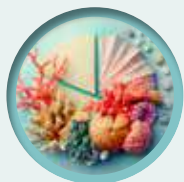
Outlook

Despite the challenging outlook, we maintain a cautious optimism for the upcoming year. We will diligently monitor our operating environment to effectively manage uncertainties and adapt as needed. Unidil is currently exploring opportunities to expand its operations beyond Sri Lanka in order to broaden the market.

The global demand for corrugated boxes has exhibited significant growth in recent years, and we are optimistic about capitalising on this opportunity. Through our product innovation and capability to fulfil specific customer requirements, we aim to leverage this trend effectively.

We will also continue to explore sustainable business practices and provide environmentally friendly packaging solutions through product innovation in future.





FINANCIAL CAPITAL

Rocell demonstrated robust performance despite uncertainties during the country's recovery phase. The Group achieved a profit after tax of Rs. 9.2 Bn, successfully navigating numerous challenges amidst the ongoing downturn in the construction industry. Committed to innovation, the Group is investing in advanced technology and production facilities to elevate Sri Lanka's tile industry and boost production. Despite increased borrowings to finance expansion projects, the Group maintained a stable financial position.



- Delivered healthy profits despite the downturn economy having a significant negative effect on all sectors
- Revenue contracted by 3% as the local construction sector continued to underperform.
- Profitability affected as the Group was unable to increase prices in line with cost escalations due to the market's heightened sensitivity to pricing dynamics
- Operating expenses increase, driven mostly by increased administrative expenses.
- A 13% decline in net profit, owing to the reduction in revenue and increased costs.
- A 12% growth in assets, driven by a 24% growth in property, plant and equipment.
- A 24% increase in borrowings mainly to fund expansion plans of Lanka Walltiles PLC and Royal Ceramics Lanka PLC - Horana Plant

	Tiles & Associated Products			Sanitaryware			Packaging			Aluminium			Mining & Other		
	23/24	22/23	%	23/24	22/23	%	23/24	22/23	%	23/24	22/23	%	23/24	22/23	%
Revenue (Rs.Mn)	43,262	46,787	(8)	3,750	3,401	10	7,885	9,226	(15)	7,265	5,257	38	217	447	(51)
Profit after tax (Rs.Mn)	6,567	7,978	(18)	(434)	443	(198)	713	923	(23)	(337)	(1,069)	(68)	68	(80)	(185)
Assets (Rs.Mn)	66,875	57,086	17	7,283	7,584	(4)	5,281	5,279	0	7,500	7,378	2	3,393	3,628	(6)
Liabilities (Rs.Mn)	32,081	27,158	18	3,608	3,471	4	2,634	2,988	(12)	7,111	6,812	4	692	807	(14)
ROA (%)	10	14	(4)	(6)	6	(12)	13	17	(4)	(4)	(14)	10	2	(2)	4
ROE (%)	19	27	(8)	(12)	11	(23)	27	40	(13)	(87)	(189)	102	3	(3)	5

Revenue

Rs. **61,192** Mn

(2022/23 - Rs. 63,206 Mn)

Operating Profit

Rs. **14,245** Mn

(2022/23 - Rs. 16,851 Mn)

Operating Expenses

Rs. **12,467** Mn

(2022/23 - Rs. 11,463 Mn)

Profit After Tax

Rs. **9,234** Mn

(2022/23 - Rs. 10,594 Mn)

Asset

Rs. **101,619** Mn

(2022/23 - Rs. 90,565 Mn)

Debt to Equity Ratio

0.40

(2022/23 - 0.37)

Current Ratio

1.67 times

(2022/23 - 1.40 times)

Quick Asset Ratio

0.48 times

(2022/23 - 0.51 times)

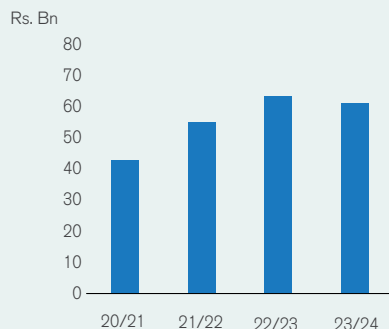
Total Liability

Rs. **41,506** Mn

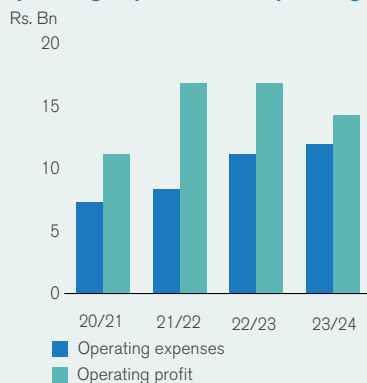
(2022/23 - Rs. 37,159 Mn)

Profitability

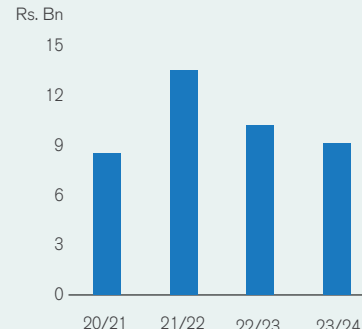
Revenue



Operating Expenses and Operating Profit

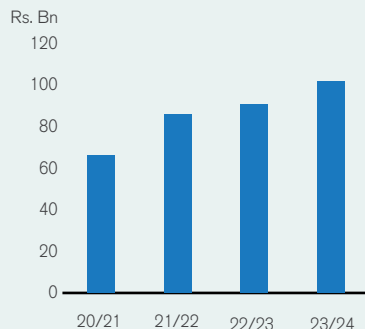


Profit After Tax

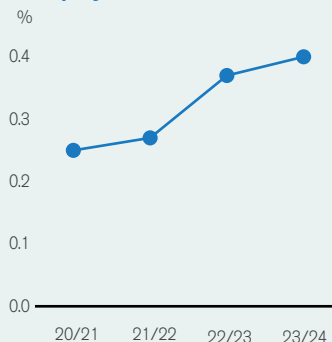


Stability

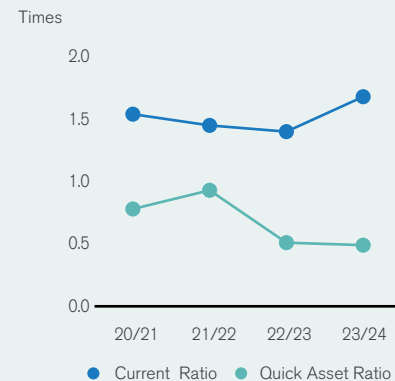
Assets



Debt to Equity Ratio



Current & Quick Asset Ratio



REVENUE

The Group reported a revenue of Rs. 61.2 Bn, recording a contraction of 3.2% compared to the previous years' revenue of Rs.63.2Bn.

- The primary revenue driver, the tiles and associated products sector, accounted for Rs. 43 Bn, marking a 8% decrease. This decline was predominantly influenced by the persistent sluggishness in the construction sector, which dampened the demand for tile products. Furthermore, the market witnessed an oversupply of tiles in the latter half of the year following the lifting of import restrictions, resulting in heightened competition and price pressures for local producers. To maintain market share, substantial discounts were necessary, thereby adversely affecting pricing strategies, thus having a negative impact on price. The sector sales volume declined by 11%. Revenue from exports amounted to Rs. 1,877 Mn, reporting a growth of 4%.
- The sanitaryware sector recorded a marginal growth in volume of 1%. The sector reported a revenue of Rs.3.7Bn, a growth of 10% driven mainly by increased prices. Exports sales recorded a decline of 57% and amounted to Rs. 169 Mn.
- The packaging sector reported a growth in volume, however revenue declined by as prices had to be revised downwards due to the intense competition. The sector recorded a revenue of Rs. 7.9 billion, marking a 15% decrease compared to the preceding year.
- Aluminium sector recorded a revenue of Rs. 7.3Bn, reporting a commendable growth of 38%, which was solely driven by a 53% increase in sales volume. Prices had to be adjusted downwards to reflect the downward trend of world aluminium prices and due to the price sensitivity of the local customers. Revenue from export sales amounted to Rs. 618 Mn, recording a growth of 152%.

GROSS PROFIT

The gross profit for the year decreased by 8% to Rs. 23.5 billion, with gross profit margins declining across all sectors. This decline in gross profit margin was primarily attributed to the downward adjustment of sales prices implemented to stimulate volume growth. This trend was seen across all sectors. The cost of production of the tile sector reduced by 5% due to comparatively lower energy prices and strengthening of the Rupee. The tile sector reported a gross profit of Rs.19.6Bn, recording a negative growth of 4% while gross profit of the bathware sector contracted by 36% to reach Rs.813Mn. The packaging sector gross profit declined by 20% to Rs.1.8Bn while the Aluminium sector gross profit amounted to Rs.1.1Bn, contracting by 12%.

Tile Sector Revenue

Rs. **43,262** Mn

(2022/23 - Rs. 46,787 Mn)

Sanitaryware Sector Revenue

Rs. **3,750** Mn

(2022/23 - Rs. 3,401 Mn)

Aluminium Sector Revenue

Rs. **7,265** Mn

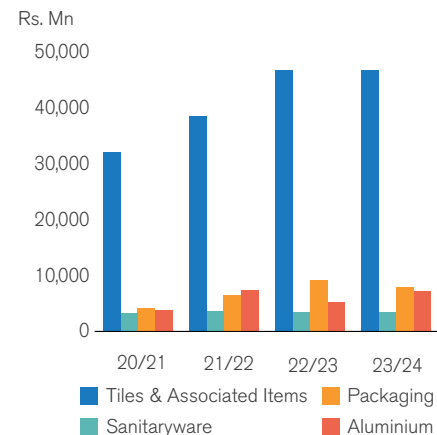
(2022/23 - 5,257 Mn)

Packaging Sector Revenue

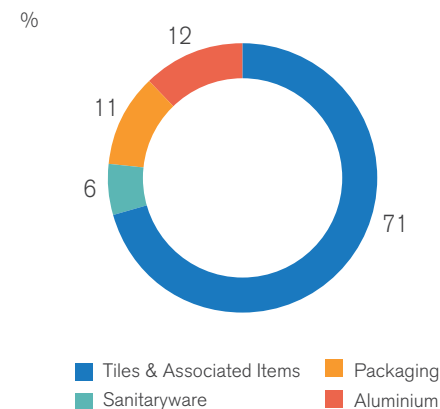
Rs. **7,885** Mn

(2022/23 - 9,226 Mn)

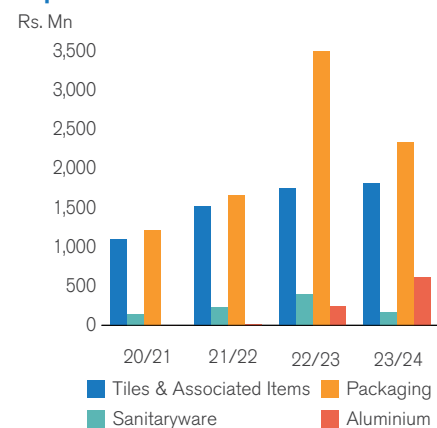
Turnover



Contribution to Revenue



Export Sales



OPERATING EXPENSES AND OPERATING PROFIT

The operating expenses of the tile and sanitaryware sector rose by 9% and 32%, respectively. Conversely, operating expenses in the packaging sector saw a slight decrease of 3%, attributed to cost-saving measures implemented by Unidil. Furthermore, operating costs in the aluminium sector decreased by 24%. This decrease was due to a Rs.485Mn forex losses incurred in the previous year. Total operating expenses for the Group amounted to Rs. 12 Mn, up by 9% compared to the previous year.

The Group reported an operating profit of Rs. 14.2 Bn, in comparison to Rs. 16.9 Bn reported in 2022/23. The tiles sector operating profits declined by 14% to Rs. 10.3 Bn while sanitaryware sector reported an operating loss of Rs. 160 Mn against an operating profit of Rs. 608 Mn in the previous year. The loss was attributable to price reductions and higher operating costs stemming from increased sales volumes. Packaging sector reported an operating profit of Rs.1.2Bn against Rs.1.9Bn reported in the previous year. Operating profit of Swisstek aluminium improved by an impressive 2.5folds on the back of improved revenue and reduced operating costs, resulting in an operating profit of Rs. 230Mn

FINANCE COST

The Group finance costs were reduced by 29% to Rs.2.5Bn due to the reduction in interest rates and a debt restructuring of Swisstek Aluminium. However, total borrowing of the Group increased by 24% due to the funding obtained to finance the expansion plans on Lanka Walltiles and Lanka Tiles.

The finance costs of the tile and bathware sector increased by 18% to Rs.1.6Bn and 167% to Rs.431Mn on the back increased borrowings. The finance costs of the packaging sector came down by 68% to Rs.217 Mn, driven by a reduction in both borrowings and interest rates. The finance cost of the aluminium sector declined by 52% to Rs.664 Mn due to a restructuring of certain short term facilities as long term financing.

PROFIT BEFORE AND AFTER TAX

Group reported a pre-tax profit of Rs. 12 Bn, a contraction of 16% compared to the previous year with Group's associate company LB Finance making a contribution of Rs. 2.5 Bn. post-tax profits declined by 13% to reach Rs. 9.2 Bn owing to reduced operating profits.

The tile sector made a net profit contribution of Rs. 6.6Bn, a reduction of 18% while the packaging sector net profit declined by 23% to Rs. 713Mn. The applicable corporate tax rate for unidil increased to 18% with effect from January 2024 from previously applicable 15%.

The sanitaryware sector incurred a net loss of Rs. 434 Mn, primarily due to diminished profitability resulting from price reductions aimed at boosting sales volume. Aluminium sector recorded a net loss of Rs. 337 Mn, an improved performance against a net loss of Rs.1 Bn recorded during the previous year.

Tile Sector Profit Before Tax

Rs. 9,188 Mn

(2022/23 - Rs. 11,724 Mn)

Sanitaryware Sector Profit Before Tax

Rs. (546) Mn

(2022/23 - Rs. 495 Mn)

Aluminium Sector Profit Before Tax

Rs. (412) Mn

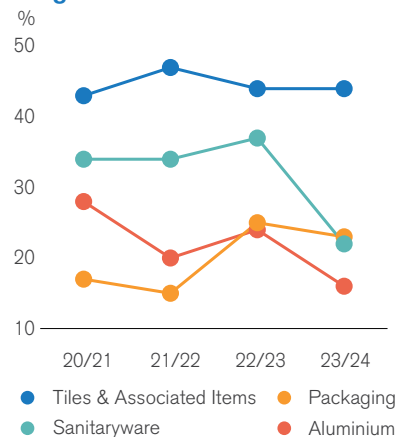
(2022/23 - Rs. (1,325) Mn)

Packaging Sector Profit Before Tax

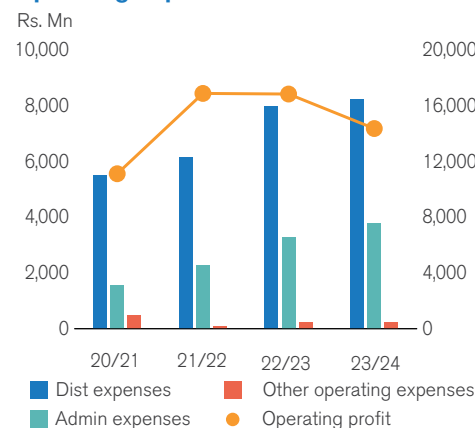
Rs. 1,023 Mn

(2022/23 - Rs. 1,214 Mn)

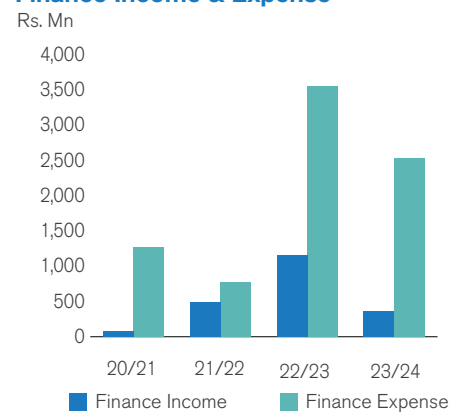
GP Margin



Operating Expenses and Profit



Finance Income & Expense



CASH FLOWS

The operating activities of the Group recorded a positive cash flow of Rs. 5.8 Bn, against a negative cashflow of Rs. 9.4 Bn reported in the previous year. Inventory increased by Rs. 3.4 Bn owing to the enhanced raw material inventory maintained across the Group and gradual increase of finished goods from the tile sector. Investing activities recorded an outflow of Rs. 5.9 Bn on the back of capacity expansions in Lanka Walltiles and Lanka Tiles. Cash flows under financing activities reflect borrowings of Rs. 34 Bn during the year and repayments of Rs. 29 Bn.

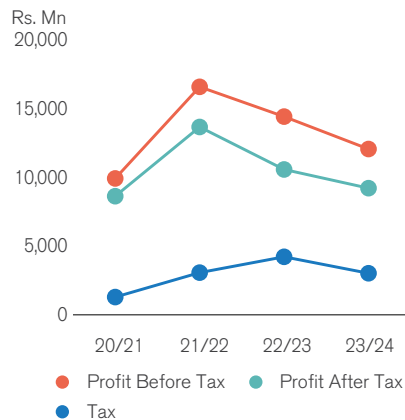
STABILITY AND RESILIENCE

Total assets of the Group increased by 12% to Rs. 101.6Bn, driven a 24% increase in property plant and equipment due to expansion projects in Lanka Walltiles and Lanka Tiles. Inventory remain elevated and further increased by 14% due to high levels of raw material inventory maintained as a precautionary measure and gradual buildup of finished goods from the tile sector as a result of increased capacity and reduced demand. Cash balance declined by 14% on the back of reduced sales.

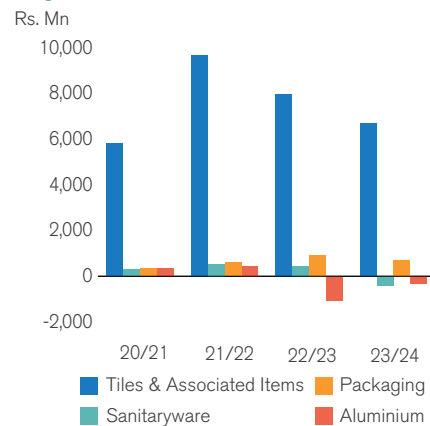
59% of the Group's balance sheet is funded by equity and 24% is accounted for by interest bearing liabilities. Borrowings increased by 24% during the year on the back of funding obtained to finance the expansion plans for Lanka Walltiles and Lanka Tiles. This led to an increase in gearing ratio to 29% from last year's 27%.

	2023/24 Rs.Bn	Increase %
Property, plant & Machinery	41.2	24
Investments in Associates	15.1	13
Inventories	28.7	14
Cash & cash equivalents	3.1	(14)
Equity	60.1	13
Interest bearing loans and borrowings	24.2	24

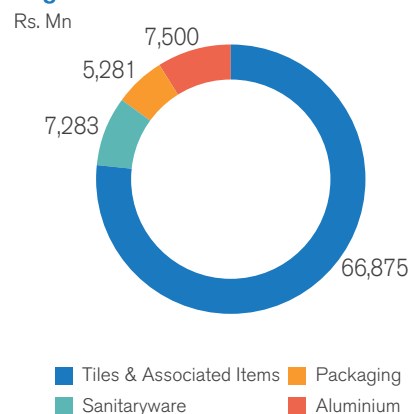
Pre and Post tax profits



Segment Profit



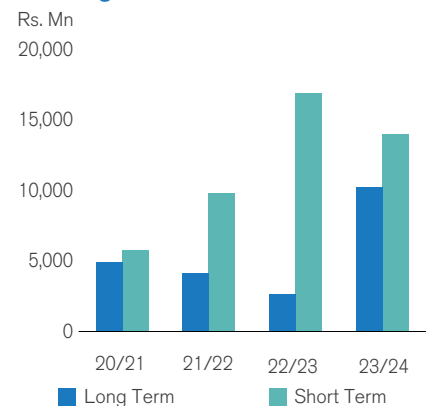
Segmental Assets



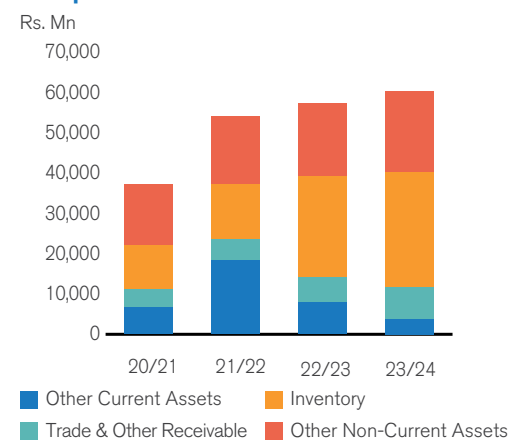
RETURN TO SHAREHOLDERS

Corresponding to the reduced profits, earnings per share decreased by 7%. The share price experienced a increase of 13%, attributed to the lacklustre performance of the Colombo Stock Exchange driven by negative investor sentiment and reduction in real income. The market capitalisation at the year-end amounted to Rs. 34 billion.

Borrowings



Composition of Assets





HUMAN CAPITAL

The skills, competencies, and experience of our team were instrumental in successfully navigating the challenges presented in the operating environment. The Group has established itself as a preferred employer by offering a comprehensive value proposition, which has enabled us to retain and attract the necessary talent, despite the significant talent migration in the country.



HR Vision

Our strategic aspirations are to create an HR where people thrive, partnerships prevail, and performance excels

HR Mission

Royal Ceramics Lanka PLC Human Resource provides leading HR services that attract, sustain and inspire excellence in people.

HR Commitment

The Human Resource will help sustain excellence, foster active engagement, and build collaborative learning associates to champion the mission and values of the Royal Ceramics Lanka PLC

HR Values

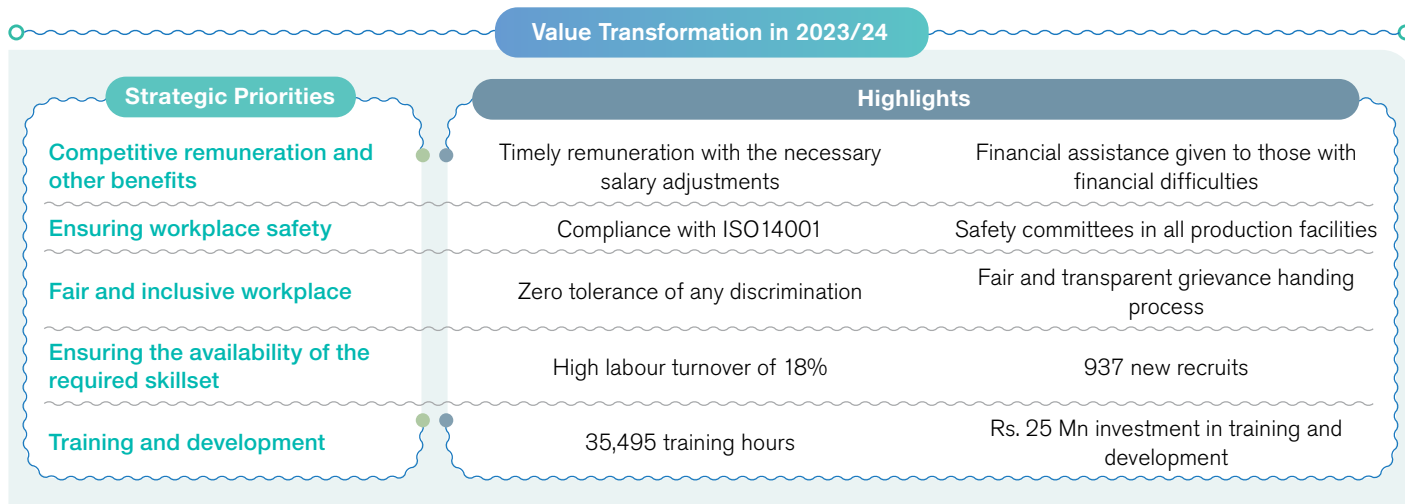
Teamwork & Inclusion

Respect to individuals

Improvement and innovation

Honesty, Integrity & Trust

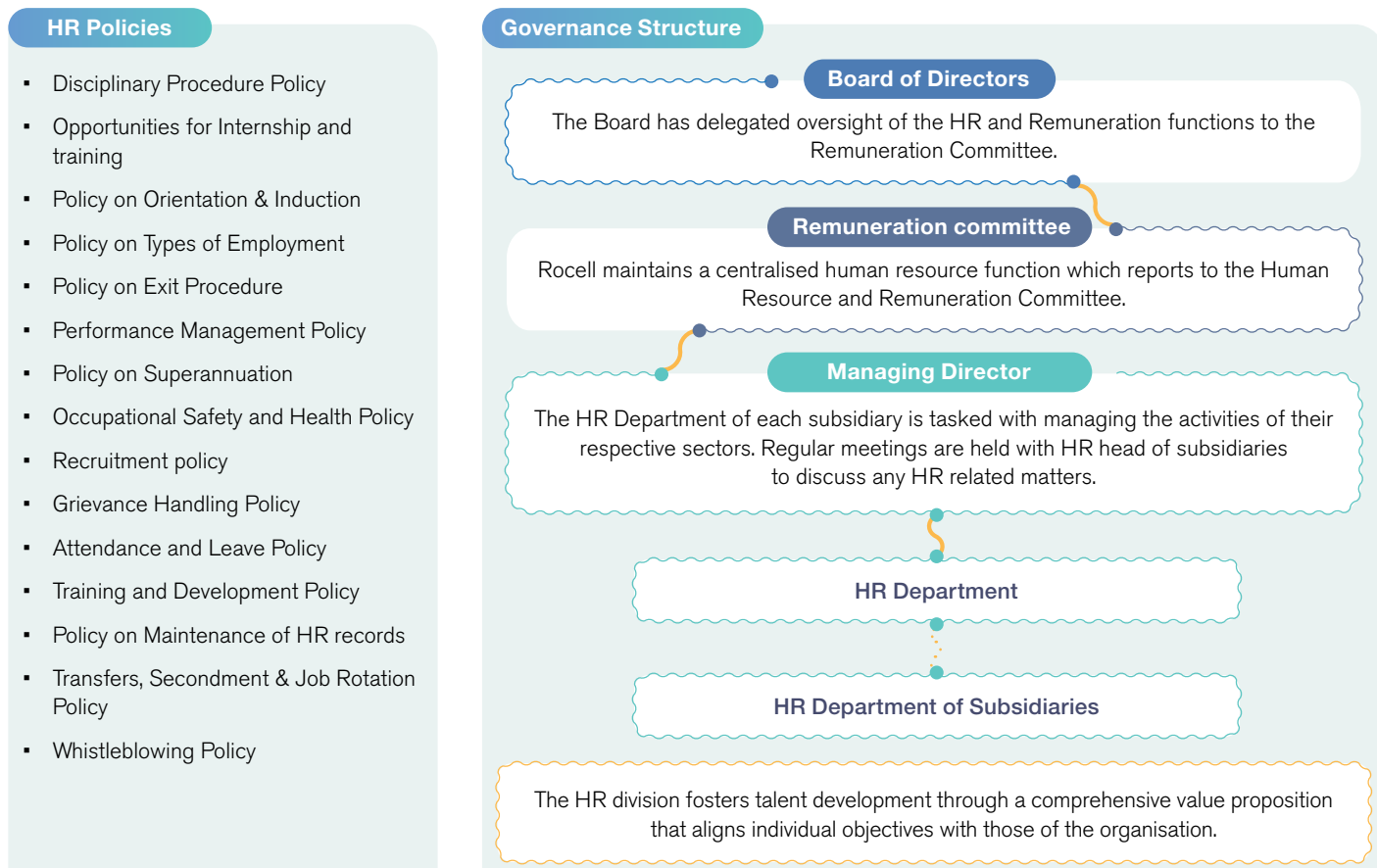
Employee Development & Wellness



HR GOVERNANCE

Human capital management is anchored by our HR policies and procedures, which adhere to Sri Lankan labour laws and regulatory standards while aligning with industry best practices. Our aim is to foster a diverse and supportive workplace environment that upholds fair treatment for all employees. The HR governance structure shown alongside serves as a fundamental component of our human resource management framework, reinforcing our commitment to effectively managing our workforce in accordance with established policies.

The Board has entrusted the HR and Remuneration Committee with the responsibility of overseeing the HR and remuneration functions. Rocell operates a centralised human resource department that reports directly to the HR and Remuneration Committee. Each subsidiary has its own HR department, responsible for managing sector-specific activities. Regular monthly meetings are held with the HR heads of subsidiaries to address any HR-related issues and ensure effective coordination across the organisation.



TEAM PROFILE

The group employs a total of 4,726 no of employees across five sectors. Team profile is given below

By Sector

Tiles and associated products

3,354



Sanitaryware

346



Aluminium

484



Packaging

494

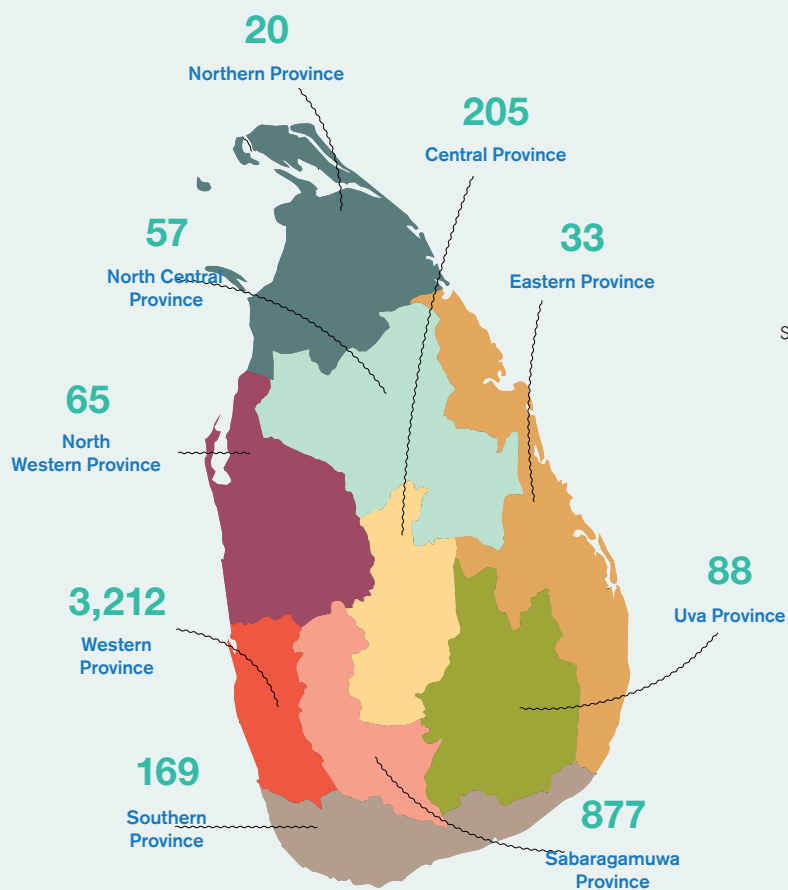


Other

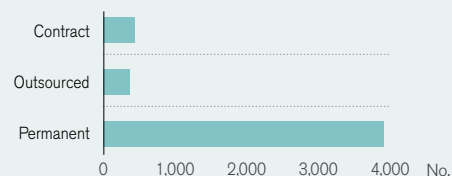
48



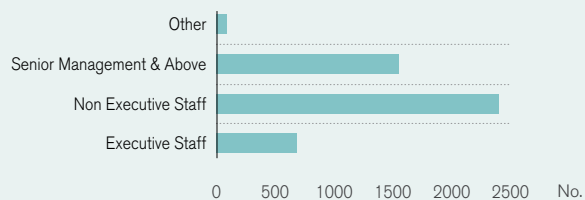
By Region



By Contract



By Category



By Gender

88%



12%



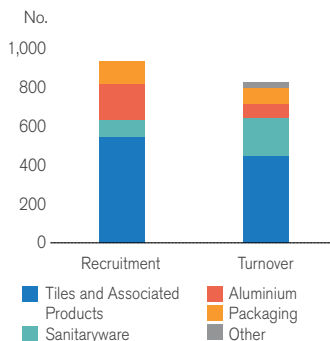
MOBILITY DURING THE YEAR

The Group experienced continued high attrition rates due to the ongoing talent migration trend observed in Sri Lanka. Particularly within skilled technical staff roles across all sectors, turnover remained elevated. Despite being able to rehire necessary talent, the impact on productivity and efficiency was notable. Additionally, high turnover was also observed among showroom staff.

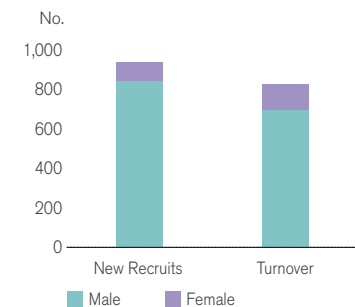
During the year 937 new employees were recruited to reinforce the skills and competencies of the team. Our recruitment process is designed to ensure transparency and objectivity with a series of assessments and interviews to select the best possible candidates. Retention rate decreased to 82% (2022/23- 85%) driven by the large-scale talent migration observed across the country.

Profile of new recruits and exits are graphically presented alongside:

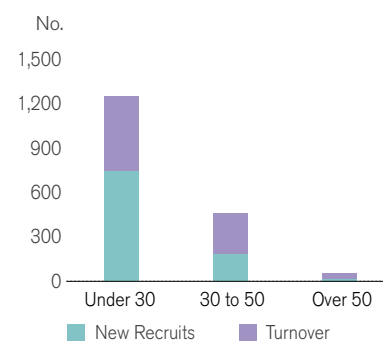
New Recruits and Turnover by Sector



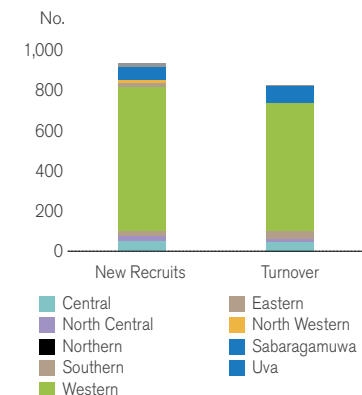
New Recruits and Turnover by Gender



New recruits and Turnover by Age



New Recruits and Turnover by Region

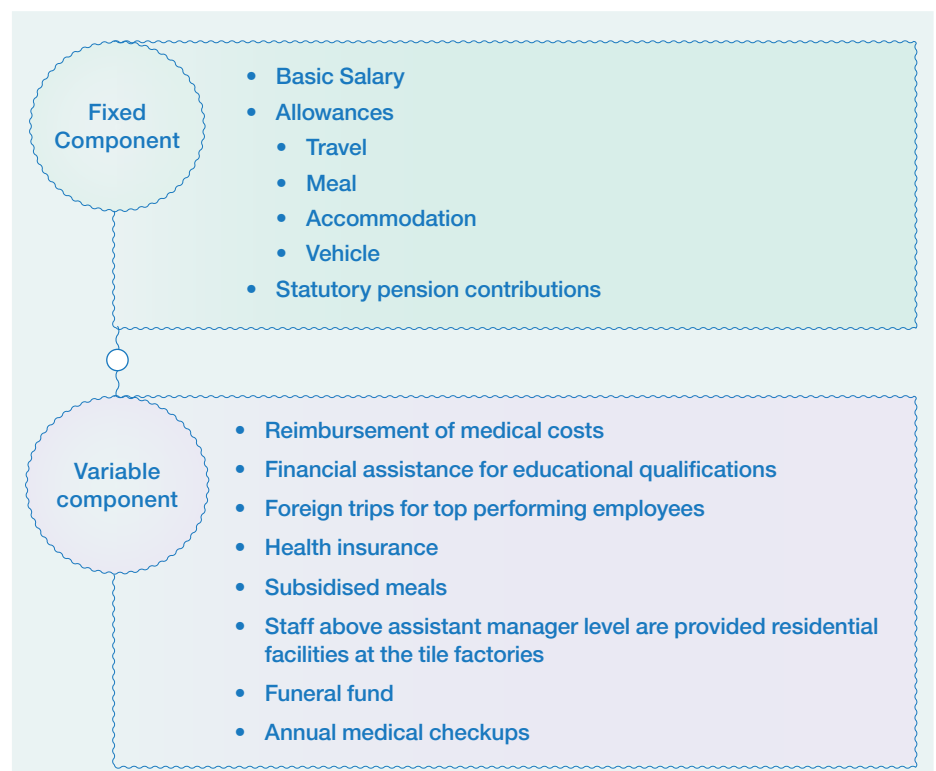


REMUNERATION AND OTHER BENEFITS

Our rewards scheme is comprised of fixed pay, variable pay, benefits and investments in training and development and career progression opportunities. All remuneration packages adhere to applicable labour laws and regulations, ensuring that the standard entry-level compensation offered aligns with the minimum wage defined by labour laws. During the year there were no incidents of non-compliance. Despite the challenging operating environment, all necessary salary adjustments were carried out across sectors and the Group also took initiative to provide additional financial assistance to identified employee categories with financial difficulties. Total staff cost for the year amounted to Rs. 7,124 Mn (2022/23 : Rs. 6,954Mn).

In addition to remuneration, we provide a range of other benefits and rewards that include both fixed and variable elements, all aimed at retaining the required talent and to motivate and maintain a high morale.

All employees are given adequate notice of any significant operational changes.



PERFORMANCE MANAGEMENT, RECOGNITION AND CAREER PROGRESSION

Our Performance Management System enables a balanced and transparent evaluation of employees by establishing both financial and value-driven objectives. Accomplishments are recognised through variable pay schemes and avenues for career advancement. All employees undergo performance appraisals based on predetermined key performance indicators.

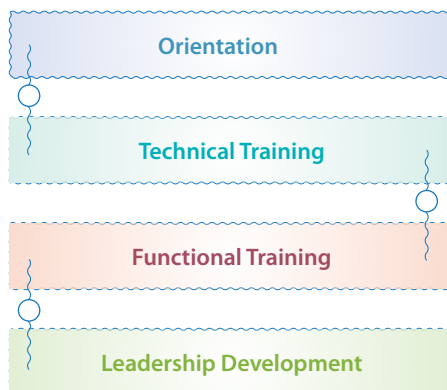
Outstanding employees at the showroom level are acknowledged every quarter to boost productivity and maintain motivation. Moreover, we honour employees for their long service, awarding a cash tokens. Employees are also given recognition for their efforts under initiatives such as KAIZEN and TPM.

The Group has a well-defined succession plan in place to facilitate career progression and strive to align personal goals with our organisational goals. Outstanding employees

are recognised and given the opportunities to progress in their careers. As part of this initiative, showroom staff members who demonstrate leadership potential are identified and provided with tailored training and opportunities for career advancement. During the year 188 employees across the group were given promotions.

TRAINING AND DEVELOPMENT

We provide continuous opportunities for training and development to empower our employees with the necessary skills and knowledge. All employees are undergoing induction training when they join the company which covers the company policies and procedures including anti-corruption and whistleblowing. Training needs are identified at the employee performance appraisals and aligned with both organisational and individual goals. Our training programs include a mix of external and internal development programs, as well as on-the-job training and certification programs. Both physical and virtual platforms are used when delivering training, depending on the type of program and the recipients of the training.



Type	2023/24	2022/23
Total investment in training – Rs.Million	25	33
Total No. of training hours	35,495	34,196
No. of employees received training	5,924	8,362
Average hours of training per employee	5.99	4.09



Development of managerial skills for factory staff

Developed to improve managerial skills of the factory staff. Programme is conducted by Rocell employees and has 3 stages, Foundation, certificate and diploma currently. In the process of obtaining an accreditation.



Tiler Certification Programme

The NVQ level 3 and 4 certified programme for technicians which was launched in 2021/22 in collaboration with Rocell, Lanka Tiles and DP Foundation was continued during the year. Upon completion of the programme these tilers will be able to register themselves and avail their services to customers through our dedicated website. During the year a total of 500 tilers were certified, out of which 250 tilers were sponsored by Rocell.



Training Programme for showroom staff

Showroom staff members who demonstrate leadership potential are identified and given leadership training to become showroom managers. 530 staff members were trained during the year.



Training session conducted by Hansgrohe & AXOR for the showroom staff

Conducted a specialised training session in collaboration with Hansgrohe & AXOR to educate showroom staff about their product line and the functionality and features of their products.

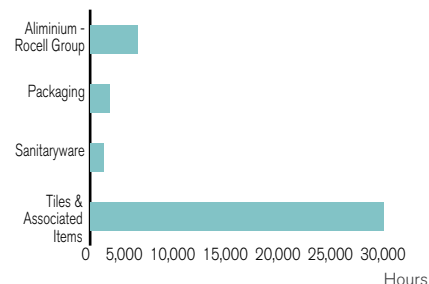
EMPLOYEE HEALTH AND SAFETY

Due to the nature of our operations, prioritising employee safety, minimising workplace risks, and fostering a conducive work environment are paramount for the Group. As such, we have implemented rigorous health and safety controls and standards across all our manufacturing facilities, aligning with international best practices. Dedicated health and safety committees operate at all manufacturing plants, overseeing stringent safety protocols. Additionally, each factory maintains a trained fire and first aid team to swiftly address any emergencies. The Group-wide practice of Total Productive Maintenance (TPM) further reinforces the health and safety standards maintained by the Group.

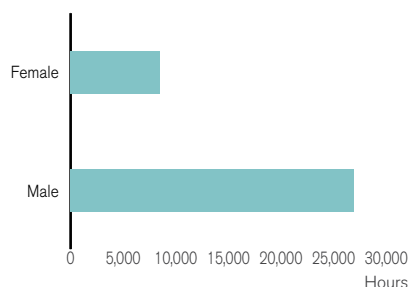
Rocell Learning Hub

Employees in the staff and above categories are given access to the learning management system (LMS) which was introduced in November 2022, where a series of learning programmes are accessible to employees to complete during a specific time period / as per own pace as applicable. The LMS will be connected to the employee appraisal and employees who complete courses will be scored based on their performance. This is expected to enhance the technical and soft skills of employees across all entities.

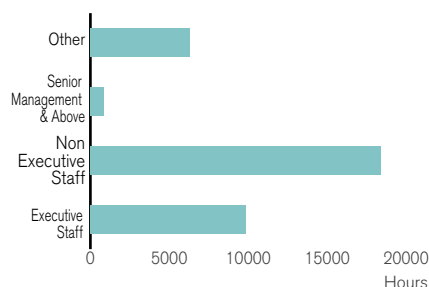
Training Hours by Sector



Training Hours by Gender



Training Hours by Category



Royal Ceramics Lanka PLC and Unidil are certified with ISO 45001: 2018- Occupational Health and Safety Management System.

Health and Safety Committee at each manufacturing plant

Trained fire and firstaid team at each factory

During the year there were no incidents of noncompliance with the required health and safety requirements.

Safety Measures

- Periodic safety audits
- Provision of necessary safety gear
- Ensuring safety of machinery and equipment
- Safety committed
- Monitoring of injuries and accidents in the workplace
- Hazard analysis programme
- A dedicated WhatsApp group to inform staff of any hazardous locations/ machinery

Health & Wellbeing

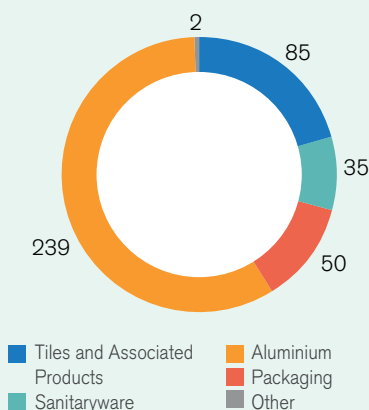
- Factory level employees are subjected to monthly health checks
- Regular monitoring of physical and mental health of employees
- Maintaining health records
- Staff medical scheme
- A critical illness medical covers for all employees
- Regular visiting doctors to treat employees with health problem

Training and Awareness

- Occupational health and safety training and awareness programmes are provided for all levels of employees with emphasis on minimising injuries, preventing occupational hazards and creating awareness on safety standards
- 370 programmes conducted during the year

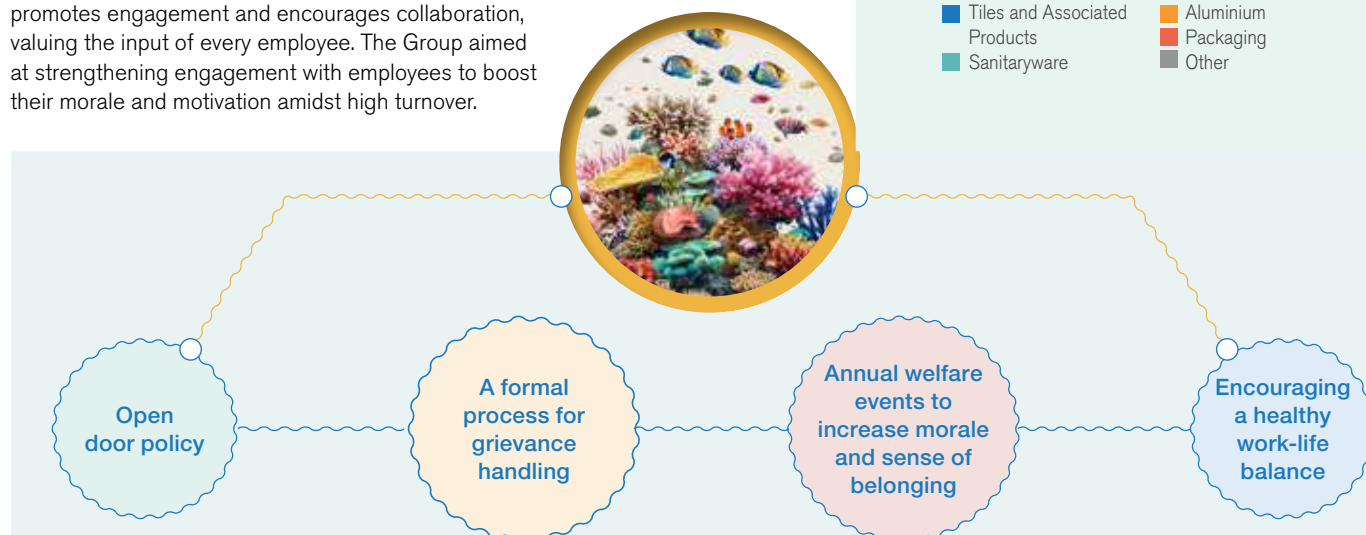
Type	2023/24
Work related injuries	411
Total recordable incident rate (TRIR)	0.01
Near miss frequency rate (NMFR)	
Direct Employees	-
Contract Employees	-

Occupational Injuries by Sector



EMPLOYEE ENGAGEMENT

We strive to motivate our team by fostering a sense of teamwork and camaraderie. Our open-door policy promotes engagement and encourages collaboration, valuing the input of every employee. The Group aimed at strengthening engagement with employees to boost their morale and motivation amidst high turnover.



A formal grievance handling procedure is in place for handling all complaints and is clearly communicated to all employees. Employees are encouraged to bring any job-related grievances to their line managers.

Listed below are some of the employee engagement activities carried out during the year;



International Women's day celebrations 2024 at Rocell Head Office



Annual pirith ceremony at Horana Factory



Cricket Match organised by Lanka Walltiles PLC



Annual staff trip of Eheliyagoda Factory



Annual get-together at Eheliyagoda Factory



Annual staff trip of Horana Factory



Mercantile Volleyball tournament organised by Lanka Walltiles PLC



Open day for employees and their families at Horana Factory. Fun activities and a music extravaganza was held.



Rocell Dinner Dance 2023

RELATIONSHIP WITH TRADE UNIONS

Cordial relationships are maintained with three trade unions representing our employees at the three factories. Management's open-door policy with the unions contributed to improved decision making. We also collaborate with the trade unions in formulating work practices and ensuring the health and safety of workers. Bimonthly meetings are held with union representatives to address any concerns and maintain engagement.

During the year, the collective agreements with trade unions of both Eheliyagoda and Panagoda lapsed. Eheliyagoda collective agreement was signed in May 2024 and at present Panagoda agreement is at negotiating stages. Collective agreement with employees at Horana, Meepe, Ranala and Dompe factories are in place.

DIVERSITY AND INCLUSION

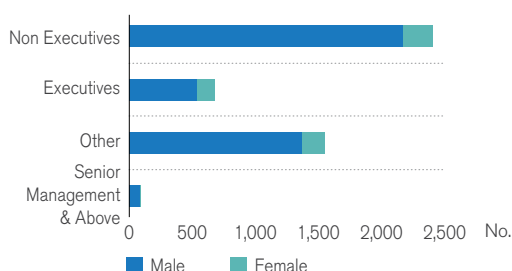
In line with our policy framework, culture, and values, fostering a diverse and inclusive environment remains a top priority at the Group. We uphold a zero-tolerance stance against racism, which is embedded across all aspects of our Human Resource Management function. Our proactive approach includes promptly addressing grievances, and fostering an Open-Door Policy to encourage employees to report instances of discrimination.

The Group upholds the principles of equality and fairness in all aspects of its operations, including recruitment, reward structures, training, and career progression opportunities. As an equal opportunity employer, we are committed to ensuring that all individuals are treated fairly and without discrimination based on factors such as gender, ethnicity, religion, or any other characteristic protected by law. During the year there were no any reported incidents of discrimination across all the entity of the group. Our policies and practices reflect this commitment, aiming to provide a level playing field for all employees to thrive and succeed based on their merits and contributions. The ratio of basic salary between women and men at Rocell was 1:1.

Return to work after maternal leave

Type	2023/24	2022/23
Employees entitled to parental leave	418	378
Employees on parental leave	38	16
Employees who returned after parental leave	40	15
Employees still in employment 12 months after returning on parental leave	20	1

Gender Representation by Category





MANUFACTURED CAPITAL

Our manufactured capital comprises crucial assets that are integral to our value creation process, necessitating significant financial investments. Our manufacturing facilities constitute a substantial portion of this capital, featuring cutting-edge machinery capable of delivering top-tier products. These investments underscore our dedication to upholding superior quality standards and optimising operational efficacy throughout our manufacturing operations. Comprising of buildings, plant and machinery, showroom fixtures and fittings and etc., the total manufactured capital amounts to Rs. 31 Bn.



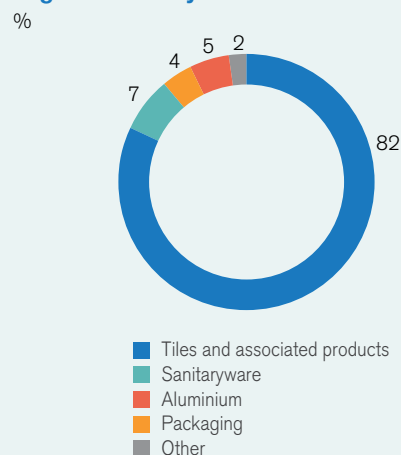
Segmental Analysis of Groups' Manufactured Capital (Rs. Mn)

	2023/24	2022/23
Tiles & associated products	25,030	18,486
Sanitaryware	2,181	2,045
Aluminium	1,556	1,384
Packaging	1,217	1,157
Other	530	466
Total	30,515	23,538

Depreciation Charge (Rs. Mn)

	2023/24	2022/23
Tiles & associated products	1,777	1,510
Sanitaryware	155	147
Aluminium	105	129
Packaging	102	97
Other	29	22
Total	2,168	1,905

Segmental Analysis of Manufactured Capital



Value Transformation in 2023/24

Strategic Priorities

Enhancing Capacity

Streamlining manufacturing processes

Adapting more sustainable practices

Increasing our reach

Highlights

Completion on the expansion project in the Horana factory at a cost of Rs. 2.8 Bn. Factory is now equipped to produce larger format tiles

Hiring third party technical expertise to enhance production yield. Also obtaining the expertise of the supplier base

Installation of heat recovery systems

Solar panels on Eheliyagoda, Horana, Panagoda, Meepe and Dompe factory rooftops

No new showrooms were opened during the year due to the difficult operating conditions. However, 02 showrooms were relocated to more suitable location and one showroom was upgraded to provide exceptional experience to the customer.

ENHANCING OUR MANUFACTURED CAPITAL

The Group allocates a substantial portion of its financial resources to enhance manufacturing capabilities, thereby ensuring a competitive edge in the market. The Board assumes responsibility for overseeing all expansion initiatives, considering factors such as market demand, design trends, technological advancements, and return on investment. This strategic approach enables us to make informed decisions that align with our growth objectives and maintain our leadership position within the industry.

During the year, the capacity expansion project at our Horana factory was completed, enabling us to manufacture larger format tiles to meet evolving market preferences. Consequently, production of certain smaller format tiles was phased out to align with this shift in demand. Additionally, the expansion of manufacturing plant in Meepe, operated by Lanka Walltiles PLC, was successfully completed. However, commissioning of the plant was postponed due to challenges in securing the necessary technical expertise. Furthermore, we upgraded the kiln at the Lanka Tiles factory in Ranala to enhance production capacity for mosaic tiles, catering to sustained demand both locally and globally. Total capital expenditure incurred during the year amounted to Rs. 7.7 Bn.

Listed below are the major modifications/expansions carried out at our manufacturing plants during the year.

Manufactured Capital by Type (Rs.Mn)	
Plant & Machinery	10,392
Building	9,513
Motor Vehicle	113
SR Fixing & fittings	890
Office Equipment	215
Other	2,315
CWIP	7,078
Total	30,515

Segmental Analysis of Groups' Capital Expenditure		
	2023/24	2022/23
Tiles & associated products	7,299	4,811
Sanitaryware	291	168
Aluminium	54	135
Packaging	162	195
Other	46	209
Total	7,852	5,517

Manufacturing Plant	Capex during the year	Modifications done
Horana - Royal Ceramics Lanka PLC	Rs. 285Mn (Excluding the cost of the expansion project)	Capacity increased and now equipped to produce larger format tiles
Eheliyagoda – Royal Ceramics Lanka PLC	Rs. 227 Mn	Construction of, - Waste water disposal treatment plant - Raw material storage yard - New sanitary facilities - Upgrading internal roads
Ranala – Lanka Tiles PLC	Rs. 1,815 Bn	- Installation of a new kiln in the Mosaic plant to increase capacity - Installation of a new heat recovery system
Meepe – Lanka Walltiles PLC	Rs.3.9Bn (work in progress) Other Rs.458Mn	Expansion project to almost double the capacity (completed but not yet commissioned)
Panagoda – Rocell Bathware Limited	Rs. 243Mn	- Improvements to variable speed drive system in one of ball mill - Relocation of casting office to maximise resource allocation and increase production - Installation of fire hydrant system - New glaze formula modification - Installation of a ADM casting machine
Dekatana - Unidil Packaging	Rs. 164 Mn	- Upgraded of corrugator machine - Installation of high speed auto folder gluer machine

Our Manufacturing Facilities

TILES AND ASSOCIATED PRODUCTS

Horana – Royal Ceramics Lanka PLC



Eheliyagoda – Royal Ceramics Lanka PLC



Description

Produces vitrified ceramic tiles and glazed porcelain tiles. Plant modified to produce larger format tiles.

Manufactures homogeneous full body porcelain tiles and glazed porcelain tiles.

Current Capacity

13,000 m2/day

6,500 m2/day

Capacity Utilisation

99%

99%

SANITARYWARE



Panagoda – Rocell Bathware Limited



ALUMINIUM



Dompe – Swisstek Aluminium Limited



Description

Produces vitreous China and fine fire clay sanitaryware products.

Produces aluminium profiles to fabricate all types of doors, sliding doors, windows, shop fronts, partitions, curtain walls, roller shutters, ladders and tile beading.

Current Capacity

35,000 pieces per month

700/MT per month

Capacity Utilisation

79%

48%



Ranala – Lanka Tiles PLC



The largest tile manufacturing facility in Sri Lanka, produces glazed, vitrified wall floor tiles and Mosaic tiles.

16,500 m²/day

95%

Meepe – Lanka Walltiles PLC



Produces wall and floor tiles in a variety of colours, textures and sizes including mosaic tiles, special trim tiles and decorated tiles, as well as handmade tiles with double firing technologies (Capacity to double in the coming year)

8,100 m²/day

99.5%

Ballummahara – Swisstek (Ceylon) PLC



Produce tile grouts, tile mortar and decorative pebbles.

91,200/MT per annum

45%

PACKAGING



Dekatana – Unidil Packaging



Produces corrugated packaging and paper sacks for various industry requirements.

33,000 MT corrugated packaging and 3,600 MT paper sacks per annum

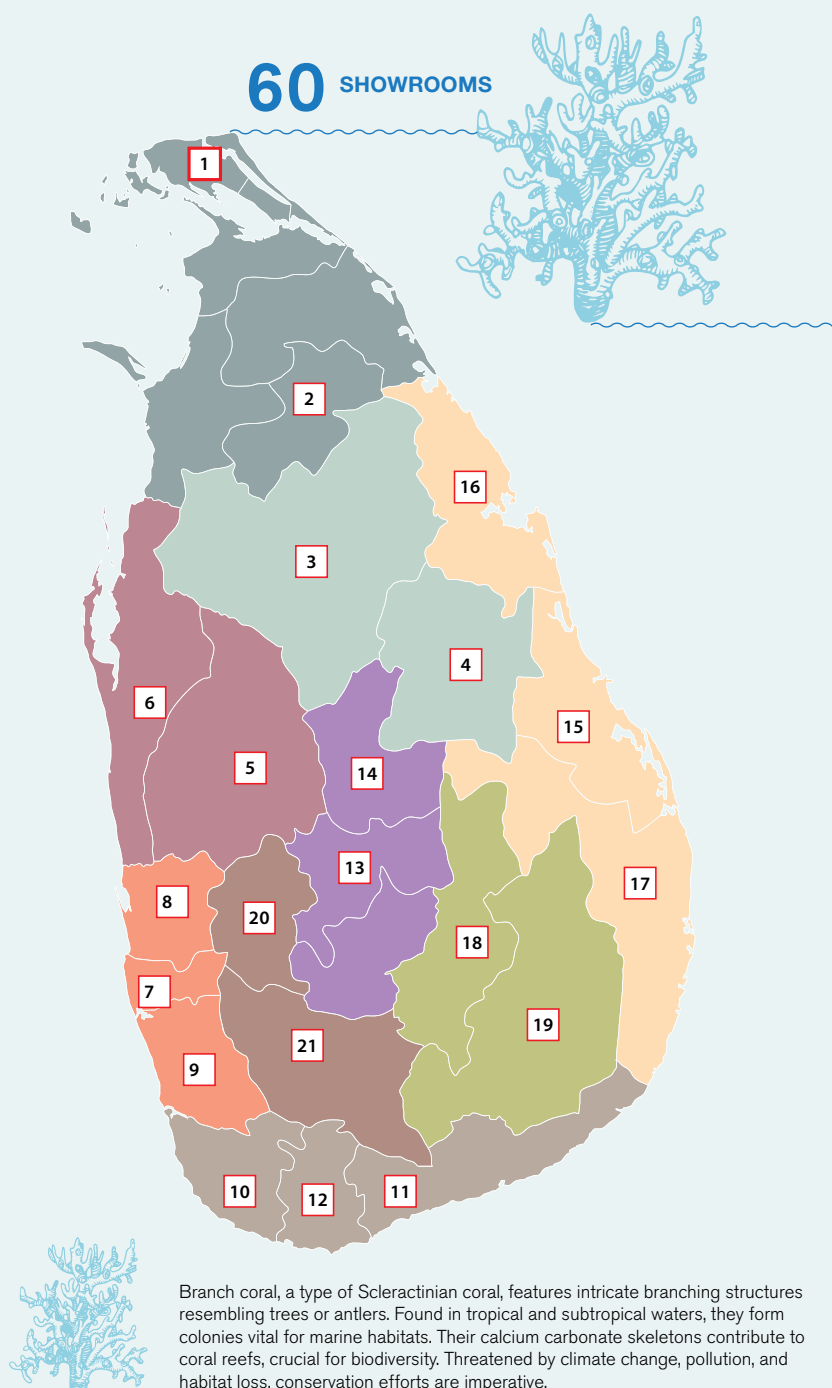
Corrugated packaging 64%

Paper sacks 28%

OUR SHOWROOM PRESENCE

Rocell maintains a strong presence across the island with its 60 showrooms. Expansion plans for our showroom network were delayed due to the sluggish performance of the construction industry and tough economic circumstances. As a result, careful consideration was given to all capital expenditures. Nevertheless, essential maintenance work for showrooms was completed, and two showrooms were relocated within the year. Furthermore, Rocell introduced a groundbreaking initiative in South Asia with the launch of the "Experience Centre for Hansgrohe and AXOR," a specialised venue highlighting the premium faucets, showers, and fittings of Hansgrohe and AXOR.

Northern Province	2
1. Jaffna District	1
2. Vavuniya District	1
North Central Province	2
3. Anuradhapura District	1
4. Polonnaruwa District	1
North Western Province	4
5. Kurunegala District	2
6. Puttalam District	2
Western Province	30
7. Colombo District	17
8. Gampaha District	8
9. Kalutara District	5
Southern Province	4
10. Galle District	2
11. Hambantota District	1
12. Matara District	1
Central Province	7
13. Kandy District	5
14. Matale District	2
Eastern Province	3
15. Batticaloa District	1
16. Trincomalee District	1
17. Ampara District	1
Uva Province	3
18. Badulla District	2
19. Monaragala District	1
Sabaragamuwa Province	5
20. Kegalle District	1
21. Ratnapura District	4



	Showroom	Address	Telephone
1	Ambalangoda	Sanga Raja Maha Viharaya, 754 Galle Rd, Ambalangoda	091-4944731/091-2253263
2	Ambalanthota	76 A Tangalle Road, Ambalantota	047-4932446, 047-4379092
3	Anuradhapura	512 B, Maithreepala Senanayaka Mawatha, Anuradhapura	025-4581221 / 025-4580294
4	Athurugiriya	39, Godagama Road, Athurugiriya.	011-4443641/2
5	Badulla	70, Bank Road, Badulla.	055-4499780 /782
6	Balangoda	52, Barnes Ratwatta Mawatha, Balangoda.	045-4927365
7	Bandarawela	254 Bandarawela By Pass Rd, Bandarawela	057-4496014 / 057-4436038
8	Batticaloa	124 Bazaar St, Batticaloa	065-4929450
9	Beruwala	278, Galle Road, Massala, Beruwala	034-4288371/2
10	Chilaw	114 Chilaw - Colombo Main Rd, Chilaw	032-4934126
11	Colpetty	440, R.A. de Mel Mawatha, Colombo 03	011-4209204/5/6
12	Dambulla	679 Dambulla - Bakamuna - Kalugahawela Road, Dambulla	066-4935041/2
13	Dehiwala Concept Center	106 Colombo - Galle Main Rd, Dehiwala-Mount Lavinia	011-7024729/30 / 28
14	Eheliyagoda	185B, Ratnapura Road, Eheliyagoda	036-4922946/ 036-2259553/ 034-4283403
15	Galle	W.D.S.Abeygunawardena Mawatha, 77 Old Matara Rd, Galle	091-4380033 / 091-4385120
16	Gampaha	174/A/2, Colombo Road, Gampaha.	033-4670937/755
17	Gampola	7,T.B.Panabokke Mawatha, Illawatura Rd, Gampola	081-4951436 / 081-4945257
18	Horana	173, Panadura Road, Horana.	034-4283403 / 034-4285033 / 034-4942797
19	Ja-Ela	Ja Ela Concept Center, 203, Colombo Road, Ja-Ela	011-4334173 / 011-4504480
20	Jaffna	218, Stanley Road, Jaffna	021-4927003/4
21	Kadawatha	No.336 Kandy Rd, Kadawatha	011-4322994
22	Kaduwela	384/B, Malabe Road, Kaduwela	011-4948182 / 0114541423
23	Kamunai	125, Main Street, Kalmunai	067-4501197 / 0776372645
24	Kalutara North	443, Galle Road, Kalutara North, Kalutara.	034-4280469 / 034 - 2480152
25	Kalutara South	574, Galle Road, Kalutara South, Kalutara	034-4280933/4
26	Mulgampola	562, Peradeniya Road, Mulgampola, Kandy.	081-4471581 / 2
27	Mahaiyawa	185 William Gopallawa Mawatha, Kandy	081-4475825
28	Katugastota	279, Katugastota Road, Kandy.	081-4481759/60
29	Kegalle	504/1, Kandy Road, Meepitiya, Kegalle	035-2230980 / 035- 4925290 / 035-4925292
30	Kiribathgoda	218, Kandy Road, Kiribathgoda.	011-4817231 / 011- 4817230
31	Kottawa	472/1, High Level Road, Makumbura, Kottawa	011-4308413/011-4304170
32	Kuliyapitiya	181, Hettipola Road, Kuliyapitiya.	037-4930870, 037-4696134
33	Kundasale	120, Digana Road, Kundasale	081-4501044
34	Kurunegala	176 Colombo Road, Kurunegala	037-4690467
35	Maharagama	Elhena Rd, Maharagama	011-4319514 011- 4319646
36	Malabe	1st Ln, Malabe	011-4411775 / 011- 4411866
37	Matale	160, Kings Street, Matale	066-4460928 / 066- 2224270
38	Matara	139, Gunawardena Mawatha, Kotuwegoda, Matara.	041-4933629 / 041 - 4641007
39	Minuwangoda	173, Colombo Road, Minuwangoda.	011-4969060 / 1
40	Monaragala	Kandaland Wellawaya Road, Monaragala	055-4936169 / 055- 4936170
41	Moratuwa	438 A2, Moratuwa	011-4210726 / 011 - 4210827

	Showroom	Address	Telephone
42	Nawala 101	101 Nawala Rd, Sri Jayawardenepura Kotte	011-4311311
43	Nawala Concept Center	30, Narahenpita Road, Nawala.	011-4651000
44	Design Hub	100 Narahenpita - Nawala Rd	011-4691705/06 /07 /08
45	Nawala 98	98, Nawala Road, Nugegoda.	011-4405160 / 011-4410088
46	Negombo	206, Chilaw Road, Negombo.	031-4922192 / 031-4874575
47	Nittambuwa	52, Kandy Road, Nittambuwa.	033-4929681 / 033 - 4928843
48	Panadura	504, Galle Road, Panadura.	038-4281898 /9
49	Pelmadulla	232. Rathnapura Road, Pelmadulla	045-4935060, 045-4935065
50	Piliyandala	114 Colombo - Horana Rd, Piliyandala	011-4210675 / 011-4215604
51	Polonnaruwa	13 Hospital Junction, Polonnaruwa	027-7634402
52	Ratnapura	225, Colombo Road, Ratnapura.	045-4360318 / 045- 4360297
53	Seeduwa	587 Migamuwa Rd, Seeduwa	011-4831987 / 011- 4831988
54	Trincomalee	2 Kandy Rd, Trincomalee	026-2225008 / 026-4925585 / 586
55	Vavuniya	Kandy Rd 1st Ln, Vavuniya	024-4928331/2
56	Wattala Concept Center	279 Negombo Rd, Wattala	011-4818563 / 69
57	Wennappuwa	338, Chilaw Road, Wennappuwa	031-4874656/57
58	Nawala-Lanka Tile Tiles PLC	215, Nawal Road, Narahenpita	011-4526700
59	Nugegoda-Lanka Tiles PLC	37, Nawala Road, Nugegoda	011-4526700
60	Swisstek Aluminium Ltd	23, Narahenpita Road, Nawala	011-7807120



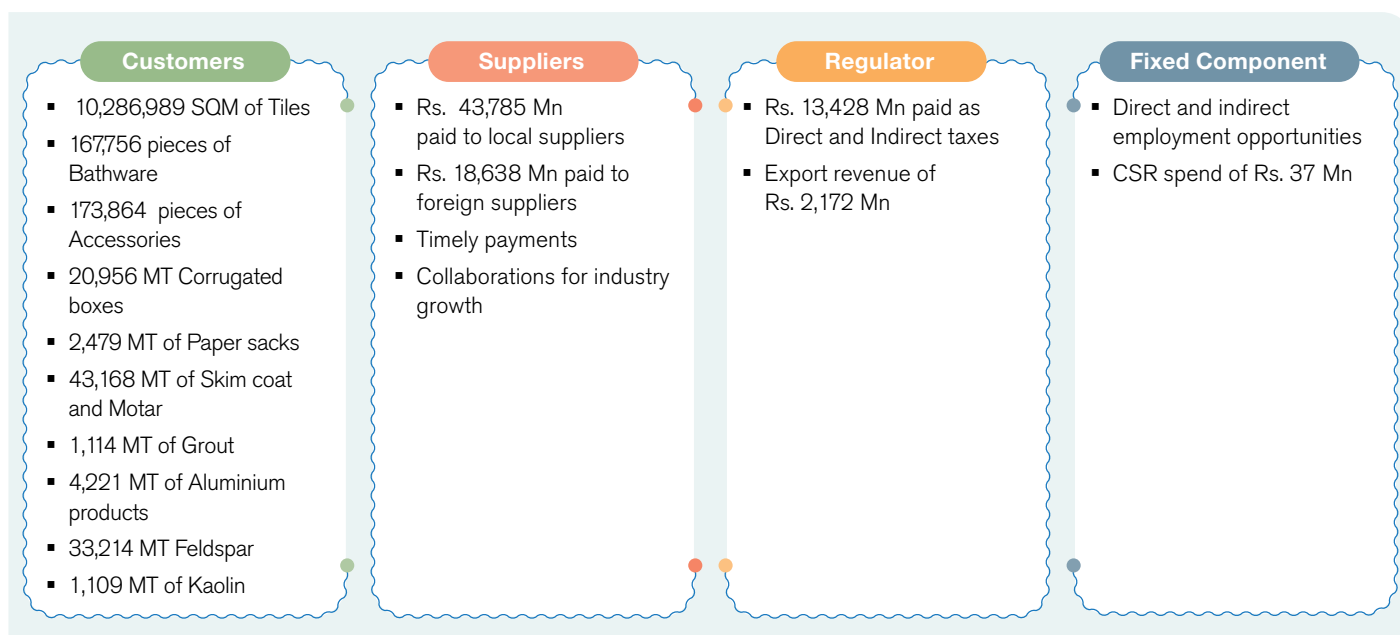


SOCIAL AND RELATIONSHIP CAPITAL

Maintaining effective relationships with stakeholders is essential for sustaining our market position and fostering long-term success. We prioritise cultivating mutually beneficial relationships with our customers, suppliers, and the community. To achieve this goal, we have implemented a well-defined relationship management process. This process ensures that we understand the needs and expectations of our stakeholders and work collaboratively to address them. Through open communication, transparency, and responsiveness, we aim to build trust and loyalty among our stakeholders, thereby strengthening our market position and contributing to our overall success.



Value Delivered to Stakeholders

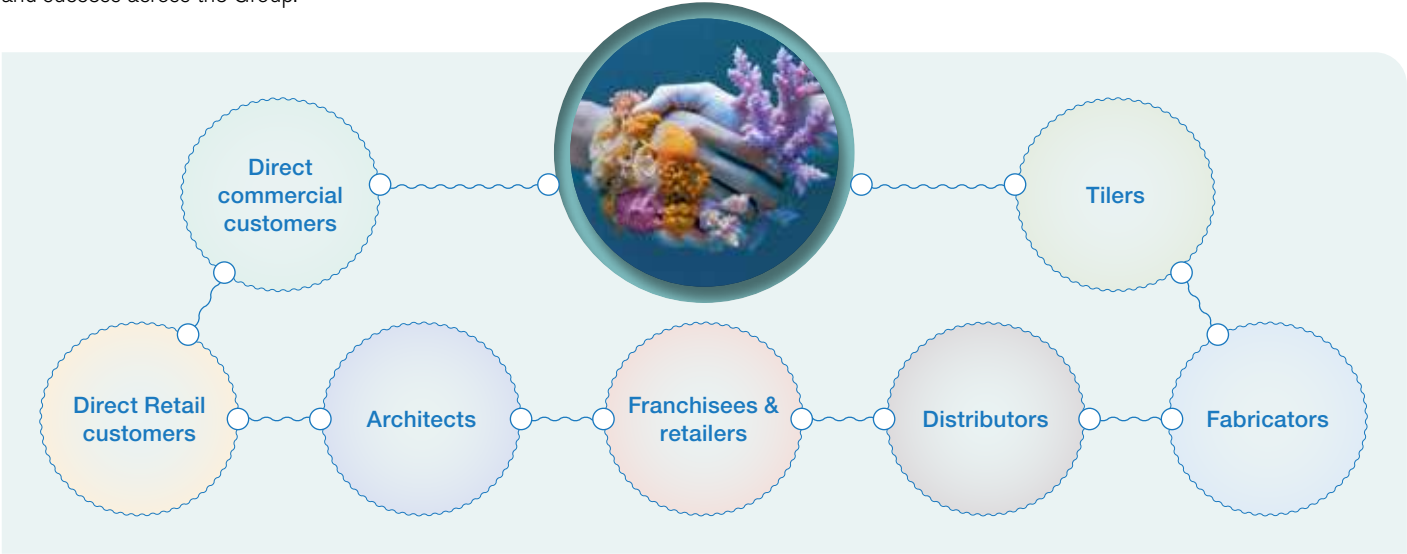


Value Transformation in 2023/24

Strategic Priorities	Highlights	
Process and product innovation	Commenced manufacturing larger format tiles	163 new products introduced
Enhancing brand loyalty	Rs. 538 Mn spent on sale promotion	Rs. 461 Mn spent on marketing campaigns
Reinforcing engagement	Rs. 132 Mn spent on showroom upgrade and relocation	
New export markets	Mauritius, Kenya, Ethiopia	

RELATIONSHIP WITH OUR CUSTOMERS

The Group boasts a diverse customer base due to its presence across multiple industries. By serving customers across multiple sectors, we enhance our capacity to adapt to evolving market dynamics and capitalise on emerging opportunities. Our commitment to understanding and meeting the unique requirements of each customer segment enables us to maintain strong and lasting relationships, driving sustainable growth and success across the Group.



Our market leadership and competitive advantages are linked to our Group's ability to understand and respond to the ever-evolving needs and expectations of our customers. We employ a multifaceted approach to communication, leveraging various channels to engage with our customers effectively. Through direct interactions, market research, surveys, and feedback mechanisms, we continuously gather insights into evolving demand patterns, emerging trends, and changing consumer behaviours and tailor our services to better align with the evolving needs of our customers.

Engagement Mechanisms

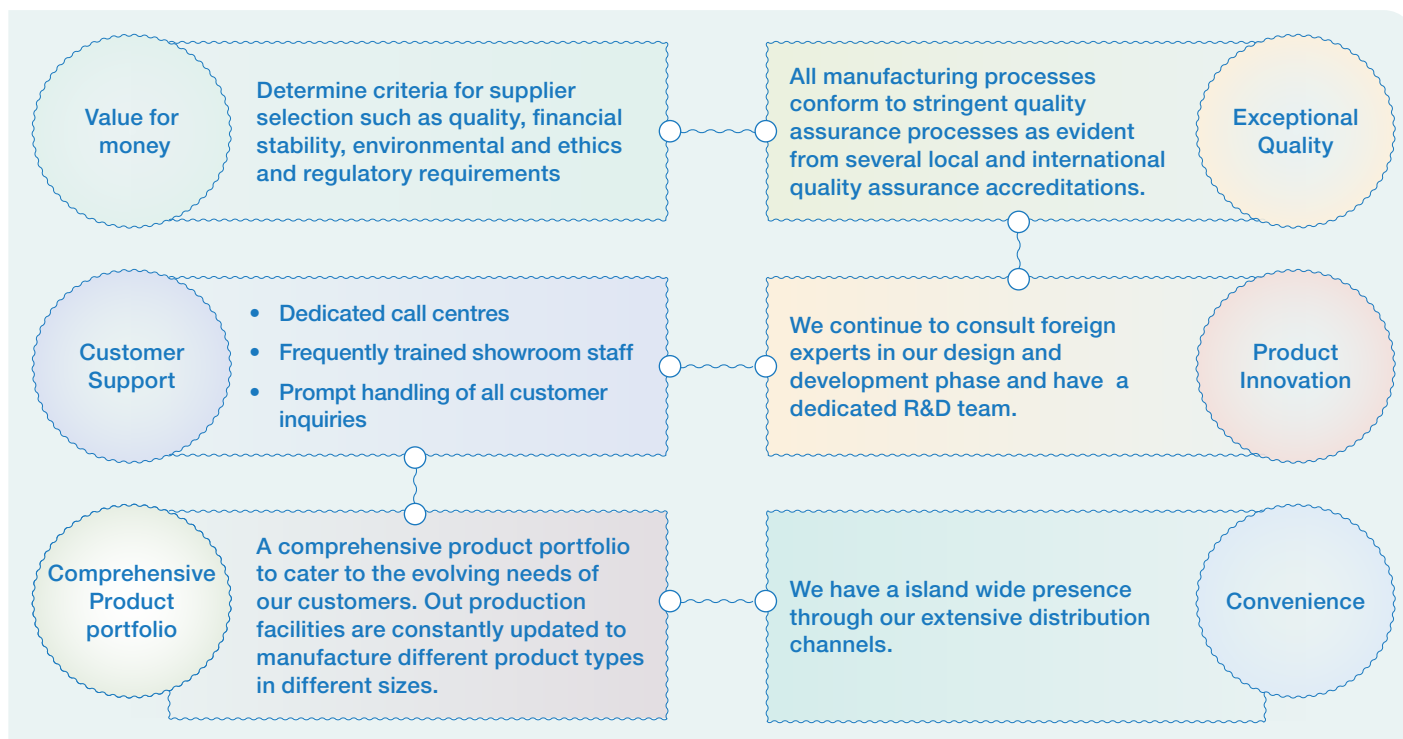
Tiles and Sanitaryware		Aluminium	Packaging
▪ 59 own showrooms ▪ 54 franchise showrooms ▪ 31 factory outlets ▪ 114 Dealers ▪ 05 hybrid showrooms ▪ Tiler Club ▪ Call Centres	▪ 72 Distributors ▪ Design Conclave ▪ Android and iOS Apps ▪ Print, digital and social media ▪ Websites ▪ Exhibitions	▪ 1 own showroom ▪ 184 Dealers & Distributors ▪ 12 franchise showrooms ▪ 1,750 aluminium fabricators ▪ Print, digital and social media ▪ Websites ▪ Exhibitions	▪ B2B customers

We prioritise the health and wellbeing of our customers and maintain stringent quality controls throughout the manufacturing process. Through rigorous assessments, we aim to guarantee the safety and quality of our offerings, fostering trust and loyalty among our clientele.

Product pricing is clearly displayed in all products meeting all regulatory requirements to ensure consumer protection and there were no incidents of noncompliance reported during the year

Maintaining trust among stakeholders is paramount for Rocell Group, and we uphold this trust by adhering to the highest ethical standards in all our business dealings. Integrity, honesty, and transparency are vital elements of our operations, and we strictly comply with all applicable laws and group policies. We maintain a zero-tolerance approach towards corruption, including bribery, embezzlement, extortion, fraud, or any other form of illegal or unethical conduct. Our Audit Committee oversees compliance regularly, ensuring that our practices align with our ethical principles. There were no confirmed incidents of corruption or any legal action taken for anti-competitive behaviour, anti-trust, and monopoly practices during the year.

Customer Value Proposition



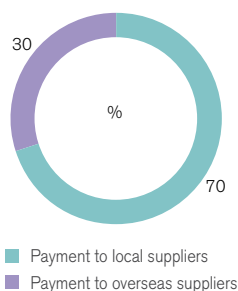
MANAGING SUPPLIER RELATIONSHIPS

Reinforcing our relationships with our supplier base took priority as we continued to face supply chain disruptions both locally and internationally. Consequently, we strengthened our engagement with the existing suppliers while exploring alternative opportunities. These efforts ensured uninterrupted supply of required materials needed for our production. Further, we collaborated closely with our suppliers to leverage their technical expertise, particularly in enhancing productivity and operational efficiency. By tapping into their knowledge and support, we aimed to ease pressure on our profit margins and boost overall performance. Additionally, as a precautionary measure, we continued to maintain larger inventory levels across the Group to safeguard against potential disruptions and ensure uninterrupted operations.

We maintain a transparent and consistent procedure for selecting new suppliers. This ensures that suppliers meet our quality standards and align with our values, social ethics and all applicable environmental regulations. During the year 17 new suppliers were evaluated based on these criteria.

	2023/24	2022/23
No of local suppliers	3,144	3,071
No of foreign suppliers	317	284
Payment to local suppliers (Rs. Mn)	43,785	50,830
Payment to foreign suppliers (Rs. Mn)	18,638	18,929

Payment to Suppliers



Supplier Selection Process



STRATEGIC PARTNERSHIPS

Throughout the year, we remained committed to strengthening our market presence both domestically and internationally through strategic partnerships with world-renowned brands. These partnerships have provided us with invaluable access to technical and design expertise, enabling us to enhance our product portfolios and improve our overall yield.

During the year we embarked on a unprecedented collaboration with Hansgrohe & AXOR, globally recognised German brand renowned for premium showers and bathroom accessories. In a first-of-its-kind initiative in South Asia, Rocell launched the "Experience Centre for Hansgrohe and AXOR", a dedicated space showcasing Hansgrohe's & AXOR's top-tier faucets, showers, and fittings

COMMUNITY ENGAGEMENT

Contributing to the development of the communities in which we operate is a fundamental aspect of our corporate responsibility. Our efforts in this regard include both social and environmental sustainability initiatives. Through social sustainability endeavours, we aim to uplift the well-being of community members by supporting education, healthcare, and socio-economic development projects. Additionally, we prioritise environmental sustainability by implementing practices that reduce our ecological footprint and promote conservation efforts. These combined efforts underscore our commitment to creating positive and lasting impacts on the communities we serve.

Listed below are some of the community development projects undertaken this year,



Blood donation campaign organised by Meegoda warehouse.



Breast cancer awareness session for staff at Rocell Head Office



Providing school items to the children of the village



Eye screening campaign organised by Rocell Central warehouse nawala



Rocell Ran Daru appreciation awards in appreciation of the children of roc cell employees who have demonstrated excellence in school curriculum.



Tree Planting Program in collaboration with Horana AGA office on National Environmental Day by Horana factory.

INDUSTRY COLLABORATIONS

We maintain active collaboration with following professional bodies to foster the growth and development of our industry. Our engagement with these organisations allows us to contribute to industry advancements while also providing our employees with opportunities to share knowledge and expertise with their peers. By actively participating in these forums, we demonstrate our commitment to driving innovation and excellence within our industry.

- The Institute of Chartered Accountants of Sri Lanka
- The Ceylon Chamber of Commerce
- The International Chamber of Commerce
- Chamber of Construction Industry of Sri Lanka
- Sri Lanka Ceramic and Glass Council
- Sri Lanka – Italy Business Council
- Geological Survey and Mines Bureau
- Institute of Supply and Material Management of Sri Lanka
- The Ceylon National Chamber of Industries (CNCI)



Distribution of dry rations for selected poor families in Horana area



Reconstruction of the adjoining road of Eheliyagoda Factory

- Tiles donation to the hospital and religious institutes by Royal Ceramics Lanka PLC and Lanka Tile PLC
- Donation for Sarampa prevention vaccine programme by Lanka Walltile
- Vesak dansal organised by Lanka Tile PLC



NATURAL CAPITAL

We are aware of the impact the Group has on the environment due to the nature of the businesses we operate. We strive to make the optimum and responsible utilisation of natural finite resources while taking the utmost care when discharging outputs back to the environment. We remain steadfast in our commitment to reduce our environmental footprint by implementing sustainable business practices and innovative ideas.



Water Intensity

	Unit	2023/24	2022/23	%
Tiles & Associated Products	Liters/SQM	33	36	(0.08)
Sanitaryware	Liters/PCs	396	211	0.88
Aluminium	Liters/MT	8,246	8,550	(0.04)
Packaging	Liters/MT	1,031	764	0.35
Other	Liters/MT	16	15	0.07

Energy Intensity

	Unit	2023/24	2022/23	%
Tiles & Associated Products	GJ/SQM	0.07	0.08	(0.13)
Sanitaryware	GJ/Pcs	0.49	0.33	0.47
Aluminium	GJ/MT	12.52	13.32	(0.06)
Packaging	GJ/MT	0.49	0.64	(0.23)
Other	GJ/MT	0.09	0.09	-

Nonrenewable Material Usage

	Unit	2023/24	2022/23	%
Tiles & Associated Products	MT	296,921	298,187	(0.00)
Sanitaryware	MT	2,811	4,628	(0.39)
Other	MT	34,019	37,766	(0.10)

Value Transformation in 2023/24

Strategic Priorities

Energy management

Responsible material consumption

Responsible waste disposal

Efficient management of water and effluents

Managing emission

Highlights

2,060 Kwh of energy generated through renewable sources

26,569 MT of material recycled and reused

6,549 MT of waste recycled

100% of waste water treated before discharge

Swisstek Aluminium and Unidil obtained the Carbon Footprint verification

Solar panels on Eheliyagoda, Horana, Panagoda, Meepe and Dompe factory rooftops

Collaborations with industry experts to improve productivity and yield

43,797 MT of solid waste segregated and disposed responsibly, in compliance to environmental regulations

Water consumption 549 Mn Litres, 4% reduction from previous year

MANAGEMENT APPROACH

The Group is mindful of the impact our operations have on the natural environment and is committed to sustainable resource utilisation for the equitable benefit of society. Moreover, we continually explore sustainable business practices to mitigate any adverse effects on the natural environment arising from our manufacturing operations. Our environmental strategy is aligned with the ISO 14001:2015 Environmental Management Systems Standard.

The Safety, Health & Environment (SHE) pillar leader, with guidance from the Managing Director/Director-Manufacturing, Deputy General Manager, Factory Manager, and TPM Manager, holds overall responsibility for managing natural capital at each factory. Assisted by a team of four members, the SHE pillar leader executes these responsibilities.

Our manufacturing facilities operate with an Environmental Management System (EMS) in place, which sets out policies, procedures, and controls to effectively manage our environmental impact. This system enables the identification and mitigation of environmental risks, the pursuit of opportunities for improvement, and the ongoing enhancement of our environmental performance.

Additionally, we conduct a comprehensive Life Cycle Assessment (LCA) of our products to evaluate their environmental impact across all stages, including production, use, and disposal. By identifying areas for improvement and developing strategies to minimise our products' environmental footprint, we strive to enhance our overall sustainability performance.

Monetised Natural Capital

The Group owns a significant land base consisting of mining land and other freehold property used for commercial purposes such as manufacturing plants, showrooms and warehouses. The Group holds more than 168 acres of mining land, which plays a vital role in securing the long-term sustainability of our core business operations. These lands are instrumental in fulfilling our in-house clay requirements, ensuring a stable supply chain and enhancing our operational resilience.

MATERIAL CONSUMPTION

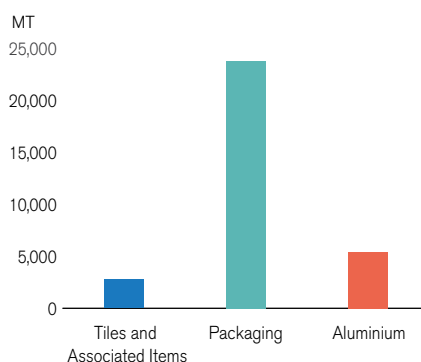
We are heavily reliant on finite resources such as ball clay, feldspar, and kaolin for our tile manufacturing. Our aim is to minimise waste and maximise material reuse wherever feasible. Through the effective implementation of Total Productive Maintenance (TPM) and other process improvements, we ensure responsible management of these non-renewable resources. The majority of the minerals utilised in tile manufacturing are recycled and reused, with the remaining portion used to replenish clay mines, contributing to sustainable resource management.

We adopt sustainable sourcing practices that involves procuring raw materials from certified and sustainable sources. This commitment to sustainable sourcing aligns with our environmental strategy and contributes to our overall goal of minimising our environmental footprint. Additionally, by collaborating with our suppliers, we gain valuable insights into processing raw materials more efficiently, increasing productivity, and improving yield. This partnership not only enhances our operational efficiency but also contributes to our sustainability efforts by reducing resource consumption and waste generation.

Unidil, which specialises in producing biodegradable packaging material, is proactively transitioning towards the use of recycled inputs. As part of this initiative, we have launched a project to collect paper waste from our customers to be used in our production processes. We use 100% renewable materials in our production.

The Group's material consumption for the year is given alongside.

Sector wise Renewable Material usage



Material recycled and reused

26,569 MT



Waste recycled

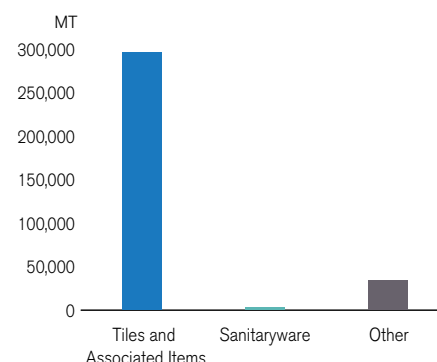
6,549 MT



Material Consumption by Type (MT)

Type	2023/24	2022/23
Renewable		
Chemicals	2,216	1,464
Ink	1,130	572
Paper	23,332	23,154
Powder	111	73
Other	436	440
Total	27,225	25,703
Non-renewable		
Billet	4,856	3,641
Ball clay	92,820	86,088
Feldspar	163,318	161,529
Cement	14,295	20,193
Kaolin	19,287	22,529
Silica sand	36,802	44,886
Other	5,532	5,356
Total	336,910	344,222

Non-renewable material usage



ENERGY MANAGEMENT

Given the energy-intensive nature of our operations, especially with recent production capacity expansions and process automation, managing energy usage efficiently and sustainably has become imperative for the Group. We are committed to implementing measures to optimise energy consumption, reduce wastage, and explore renewable energy sources where feasible. Through these efforts, we aim to minimise our environmental impact while ensuring the sustainability of our operations.

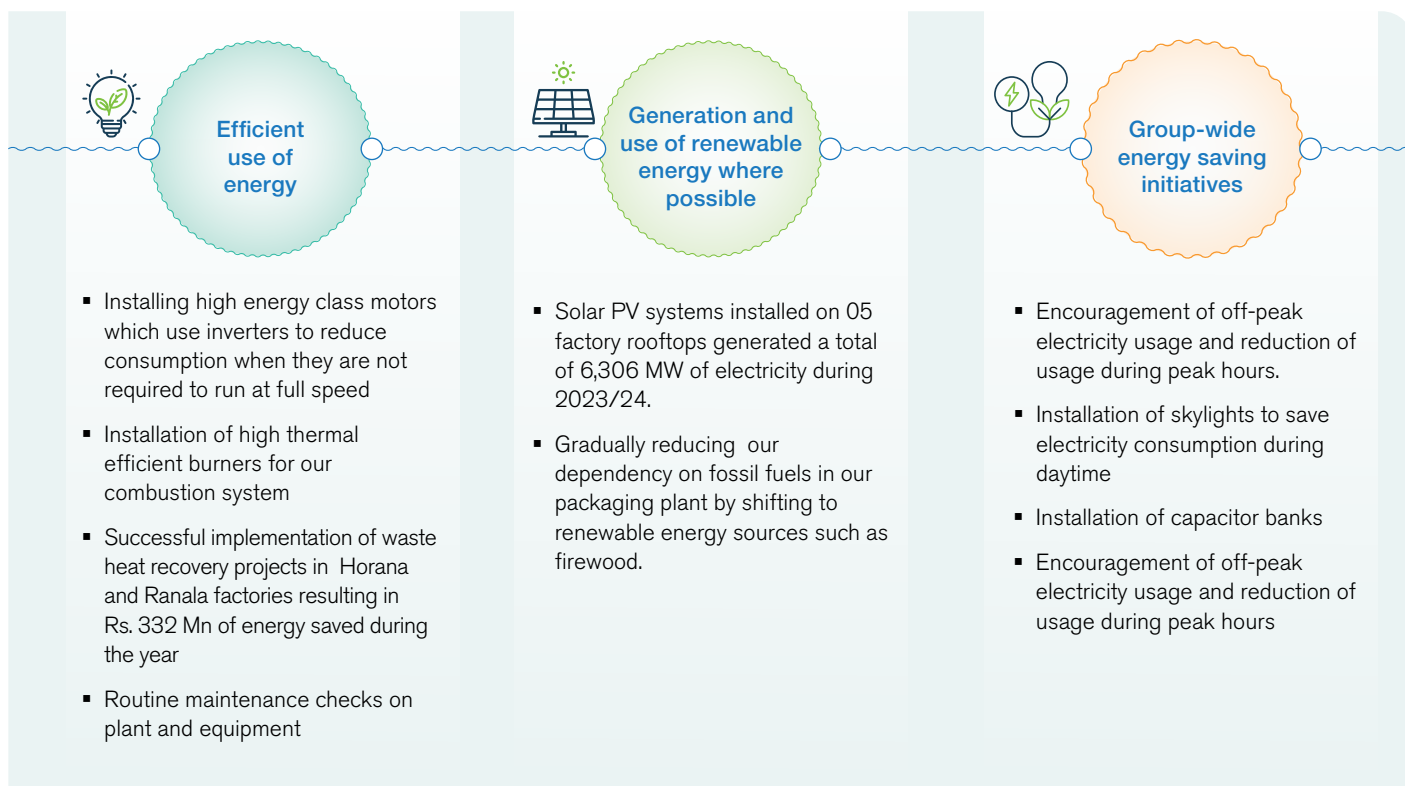
Total energy usage decrease

5%



Energy intensity decrease

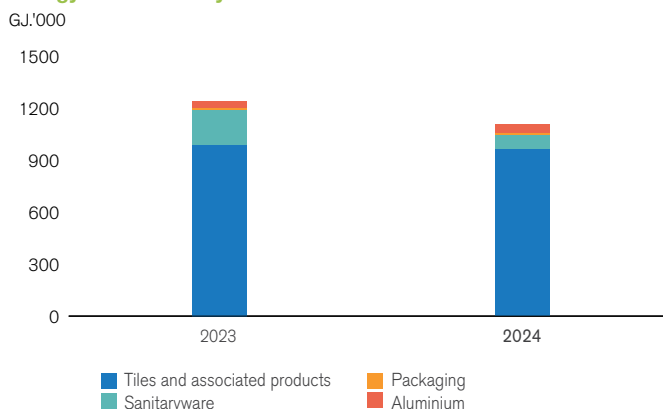
5%



Energy Consumption by Type

Type		2023/24	2022/23
Renewable			
Firewood/Bio Mass	Kg	2,814	3,987
Solar Power	KWh	2,060	1,025
Non-renewable			
Diesel	Litre	651	1,851
Furnace Oil	Litre	386	355
LPG	Kg	27,764	27,557
Purchased electricity from CEB	KWh	77,097	72,930
Kerosene	Litre	365	419

Energy Consumed by Sector



WATER AND EFFLUENTS

Strategic importance is given to managing our water consumption given Group's significant water footprint and Sri Lankas' high water stress level. Our efforts are geared towards gradually reducing the water withdrawn for our operations by minimising wastage and reusing water discharged from our processes.

Wastewater discharged from our operations undergoes treatment before being released into water bodies or reused. All our factories are equipped with modern effluent treatment plants, and we continuously monitor the quality of discharged water. Our commitment to environmental compliance ensures that water quality parameters meet the standards set by the Central Environmental Authority. During the year there were no incidents of noncompliance.

Water utilised in our operations undergoes treatment or is recycled for reuse in the production process following thorough treatment and our treatment plants are meticulously maintained, with ongoing investments to keep them operating efficiently.

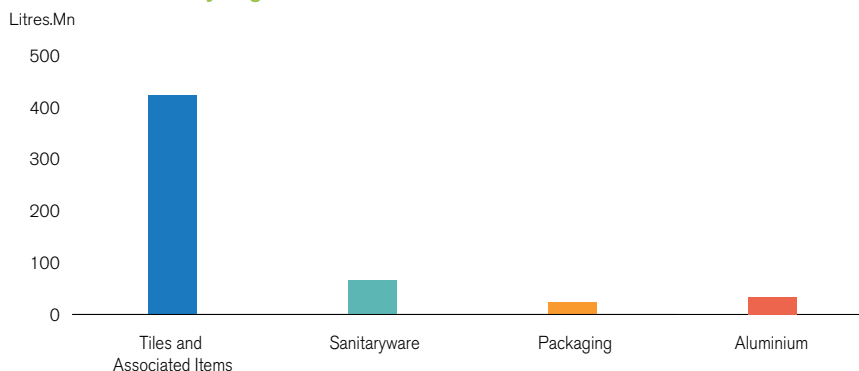
Water withdrawal by source (Mn. Liters)

Type	2023/24	2022/23
Ground water	327	323
Municipal water	82	102
Rainwater harvested	16	17
Surface water	123	127
Third party supply	0	6
Total	549	574

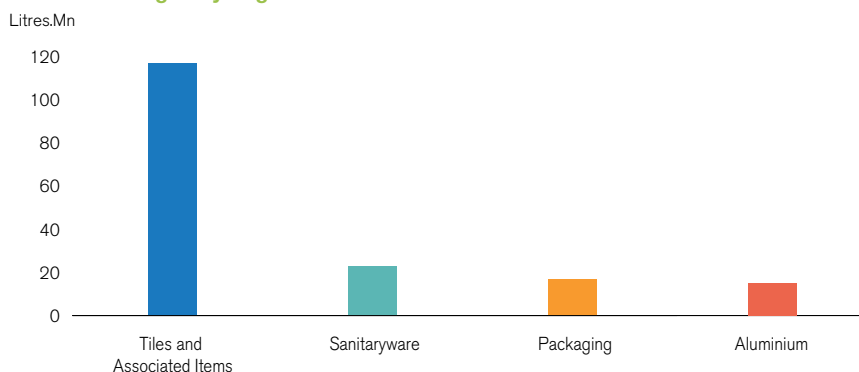
Volume of water discharge by destination (Mn. Liters)

Type	2023/24	2022/23
Municipality sewerage, drainage lines	5	5
Recycled through Effluent treatment	80	113
To ground through soak-age pits	24	12
To rivers, lakes, wet-lands	38	31
Other	24	24
Total	171	186

Water Consumed by Segment



Water Discharged by Segment



MANAGEMENT OF WASTE DISPOSAL

Solid waste generated from our operations undergoes careful segregation and disposal in compliance with environmental regulations and industry best practices. We conduct periodic internal audits to ensure adherence to guidelines set by the Central Environmental Authority (CEA). During the year, the total volume of solid waste discharged by the Group amounted to 43,797 MT. Methods of waste disposal are presented below:

Disposal of hazardous waste

- Sent to cement manufacturing factories
- Volume of hazardous waste generated during the year 25 MT

Paper waste Organic waste & Waste materials

- Reused in the manufacturing process where possible or sold to third parties
- Amount of waste reused during the year was 9,669 MT

Food Waste

- Used for animal feed after segregation

Our efforts to responsibly manage waste disposal also include,

- We have implemented an initiative to recycle waste materials from our sanitaryware plant for use as input in our tile plant in Horana. Material released with water is filtered and repurposed for this purpose.
- Waste from the polishing and squaring process which used to be sent out for re-filing mines is being recycled and used as an input in the production process at the Horana factory

MANAGING OUR EMISSIONS

As a responsible corporate entity, we are committed to minimising our carbon footprint by implementing sustainable practices. Our approach prioritises the efficient consumption of energy and reducing our reliance on fossil fuels. Through continuous efforts, we aim to gradually reduce our carbon footprint in a sustained manner.

Group-wide initiatives to minimise our carbon footprint were evident, with both our companies, Unidil Packaging and Swisstek Aluminium, obtaining certification for Carbon Footprint Verification during the year. This achievement reflects our commitment to reducing our environmental impact across all facets of our operations.



Waste generated by method of disposal

Segment	Unit	2023/24	2022/23
Inclination	MT	2,688	2,761
Landfill	MT	16,566	18,993
Onsite storage	MT	8,300	7,850
Other	MT	25	41
Recycled	MT	6,549	7,711
Reused	MT	9,669	10,317

Recycling Emission Heat into the Combustion System

A project to reuse waste heat through modern heat recovery system that is already in place in our Horana and Ranala factories. This has saved upto 1,123 MT of LPG during the year. Plans to install similar systems in our factories in Eheliyagoda and Meepe factories are currently under way.

Other efforts to manage our emissions are,

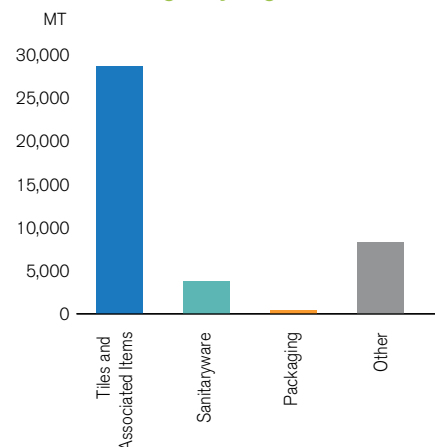


Using heat exhaust chimneys

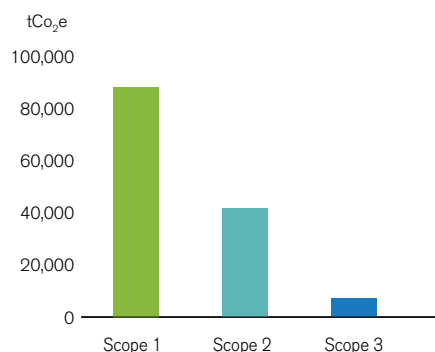


Reusing of waste heat through modern heat recovery system

Waste Discharged by Segment



GHG Emission



Sourcing of raw materials from sustainable and certified sources



Solar PV systems successfully installed in all factory roofs

COMPLIANCE

We are committed to compliance with all relevant environmental regulations set forth by the Central Environmental Authority. To ensure adherence, we have obtained Environmental Protection Licenses for all our factories. Our commitment to environmental responsibility is further demonstrated through annual reviews conducted via internal audits and compliance reporting processes.

During the year, there were no fines or penalties imposed for non-compliance with environmental regulations or laws.

Given below is a list of environmental compliance related certifications we complied with in 2023/24.

Certifications		Tiles & Associated Products	Sanitaryware	Aluminium	Packaging
	ISO 14001	✓		✓	✓
	Green SL Labelling System	✓			
	Green Labelling Certification		✓		
	WELS Certification		✓		



INTELLECTUAL CAPITAL

The intangible assets of our group serve as crucial components in maintaining our competitive edge, ensuring the continuation of our market position and the persisted delivery of superior quality products. Our flagship brands, 'Rocell' and 'Lanka Tiles', continue to assert their dominance in the local market landscape. Additionally, the exceptional skills and expertise of our team furnish us with the necessary competitive advantage to consistently outperform our industry counterparts.



Brand Value

Rocell & Lanka Tiles
Within the Top 100 brands -
Brand Finance Lanka

Rocell
Amongst the top 5 building material
brands - Brand Finance Lanka

No 2 Rocell | No 3 Lanka Tiles
LMD readers' most loved home
finishing brands



Our Brands



Awards



Value Transformation in 2023/24

Strategic Priorities

Product innovation

Introduced 163 new products

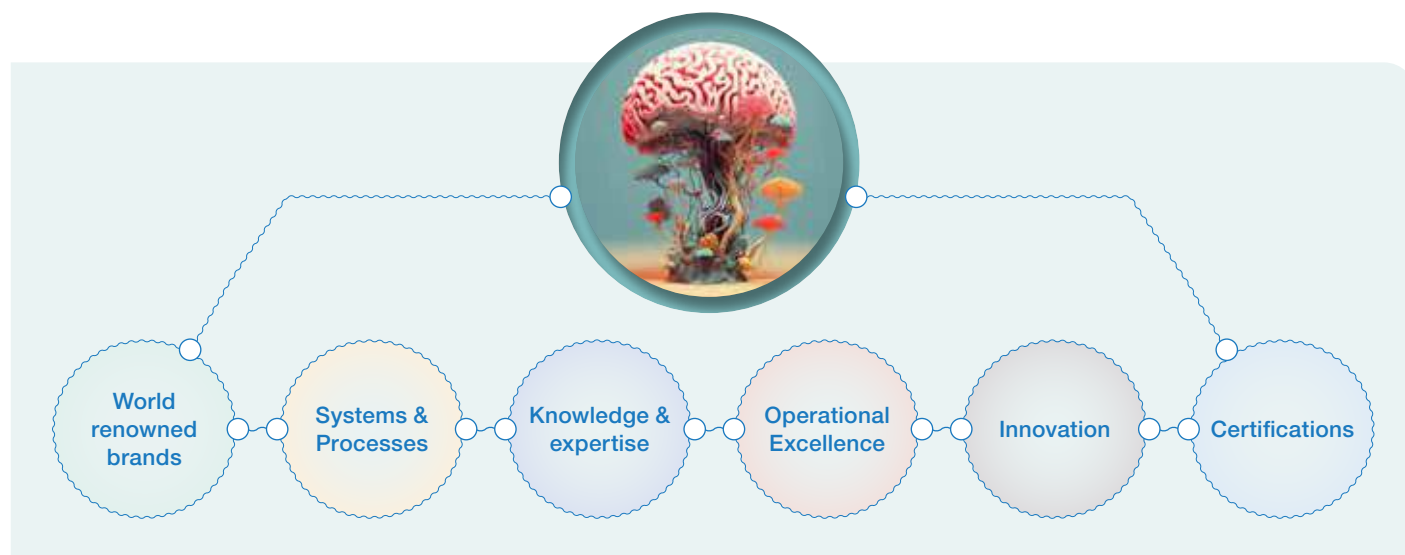
Collaboration with international brands

Partnered with world renowned brands of Hansgrohe and AXOR

Digital presence

Digital marketing campaigns

Highlights



Awards

TAGS Awards 2023 of CA Sri Lanka

- Royal Ceramics Lanka PLC - Gold Award in Manufacturing Sector Turnover above Rs. 10Bn

CMA Excellence in Integrated Reporting Awards – 2023

- Royal Ceramics Lanka PLC - Next 10 Best Integrated Reports

Green Building Council of Sri Lanka 2023 - 2026

- Rocell Bathware Limited - GREEN LABELLED PRODUCT

CNCI Achiever Awards 2023

- Rocell Bathware Limited - Merit Award National-Extra Large Category Manufacturing Sector

National Industry Excellence Awards - 2023

- Royal Ceramics Lanka PLC (Eheliyagoda Factory) - Gold Winner - Industry Excellence in Medium & Large Category in Granite, Tile, Pottery, Ceramics and Building Related Industries
- Royal Ceramics Lanka PLC (Eheliyagoda Factory) - National Level Silver Award 2023
- Royal Ceramics Lanka PLC (Horana Factory) - National Level – Silver Award- Extra Large category – manufacturing sector
- Royal Ceramics Lanka PLC (Eheliyagoda Factory) - Top 10 Award 2023
- Royal Ceramics Lanka PLC (Eheliyagoda Factory) - Provincial Level Gold 2023

Sri Lanka National Quality Awards – 2022

- Royal Ceramics Lanka PLC (Eheliyagoda Factory) -National Level - Merit award – Large category- Manufacturing sector
- Royal Ceramics Lanka PLC (Horana Factory) - National Level - Merit award – Large category- Manufacturing sector

CIOB Green Awards 2023

- Swisstek Aluminium Ltd - Gold Award

CPM – Best Management Practices – Company Awards 2024

- Swisstek Aluminium Ltd - Merit Award
- Unidil Packaging Ltd - Merit Award

National Construction Awards 2023

- Swisstek Aluminium Ltd - Most Attractive Stall

National Project Management Excellence Award 2023

- Swisstek Aluminium Ltd - Runners Up – Best Managed Project with Green Outcome

WORLD RENOWNED BRANDS

Our flagship brands, 'Rocell' and 'Lanka Tiles', enjoy a strong brand presence within Sri Lanka, maintaining market leadership in both wall and floor tiles. Renowned for their aesthetically pleasing designs and unparalleled quality, they have successfully penetrated numerous export markets. Together, Rocell and Lanka Tiles command over 71% of the local wall and floor tile market share. Furthermore, Rocell Bathware caters 39% of the domestic demand, further solidifying our position within the industry.

SYSTEMS AND PROCESSES

We remain dedicated towards process innovation, consistently upgrading our systems to incorporate the latest technologies. Our focus remains on enhancing productivity and efficiency across operations. Rocell boasts robust systems that have undergone continual refinement over the years. This strategic approach affords Rocell a distinct competitive edge, enabling us to sustain our market dominance.

Listed below are some initiatives carried out during the year,

- Implementation of a new warehouse management system
- Implementing new Oracle Process Management for Horana factory for the manufacturing process
- Implementing new firewalls for factory systems at Eheliyagoda, Horana, Panagoda
- A new data backup system and network review and restructuring of the data centre
- Upgrading of control audit of the ERP System
- Implementation of Oracle Netsuite CRM platform to facilitate end to end customer relationship and portfolio management

Our Collections

ROCELL

- Stone
- Marble
- Cement
- Wood
- Metal
- Earthen
- Fashion
- Mono colour
- Speckled
- Floral and Foliage

LANKA TILES

- Majestica
- Mosaics
- Concrete
- Essential +
- Hearts of Earth Senses
- Xilosophy
- Senses Coloma

ROCELL BATHWARE

SUITS

- Slide
- Giuly
- Azza
- Summer Blue
- Flo
- Urbanity
- Eternity
- Aqua +
- Rivera
- Elements Aqua
- Dune
- Urban D
- Efi
- Infinity

OTHER

- Deep blue
- Nautina
- Dew point
- Zen
- Zero
- Quadro
- Sub zero
- Elan
- Aqua tank
- Eclipse
- Acqa Marquee
- Aqua arc
- Aqua cube
- Capsule Artisa

UNIDIL

- Regular Slotted Carton Boards and Partitions
- Hanger Cartons
- Top and Bottom Cartons
- Die Cut Cartons
- Laminated Cartons
- Display Racks
- Cement Sacks
- Rigid Paper Sacks
- Multiwall Paper Sacks

SWISSTEK CEYLON

- Tile adhesive
- Tile grout
- Skim coat
- Quick flow
- Grout sealer
- Decorative Pebbles
- Tile cleaner
- Swissparkett
- General Purpose Silicone
- Aqua Shield 2K
- Waterproof

SWISSTEK ALUMINIUM

- Doors
- Windows
- Kitchen Cabinets
- Curtain walls
- Shop Front
- Partitions
- Louvers
- Handrails
- Tile Products
- Household Products
- Industrial Products
- Hardware Products



KNOWLEDGE AND EXPERTISE

Our capability to attract and retain the essential skill sets necessary to meet and exceed customer expectations is facilitated by our implementation of an efficient recruitment process and a comprehensive employee value proposition. Moreover, the Group's steadfast commitment to investing in training and development has led to the enhancement of our team members' skill sets, which is evident in the exceptional quality of Rocell products. Consequently, the knowledge and experience of our team members play a pivotal role in our value creation process.

OPERATIONAL EXCELLENCE

In response to heightened inflationary pressures impacting profit margins throughout the Group, driving efficiency in our production process emerged as a top priority during the year. To counter the effects of escalating raw material costs, the Group implemented a series of measures aimed at cost mitigation, resulting in substantial savings. These measures include,



CERTIFICATIONS

Given below is a list of certifications we complied with during the year covering areas related to product quality, health and safety and sustainability. These certifications facilitate benchmarking with global industry best practice, ensuring that our processes evolve continuously to the highest standards for the respective products or processes. These certificates support our brands, enhancing customer confidence in our production processes.

Certification	Royal Ceramics Lanka PLC	Rocell Bathware Ltd.	Lanka Tiles PLC	Lanka Walltiles PLC	Swisstek Aluminium	Unidil Packaging
 SLS ISO 14001 Certificate of the Environmental Management System by the Sri Lanka Standards Institution	✓	✓	✓	✓		
 SLS ISO 9001 Authorised Schedule and Certificate of Conformity to ISO 9001 standards, issued by Sri Lanka Standards Institution for Glazed Ceramic Floor Tiles, Glazed Vitrified Tiles, Glazed Porcelain Floor Tiles.	✓	✓	✓	✓	✓	✓
SLS 1181 Certificate of Conformity issued by Sri Lanka Standard Institute for Rocell brand dry pressed ceramic tiles.	✓					
 CE Marking Certificate of Conformity to European standards issued by Euro Veritas Limited – Glazed Ceramic Tiles.	✓	✓				
 Green SL Labelling System Certificate for environmental performance issued by the Green Building Council of Sri Lanka	✓	✓	✓	✓		
 Watermark Certification Watermark certification of conformity level 1 and 2		✓				
 WELS Water Efficiency Labelling Scheme, Australia - 4 Star rating.		✓				
SLS 1410 Certificate of conformity issued by Sri Lanka Standard Institution for Swisstek Aluminium brand extruded aluminium alloy profiles				✓		
 ISO 14001 Certification of quality management system for environmental management						✓
 WRAP Worldwide Responsible Accredited Production						✓

Certification	Royal Ceramics Lanka PLC	Rocell Bathware Ltd.	Lanka Tiles PLC	Lanka Walltiles PLC	Swisstek Aluminium	Unidil Packaging
 SMETA Sedex Members Ethical Trade Audit						✓
 Qualicoat Certification Authorisation to use the quality sign of 'Qualicoat'				✓		
SLS ISO 18001 Occupational health and safety assessment series			✓	✓		
HACCP Certification by SGS Lanka for food safety.						✓
ISO 22000 Certification of Quality Management System for food safety.						✓
ISO 45001 : 2018 Occupational health and safety management system	✓					✓

STEWARDSHIP



A Tower of Strength

Over the years we have built a supportive structure designed to withstand the elements and protect countless stakeholders from diverse threats.

Coral reefs act as natural barriers against waves and storms and protect the shoreline from potential harm. Their structures help reduce wave energy by 97%, and they serve as a flood defence along 71,000 km of coastline across the world. At present, millions of individuals across diverse communities rely on coral reefs for protection against surges and waves.

CORPORATE GOVERNANCE

The Board of Directors bear ultimate responsibility for the strategic guidance, internal controls, financial reporting, risk management and operations of the Royal Ceramics Group. Sound corporate governance structures, policies, systems and processes and regular reporting support discharge of these duties by the Board while building a resilient business that delivers sustainable value to stakeholders. These continue to evolve in response to external changes in legal, regulatory and voluntary frameworks as well as internal requirements to ensure they remain fit for purpose in a rapidly evolving operating landscape.

Changes impacting corporate governance

- Listing Rule No 9 on Corporate Governance issued by the Colombo Stock Exchange with effective dates for compliance set out for specific provisions from 1st October 2023 to 1st January 2025.
- Directors are in compliance of Rule No. 9.7.3 Fit and Proper criteria for Directors and CEO's and Rule No. 9.14.2(1) composition of the Related Party Transactions Review Committee.
- Issue of the revised Code of Best Practice on Corporate Governance 2023 by the Institute of Chartered Accountants of Sri Lanka
- Issue of SLFRS Sustainability Standards by the Institute of Chartered Accountants which are effective for reporting periods beginning on or after January 2025.

The Board has reviewed the changes required to governance structures and processes and plan to comply by the dates specified therein.

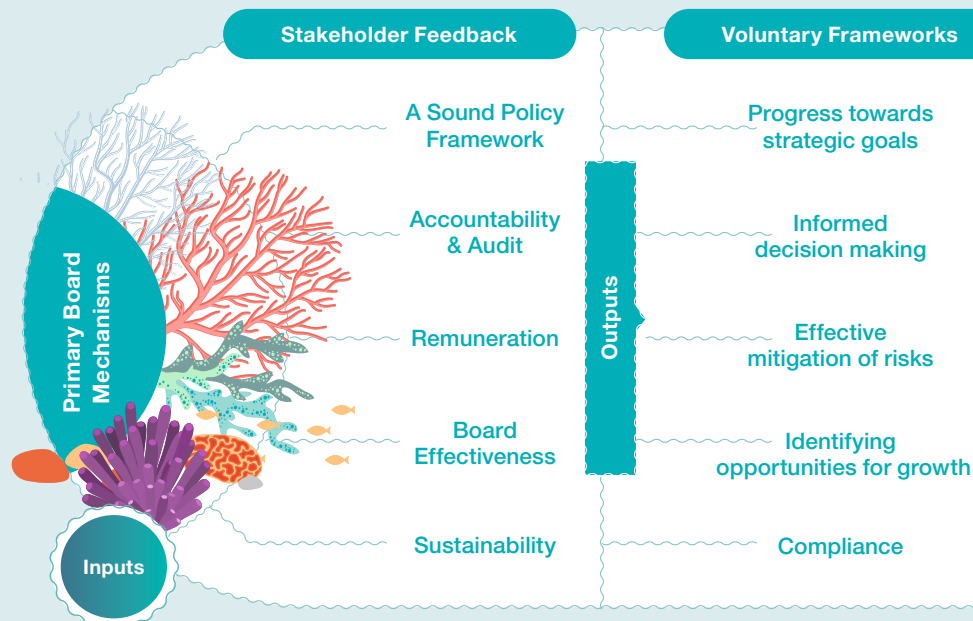
Key Governance Practices

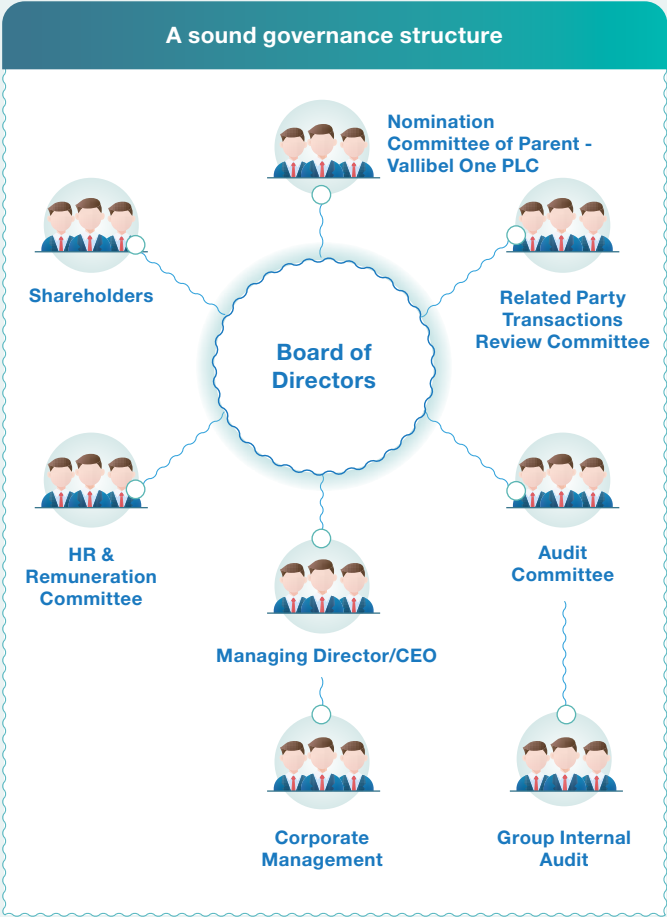
- A balance of power established with a majority of non-executive directors of whom Eight are independent
- Chairman is an Independent Non-Executive Director
- Annual rotation of a one Director of the Board
- Annual evaluation of the effectiveness of the Board
- Shareholders have right to call for special meetings
- The Nominations Committee of the parent company, Vallibel One PLC oversees the needs of Rocell Group.
- A separate committee reviews the related party transactions of the Group
- Internal Audit reports directly submitted to the Audit Committee

Governance Process

Defined responsibilities of the Board

- Value creation to stakeholders
- Strategy
- Resource allocation
- Appointment of Key Management Personnel
- Performance oversight
- Risk management
- Regulatory compliance
- Financial and other regulatory reporting
- Compliance

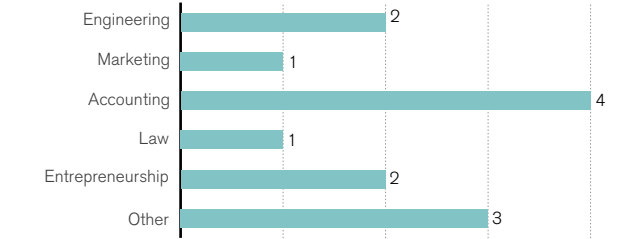




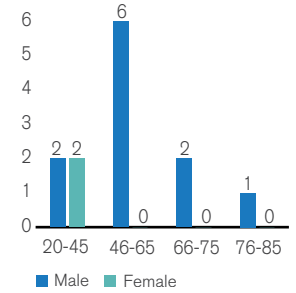
Composition & Balance



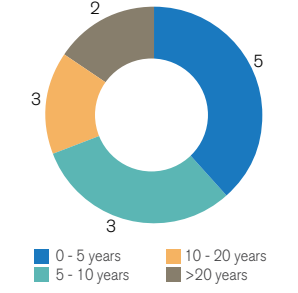
Skills & Experience



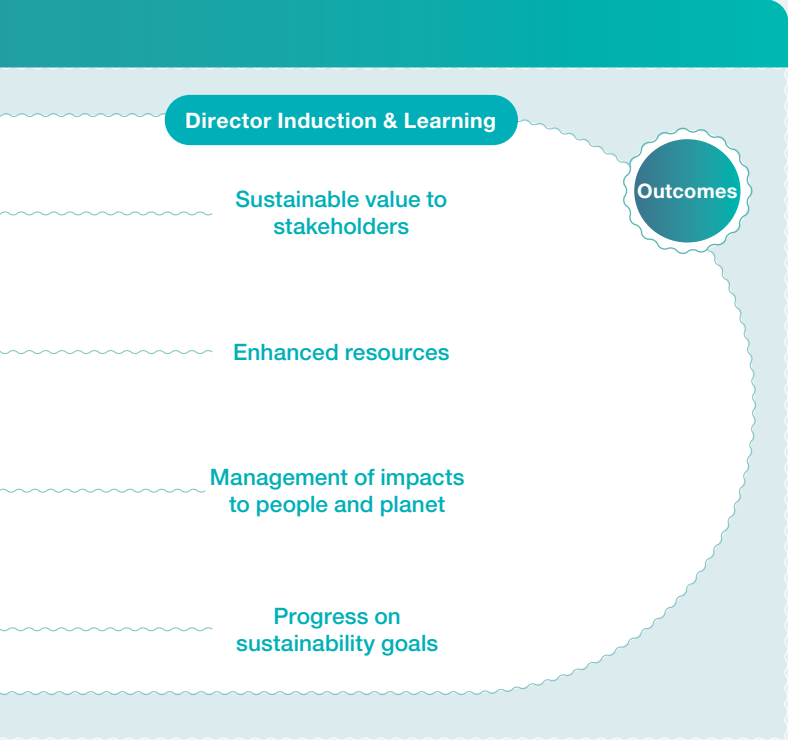
Age Diversity



Tenure on Board



Gender Diversity



MAKE UP OF THE BOARD

The Board comprises 13 Directors. There are ten Non-Executive directors out of whom eight are independent in accordance with the criteria set out in the Corporate Governance Listing Rule no 9. The Chairman and two other directors are also directors of Vallibel One PLC, the parent company of Royal Ceramics PLC. The Chairman is a Non-Executive, Independent director. The combination of executive and non-executive directors and the diversity of skills and experience facilitates objective and informed deliberation of matters set before the Board.

Name	Shareholding	Role	AC	RC	RPTRC	No of appointments at Public Listed entities	No of Appointments at other entities
Mr. S H Amarasekera		Chairman		★		8	11
Mr. A M Weerasinghe	331,763	Deputy Chairman				4	13
Mr. M Y A Perera	2,200	Managing Director				4	6
Mr. T G Thoradeniya	1,856,800	Director - Marketing and Business Development				4	11
Mr. L N de S Wijeyeratne		Director	★	●	●	4	2
Mr. G A R D Prasanna	50,000	Director				3	14
Mr. R N Asirwatham		Director	●	●	★	8	3
Ms. N R Thambiayah		Director				4	6
Mr. S M Liyanage		Director				5	2
Mr. N J Weerakoon		Director	●		●	2	8
Mr. S R Jayaweera		Director	●			3	1
Mr. J R Gunaratne		Director				4	4
Ms. K A D B Perera		Director				11	5

★ Chairman AC - Audit Committee

● Member RC - Remuneration Committee RPTRC - Related Party Transaction Review Committee

APPOINTMENTS & EXITS

The Nominations & Governance Committee is tasked with assisting the Board in finding suitable candidates in line with the business needs of the Group and the Board's independence and diversity requirements. The Colombo Stock Exchange is notified of appointments without delay together with a brief resume of the director, interests or shareholding in the company, current appointments and whether he/she is an executive, non-executive or independent director.

The Board may appoint directors to fill any casual vacancies that may arise during the year as provided in the Articles of Association. Directors appointed in this manner hold office until the next Annual General Meeting and are eligible for re-election by the shareholders at that meeting, strengthening shareholder rights.

One Director retires at each Annual General Meeting by rotation and is generally eligible for re-election. A separate resolution is framed for the election/re-election of each director as set out on page 124 of the Annual Report of the Board of Directors. Chairman, Deputy Chairman, Managing Director or other Executive Directors are not subject to retirement by rotation.

DETERMINING INDEPENDENCE OF NON-EXECUTIVE DIRECTORS

For 2023/24, the Independence of the Directors is determined by the Board based on the annual declarations submitted by the Non-Executive Directors in accordance with the Listing Rule No. 9 of the Colombo Stock Exchange. From 1st January 2025 changes in the classification of independent Directors due to age related provisions and other criteria will be effective. The reclassification will be carried out by the date specified in Rule No. 9.

ROLE OF THE CHAIRMAN AND CEO

The roles of the Chairman and CEO are separate, facilitating a balance of power on the Board. The Chairman presides over the Board and is responsible for determining the frequency of the meetings, setting the agenda, conducting the meeting, ensuring Board members have sufficient information for decision making and that all Board members participate effectively. The Managing Director/ Chief Executive Officer is responsible for implementing strategy within the agreed policy framework and in compliance with the regulatory requirements.

ROLE OF THE COMPANY SECRETARY

Company Secretarial services are provided by PW Corporate Services (Pvt) Ltd. who facilitate the scheduling of meetings, circulation of board papers, maintain minutes and file the necessary returns. They also play a key role in advising the directors regarding board procedures and legal requirements with respect to their duties and responsibilities. They are also responsible for arranging the Annual General Meetings, Extraordinary General Meetings, shareholder communications and disclosures to the CSE. Their appointment and removal is a matter for the Board as a whole.

BOARD COMMITTEES

Three Board Committees are established by the Board to assist with discharging its duties and responsibilities effectively and efficiently as set out below.

Audit Committee	Remuneration Committee	Related Party Transactions Review Committee
Composition		
Four independent directors, three of whom are members of professional accounting bodies - Mr. L N De S Wijeyeratne - Chairman - Mr. R N Asirwatham - Mr. N.J Weerakoon - Mr. S R Jayaweera	Three independent directors - Mr. S H Amarasekera - Chairman - Mr. R N Asirwatham - Mr. L N De S Wijeyeratne	Three Non-Executive Independent Directors - Mr. R N Asirwatham - Chairman - Mr. L N De S Wijeyeratne - Mr. N J Weerakoon
Mandate		
Monitor and supervise management's financial reporting process in ensuring: - The integrity of financial statements in accordance with Sri Lanka Financial Reporting Standards. - The compliance with legal and regulatory requirements of Companies Act and other relevant financial reporting related regulations and requirements. - The External Auditor's independence and performance. - Review of the adequacy and effectiveness of the company's Internal Control and Risk Management systems, over the financial reporting process.	The Committee focuses on and is responsible for ensuring that the total package is competitive to attract the best talent for the benefit of the Company. Recommend the remuneration payable to the Executive Directors and senior management.	To ensure on behalf of the Board, that all Related Party Transactions of Royal Ceramic PLC and its subsidiaries are consistent with the Code of Best Practice on Related Party Transactions issued by the Securities and Exchange Commission of Sri Lanka. - Ensure that the Company complies with the rules set out in the Code - Subject to the exceptions given under Rule 27 of the Code, review, in advance all proposed related party transactions - Perform other activities related to the Charter as requested by the Board. - Have meetings every fiscal quarter and report to the Board on the Committee's activities - Share information with the Audit Committee as necessary and as appropriate, to permit the Audit Committee to carry out its statutory, regulatory and other responsibilities with regard to related party transactions. - Review the Charter and Policy at least annually and recommend amendments to the Charter and Policy to the Board as and when determined to be appropriate by the Committee.
Refer page 132 for Audit Committee Report	Refer page 134 for Remuneration Committee Report	Refer page 135 for Related Party Transactions Review Committee Report

GOVERNANCE FRAMEWORK

The governance framework of the Group is given below:

Regulatory	Voluntary Standards, Codes & Frameworks	Internal Documents
- Companies Act No.7 of 2007, - Sri Lanka Accounting and Auditing Standards Act No.15 of 1995 - Continued Listing Requirements of the Colombo Stock Exchange - The Shop and Office Employees Act No. 15 of 1954 - Factories Ordinance No. 45 of 1942 - Inland Revenue and other relevant Acts	- Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka 2017 - Integrated Reporting Framework - Global Reporting Initiative Standards - Quality standard certifications obtained by companies	- Articles of Association - Board Charter - Policy framework

MANAGING CONFLICTS OF INTEREST

Directors are required to declare their business interests on appointments and update thereafter and the Company Secretaries maintain a register of Directors' Interests. Directors interest in contracts are disclosed on page 125 to 126. Directors do not participate in the meeting when related party matters are discussed, absenting themselves from the Board room for the duration of the discussion.

Related party transactions are reviewed quarterly by the Related Party Transactions Review Committee who approve the transactions and ensure appropriate disclosures in line with regulatory requirements. Related party transactions are disclosed in Note 33 to the financial statements on page 221 .

EFFECTIVE MEETINGS

Board meetings are held monthly/bi monthly in accordance with an annual calendar prepared by the Company Secretaries, with provision for additional meetings as maybe required. The agenda for the meeting is determined by the Chairman and the Company Secretary with inputs where needed from the Managing Director/CEO. Relevant Board papers are circulated to the Directors seven days prior to the meeting allowing sufficient time review and clarification. Performance oversight, risk management and review of financial statements are regular items on the agenda of the Board.

Key Management Personnel (KMP) attend Board meetings on invitation to make presentations and update the Board on material issues that impact the business. They are also available for clarifications that may be required by Board members. Board minutes are circulated to members within 2 weeks and formally

Attendance of directors at meetings is given below:

Directors	Date of Appointment	Board Meeting	AC	RC	RPTRC
Mr. A M Weerasinghe	28th August 1990	11			
Mr. M Y A Perera	14th March 2017	11			
Mr. T G Thoradeniya	1st April 2003	9			
Mr. S M Liyanage	21st February 2020	11			
Ms. K A D B Perera	19th October 2022	7			
Mr. S H Amarasekera	18th September 2014	9		2	
Mr. G A R D Prasanna	29th May 2009	11			
Mr. R N Asirwatham	25th September 2009	9	6	2	4
Ms. N R Thambiayah	10th January 2015	10			
Mr. L N de S Wijeyeratne	16th May 2016	11	5	2	3
Mr. N J Weerakoon	17th May 2019	11	6		4
Mr. S R Jayaweera	8th April 2021	11	6		
Mr. J R Gunaratne	28th April 2021	9			
Total No of Meetings		11	6	2	4

INDUCTION & TRAINING FOR DIRECTORS

Newly appointed directors are formally inducted to enable effective contribution at Board meetings. The Chairman and the MD/CEO arrange meetings with themselves and Key Management Personnel to provide an overview. In addition, they are also taken on a tour of some of our manufacturing facilities. However, no new directors were appointed during the current year and no inductions were done as a result.

Directors are expected to apprise themselves of developments in their areas of speciality and undertake learning activities necessary for the effective discharge of their duties. These requirements are coordinated through the Company Secretary.

EVALUATIONS

Appraisal of MD/CEO

The performance of the MD/CEO is reviewed annually by the Chairman and the Board in line with goals agreed at the beginning of the year. The performance of the Group is assessed in the context of the operating environment and constructive feedback is provided. The outcome of the performance appraisal is linked to the annual increments for the fixed remuneration and determines the variable pay.

Board Evaluations

The Board conducted self-evaluations in line with the requirements of the Code of Best Practice and the results were tabled at the meeting of the Board. Issues raised in the evaluations were discussed and actions agreed for implementation during the year.

REMUNERATION POLICY

The Board is assisted by the Remuneration Committee in determining remuneration of Executive Directors, Non-Executive Directors, KMP and others. Remuneration policy is designed to attract and retain the skills, capabilities and experience required to pursue business objectives. Remuneration of KMP and Executive Directors are linked to the performance of the Group. Please refer page 134 for the Report of the Remuneration Committee and Terms of Reference. Non-Executive Director remuneration comprise a fee for being a Director of the Board and additional fee for being a member of a committee.

ACCOUNTABILITY & AUDIT

The Board approved the quarterly reports prior dissemination to the public through the CSE and the corporate website. The Audit Committee reviews the financial statements and recommended the financial statements for approval by the Board. The following reports set out further information required by the Code:

- The Directors' Report on pages 124 to (including the declaration that the company is a going concern)
- The Statement of Directors' Responsibility on page 131
- Report of the Auditors on page 132

External Auditor

The External Auditor is appointed by the shareholders at the Annual General Meeting. The Audit Committee monitors and reviews the External Auditor's independence, objectivity and the effectiveness of the audit process considering relevant professional and regulatory requirements.

Assignment of non-audit services to External Auditors is reviewed by the Audit Committee who determine whether the potential impairment of independence and objectivity of the External Auditor in carrying out his duties and responsibilities.

OVERSIGHT OF SUBSIDIARIES & ASSOCIATES

- Chairman and other directors sit on the Boards of subsidiaries and feedback to the main Board on matters of concern.
- The Audit Committee of the Group liaise with Audit Committee of the subsidiaries, ensuring oversight of internal controls, financial reporting, internal and external audit.
- Finance and Human Resources functions have regular meetings with heads of corresponding functions in the subsidiaries to ensure harmonisation and sharing of best practice.

Internal audit co-ordinates with internal auditors of the respective subsidiaries to ensure that audits are conducted in line with expected standards and in line with the agreed audit plans

RELATIONS WITH SHAREHOLDERS

The Group engages with Shareholders through multiple channels. These include the Annual General Meeting (AGM), annual report, interim financial statements, the Company website and via the CSE's website. Shareholders also have the opportunity to ask questions, comment or make suggestions to the Board through the Company Secretaries and at the Annual General Meeting. All significant issues and concerns of Shareholders are referred to the Board with the views of the Management.

CONSTRUCTIVE USE OF ANNUAL GENERAL MEETING (AGM)

Shareholders are encouraged to participate at the AGM and the Chairman, Board members and Chairpersons of Board Sub-committees are available for discussion at the AGM and respond to questions directed to them by the Chairman. Additionally, Key management personnel of the Group are also present to assist the directors in this regard.

Notice of the AGM, the Annual Report and Accounts and any other resolution together with the corresponding information that may be set before the shareholders at the AGM, are circulated to shareholders minimum 15 days prior to the AGM. Separate resolutions prepared for each item of business,

facilitating voting on each of such issue, separately. Voting procedures at the AGM are circulated to the shareholders in advance. The Company has an effective mechanism to record and count all proxy votes lodged for each resolution. In the event there are a significant proportion of the votes cast against a resolution, the Board will take steps to understand the reasons behind the vote results and determine if any actions are required. The outcome of the vote on each resolution is informed to the CSE, soon after conclusion of the AGM.

Given below is the status of compliance with the CSE Listing Rules - section 7-10 and the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka in 2023.

Reference to ICASL Code & CSE Rules	Corporate Governance Principle	How we Comply	Compliance Status
A. Directors			
A. 1 The Board			
A. 1.1	Board Meetings	Held every bi-monthly and special meetings held as and when necessary	✓
A. 1.2	Role of the Board	- Focus in on developing strategies for business development and to provide guidance to the management. - Sets the budget for the financial year and reviews progress at the monthly meetings. - Approving of major capital expenditure - Ensures that effective internal control and risk management framework is in place	✓
A. 1.3	Compliance with laws and access to independent professional advice	The Board seeks independent professional advice when deemed necessary, particularly before making any decisions which could have a significant impact on the Company. Further the Board is always mindful of the new laws/regulations which are implemented and ensures compliance with same.	✓
A. 1.4	Access to advice from the Company Secretary	All directors have access to the advice of the Company Secretary.	✓
	Indemnifying the Board, Directors and key management personnel		
A. 1.5	Independent judgment of the Directors	Board comprises mainly of independent professionals who in turn exercise independent judgement in discharging their duties	✓
A. 1.6	Dedicating adequate time and effort	Regular Board meetings and sub-committee meetings are scheduled well in advance and Board papers circulated 1 week prior to the meetings, giving adequate time to prepare	✓
A. 1.7	Calls for resolutions	Resolutions are passed for all Board approvals and minutes are kept	✓
A. 1.8	Training of Directors	At the time a Director is appointed a letter confirming such appointment together with details on the duties of a Director in terms of the Act and Listing Rules are forwarded to them. All Directors have considerable experience in the industry. Relevant local and foreign training opportunities are made available.	✓
A. 2	Segregation of Roles of Chairman & CEO	Please refer Chairman and Managing Director page 14 to 19.	✓

Reference to ICASL Code & CSE Rules	Corporate Governance Principle	How we Comply	Compliance Status
A. 3	Chairman's Role	The Chairman ensures that meetings are conducted in an orderly manner and that each Board Member and Member of staff is given an opportunity to present his views/concerns on matters.	✓
A. 4	Financial Acumen	Members of the Board and Management have sufficient financial knowledge and thus are able to provide guidance on financial matters.	✓
A. 5 Board Balance			
A. 5.1/A. 5.2/ A. 5.3 & A. 5.5	Presence of Non-Executive Directors Independence of Non-Executive Directors	Please refer an Effective Board in page 124.	✓
A. 5.4	Annual Declaration of Independence by the Non-Executive Directors	Annual declarations citing their independence is obtained by the secretary annually.	✓
A. 5.6	Alternate Director to a Non-Executive Director	No Alternate Directorships	✓
A. 5.7 /5.8	Senior Independent Director	Not Applicable	✓
A. 5.9	Chairman meeting with the Non-Executive Directors	When required the Executive Directors and Members of staff are excused from meetings	✓
A. 5.10	Recording concerns	Concerns of directors are recorded in minutes even in the case of disagreement.	✓
A.6 Supply of Information			
A. 6.1	Obligation of the Management to provide appropriate and timely information	Board Papers and Committee papers are provided at least 1 week before the meeting	✓
A. 6.2	Board papers to be provided 7 days prior to Board Meeting	Board papers are provided one week prior to the Board meeting.	✓
A.7 Appointments to the Board			
A. 7.1 / A.7.2	Nomination Committee and the assessment of composition of the Board	Nominations Committee of Vallibel One PLC will serve as the Nominations Committee of Royal Ceramics Lanka PLC.	✓
A. 7.3 7.10.3 (d)	Disclosure of Appointment of a New Director	Disclosure pertaining to any new appointments are made to the CSE within two market days from the date of such appointment. The disclosure includes a brief profile of the Director and whether the Director is an Independent/Non-Executive/Executive Director.	✓
A.8 Re-election			
A. 8.1 / A. 8.2	Re-election	At each AGM one Non-Executive director presents himself/ herself for re-election. Newly appointed directors are re-elected at the 1st AGM following their appointment.	✓
A. 8.3	Resignation	In the event of a resignation, a letter of resignation is provided by the Director.	✓

Reference to ICASL Code & CSE Rules	Corporate Governance Principle	How we Comply	Compliance Status
A.9 Appraisal of Board Performance			
A. 9.1/ A. 9.2/ A. 9.3/ A. 9.4	Appraisals of the Board and the sub committees	Board evaluations were carried out and results were tabled at the Board meeting. The Board discussed the findings and directed changes where there was consensus on matters raised in the evaluations.	✓
A.10 Disclosure of Information in Respect of Directors			
A. 10.1	Profiles of the Board of Directors and other related information	The names of the Directors of the Board and their profiles are given on page 20 to 24.	✓
A.11 Appraisal of Chief Executive Officer			
A. 11.1 / A. 11.2	Setting of the annual targets and the appraisal of the CEO	Appraisal of the MD/Director - Marketing and Business Development are done when considering increments/bonuses to be paid. Achievement of the budget is a key factor that is considered.	✓
B. Directors' Remuneration			
B. 1 Remuneration Procedure			
B. 1.1	Set up a Remuneration Committee with agreed terms of reference	Refer Directors' Remuneration on page 222. The Report of the Remuneration Committee on page 134 gives the composition of the Committee and a description of its activities during the year.	✓
B. 1.2	Remuneration Committee to consist of Non-Executive Directors only	Consists of three Independent Non-Executive Directors.	✓
B. 1.3	List names of Remuneration Committee in Annual Report	Please refer page 134.	✓
B. 1.4 7.10.5(b)	Determination of the remuneration of the Non-Executive Directors	Remuneration of the Non-Executive Directors is decided by the Board in consultation with the Chairman.	✓
B. 1.5	Consultation with the Chairman and the Managing Director	The Chairman/ MD are consulted when determining the remuneration to be paid to the Executive Directors and Management, respectively.	✓
B. 2 The Level & Makeup of Remuneration			
B. 2.1/ B. 2.2/ B. 2.3/ B. 2.4	The level and makeup of the remuneration of Directors and comparison of remuneration with other companies	Remuneration levels have been designed to attract, retain and motivate Directors while remaining within the industry standards and annual performance approved.	✓
B. 2.5	Performance based remuneration	Part of the remuneration package of the Executive Directors is linked to achievement of targets and individual performance.	✓
B. 2.6	Executive share options		NA
B. 2.7	Designing schemes of performance-based remuneration	Refer the Report of the Remuneration Committee on page 134.	✓
B. 2.8/ B. 2.9	Early Termination of Directors	There is no compensation for early termination of non-executive directors.	✓

Reference to ICASL Code & CSE Rules	Corporate Governance Principle	How we Comply	Compliance Status
B. 3 Disclosure of Remuneration			
B. 3.1	Disclosure of Remuneration	Report of the Remuneration Committee on page 134. Notes 33.2.1 and 33.2.2 in the financial statements on pages 222 to 223.	✓
C. Relations with Shareholders			
C.1 Constructive use of AGM and Conduct of Meetings			
C. 1.1	Dispatch of Notice of AGM and related papers to shareholders	Notice of Meeting, the Agenda for the Annual General Meeting and the Annual Report are circulated to shareholders 15 working days prior to the meeting as required by the Companies Act No: 07 of 2007 and the Articles of Association of the Company.	✓
C. 1.2	Separate resolution for substantially separate issues.	Separate resolutions are passed for each matter taken up at the AGM.	✓
C. 1.3	Accurate recording and counting valid proxy appointments received for general meeting	Valid proxies are listed together with the number of shares held by the shareholder appointing the proxy.	✓
C.1.4	Availability of Chairman of Board Committees at the Annual General Meeting	The Chairmen of the Board Committees are present to answer any queries of the shareholders directed to them by the Chairman of the Company.	✓
C. 1.5	Summary of Notice of General Meetings and procedures governing voting at General Meetings	A summary of the procedure on voting is given in the Notice of Meeting.	✓
C.2 Communications with shareholders			
C. 2.1 to C. 2.7	Communications with Shareholders	The AGM and EGM (if any) are used as the method for communicating with the shareholders. All quarterly and annual financial information and other important matters as required for by the Act and the Listing Rules are shared by way of disclosures through the CSE. The Company Secretaries/Registrars are the main contact people for the shareholders. All major concerns of the shareholders are brought to the notice of the Board at the AGM and at Board/Subcommittee meetings. All queries of shareholders are answered at the AGM and all shareholders are given the opportunity to express their views/ concerns.	✓
C.3 Major & Material Transactions			
C. 3.1 & C. 3.2	Disclosure of Major Transactions	There were no matters which were identified as Major Transactions during the year as such no disclosure has been made in this regard. In the event there are Major Transactions, relevant disclosures and relevant shareholder approvals are obtained.	✓

Reference to ICASL Code & CSE Rules	Corporate Governance Principle	How we Comply	Compliance Status
D. Accountability & Audit			
D. 1.1	Annual Report	Refer Accountability & Audit on pages 139 to 141.	✓
D. 1.2	Interim and price sensitive reports to public and regulators	In preparing annual and quarterly Financial Statements, the Company complies with the requirements of the; - Companies Act No. 07 of 2007, - Sri Lanka Accounting Standards and - Listing Rules of the Colombo Stock Exchange. The annual and interim Financial Statements were published within the time periods prescribed by the Listing Rules of the Colombo Stock Exchange.	✓
D. 1.3	CEO/CFO Declaration	The Statement of Financial contains a declaration by the Deputy Chairman & Managing Director and the Director Finance.	✓
D. 1.4	Directors' Report declarations	Refer Annual Report of the Board of Directors on page 124.	✓
D. 1.5	Statements on responsibilities for preparation of financial statements and internal control	Refer the following: - Statement of Board responsibility for preparation of financial statements - page 131 - Statement from Auditors on their reporting responsibilities - page 139 - Statement on Internal Control - page 131	✓
D. 1.6	Management discussion & analysis	Refer annual report pages from 48 to 106 which provides a comprehensive management discussion and analysis of the Group's operations	✓
D. 1.7	Serious loss of capital	Shareholders will be informed of a serious loss of capital in the event it happens.	✓
D. 1.8	Related Party transactions	Refer the following disclosures on Related Party Transactions: - Relates party transactions Review Committee Report on page 135 - Annual Report of the Board of Directors on page 124 - Note 33 to the financial statements	
D.2 Risk Management & Internal Control			
D. 2.1	Monitor, review and report on financial, operational and compliance risk and internal control systems	The following reports provide details on compliance with these requirements: Risk Report on pages 41 to 46	✓
D. 2.2	Confirm assessment of the principal risks of the company	- Risk & Internal Control on pages 41 to 46 - Directors' Statement on Internal Controls on page 131	✓
D. 2.3	Internal Audit	Audit Committee Report on page 132	✓
D. 2.4	Require Audit Committee to carry out reviews of & Board responsibility for disclosures		✓
D. 2.5	Compliance with Directors' responsibilities as set out by the Code		✓

Reference to ICASL Code & CSE Rules	Corporate Governance Principle	How we Comply	Compliance Status
D.3 Audit Committee			
D. 3.1	Establish an Audit Committee comprising three directors of which at least 2 must be independent	Audit Committee comprise of all Independent Directors. Refer Audit Committee on page 132.	✓
D. 3.2	Written Terms of Reference for Audit Committee	The Audit Committee has a written Terms of Reference summarised in the Audit Committee Report on page 132.	✓
D. 3.3	Disclosures	The Audit Committee Report with required disclosures are given on page 132.	✓
D.4 Related Party Transactions Review Committee			
D.4.1/D.4.2/ D.4.3/9.3.2	Related Party Transactions Review Committee	Report of the Related Party Transactions Review Committee on page 135	✓
D.5 Code of Business Conduct & Ethics			
D. 5.1	Board declaration for compliance with Code	Refer Code of Ethics on declarations on pages 108 to 123.	✓
D. 5.2	Price sensitive information	Material and price sensitive information is promptly disclosed to the CSE by the Company Secretaries.	✓
D. 5.3	Monitor Share purchase by Directors/ KMPs	Refer the Related Party Transactions Committee Report on page 135.	✓
D. 5.4	Chairman's statement	Refer the Chairman's Message on Corporate Governance on page 14 and The Board of Directors' Statement on Internal Controls on page 131.	
D. 6	Corporate Governance disclosures	The Corporate Governance Report on pages 108 and 123 together with its Annexes comply with this requirement.	✓
E. Institutional Investors			
E. 1.1	Institutional investors	The proxies of the major institutional investors, such as the major shareholder are obtained.	✓
E. 2	Evaluation of Governance Disclosures	Information required for evaluation of governance structures is provided in the Annual Report.	✓
F. Other Investors			
F. 1	Investing and divesting decision	We seek to provide sufficient information to investors through the annual report, quarterly financial statements and announcements to the CSE to assist investors with their investment and divestment decision.	✓
F. 2	Encouraging shareholder participation	Refer Shareholder Relations on pages 247 and 248.	
G. Other Investors			
G. 1	Identify connectivity and related cyber risks	Refer Internet of Things & Cybersecurity on page 44	✓
G. 2	Appoint a CISO and allocate budget to implement a cybersecurity policy		
G. 3	Include cyber security in Board agenda	It is a regular agenda item for the Board meetings.	

Reference to ICASL Code & CSE Rules	Corporate Governance Principle	How we Comply	Compliance Status
G. 4	Obtain periodic assurance to review effectiveness of cybersecurity risk management		
G. 5	Disclosures in Annual Report		
H. Environment, Society & Governance			
H.	Environment, society and governance	Refer ESG Reporting from page 70 to page 123	✓
H. 1	Consider the impact of sustainability risks and opportunities in the business model, operations and short, medium and long term plans to build resilience and report the same to the Board.	The Company identified and assessed the impact of its SRROs and CRROs which has been reviewed by the Board and is set out on page 42. The relevant SASBs for each industry was within the Group was considered in determining the cause of action.	✓
H. 2	Continuously engage with and consider the views of its stakeholders to better understand and manage the company's sustainability/ESG risk and opportunities.	The Company continuously engages with its stakeholders to consider the views and manage concerns to manage its reputation and to preserve its social license to operate.	✓
H. 3	The company should establish a governance framework and structure which includes conformance, performance and sustainability/ESG factors	Working towards compliance	✓
H. 4	The board should establish a governance structure to support sustainability/ESG factors including its ability to create value and manage risks in the short, medium and long term, recognising, managing and measuring on all pertinent aspects of sustainability using financial and non-financial measures.	▪ The Company has in place a system to capture its non-financial information from all locations of its operations. ▪ Internal controls are in place to ensure the accuracy and materiality of the data. ▪ Internal audit provides assurance on the same to the Audit Committee and the Board, safeguarding its operating licenses, reputation and the social license to operate. ▪ ESG related information is presented to the Board at its quarterly meetings while they are reviewed monthly by Corporate Management.	✓
I. Environment, Society & Governance			
I. 1	Listed entities shall establish and maintain policies relating to its governance and disclose the fact of existence of such policies together with the details relating to the implementation of such policies by the entity on its website.	Policies are being reviewed and revised prior to publishing their details on the Company's website. We expect to have this completed by the effective date specified by the CSE which is 1st October 2024.	Commenced work
I. 2	Listed entities shall establish and maintain a formal policy governing matters relating to the board of directors.		

SECTION 9 – CORPORATE GOVERNANCE

Rule Ref	Disclosure Requirement	Page Reference
9.1.3	Statement confirming the extent of compliance with the Corporate Governance Rules	124
9.2.2	Any waivers from compliance with the Internal Code of business conduct and ethics or exemptions granted	Effective 1st October 2024
9.2.3 (i)	List of policies in place as per Rule 9.2.1, with reference to website	Effective 1st October 2024
9.2.3 (ii)	Any changes to policies adopted	Effective 1st October 2024
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	262 to 265
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.	124
9.6.3	Report of SID demonstrating the effectiveness of duties	N/A
9.6.4	Rationale for appointing SID	There is no SID as Chairman still qualifies as Independent Director as per nevertheless provisions
9.7.5	(a) Statement on Directors and CEO satisfying Fit and Proper Assessment Criteria (b) Any non-compliance/s and remedial action taken	124 Not Observed
9.8.5	Names of Directors determined to be 'independent'	124

Rule Ref	Disclosure Requirement	Page Reference
9.10.4	Directors details ▪ name, qualifications and brief profile ▪ nature of his/her expertise in relevant functional areas ▪ whether either the Director or Close Family Members has any material business relationships with other Directors ▪ whether Executive, Non-Executive and/or independent Director ▪ 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) ▪ number of Board meetings attended ▪ names of Board Committees in which the Director serves as Chairperson or a member ▪ Attendance of board committee meetings ▪ TOR and powers of SID	22-24 22-24 127 124 2-24, 110 112 110 112 N/A
9.11.6	Nominations and Governance Committee Report ▪ Signed by Chairperson ▪ Names of chairperson and members with nature of directorship ▪ Date of appointment to the committee ▪ Availability of documented policy and processes when nominating Directors ▪ Requirement of re-election at regular intervals at least once in 3 years ▪ Board diversity ▪ Effective implementation of policies and processes relating to appointment and reappointment of Directors ▪ Details of directors re-appointed ▪ Board Committees served Date of first appointment Date of last re-appointment ▪ Directorships or Chairpersonships and other principal commitments, present and held over the preceding three years ▪ Any relationships – close family member, more 10% shareholding ▪ Performance of periodic evaluation of board ▪ Process adopted to inform independent directors of major issues. ▪ Induction / orientation programs for new directors on corporate governance, Listing Rules, securities market regulations or negative statement ▪ Annual update for all directors on corporate governance, Listing Rules, securities market regulations or negative statement ▪ Compliance with independence criteria ▪ Statement on compliance with corporate governance rules, if non-compliant reasons and remedial actions	136 Effective date 1st October 2024
9.12.8	Remuneration Committee Report ▪ Names of chairperson and members with nature of directorship ▪ Remuneration Policy ▪ The aggregate remuneration of the Executive and Non-Executive Directors.	134

Rule Ref	Disclosure Requirement	Page Reference
9.13.5	Audit Committee Report - Names of chairperson and members with nature of directorship - Status of risk management and internal control – company and group - Statement on CEO and CFO assurance on operations and finances - Opinion on compliance with financial reporting requirements, information requirements Listing Rules, Companies Act, SEC Act and any other requirements. - Availability of formal Audit Charter - Internal audit assurance and summary of the work internal audit - Details demonstrating effective discharge of functions and duties - Statement on external auditors' assurance on their independence - Confirmation on determining auditor's independence	132
9.14.8 (1)	Related Party Disclosures Non-recurrent RPT exceeding 10% of the Equity or 5% of the Total Assets, whichever is lower (in the specified format) - Name of the RP Relationship - Value of RPT - Value as % of equity and total assets - Terms and Conditions - Rationale	There are no recurrent RPT exceeding the threshold
9.14.8 (2)	Recurrent RPT exceeding 10% of the gross revenue/income (in the specified format) - Name of the RP Relationship - Nature of RPT - Value of aggregate RPT - Value as % of gross income - Terms and Conditions	There are no recurrent RPT exceeding the threshold
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	135
9.14.8 (4)	Affirmative declaration by the Board of Directors on compliance with RPT Rules or negative statement to that effect.	129
9.16	Additional disclosures by Board of Directors Declaration on following - All material interests in contracts and have refrained from voting on matters in which they were materially interested - Reviewed of 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 Entity has operations.	128

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

The Directors of Royal Ceramics Lanka PLC have pleasure in presenting their Annual Report together with the Audited Financial Statements of the Company and the Audited Financial Statements of the Group for the year ended 31st March 2024.

GENERAL

Royal Ceramics Lanka PLC is a public limited liability Company which was incorporated under the Companies Act No. 17 of 1982 as a private limited company on 29th August 1990. The Company was subsequently converted to a public limited liability company on 6th December 1991, listed on the Colombo Stock Exchange on 3rd May 1994 and re-registered as per the Companies Act, No.7 of 2007 on 13th March 2008 under Registration No PQ 125.

PRINCIPAL ACTIVITIES OF THE COMPANY AND REVIEW OF PERFORMANCE DURING THE YEAR

The Principal activities of the Company are the manufacture and marketing of wall tiles and floor tiles and the holding of investments.

The Principal activities of subsidiary Companies are the manufacture and sale of wall and floor tiles, sanitary ware, investments and management of subsidiary companies, mining, processing and sale of raw materials for tiles and ceramic products, manufacture and marketing of raw materials for ceramic industry, manufacture and sale of tile grout and mortar, manufacturing and trading of aluminium extrusions, manufacture and marketing of corrugated cartons and property holding.

Rocell PTY Limited a Subsidiary incorporated in Australia ceased business operations and is now de-registered from Australian Securities and Investments Commission. The Rocell PTY Limited due to deregistration has ceased legal status as an incorporated entity and therefore ceased to be a subsidiary of the Company.

A review of the business and performance of the Group during the year, with comments on financial results, future strategies and prospects are contained in the Chairman's Message, Managing Director's Message, Business Line Reviews and Capital reports on pages 14 to 106 which form an integral part of this Report.

This Report together with the Financial Statements, reflect the state of affairs of the Company.

FINANCIAL STATEMENTS

The Financial Statements of the Company and the Consolidated Financial Statements of the Company and its subsidiaries, duly signed by two Directors on behalf of the Board are given on pages 142 to 243.

AUDITORS' REPORT

The Report of the Independent Auditors on the Financial Statements of the Company and its subsidiaries is given on page 139 to 141.

ACCOUNTING POLICIES

The Accounting Policies adopted in the preparation of the Financial Statements are given on pages 158 to 243. Except as stated in Note 2.1.2 to the Financial Statements there were no significant changes to the accounting policies used by the Company during the year under review vis-à-vis those used in the previous year.

DIRECTORS

The constitution of the Board with the names of the Directors who held office as Independent, executive and Non-Executive Directors as at the end of the accounting period are given below and their brief profiles appear on pages 20 to 24.

Executive Directors

- Mr. A M Weerasinghe - Deputy Chairman
- Mr. M Y A Perera - Managing Director
- Mr. T G Thoradeniya - Director -
Marketing
and Business
Development

Non - Executive Directors

- Mr. S M Liyanage - Director
- Ms. K A D B Perera - Director

Independent Non - Executive Directors

- Mr. S H Amarasekera - Chairman
- Mr. L N de S Wijeyeratne - Director
- Mr. R N Asirwatham - Director
- Mr. S R Jayaweera - Director
- Mr. J R Gunaratne - Director
- Mr. N J Weerakoon - Director
- Ms. N R Thambiayah - Director
- Mr. G A R D Prasanna - Director

Mr. J R Gunaratne retires by rotation in terms of Article 87(i) of the Articles of Association and being eligible is recommended by the Directors for re-election.

The Directors have recommended the re-appointment of Mr. R N Asirwatham who is 81 years of age and Mr. L N de S Wijeyeratne who is 74 years of age, as Directors of the Company; and accordingly, a resolution will be placed before the shareholders in terms of Section 211 of the Companies Act in regard to the said re-appointments.

Directors of subsidiary Companies are given in Annexure A of this report.

DIRECTORS' INTERESTS IN CONTRACTS

Except for the transactions referred to in Note 33 to the Financial Statements, the Company did not carry out any transaction with any of the Directors. The Company carried out transactions during the year in the ordinary course of its business at commercial rates with the related entities of directors referred to herein. The Directors have no direct or indirect interest in any other contract or proposed contract with the Company.

Name of Related Party	Name of Director	Relationship	Details	Balance Outstanding as at 31/03/2024 Rs.
Rocell Bathware Limited	A.M. Weerasinghe	Director	Materials worth of Rs. 4,131,569/- were purchased	1,896,437,106
	M.Y.A. Perera	Director	Materials worth of Rs.8,923,325/- were sold	
	T.G. Thoradeniya	Director	A sum of Rs.67,300,647/- was received as reimbursement of expenses.	
	G.A.R.D. Prasanna	Director	A sum of Rs.922,390,302/- was provided as short term funds.	
	R.N. Asiriwatham	Director	A sum of Rs.222,000,171/- was received as interest. A sum of Rs.3,457,403 was paid as rent. A sum of Rs.391,152,680 was received as service charges A sum of Rs.276,821,517 was received as pass through expenses.	
Ever Paint & Chemical Industries (Private) Ltd	A.M. Weerasinghe	Director	A sum of Rs. 1,681,041/- was received as reimbursement of expenses.	36,106,658
			A sum of Rs.700,000/- was provided as short term funds	
Lanka Ceramic PLC	A.M. Weerasinghe	Chairman	Materials worth of Rs 486,602/- were purchased.	(326,702)
	T.G. Thoradeniya	Director	A sum of Rs.107,457/-was received for services. A sum of Rs.9,378,454/- was received as dividends	
Lanka Tiles PLC	T.G. Thoradeniya	Director	Materials worth of Rs 2,344,219/- were purchased.	12,271,879
	A.M. Weerasinghe	Director	A sum of Rs. 30,590,540/- was received as technical fee	
	S.M. Liyanage	Director	Materials worth of Rs 880,927/-were sold.	
	S.R. Jayaweera	Director	A sum of Rs. 36,149,200/- was received as dividends	
	J.R. Gunaratne	Director	A sum of Rs. 56,835/-was received for services.	
Lanka Walltiles PLC	K.A.D.B. Perera	Director	A sum of Rs.2,849,230/- was received as rent income.	7,783,973
	A.M. Weerasinghe	Chairman	Materials worth of Rs 453,162/- were sold.	
	T.G. Thoradeniya	Director	A sum of Rs. 6,527,277/- was received as technical fee	
	S.M. Liyanage	Director	A sum of Rs. 73,434/-was received for services.	
	S.R. Jayaweera	Director	A sum of Rs. 725,732,879/- was received as dividends	
UniDil Packaging Limited	T.G. Thoradeniya	Director	A sum of Rs.211,667/-was received for services.	473,220
	S.M. Liyanage	Director		
Swisstek Ceylon PLC	A.M. Weerasinghe S.H. Amarasekera	Director	Goods worth of Rs 79,133,127/- were purchased.	(9,544,978.00)
		Director	A sum of Rs.9,423,841/- was paid as sales commission	
			A sum of Rs.3,952,688/- was paid as rent	
			A sum of Rs.818,420/- was paid as security charge	
			A sum of Rs.5,600,774/- was received as dividends	

Name of Related Party	Name of Director	Relationship	Details	Balance Outstanding as at 31/03/2024 Rs.
Swisstek Aluminium Limited	A.M. Weerasinghe	Director	A sum of Rs. 235,362/- was received for services.	(352,460)
	T.G. Thoradeniya	Director	A sum of Rs. 3,168,800/- was paid as rent	
	S.M. Liyanage	Director		
	S.H. Amarasekera	Director		
Uni Dil Packaging Solution Limited		Sub-subsidiary Company	Goods worth of Rs 235,936,742/- were purchased.	(18,115,944)
Rocell Properties Ltd	A.M. Weerasinghe	Director	A sum of Rs.117,467/- was provided as reimbursement of expenses.	736,155
	T.G. Thoradeniya	Director		
	Mr. R.D.P. Godawatta	Director		
	Arachchige			
Biscuit and Chocolate Company Ltd	A.M. Weerasinghe	Director	A sum of Rs.27,842,418/- was provided as reimbursement of expenses.	27,842,418
	T.G. Thoradeniya	Director		
	S.M. Liyanage	Director		
Singer Sri Lanka PLC	K.A.D.B. Perera	Director	Goods worth of Rs. 15,585,005/- were purchased.	(3,668,971)
			Goods worth of Rs.3,666,030/- were sold	
Hayles Aventura (Private) Limited	M.Y.A. Perera	Director	Goods worth of Rs 15,105,903/- were purchased.	(599,342)
The Kingsbury PLC	K.A.D.B. Perera	Director	Goods worth of Rs 148,016/- were sold.	
Delmege Forsyth Co. Ltd	G.A.R.D. Prasanna	Director	Goods worth of Rs.1,387,260/- were purchased.	(178,494)
Greener Water Limited		Affiliated Company	Goods worth of Rs 33,276,384/- were sold.	8,279,369
Vallible One PLC	S.H. Amarasekera	Chairman	A sum of Rs.1,434,333,086/- was paid as dividends.	(36,155,298)
	K.A.D.B. Perera	Director	A sum of Rs.87,490,863/- was paid as technical fee.	
			A sum of Rs.11,919,923/- was received as reimbursement expenses.	
LB Finance PLC		Associated Company	A sum of Rs. 890,437,669/- was received as dividends.	6,779,152
			Goods worth of Rs 6,752,556/- were sold.	
Singer Finance PLC	M.Y.A. Perera	Affiliated Company	Goods worth of Rs 4,007,665/- were sold.	
Dipped Product PLC	K.A.D.B. Perera	Director	Goods worth of Rs 2,476,440/- were sold.	124,963
Expolanka Holdings PLC	S.H. Amarasekera	Director	Goods worth of Rs 7,956/- were sold.	

INTERESTS REGISTER

The Directors' Interest register is maintained by the Company and relevant disclosures are made in this report.

DIRECTORS' REMUNERATION

The Directors' remuneration is disclosed under key management personnel compensation in Note 33.2 to the Financial Statements on pages 222 to 223.

Directors' responsibility for Financial Reporting

The Directors are responsible for the preparation of Financial Statements of the Company and the Group to reflect a true and fair view of the state of its affairs. A further statement in this regard is included on page 131.

AUDITORS

Messrs Ernst & Young, Chartered Accountants served as the Auditors during the year under review and also provided audit related services and permitted non-audit/ consultancy services.

Based on the declaration provided by Messrs. Ernst & Young, Chartered Accountants and to the extent that the Directors are aware, the Auditors do not have any relationship with (other than that of the Auditors) or interest in, the Company, which in the opinion of the Board, may reasonably be considered to have a bearing on their independence within the meaning of the Code of Professional Conduct and Ethics issued by The Institute of Chartered Accountants of Sri Lanka as at the Reporting Date.

A total amount of Rs. 9,094,589/- is payable by the Company to the Auditors for the year under review comprising
Rs. 3,105,500/- as audit fees and
Rs. 5,989,089/- for non audit services.

The Auditors have expressed their willingness to continue in office. The Audit Committee at a meeting held on 28.05.2024 recommended that they be re-appointed as Auditors. A resolution to re-appoint the Auditors and to authorise the Directors to determine their remuneration will be proposed at the Annual General Meeting.

Details of payments to Auditors of Subsidiary companies on account of audit fees and for permitted non audit services are set out in Note 24 to the Financial Statements on page 209.

STATED CAPITAL

The Stated Capital of the Company as at 31st March 2023 was Rs. 1,368,673,373/- represented by 1,107,893,840 Ordinary Shares. There were no changes in the Stated Capital of the Company during the year.

DIRECTORS' SHAREHOLDING

The relevant interests of Directors in the shares of the Company as at 31st March 2024 and 31st March 2023 are as follows.

	Shareholding as at 31.03.2024	Shareholding as at 31.03.2023
Mr. S H Amarasekera	-	-
Mr. A M Weerasinghe	331,763	331,763
Mr. M Y A Perera	2,200	2,200
Mr. T G Thoradeniya	1,856,800	1,856,800
Mr. G A R D Prasanna	50,000	50,000
Mr. R N Asirwatham	-	-
Mr. L N De S Wijeyeratne	-	-
Ms. N R Thambiayah	-	-
Mr. S R Jayaweera	-	-
Mr. N J Weerakoon	-	-
Mr. S M Liyanage	-	-
Mr. J R Gunaratne	-	-
Ms. K A D B Perera	-	-

SHAREHOLDERS

There were 22,035 shareholders registered as at 31st March 2024 (21,392 shareholders as at 31st March 2023).

MAJOR SHAREHOLDERS, DISTRIBUTION SCHEDULE AND OTHER INFORMATION

Information on the distribution of shareholding, analysis of shareholders, market values per share, earnings, dividends, net assets per share, twenty largest shareholders of the Company, public holding as per the Listing Rules of the Colombo Stock Exchange are given on pages 244 to 245 under Share Information and the ten year summary of the Company

EMPLOYMENT POLICY

The Company's employment policy is totally non-discriminatory which respects individuals and provides career opportunities irrespective of the gender, race or religion.

As at 31st March 2024, 1,831 persons were in employment (1,821 persons as at 31st March 2023).

RESERVES

The reserves of the Company with the movements during the year are given in Note 14 to the Financial Statements on page 191 to 192.

LAND HOLDINGS

The Company's land holdings referred to in Note 03 to the Financial Statements comprise the following:

Details and movements of Property, Plant and Equipment are given on the Note 03 of financial statements on page 167.

	No. of Buildings	Extent (Perches)	As at 31.03.2024 At revaluation
Kottawa	3	225	505,463,000
Eheliyagoda	28	8,075	656,071,000
Eheliyagoda	1	17	4,746,500
Eheliyagoda	2	30	5,378,500
Eheliyagoda	0	20	2,847,500
Meegoda	3	471	183,338,000
Nawala101	1	25	236,550,000
Nattthandiya	0	1,600	38,500,000
Seeduwa	1	53	168,000,000
Narahenpita	1	17	161,690,000
Colpetty	1	20	349,475,000
Panadura	1	19	84,690,000
Dehiwala	1	15	140,885,000
Narahenpita	0	45	410,200,000
Horana	25	2,310	288,760,000
Nawala98	1	18	182,000,000
	70	12,960	3,418,594,500

INVESTMENTS

Details of the Company's quoted and unquoted investments as at 31st March 2024 are given in Notes 5 and 12 to the Financial Statements on pages 180 to 190.

DONATIONS

The Company has paid monetary donations of Rs. 20,000/- and Group has paid Rs. 273,273 during the year under review.

DIVIDENDS

The Company paid a First Interim Dividend of Rs. 2.00 per share for the year under review on 08th April 2024.

The Company has proposed the payment of a Final Dividend of Ninety Cents per share (Rs.0.90) for the year under review, subject to the approval of the shareholders at the Annual General Meeting to be held on 28th June 2024.

RISK MANAGEMENT

An ongoing process is in place to identify and manage the risks that are associated with the business and operations of the Company. The Directors review this process through the Audit Committee.

Specific steps taken by the Company in managing the risks are detailed in the section on Risk Management on pages 41 to 46.

STATUTORY PAYMENTS

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company, all contributions, levies and taxes payable on behalf of, and in respect of employees of the Company and all other known statutory dues as were due and payable by the Company as at the Reporting date have been paid or, where relevant provided for, except for certain assessments where appeals have been lodged.

CONTINGENT LIABILITIES

Except as disclosed in Note 29 to the Financial Statements on page 218 there were no material Contingent Liabilities as at the Reporting date.

EVENTS OCCURRING AFTER THE REPORTING DATE

Except for the matters disclosed in Note 31 to the Financial Statements on page 219 there are no material events as at the date of the Auditors' Report which require adjustment to, or disclosure in the Financial Statements.

CORPORATE GOVERNANCE

The Board of Directors confirm that the Company is compliant with Section 9 of the Listing Rules of the Colombo Stock Exchange.

The corporate governance of the Company is reflected in its strong belief in protecting and enhancing stakeholder value in a sustainable manner, supported by a sound system of policies and practices. Prudent internal controls ensure professionalism, integrity and commitment of the Board of Directors, Management and employees.

The Corporate Governance Statement on pages 108 to 123 explains the measures adopted by the Company during the year.

FIT AND PROPER ASSESSMENT OF DIRECTORS

In terms of Rule 9.7.4 of the Listing Rules of the Colombo Stock Exchange, Declarations were obtained from the Directors who confirmed that they have continuously satisfied the Fit and Proper Assessment Criteria set out in the Listing Rules during the financial year under review and as at the date of such declarations.

ADDITIONAL DISCLOSURES PERTAINING TO DIRECTORS

(i) Material Business Relationships

None of the Directors or close family members have any material business relationship with other Directors of the Company.

(II) Other Directorships held by the Directors

Other Directorships held by Directors are disclosed on pages 22 to 24.

BOARD SUB-COMMITTEES

An Audit Committee, Remuneration Committee, Nominations Committee and a Related Party Transaction Review Committee function as Board sub committees, with Directors who possess the requisite qualifications and experience. The composition of the said Committees are as follows.

Audit Committee

Mr. L N De S Wijeyeratne - Chairman
Mr. R N Asirwatham
Mr. S R Jayaweera
Mr. N J Weerakoon

Remuneration Committee

Mr. S H Amarasekera - Chairman
Mr. R N Asirwatham
Mr. L N De S Wijeyeratne

Related Party Transactions Review Committee

Mr. R N Asirwatham - Chairman
Mr. L N De S Wijeyeratne
Mr. N J Weerakoon

Nominations Committee

Mr. S H Amarasekera - Chairman
Ms. Dinusha Bhaskaran
Mr. J A S S Adihetty

The Directors declare that the Company is in compliance with Rule 9 of the Listing Rules of the Colombo Stock Exchange pertaining to Related Party Transactions during the Financial Year ended 31st March 2024.

CORPORATE SOCIAL RESPONSIBILITY

The Company continued its Corporate Social Responsibility Programmes, details of which are set out on page 94 of this Report.

ANNUAL GENERAL MEETING

The Notice of the Thirty Fourth (34th) Annual General Meeting appears on page 262.

This Annual Report is signed for and on behalf of the Board of Directors by


S H Amarasekera

Chairman


M Y A Perera

Managing Director


P W Corporate Secretarial (Pvt) Ltd

Secretaries

31 May 2024

ANNEXURE A TO THE ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

Directors of subsidiary Companies as at 31st March 2024

Rocell Bathware Limited

Mr. A M Weerasinghe
Mr. M Y A Perera
Mr. T G Thoradeniya
Mr. G A R D Prasanna
Mr. R N Asirwatham
Mr. D J Silva

Royal Ceramics Distributors (Private) Limited

Mr. A M Weerasinghe
Mr. T G Thoradeniya
Mr. G A R D Prasanna
Mr. K D H Perera

Biscuits and Chocolate Company Ltd

Mr. A M Weerasinghe
Mr. T G Thoradeniya
Mr. A K Dheerasinghe
Mr. S M Liyanage
Ms. A A K Amarasinghe

Ever Paint and Chemical Industries (Private) Limited

Mr. A M Weerasinghe
Mr. H Somashantha
Mr. M W R N Somaratna
Mr. J K A Sirinatha
Mr. D B Gamalath

Nilano Garments (Pvt) Ltd

Mr. H Somashantha
Ms. W S Bopitiya Gamage
Mr. B K G S M Rodrigo

Rocell Properties Limited

Mr. A M Weerasinghe
Mr. T G Thoradeniya
Mr. R D P Godawatta Arachchige

Lanka Ceramic PLC

Mr. A M Weerasinghe
Mr. J A P M Jayasekara
Mr. T G Thoradeniya
Mr. K D G Gunaratne
Ms. A M L Page
Mr. D J Silva
Mr. J D N Kekulawala
Mr. S M Liyanage
Mr. M W R N Somaratne

Lanka Walltiles PLC

Mr. A M Weerasinghe
Mr. J A P M Jayasekara
Dr. S Selliah
Mr. T G Thoradeniya
Mr. K D G Gunaratne
Ms. A M L Page
Mr. M W R N Somaratne
Mr. J D N Kekulawala
Mr. S M Liyanage
Mr. S R Jayaweera
Ms. K A D B Perera

Lanka Tiles PLC

Mr. A M Weerasinghe
Mr. J A P M Jayasekara
Dr. S Selliah
Mr. T G Thoradeniya
Mr. K D G Gunaratne
Ms. A M L Page
Mr. J A N R Adhihetty
Mr. S M Liyanage
Mr. J R Gunaratne
Mr. S R Jayaweera
Ms. K A D B Perera

Swisstek (Ceylon) PLC

Mr. S H Amarasekera
Mr. A M Weerasinghe
Mr. J A P M Jayasekara
Mr. J K A Sirinatha
Dr. S Selliah
Mr. A S Mahendra
Mr. K D G Gunaratne
Mr. C U Weerawardena

Swisstek Aluminium Limited

Mr. S H Amarasekera
Mr. A M Weerasinghe
Mr. J A P M Jayasekara
Mr. T G Thoradeniya
Mr. A S Mahendra
Mr. B T T Roche
Mr. C U Weerawardena
Mr. S M Liyanage

Vallibel Plantation Management Limited

Mr. A M Pandithage
Mr. W G R Rajadurai
Mr. T G Thoradeniya
Mr. J A Rodrigo

Uni Dil Packaging Limited

Mr. J A P M Jayasekara
Mr. D B Gamalath
Mr. T G Thoradeniya
Mr. Haresh Somashantha
Mr. N T Bogahalande
Mr. C U Weerawardena
Mr. S M Liyanage

Uni Dil Packaging Solutions Limited

Mr. J A P M Jayasekara
Mr. D B Gamalath
Mr. C U Weerawardena
Mr. K H D Perera

Beyond Paradise Collection Limited

Mr. M H Jamaldeen
Mr. K D H Perera
Mr. J A P M Jayasekara

L W L Development (Pvt) Ltd

Mr. K D A Perera
Mr. J A P M Jayasekara

L T L Development Ltd

Mr. K D A Perera
Mr. J A P M Jayasekara
Mr. A M Weerasinghe

Swisstek Development (Pvt) Ltd

Mr. K D A Perera
Mr. J A P M Jayasekara
Mr. A M Weerasinghe

Lanka Swissteck (Pvt) Ltd India (Formerly known as Lanka Tiles Private Limited)

Mr. A M Weerasinghe
Mr. J A P M Jayasekera
Mrs. Karan Singhvi
Mr. Praveen Kumar Singhvi

L W Plantation Investments Ltd

Mr. A M Weerasinghe
Mr. J A P M Jayasekera

L C Plantation Projects Ltd

Mr. A M Weerasinghe
Mr. J A P M Jayasekera

L C Development (Pvt) Ltd

Mr. A M Weerasinghe
Mr. J A P M Jayasekera

Swisstek Investments (Pvt) Ltd

Mr. A M Weerasinghe
Mr. J A P M Jayasekera

CP Holding (Pvt) Ltd

Mr. A M Weerasinghe
Mr. J A P M Jayasekera

LankaTiles USA Inc.

Mr. A M Weerasinghe
Mr. J A P M Jayasekera

Valley View Ceramics LLC, USA

Mr. A M Weerasinghe
Mr. J A P M Jayasekera
Mr. Benjamin Malloy

STATEMENT OF DIRECTORS RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the Consolidated Financial Statements in accordance with the Companies Act, No.7 of 2007 and Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 and are required to prepare Financial Statements for each financial year, which give a true and fair view of the state of affairs of the Company and its subsidiaries as at the reporting date and the income and expenditure of the Company for the accounting year ending on that reporting date.

The Directors are also responsible in ensuring that the Financial Statements comply with any regulations made under the Companies Act, which specifies the form and content of Financial Statements and any other requirements which apply to the Company's Financial Statements under any other law.

The Directors have ensured that the Financial Statements presented in this Annual Report have been prepared using appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments' and estimates and in compliance with the Sri Lanka Financial Reporting Standards, Companies Act, No.7 of 2007 and the Sri Lanka Accounting and Auditing Standards Act No.15 of 1995.

The Directors are responsible for keeping sufficient accounting records, which disclose with reasonable accuracy the financial position of the Company and its subsidiaries, which will enable them to have the Financial Statements prepared and presented as aforesaid.

They are also responsible for taking measures to safeguard the assets of the Company and its subsidiaries and in that context to have proper regard to the establishment of appropriate systems of internal control with a view to prevention and detection of fraud and other irregularities.

The Directors are also confident that the Company and the group have adequate resources to continue in operation and have applied the going concern basis in preparing the financial statements.

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

By Order of the Board
Royal Ceramics Lanka PLC



P W Corporate Secretarial (Pvt) Ltd
Secretaries

31 May 2024

REPORT OF THE AUDIT COMMITTEE

COMPOSITION

The Audit Committee is comprised of four Independent Non-Executive Directors, namely:

- Mr. L N De S Wijeyeratne - Chairman
- Mr. R N Asirwatham
- Mr. N J Weerakoon
- Mr. S R Jayaweera

The Board Secretary acts as the Secretary for the Committee.

Regular invitees include the Managing Director, Director Finance, and Head of Internal Audit. Further, members of corporate management are also invited as required to be present for the discussions relating to the areas under their purview.

Meetings

The Audit Committee met six times during the year and attendance by the Committee members at each of these meetings are given in the Corporate Governance Report on page 112.

Role of the Audit Committee

The Committee has a written Terms of Reference, which clearly defines the oversight role and responsibility of the Audit Committee in terms of financial reporting as summarised below:

1. Review of the quarterly and annual financial statements, including the integrity, transparency, timeliness, accuracy and compliance with accounting standards, laws and regulations, prior to tabling the same for the approval of the Board of Directors.
2. Review the adequacy and effectiveness of internal and external audit arrangements.
3. Recommend the appointment, re-appointment and removal of the External Auditors including their remuneration and terms of engagement by assessing expertise, resources and independence
4. Evaluate the adequacy, efficiency, and effectiveness of the Company's Financial Risk Management systems and Internal Controls including information systems controls and governance processes to avoid, mitigate and transfer risks.

FINANCIAL REPORTING

As part of its responsibility to oversee the Company's financial reporting process on behalf of the Board of Directors, the Committee has reviewed and discussed with the Management, the annual and the quarterly Financial Statements prior to their issuance, including the extent of compliance with the Sri Lanka Financial Reporting Standards and the Companies Act No. 07 of 2007. Matters of special interest in the current environment and the processes that support certifications of the Financial Statements by the Company's Managing Director and Director Finance were also discussed.

- The Committee reviewed financial statements and notes for the year ended 31st March 2024
- The Committee reviewed the interim financial statements

RISKS AND CONTROLS

During the year, the Committee assessed the major financial and control risks and the control environment prevalent in the Company and advised the management on action to be taken in areas where weaknesses were observed. In addition, the Committee reviewed reports on losses resulting from frauds and operational failures, and scrutinised the effectiveness of the Company's internal control system already in place and the processes adopted for identification, evaluation, and management of all significant risks.

In view of the grave economic crisis and the impact of currency fluctuations faced by the country, greater emphasis was placed on risk assessment and mitigation during the year. A Risk Assessment matrix and a Risk Heat Map was developed during the last financial year. The key risks and mitigation strategies were reviewed to address any other matters to be considered. A committee headed by the Managing Director and consisting of Senior Management was established to report on risk management.

EXTERNAL AUDIT

The Committee met with the External Auditor during the year to discuss their audit approach and procedures, including matters relating to the scope of the audit.

The Committee reviewed the Management Letter issued by the External Auditor together with the management responses and recommendations thereto and ensured appropriate follow up action were taken. The Non-Audit Services provided by the External Auditor were also reviewed and the Committee was of the view that such services did not impair with their independence and were not within the category of services identified as restricted under the guidelines for listed Companies on Audit and Audit Committees issued by the Securities and Exchange Commission of Sri Lanka. The Letter of Representation issued to the External Auditor was tabled at the Audit Committee meeting. The re-appointment of the External Auditor, M/s Ernst & Young has been recommended to the Board of Directors and the Committee has also fixed the Auditor's remuneration, subject to approval by the shareholders at the Annual General Meeting.

INTERNAL AUDIT

During the year, the Audit Committee reviewed the performance of the internal audit function; the internal audit findings which covered the controls at the head-office, showrooms, stores, factories and subsidiary companies were diligently followed up with a particular focus on inventory and debtors. The Internal Audit Plan was also reviewed and approved by the Committee and follow up actions were monitored regularly.

REGULATORY COMPLIANCE

The Director Finance has submitted quarterly reports on compliance with mandatory statutory requirements. The Committee reviewed the procedures established by the Management for compliance with the requirements of regulatory bodies and ensured compliance with Corporate Governance disclosure requirements, as set out in page 117.

OTHER MATTERS

The Committee also

- Reviewed the revised CSE rules on Corporate Governance that became effective from 1st October 2023, except to the extent stipulated in the section 9 of listing rules.
- Obtained and reviewed the assurance received from the Managing Director and Director Finance on the financial records of the Company have been properly maintained and that the annual financial statements for the year ended 31st March 2024 comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and that the system of risk management and internal control was operating effectively.
- Reviewed and approved the proposal presented by Ernst & Young, chartered accountants on the Application Controls and IT General Controls Review of Oracle EBS System for the Company with necessary amendments in terms of scope of work, methodology, timeline etc.
- Arranged a vulnerability assessment and security review of the potential Cyber Risks of the Company by Tech Cert Limited and reviewed the steps taken by the Management to address these risks.
- Advised the management on the key areas to consider in the proposal of the Implementation of Computer Aided Audit Techniques submitted by Forestpin (Pvt) Ltd.
- Reviewed the revised risk assessment matrix and revised risk heat map to ensure whether relevant risk factors and categories have been properly identified and assessed with the current economic conditions of the country and contemporary changes in the business world.
- Reviewed the key audit observations made in respect of audits carried out on subsidiary companies.

- Reviewed the progress of the implementation of oracle manufacturing module and the new warehouse management system.
- Evaluated the resource requirements to further strengthen the Internal Audit Department.



L N De S Wijeyeratne

Chairman

Audit Committee

31 May 2024

REPORT OF THE REMUNERATION COMMITTEE

The Remuneration Committee, appointed by and responsible to the Board of Directors, comprises three Non-Executive Independent Directors.

- Mr. S H Amarasekera – Chairman
- Mr. R N Asirwatham
- Mr. L N De S Wijeyeratne

POLICY

The remuneration policy of the Company endeavours to attract, motivate, and retain quality management in a competitive environment with the relevant expertise necessary to achieve the objectives of the Company. The Committee focuses on and is responsible for ensuring that the total package is competitive to attract the best talent for the benefit of the Company. The remuneration framework of the Company for the Managing Director and Corporate Management is designed to create and enhance value to all stakeholders of the Company and ensure alignment with the short- and long-term interests of the Company and its Executives. When designing competitive compensation packages, the Committee consciously balances the short-term performance with medium to long-term goals of the Company.

SCOPE

The Committee reviews all significant changes in the corporate sector in determining salary structures and terms and conditions relating to staff at Senior Executive level. In this decision-making process, necessary information, and recommendations are obtained from the Managing Director. The Committee deliberates and recommends to the Board of Directors the remuneration packages and annual increments and bonuses of the Managing Director, members of the Corporate Management and Senior Executive staff and lays down guidelines for the compensation structure for all Executive staff and overviews the implementation thereof. The Managing Director who is responsible for the overall management of the Company attends all meetings by invitation and participates in the deliberations except when his own performance and compensation package is discussed.

FEES

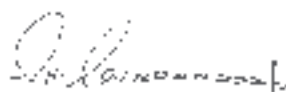
All Non-Executive Directors receive a fee for attendance at Board Meetings and serving on sub-committees. They do not receive any performance or incentive payments. The total remuneration to Directors is shown in Note 33.2 on page 222.

MEETINGS

A report of the decisions approved and recommended to the Board by the Committee has been approved by the Board of Directors.

PROFESSIONAL ADVICE

The Committee has the authority to seek external professional advice on matters within its purview.



Mr. S H Amarasekera

Chairman

Remuneration Committee

31 May 2024

REPORT OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The Related Party Transactions Review Committee (RPTRC) of the Company was formed by the Board in January 2016 in accordance with Section 9 of the Listing Rules of the Colombo Stock Exchange to ensure compliance with those Rules facilitating independent review, approval and oversight of Related Party Transactions of the Company. The revised Corporate Governance Rules of the Colombo Stock Exchange will be applicable to the RPTRC with effect from 01st April 2024.

PURPOSE OF THE COMMITTEE

The purpose of the RPTRC of the Company is to conduct an independent review, approval and oversight of all related party transactions of Royal Ceramics Lanka PLC and to ensure that the Company complies with the rules set out in the Listing Rules. The primary objective of the said rules are to ensure that the interests of the shareholders as a whole are taken into account when entering into related party transactions, and to prevent Directors, key management personnel or substantial shareholders from taking advantage of their positions. To exercise this purpose the Committee has adopted the related party transaction Policy which contains the Company's Policy governing the review, approval and oversight of related party transactions.

COMPOSITION OF THE COMMITTEE

As at the date of this report, the Related Party Transactions Committee of Royal Ceramics Lanka PLC consists of three (03) Directors. The members of the Committee during the year were:

Mr. R N Asirwatham	- Chairman (Independent Non-Executive Director)
Mr. L N De S Wijeyeratne	- Member (Independent Non- Executive Director)
Mr. N J Weerakoon	- Member (Independent Non- Executive Director)

PW Corporate Secretarial (Pvt) Ltd, the Company Secretaries of the Company functions as the Secretary to the Committee.

The Managing Director and the Director- Finance attend meetings by invitation.

MEETINGS

The Committee held four meetings for the year under review, with one meeting for each calendar quarter in compliance with Section 9.14.4 of the General requirements.

CHARTER OF THE RELATED PARTY TRANSACTION REVIEW COMMITTEE

The Charter of the Related Party Transaction Review Committee clearly sets out the purpose, membership, authority and the duties and responsibilities of the Committee. In order to discharge the duties and responsibilities effectively and efficiently, the Committee has been authorised to:

- Receive regular reports from the management, and be provided with any information it requests relating to its responsibilities
- Establish policies and procedures that provide general pre-approvals to certain classes or types of related party transactions
- Review and evaluate the terms, conditions, and the advisability of, any related party transaction
- Determine whether the relevant related party transaction is fair, and in the best interest of the Company and its shareholders as a whole
- Recommend to the Board what action, if any, should be taken by the Board with respect to any related party transaction
- Obtain advice and assistance from legal, technical, financial and other advisors from within or outside the Company as deemed necessary by the Committee in order to carry out its duties

RESPONSIBILITIES OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The following key responsibilities have been set out in the Charter for RPTRC;

- Ensure that the Company complies with the rules set out in the Listing Rules.
- Subject to the exceptions given in the Listing Rules, review, in advance all proposed related party transactions.
- Perform other activities related to the Charter as requested by the Board
- Have meetings every fiscal quarter and report to the Board on the Committee's activities
- Share information with the Audit Committee as necessary and appropriate, to permit the Audit Committee to carry out its statutory, regulatory and other responsibilities with regard to related party transactions

- Review the Charter and Policy at least annually and recommend amendments to the Charter and Policy to the Board as and when determined to be appropriate by the Committee.

PROCEDURES FOR REPORTING RPT'S

The Managing Director (MD) is responsible for reporting to the Committee, for its review and approval the information in respect of each related party transaction proposed to be entered into other than the exceptions given in Listing Rules. Moreover, on a quarterly basis, the MD is required to report to the Committee on the approved related party transactions actually entered into by the Company.

The Committee has approved the Related Party Transactions Declaration Form required to be filled by the Directors and key management personnel of the Company. The Company uses this form to capture the related party transactions at the end of every quarter.

REVIEW OF RELATED PARTY TRANSACTIONS

The Committee reviewed all related party transactions of the Company for the financial year 2023/24 and has communicated its comments and observations to the Board. It was observed that all related party transactions entered during the year were of a recurrent, trading nature and were necessary for the day-to-day operations of the Company. In the opinion of the Committee, the terms of these transactions were not more favourable to the related parties than those generally available to the public. The details of related party transactions entered into during the year are given in Note 33 to the Financial Statements, on pages 221 to 223 of this Annual Report.

DECLARATION

A declaration by the Board of Directors on compliance with the rules pertaining to related party transactions appear on the report of the Board of Directors on page 29 of this Annual Report.



Mr. R N Asirwatham

Chairman

Report of the Related Party
Transactions Review Committee

31 May 2024

REPORT OF THE NOMINATION COMMITTEE

The Nomination Committee assess whether the balance of skills, experience, knowledge and independence is appropriate to enable the Board to operate effectively. It also evaluates the diversity that would be required in the best interest of the Company and ensure the Board Members constitution enables the diversity required. The Nominations Committee of the Parent Company functions as the Nominations Committee of this Company as well. The Nominations Committee comprises of the following members:

COMPOSITION OF THE COMMITTEE

Board member	Board status
Mr. S.H. Amarasekara	Chairman/ Independent Non-Executive Director
Ms. Dinusha Bhaskaran	Non- Executive Director
Mr. J A S S Adhihetty	Non-Executive Director

REGULATIONS/RULES RELEVANT TO THE FUNCTIONS OF THE COMMITTEE

The Nomination Committee was formed in line with the Best Practices on Corporate Governance.

FUNCTIONS

The functions of the Nomination Committee include:

- To regularly review the structure, size, composition and competencies of the Board, the requirement of additional/ new expertise and the succession arrangements for retiring Directors and to make recommendations to the Board with regard to any changes.
- To consider the making of any appointments to the Board and to provide advice and recommendations to the Board on such appointments;
- To ensure that Directors are fit and proper persons to hold office as per the criteria set out in the relevant Statutes;
- To evaluate and recommend the appointment, promotion, transfer and re-designation of the Managing Director and Executive Directors.
- To recommend Directors who are retiring by rotation to be placed before the shareholders, for re-election.
- To oversee and review the Board's succession plan and recommend the requirements of new expertise.
- To consider if a Director is able to and has been adequately carrying out his or her duties as a Director taking into consideration the number of Listed Company Boards on which the Director is represented and other Principal Commitments.
- To consider and examine such matters as it considers appropriate.
- To make recommendations on other related matters referred to the Committee by the Board of Directors.

ACTIVITIES DURING THE YEAR

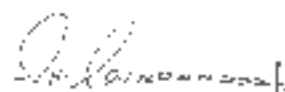
The Committee met once during the year to deliberate on re-election of Directors retiring at the Annual General Meeting and recommendation on seeking an extension of period of office for the Directors beyond the age limit of 70 years. Also, for succession planning for key management personnel, and to review and make recommendations to the Board regarding the replacement of retiring Director's /appointment of new Director's.

Additionally, the Committee reviewed the structure and composition of the Board and recommended the requirement of additional/new expertise on the Board and also discussed the succession arrangements for retiring Directors

POLICIES AND PROCEDURES

The Nomination Committee operates within the terms of reference as approved by the Board. As per the said terms of reference, the Committee shall consist of not less than three members, majority of whom shall be Non-Executive Directors.

The Committee shall meet at least once in a financial year and additional meetings may be called at any time at the Chairman's discretion or by a member in consultation with the Chairman.



S H Amarasekara

Chairman
Nomination Committee

31 May 2024



A Space for Diversity

At Rocell, we are founded on a spirit of inclusivity and diversity, building a vast ecosystem in which countless stakeholders can live and thrive.

The greater the diversity within an ecosystem, the stronger and more resilient it will be against disruption and change. Coral reefs are believed to possess one of the highest biodiversity levels of any other ecosystem on the planet and are home to more than 25% of all marine life, thereby assuring their strength and stability against the elements.

FINANCIAL CALENDAR



INDEPENDENT AUDITOR'S REPORT



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 ROYAL CERAMICS LANKA PLC

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Royal Ceramics 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 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 matters 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 the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key audit matter	How our audit addressed the Matter
Assessment of fair value of land and buildings	
Property, Plant and Equipment and Investment Property include land and buildings carried at fair value. The fair value of land and buildings were determined by external valuers engaged by the Group. This was a key audit matter due to: - the materiality of the reported fair value of land and buildings which amounted to Rs. 22 Bn representing 22% of the Group's total assets as of the reporting date; and - the degree of assumptions, judgements and estimation uncertainties associated with fair valuation of land and buildings using the market approach. Key areas of significant judgments, estimates and assumptions used in assessing the fair value of land and buildings, as disclosed in Note 3.11, 3.12 and 2.5.5 to the financial statements, included judgements involved in ascertaining the appropriate valuation techniques and estimates such as: - Estimate of per perch value of the land - Estimate of the per square foot value of the buildings	Our audit procedures included the following key procedures: - assessed the competence, capability and objectivity of the external valuers engaged by the Group - read the external valuer's report and understood the key estimates made and the valuation approaches taken by the valuer in determining the valuation of each property - assessed the reasonableness of significant assumptions, judgements and estimates made by the valuer such as per perch value of land and per square foot value of buildings and valuation technique, as relevant in assessing the fair value of each property We also assessed the adequacy of the disclosures made in notes 3.11, 3.12 and 2.5.5 to the financial statements.

Partners: D K Hulangamuwa FCA FCMA LLB (London), A P A Gunasekera FCA FCMA, Ms. Y A De Silva FCA, Ms. G G S Manatunga FCA, W K B S P Fernando FCA FCMA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, Ms. N A De Silva FCA, N M Sulaiman ACA ACMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajeewani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage ACA ACMA, C A Yalagala ACA ACMA

Principals: T P M Ruberu FCMA FCCA MBA (USJ-SL), G B Goudian ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shakthivel B.Com (Sp)

A member firm of Ernst & Young Global Limited

Key audit matter	How our audit addressed the Matter
Assessment of impairment of Goodwill	
The Group's Statement of Financial Position includes an amount of Rs. 1.1 Bn relating to Goodwill, as disclosed in Note 7 and 7.1 to the financial statements. The CGU with goodwill is tested annually for impairment based on its recoverable amount. The recoverable amount is estimated using value in use (VIU) computations prepared by Management based on discounted future cash-flows. Assessment of impairment of this CGU with goodwill was a key audit matter due to the degree of assumptions, judgements and estimates associated with deriving the estimated future cashflows used for value in use calculations considering economic conditions. As disclosed in notes 7 and 7.1, key areas of significant judgments, estimates and assumptions included key inputs and assumptions related to the long-term growth rate and discount rate.	Our audit procedures included the following; ▪ we gained an understanding of how management has forecasted its discounted future cash flows. Our procedures included understanding how management has considered the potential impact of the economic conditions in the country in forecasting the cash flows ▪ we checked the calculations of the discounted future cash flows and tested the data used by management to relevant underlying accounting records, to evaluate their completeness and accuracy ▪ based on the best available information up to the date of our report, we assessed the reasonableness of significant assumptions, judgements and estimates used by the Group, in particular those relating to the growth rates and discount rate of the estimated future cashflows We assessed the adequacy of the disclosures made in Note 7 and 7.1 in the financial statements.
Existence and carrying value of Inventories	
As at 31 March 2024, the carrying value of inventories amounted to Rs. 28.6 Bn net of a provision of Rs. 1 Bn for slowing-moving inventory as disclosed in note 9, 9.1 and 2.3.9 to the financial statements. Existence and carrying value of inventories was a key audit matter due to: ▪ Materiality of the reported amount, which represents 28% of the Group's total assets ▪ Inventories being held at multiple locations ▪ Judgements applied by the management in determining the provision for slow-moving inventory on account of ageing, as disclosed in Note 2.3 to the financial statements.	Our audit procedures included the following: ▪ Observed physical inventory counts and reconciled the count results to the inventory listings compiled by management to support amounts reported as at the reporting date ▪ evaluated the design and tested the relevant key controls over inventory valuation. Our procedures included testing the general IT control environment and the relevant key IT application controls relating to the most significant IT systems relevant to inventory ▪ tested whether inventory was stated at the lower of cost and net realizable value, by comparing cost with subsequent selling prices ▪ assessed the reasonableness of management judgements applied in determining that the provision for slow-moving inventories. Our procedures included testing the completeness and accuracy of inventory age reports used as a basis to estimate the provision We also assessed the adequacy of the disclosures made in notes 9, 9.1 and 2.3 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 the other information and we do not express any form of assurance conclusion thereon.

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

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 control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 control that we identify during our audit.

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

From the matters communicated with those 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.

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



Colombo
31 May 2024

STATEMENT OF FINANCIAL POSITION

As at 31st March	Note	Company		Group	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
ASSETS					
Non-Current Assets					
Property, Plant & Equipment	3	12,619,373,004	11,585,496,939	41,231,574,672	33,140,598,572
Investment Property	4	-	-	2,135,452,700	2,069,663,100
Investments in Subsidiaries	5	6,738,717,359	6,738,717,359	-	-
Investments in Associates	6	3,488,163,598	3,488,163,598	15,135,984,486	13,349,774,791
Intangible Assets	7	101,212,366	128,379,118	1,374,538,496	1,306,407,610
Right of Use Assets	8	866,797,140	946,300,551	1,154,344,285	1,112,520,417
Deferred Tax Assets	25.3	-	-	206,885,814	146,832,618
		23,814,263,467	22,887,057,565	61,238,780,453	51,125,797,108
Current Assets					
Inventories	9	7,179,019,694	6,016,179,901	28,689,598,470	25,061,118,475
Trade and Other Receivables	10	713,991,878	750,186,474	5,736,079,669	6,427,329,443
Amounts Due from Related Parties	10.1.3	1,983,174,356	1,911,783,271	-	-
Other Non Financial Assets	11	443,770,603	661,079,126	2,723,546,236	4,206,289,766
Contract Assets	10.3	-	-	30,032,715	32,342,715
Other Financial Assets	12	64,471,467	63,415,635	71,831,687	67,869,671
Income Tax Recoverable		-	-	13,100,394	-
Cash and Cash Equivalents	20	1,080,478,857	802,327,697	3,080,061,976	3,601,535,933
		11,464,906,855	10,204,972,104	40,344,251,147	39,396,486,003
Assets held for sale		-	-	36,056,060	42,861,993
		11,464,906,855	10,204,972,104	40,380,307,207	39,439,347,996
Total Assets		35,279,170,322	33,092,029,669	101,619,087,660	90,565,145,104
EQUITY AND LIABILITIES					
Capital and Reserves					
Stated Capital	13	1,368,673,373	1,368,673,373	1,368,673,373	1,368,673,373
Reserves	14	2,423,466,960	2,358,007,365	5,568,918,993	4,795,192,567
Retained Earnings		18,494,206,556	16,416,949,913	37,830,408,625	33,427,742,967
Equity Attributable to Equity Holders of the Parent		22,286,346,889	20,143,630,651	44,768,000,991	39,591,608,907
Non Controlling Interest		-	-	15,345,119,950	13,814,193,267
Total Equity		22,286,346,889	20,143,630,651	60,113,120,941	53,405,802,174

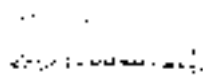
As at 31st March	Note	Company		Group	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Non-Current Liabilities					
Interest Bearing Loans & Borrowings	15	2,353,861,877	1,771,352,159	10,248,447,960	2,643,820,809
Deferred Tax Liabilities	25.4	1,709,778,362	1,684,183,800	5,606,394,264	5,114,902,850
Retirement Benefit Liabilities	16	716,069,760	614,298,949	1,476,619,741	1,184,427,431
Other Non-Current Liabilities	17	-	-	34,500,000	15,000,000
		4,779,709,999	4,069,834,908	17,365,961,965	8,958,151,090
Current Liabilities					
Trade and Other Payables	18	1,582,517,914	1,425,528,509	6,505,137,056	5,965,838,140
Amounts Due to Related Parties	18.1	73,765,393	50,352,315	165,866,138	260,731,195
Other Current Liabilities	19	1,243,609,744	2,692,375,831	1,611,235,247	3,093,256,847
Dividend Payable		252,753,576	260,963,795	499,266,122	504,998,792
Income Tax Liabilities		407,154,172	666,584,311	1,360,600,947	1,233,239,648
Interest Bearing Loans & Borrowings	15	4,653,312,635	3,782,759,349	13,997,704,366	16,942,470,633
		8,213,113,434	8,878,564,110	24,139,809,876	28,000,535,255
Liabilities directly associated with the assets held for sale	39	-	-	194,878	200,656,585
		8,213,113,434	8,878,564,110	24,140,004,754	28,201,191,840
Total Equity and Liabilities		35,279,170,322	33,092,029,669	101,619,087,660	90,565,145,104

I certify that these financial statements are in accordance with the requirements of the Companies Act No. 7 of 2007.



Haresh Somashantha
Director Finance

The Board of Directors is responsible for these financial statements. Signed for and on behalf of the board by,



Harsha Amarasekara
Chairman



Aravinda Perera
Managing Director

The Accounting Policies and Notes on pages 150 through 243 form an integral part of these financial statements.

31 May 2024
Colombo

STATEMENT OF PROFIT OR LOSS

For the year ended 31st March	Note	Company		Group	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Revenue from Contract with Customers	21	17,550,479,665	16,908,567,141	61,192,056,947	63,206,259,228
Cost of Sales		(8,382,507,605)	(9,249,778,379)	(37,704,490,458)	(37,676,082,790)
Gross Profit		9,167,972,060	7,658,788,762	23,487,566,489	25,530,176,438
Other Operating Income	22	2,073,944,197	2,386,531,327	518,118,892	471,242,126
Distribution Expenses		(3,591,991,833)	(3,278,259,157)	(8,253,507,256)	(7,972,457,915)
Administrative Expenses		(1,184,691,814)	(902,665,112)	(3,910,985,881)	(3,267,956,174)
Other Operating Expenses	22.1	(52,508,043)	20,709,416	(302,410,426)	(222,546,668)
Finance Cost	23.1	(684,027,738)	(423,197,372)	(2,524,385,758)	(3,556,717,399)
Finance Income	23.2	286,750,607	590,243,617	358,329,609	1,152,595,044
Share of Associate Companies Profit		-	-	2,706,652,983	2,312,742,890
Profit Before Tax Continuing Operations	24	6,015,447,436	6,052,151,481	12,079,378,652	14,447,078,342
Tax (Expense)/Reversal	25	(1,203,760,868)	(1,304,801,699)	(3,023,279,017)	(4,229,132,231)
Net Profit After Tax from Continuing Operations		4,811,686,568	4,747,349,782	9,056,099,635	10,217,946,111
Discontinued Operations					
Profit after tax from discontinued operations	39	-	-	177,409,517	375,987,603
Profit for the Year		4,811,686,568	4,747,349,782	9,233,509,153	10,593,933,714
Attributable to:					
Equity Holders of the Parent		4,811,686,568	4,747,349,782	7,216,356,991	7,747,074,276
Non-Controlling Interest		-	-	2,017,152,162	2,846,859,438
		4,811,686,568	4,747,349,782	9,233,509,153	10,593,933,714
Basic Earnings Per Share	26	4.34	4.29	6.51	6.99
Basic Earnings Per Share from Continuing Operations	26	4.34	4.29	6.35	6.65
Dividend per share	27	2.50	3.15	2.50	3.15

The Accounting Policies and Notes on pages 150 through 243 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March	Note	Company		Group	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Net Profit for the Year		4,811,686,568	4,747,349,782	9,233,509,153	10,593,933,714
Other Comprehensive Income					
Other Comprehensive Income to be reclassified to profit or loss in subsequent periods (net of tax):					
Exchange Differences on translation of foreign operations		-	-	(19,252,785)	7,588,643
Exchange Differences on translation of foreign operations of Associate Company		-	-	(19,051,016)	(18,408,985)
Net Other Comprehensive Income / (Loss) to be reclassified to profit or loss in subsequent periods		-	-	(38,303,801)	(10,820,342)
Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods (net of tax):					
Revaluation of Land and Building net of deferred tax		65,459,596	-	1,669,567,643	(24,585,205)
Effect of tax rate change on revaluation			(400,466,206)		(887,432,000)
Revaluation of Land of Associate company		-	-	-	160,342,127
Net (loss)/gain on Investment in Equity Instruments - Fair Value Through Other Comprehensive Income of Associate company	14.2	-	-	312,730	8,179,745
Actuarial (Loss)/Gain on Retirement Benefit Liability net of deferred tax		24,751,488	2,585,093	(103,547,604)	7,758,940
Actuarial (Loss)/Gain on Retirement Benefit Liability of Associate Company		-	-	(11,267,333)	2,017,571
Net Other Comprehensive Income from Discontinued Operation		-	-	-	(36,231,000)
Net Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods		90,211,084	(397,881,113)	1,555,065,436	(769,949,822)
Other Comprehensive Income/(Loss) for the Year, net of tax		90,211,084	(397,881,113)	1,516,761,635	(780,770,164)
Total Comprehensive Income for the Year, net of tax		4,901,897,652	4,349,468,669	10,750,270,788	9,813,163,550
Attributable to					
Equity Holders of the Parent				7,940,546,534	7,230,271,622
Non-Controlling Interest				2,809,724,254	2,582,891,928
				10,750,270,788	9,813,163,550

The Accounting Policies and Notes on pages 150 through 243 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY - COMPANY

For the year ended 31st March	Stated Capital Rs.	Revaluation Reserve Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 31st March 2022	1,368,673,373	2,758,473,571	15,534,918,697	19,662,065,641
Adjustment for Surcharge Tax levied under the Surcharge Tax Act No 14 of 2022			(388,151,727)	(388,151,727)
Balance After Surcharge Tax	1,368,673,373	2,758,473,571	15,146,766,970	19,273,913,914
Net Profit for the Year	-	-	4,747,349,782	4,747,349,782
Other Comprehensive Income / (Loss)	-	(400,466,206)	2,585,093	(397,881,113)
Total Comprehensive Income	-	(400,466,206)	4,749,934,875	4,349,468,669
Dividends - 2021/2022	-	-	(3,489,865,596)	(3,489,865,596)
Dividend Write back	-	-	10,113,664	10,113,664
Balance as at 31st March 2023	1,368,673,373	2,358,007,365	16,416,949,913	20,143,630,651
Net Profit for the Year	-	-	4,811,686,568	4,811,686,568
Other Comprehensive Income / (Loss)	-	65,459,595	24,751,488	90,211,082
Total Comprehensive Income	-	65,459,595	4,836,438,056	4,901,897,650
Dividends 2023/2024	-	-	(2,769,734,600)	(2,769,734,600)
Dividend Write back	-	-	10,553,187	10,553,187
Balance as at 31st March 2024	1,368,673,373	2,423,466,960	18,494,206,556	22,286,346,889

The Accounting Policies and Notes on pages 150 through 243 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY - CONSOLIDATED

For the year ended 31st March	Attributable to owners of the parent							
	Stated Capital	Revaluation Reserve	Fair Value Reserve	Foreign Currency Translation Reserve	Retained Earnings	Total	Non-Controlling Interest	Total Equity
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 1st April 2022	1,368,673,373	5,333,056,560	(20,498,820)	9,591,524	30,632,548,166	37,323,370,803	13,875,753,364	51,199,124,167
Adjustment for Surcharge Tax levied under the Surcharge Tax Act No 14 of 2022					(1,475,180,237)	(1,475,180,237)	(489,820,422)	(1,965,000,659)
Adjusted Balance as at 1st April 2022	1,368,673,373	5,333,056,560	(20,498,820)	9,591,524	29,157,367,929	35,848,190,566	13,385,932,942	49,234,123,508
Net profit for the year	-	-	-	-	7,747,074,276	7,747,074,276	2,846,859,438	10,593,933,714
Other Comprehensive income / (Loss)	-	(521,692,994)	8,179,745	(13,443,448)	10,154,044	(516,802,653)	(263,967,510)	(780,770,163)
Total Comprehensive income	-	(521,692,994)	8,179,745	(13,443,448)	7,757,228,320	7,230,271,623	2,582,891,928	9,813,163,551
Dividends 2022/2023	-	-	-	-	(3,489,865,596)	(3,489,865,596)	-	(3,489,865,596)
Write back of Unclaimed Dividends	-	-	-	-	11,206,666	11,206,666	392,933	11,599,599
Subsidiary Dividends to Minority Shareholders	-	-	-	-	-	-	(1,888,127,084)	(1,888,127,084)
Change in Non controlling Interest with disposal of a subsidiary						-	(455,676,803)	(455,676,803)
Change in ownership without change in control					(8,194,352)	(8,194,352)	188,779,351	180,584,999
Balance as at 31st March 2023	1,368,673,373	4,811,363,566	(12,319,075)	(3,851,924)	33,427,742,967	39,591,608,907	13,814,193,267	53,405,802,174
Net profit for the year	-	-	-	-	7,216,356,991	7,216,356,991	2,017,152,162	9,233,509,153
Other Comprehensive income / (Loss)	-	788,349,904	312,730	(14,096,935)	(50,376,156)	724,189,543	792,572,092	1,516,761,635
Total Comprehensive income	-	788,349,904	312,730	(14,096,935)	7,165,980,835	7,940,546,534	2,809,724,254	10,750,270,788
Dividends 2023/2024	-	-	-	-	(2,769,734,600)	(2,769,734,600)	-	(2,769,734,600)
Write back of Unclaimed Dividends	-	-	-	-	18,022,139	18,022,139	6,391,049	24,413,187
Transfer from revaluation reserve on disposal of land	-	(839,273)	-	-	839,273	-	-	-
Subsidiary Dividends to Minority Shareholders	-	-	-	-	-	-	(1,116,286,000)	(1,116,286,000)
Change in Non controlling Interest with Acquisition of a subsidiary	-	-	-	-	-	-	(239,351,609)	(239,351,609)
Acquisition of non-controlling interests					(12,441,989)	(12,441,989)	12,441,989	-
Proceed on issue of shares to minority shareholders	-	-	-	-	-	-	58,007,000	58,007,000
Balance as at 31st March 2024	1,368,673,373	5,598,874,197	(12,006,345)	(17,948,859)	37,830,408,625	44,768,000,991	15,345,119,950	60,113,120,941

The Accounting Policies and Notes on pages 150 through 243 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 31st March	Note	Company		Group	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Cash Flows From / (Used in) Operating Activities					
Profit before tax from continuing operations		6,015,447,436	6,052,151,481	12,079,378,652	14,447,078,342
Profit/(loss) before tax from discontinued operations		-	-	177,409,517	863,018,023
Profit before tax		6,015,447,436	6,052,151,481	12,256,788,169	15,310,096,365
Adjustments to reconcile profit before tax to net cash flows:					
Dividend Income	22	(1,668,315,084)	(2,014,461,779)	(1,016,102)	(991,063)
Interest Income		(286,750,607)	(590,243,617)	(358,329,609)	(1,157,699,799)
Depreciation of Property, Plant & Equipment	3	853,922,218	742,328,871	2,119,609,452	2,039,123,103
Amortisation of Right of use Assets	8.1	176,783,647	174,675,424	275,739,606	275,807,400
(Profit)/Loss on Sale of Property, Plant & Equipment		(4,568,514)	(4,000,000)	(31,814,084)	(5,111,000)
Finance Costs		684,027,738	423,197,372	2,524,385,758	3,898,628,615
(Gain)/Loss on disposal of subsidiary	40	-	-	-	(215,954,815)
Movements in Provisions and Write-down of Inventories		68,404,309	141,249,032	315,830,690	291,594,095
Write off of Capital expenditure		-	-	-	24,121,005
Provision for Related Party Receivables	10.1.3	-	229,841	-	-
Amortization of Intangible Assets	7.2	29,166,752	20,960,765	47,223,752	31,714,900
Unrealised loss/(gain) on Foreign Exchange		51,173,942	(166,083,639)	265,381,360	(309,619,908)
Allowance for Impairment of Trade Receivable		(822,137)	1,861,661	17,529,294	26,233,657
Deferred Income / Capital Grants Amortisation		-	-	-	(7,671,000)
Changing in Fair Value of Biological Assets		-	-	-	8,042,000
Revaluation Gain on Investment Property	22	-	-	(65,789,600)	(22,272,196)
Provision /(Reversal) for Change in Fair Value of the Investments	22	4,291,510	(20,709,416)	4,291,510	(20,709,416)
Profit Share of Investment in Associates		-	-	(2,706,652,983)	(2,312,742,890)
Provision for Retirement Benefit Liability	16	158,701,669	123,639,125	299,337,323	342,918,243
Operating Profit/(Loss) before Working Capital Changes		6,081,462,879	4,884,795,122	14,962,514,536	18,195,507,299
(Increase)/ Decrease in Inventories		(1,231,244,102)	(3,248,731,178)	(3,412,862,329)	(12,366,338,414)
(Increase)/ Decrease in Trade and Other Receivables		48,698,278	(224,548,007)	206,957,581	(594,863,232)
(Increase)/ Decrease Receivables From Related Parties		(71,391,085)	(1,833,095,403)	-	-
(Increase)/ Decrease in Other Non Financial Assets		175,457,056	(260,559,999)	1,415,206,112	(1,429,276,523)
Increase/ (Decrease) in Trade and Other Payables		135,531,967	87,789,119	213,467,812	(457,301,462)
Increase /(Decrease) Payables to Related Parties		23,413,078	26,890,153	(94,865,057)	140,737,131
Increase/ (Decrease) in Other Current Liabilities		(1,448,766,086)	(3,230,673,327)	(1,576,732,637)	(3,594,510,121)
Cash Generated from Operations		3,713,161,985	(3,798,133,520)	11,713,686,018	(106,045,322)
Finance Costs Paid		(665,546,719)	(405,816,600)	(2,666,890,919)	(3,876,048,595)
Retirement Benefit Liability Paid		(21,571,588)	(20,738,837)	(152,252,163)	(221,024,529)
Income Tax Paid		(1,476,258,341)	(1,386,118,439)	(3,126,147,924)	(5,157,085,584)
Net Cash Flows From/(Used in) Operating Activities		1,549,785,337	(5,610,807,396)	5,768,395,012	(9,360,204,030)

For the year ended 31st March	Note	Company		Group	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Cash Flows from / (Used in) Investing Activities					
Acquisition of Property, Plant & Equipment	3	(1,794,299,540)	(2,374,181,785)	(7,852,527,032)	(5,949,945,511)
Acquisition of Investment Property	4	-	-	-	(2,337,894)
Acquisition of Consumable Biological Assets		-	-	-	(3,706,000)
Proceeds from Sale of Property, Plant & Equipment		4,583,478	4,000,000	33,450,798	10,187,000
Acquisition of Intangible Assets	7.2	(2,000,000)	(33,086,270)	(17,007,000)	(163,320,405)
Acquisition of Short-Term Investment		(5,347,342)	(58,276,546)	(8,253,526)	10,490,677
Net cash outflow from acquisition of a subsidiary		-	-	(3,315,032)	-
Proceeds from Disposal of subsidiary		-	-	695,180,000	459,625,000
Interest Received		286,750,607	590,243,617	358,329,609	1,157,699,799
Dividends Received	22	1,658,936,630	2,014,461,779	891,453,771	288,985,935
Net Cash Flows / (Used in) Investing Activities		148,623,833	143,160,795	(5,902,688,412)	(4,192,321,399)
Financing Activities					
Proceeds From Interest Bearing Loans & Borrowings		8,059,512,720	2,773,124,499	33,964,254,260	27,418,916,109
Repayment of Interest Bearing Loans & Borrowings		(5,892,308,175)	(1,607,524,961)	(28,568,283,618)	(22,244,080,336)
Capital Repayments under Lease Liabilities		(111,298,400)	(100,356,448)	(188,991,570)	(160,178,819)
Dividends Paid on Ordinary Shares		(2,767,391,632)	(3,270,842,864)	(2,767,391,632)	(3,270,842,864)
Dividend paid to Non Controlling Interest		-	-	(1,099,948,451)	(1,723,818,731)
Proceeds on Issue of Shares to Minority Shareholders		-	-	58,007,000	27,712,791
Proceeds from Refundable Deposit		-	-	19,500,000	-
Capital Grants Received		-	-	-	821,000
Net Cash Flows from/(Used in) Financing Activities		(711,485,487)	(2,205,599,774)	1,417,145,989	48,529,150
Net Increase/(Decrease) in Cash and Cash Equivalents					
		986,923,683	(7,673,246,375)	1,282,852,589	(13,503,996,279)
Net Foreign Exchange Difference					
		(50,276,072)	71,146,441	(103,589,823)	20,462,887
Cash and Cash Equivalents at the beginning of the year					
	20	(571,160,380)	7,030,939,554	(154,386,334)	13,329,147,058
Cash and Cash Equivalents at the end of the year					
	20	365,487,231	(571,160,380)	1,024,876,432	(154,386,334)

The Accounting Policies and Notes on pages 150 through 243 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

1.1 General

Royal Ceramics Lanka PLC ("the Company") is a public limited liability Company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The registered office of the Company is located at No.20, R.A. De Mel Mawatha, Colombo 03.

The Consolidated Financial Statements of the Group as at and for the year ended 31 March 2024 comprise the Royal Ceramics Lanka PLC (Parent Company) and its subsidiaries (collectively, the "Group"), namely Royal Ceramics Distributors (Private) Limited, Rocell Bathware Limited, Ever Paint and Chemical Industries (Private) Limited, Biscuits and Chocolate Company Limited (previously known as Rocell Ceramics limited), Rocell Pty Ltd, Nilano Garments (Private) Limited, CP Holding (Private) Limited, Group of Lanka Ceramic PLC and the Group of Lanka Walltiles PLC and Group's interest in equity accounted investees.

1.2 Parent Enterprise and Ultimate Parent Enterprise

The Company's ultimate parent undertaking is Vallibel One PLC. The Group's ultimate controlling party is Mr. K.D.D. Perera.

1.3 Principal Activities and Nature of Operations

During the year the principal activities of the group were as follows:

Royal Ceramics Lanka PLC	Manufacture and marketing of floor tiles and wall tiles and holding of investments
Royal Ceramics Distributors (Private) Limited	Non Operational
Rocell Bathware Limited	Manufacture and marketing of sanitaryware
Ever Paint and Chemical Industries (Private) Limited	Manufacture and marketing of paints and allied products. (Discontinued the operations w.e.f. 25 July 2016)
Biscuits and Chocolate Company Limited	Manufacture and marketing of biscuits and chocolate. operations are not been commenced yet.
Rocell Pty Limited	Wholesale and retailing of floor tiles and wall tiles and bathware in Australia (Discontinued the operations w.e.f. 31 January 2021 and wound up the company in March 2024)
Lanka Ceramic PLC	Manufacture and marketing of raw materials to ceramics industry, managing and holding of an investment property.
Lanka Walltiles PLC	Manufacture and marketing of wall tiles and floor tiles.
Lanka Tiles PLC	Manufacture and marketing of wall tiles and floor tiles.
Vallibel Plantation Management Limited	Providing management services to plantation industry.
Unidil Packaging Limited	Manufacture and marketing of cartons for packaging.
Unidil Packaging Solutions Limited	Manufacture and marketing of paper sacks for packaging.
Swisstek (Ceylon) PLC	Manufacture and marketing of tile grout and tile mortar.
Swisstek Aluminium Limited	Manufacture and marketing of aluminium extrusions.
LWL Development (Private) Limited	Property holding.
Beyond Paradise Collection Limited	Property holding.
Nilano Garments (Private) Limited	Manufacture and trading of value added ceramics tiles and allied products
Lanka Swisstek (Private) Ltd (Previously known as Lanka Tiles (Private) Limited)	Distribution of Tiles in India
Swisstek Development (Private)Limited	Holding of investments.
LTL Development (Private) Limited	Holding of investments.
Rocell Properties Limited	Holding of investments.
LW Plantation Investments Limited	Holding of investments.
LC Plantation Project Llimited	Holding of investments.
CP Holding (Private) Limited	Property Holding.
Valley View Ceramic LLC	Distribution of Tiles in USA
LankaTiles USA Inc.	Holding of investments.

There were no significant changes in the nature of the principal activities of the Company and Group during the financial year under review except business combinations and acquisition of non-controlling interest disclosure in note 40.

1.4 Date of Authorization for Issue

The Consolidated Financial Statements of Royal Ceramics Lanka PLC, for the year ended 31 March 2024 were authorised for issue in accordance with the resolution of the Board of Directors on 31 May 2024.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The Financial Statements of the Company and the Group have been prepared on a historical cost basis, except otherwise indicated which have been measured at fair value.

The Consolidated Financial Statements are presented in Sri Lanka Rupees (Rs.), except when otherwise indicated. Each entity in the Group uses the currency of the primary economic environment in which they operate as their functional currency.

Rocell Pty. Ltd is using Australian Dollar (AUD) as a functional currency as the company was incorporated in Australia.

2.1.1 Statement of Compliance

The Financial Statements of the Company and the Group have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/ LKAS) as issued by the Institute of Chartered Accountants of Sri Lanka. The preparation and presentation of these Financial Statements are in compliance with the Companies Act No. 07 of 2007.

2.1.2 Changes in Accounting Policies New and amended standards and interpretations

The Group applied for the first time, certain standards and amendments, which are effective for annual periods beginning on or after 1 April 2023.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

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 2023. 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 2023.

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 2023.

Classification of Liabilities as Current or Noncurrent - 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
- Disclosures

The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

The above amendment had no impact on the financial statements of the Group.

2.1.3 Comparative information

The accounting policies have been consistently applied by the Group and they are consistent with those used in the previous years. Previous year's figures and phrases have been re-arranged whenever necessary to conform to current presentation.

2.2 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:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result 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:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- 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.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. 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.

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.

The consolidated financial statements of the Group include:

Company Name	Country of Incorporation and Operation	Year of Incorporation	% of equity Interest	
			2024 %	2023 %
Royal Ceramics Distributors (Private) Limited	Sri Lanka	1993/1994	100	100
Rocell Bathware Limited	Sri Lanka	2005/2006	100	100
Ever Paint and Chemical Industries (Private) Limited	Sri Lanka	2002/2003	100	100
Biscuits and Chocolate Company Limited	Sri Lanka	2006/2007	69.11	69.11
Nilano Garments (Private) Limited	Sri Lanka	1984/1985	100	100
Rocell Properties Ltd	Sri Lanka	2011/2012	100	100
Rocell Pty Limited	Australia	2014/2015	100	100
Lanka Ceramic PLC	Sri Lanka	1991/1992	73.56	73.56
Lanka Walltiles PLC	Sri Lanka	1975/1976	54.55	54.55
Lanka Tiles PLC	Sri Lanka	1983/1984	39.83*	39.83*
Vallibel Plantation Management Limited	Sri Lanka	1992/1993	54.55*	54.55*
Swisstek (Ceylon) PLC	Sri Lanka	1967/1968	32.18*	32.18*
Swisstek Aluminium Limited	Sri Lanka	2007/2008	35.72*	35.72*
Unidil Packaging Limited	Sri Lanka	1994/1995	54.55*	54.55*
Unidil Packaging Solutions Limited	Sri Lanka	2006/2007	54.55*	54.55*
LWL Development (Private) Limited	Sri Lanka	2015/2016	54.55*	54.55*
Beyond Paradise Collection Limited	Sri Lanka	2011/2012	39.83*	39.83*
Lanka Swisstek (Private) Ltd	India	2017/2018	20.31*	20.31*
Swisstek Development Limited	Sri Lanka	2017/2018	32.18*	32.18*
LW Plantation Investments Limited	Sri Lanka	2020/2021	54.55*	54.55*
LTL Development Limited	Sri Lanka	2017/2018	39.83*	39.83*
LC Plantation Project Limited	Sri Lanka	2020/2021	73.56*	73.56*
CP Holding (Private) Limited	Sri Lanka	2011/2012	66.69*	66.69*
Valley View Ceramic LLC	USA	2015/2016	31.69*	-
LankaTiles USA Inc.	USA	2023/2024	54.55*	-

* The Company has a controlling stake in these investee companies through the direct and indirect holdings within Group Companies.

2.3 Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Financial Statements of the Group require the management to make judgments, estimates and assumptions, which may affect the amounts of income, expenditure, assets, liabilities and the disclosure of contingent liabilities, at the end of the reporting period. In the process of applying the Group's accounting policies, the key assumptions made relating to the future and the sources of estimation at the reporting date together with the related judgment that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial year are discussed below.

(i) Going Concern

Financial statements of the Company and Consolidated financial statements of the Group for the year ended 31 March 2024 have been prepared on going concern basis as further elaborated in Note 2.4.

(ii) Fair value of Freehold Land and Buildings and Investment properties

The Group measures freehold land and buildings as well as Land classified as Investment properties at fair value with changes in fair value being recognized in other comprehensive income and statement of profit and loss respectively. Land and buildings were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property.

The valuer has used valuation techniques such as market values and discounted cash flow method where there was lack of comparable market data available based on the nature of the property. (Note 3.11 and Note 4.1)

(iii) Useful life-time of the Property, Plant and equipment

The Group reviews the useful lives and methods of depreciation of assets at each reporting date. Judgement of the management is exercised in the estimation of these values, rates, methods and hence they are subject to uncertainty (Note 3.12).

(iv) Impairment of non financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognized by the Group.

Refer Note 5.2 for impairment assessment performed for investments in subsidiaries.

(v) Impairment of debtors

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. (Note 10)

(vi) Fair Value of Financial Instruments

Where the fair values of financial assets and financial liabilities disclosed in the financial statements cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but if this is not available, judgment is required to establish fair values. The judgments include considerations of liquidity and inputs such as discount rates. The valuation of financial instruments is described in more detail in Note 38.

(vii) Defined Benefit Plans

The Defined Benefit Obligation and the related charge for the year are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates etc. Due to the long term nature

of these plans such estimates are subject to significant uncertainty. Further details are given in Note 16 for the assumptions used and the sensitivity thereon.

(viii) **Provision for Slow moving inventories**

A provision for slow moving inventories is recognized based on the best estimates available to management on their future usability/sale. As management uses historical information as the basis to determine the future usability and recoverability, actual future losses on inventories could vary from the provision made in these financial statements (Note 9).

(ix) **Deferred tax assets**

Deferred tax assets are recognised in respect of tax losses to the extent it is probable that future taxable profits will be available against which such tax losses can be set off. 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 the future tax-planning strategies.

(x) **Leases - Estimating the incremental borrowing**

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 asset 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 (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using

observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

2.4 Going Concern

In determining the basis of preparing the financial statements for the year ended 31 March 2024, based on available information, the management has assessed the prevailing and anticipated effects of the current economic conditions on the Group and the appropriateness of the use of the going concern basis.

It is the view of the management that there are no material uncertainties that may cast significant doubt on the Group's ability to continue to operate as going concern due to the improved operating environment despite the ongoing effects of the current economic conditions and the operationalisation of risk mitigation initiatives and continuous monitoring of business continuity and response plans along with the financial strength of the Group. The management has formed a judgment that the Group has adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing and presenting these financial statements.

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.5.1 Foreign Currency Translation

The Group's consolidated financial statements are presented in Sri Lankan Rupees, which is Group's functional currency except for Rocell Pty Limited. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates 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 is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

ii) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Sri Lankan Rupees at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions.

The exchange differences arising on translation for consolidation are recognised in Other Comprehensive Income. On disposal of a foreign operation, the component of Other Comprehensive Income relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

2.5.2 Taxation

(a) Income Tax

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 taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

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 relevant tax legislations. Current income tax relating to items recognised directly in equity statement is recognized in equity and not in the statement of comprehensive income.

Royal Ceramics Lanka PLC, Lanka Ceramic PLC, Royal Ceramics Distributors (Pvt) Ltd, Ever Paint & Chemical Industries (Pvt) Ltd, Lanka Walltiles PLC, Lanka Tiles PLC, Vallibel Plantation Management Ltd, Swisstek Ceylon PLC and Nilano Garments (Private) Limited, Unidil Packaging Limited, Unidil Packaging Solutions Limited

The Provision for income tax is based on the elements of income and expenditure as reported in Financial Statements and computed in accordance with the provisions of the Inland Revenue Act No. 24 of 2017.

The statutory tax rates of above companies are as follows;

	2023/24	2022/23	
	Full year	1st half of the year	2nd half of the year
Local sales and others	30%	24%	30%
Manufacturing	30%	18%	30%
Qualified export	30%	14%	30%

Swisstek Aluminium Ltd.

Income tax exemption given for Swisstek Aluminium Ltd has been ended by 01 September 2016 and company liable to pay tax at a rate as follows;

	2023/24	2022/23	
	Full year	1st half of the year	2nd half of the year
Manufacturing	20%	20%	20%
Trading and others	30%	24%	30%

Rocell Bathware Limited

Income tax exemption given for Rocell Bathware Ltd has been expired on year of assessment 2015/16 and company liable to pay tax as follows;

	2023/24	2022/23	
	Full year	1st half of the year	2nd half of the year
Manufacturing	15%	15%	15%
Trading and others	30%	24%	30%

(b)

Deferred Tax

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

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

- where the deferred income tax liability arises from initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred income tax asset relating to the deductible temporary difference arises from initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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 the tax rates and tax laws that have been enacted or subsequently enacted as at the reporting date.

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

(c) Turnover Based Taxes

Revenue, expenses and assets are recognised net of the amount of sales tax except where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authorities in which case the sales tax is recognized as a part of the cost of the asset or part of the expense items as applicable and receivable and payable are stated with the amount of sales tax included. The amount of sales tax recoverable and payable in respect of taxation authorities is included as a part of other receivables and other payables in the Statement of Financial Position.

(d) Social Security Contribution Levy

Social security contribution levy (SSCL) shall be paid by the Group on the liable turnover specified in second schedule of the social security contribution levy Act No. 25 of 2022, at the rate of 2.5% with effect from 1st October 2022.

2.5.3 Borrowing Cost

Borrowing costs are recognised as an expense in the period in which they are incurred except to the extent where borrowing cost that are directly attributable to acquisition, construction or production of assets that takes a substantial period of time to get ready for its intended use or sale. Such borrowing costs are capitalized as part of those assets.

2.5.4 Inventories

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

less the estimated cost of completion and the estimated cost necessary to make the sale.

The cost incurred in bringing inventories to its present location and condition is accounted using the following cost formulae:

- (a) Raw material - At purchase cost on weighted average cost basis, except for, Vallibel Plantation Management Limited, Swisstek Aluminium Limited and Swisstek (Ceylon) PLC which is on a first in first out basis.
- (b) Consumable and spares - At purchase cost on weighted average cost basis.
- (c) Finished goods and Work in progress - at the cost of direct material, direct labour and appropriated proportion of production overheads based on normal operating capacity.
- (d) Goods in transit have been valued at cost.
- (e) Trading goods – At purchase cost on weighted average basis except for Lanka Walltiles group which is on first in first out basis.

2.5.5 Property, Plant and Equipment

(a) Initial recognition

All items of property, plant and equipment are initially recorded at cost.

The cost of property, plant and equipment is the cost of acquisition or construction together with any expenses incurred in bringing the asset to its working condition for its intended use. Subsequent to the initial recognition as an asset at cost, revalued assets are carried at revalued amounts less any subsequent depreciation thereon. All other property, plant and equipment are stated at cost or fair value less accumulated depreciation and/or accumulated impairment losses, if any. Accumulated depreciation is provided for, on the bases specified in (c) below.

Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for as separate items of property, plant and equipment.

(b) Subsequent Expenditure

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul expenditure, is capitalized. Other subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditure incurred on repairs or maintenance of property, plant and equipment in order to restore or maintain the future economic benefits expected from the originally assessed standard of performance, is recognised as an expense when incurred.

(c) Depreciation

Depreciation is calculated by using a straight-line basis on all property, plant and equipment, other than freehold land and mining land, in order to write off the cost or valuation over the estimated economic life of such assets. Depreciation of mining land is calculated based on unit of production.

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

(d) Revaluation

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

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.

Cost of repairs and maintenance are charged to the Statement of Profit or Loss during the period in which they are incurred.

(e) De-recognition

An item of property, plant and equipment 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 in the year the asset is derecognised.

(f) Capital Work in Progress

Capital work in progress represents the cost of civil construction work not completed and property, plant and equipment that are not ready for their intended use.

Capital work progress is stated at cost, net of accumulated impairment losses, if any.

2.5.6 Intangible assets

The Group's intangible assets include the cost of computer software and goodwill.

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Group.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets

acquired in a business combination is their fair value as at the date of acquisition. Following the initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are 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 are accounted for by changing the amortisation period or method, as appropriate, and they are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the Statement of Profit or Loss.

Amortization is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives of 5 - 15 years, for computer software.

2.5.7 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. To assess whether a contract conveys the right to control the use of an identified asset, the Group considered whether;

- The contract involves the use of an identified asset. This may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.

- The Group has right to obtain substantially all of the economic benefits of asset throughout the period of use; and
- The Group has right to direct the use of the asset. The Group has this right when it has decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either;
- The Group has right to operate the asset; or
- The Group designated the asset in a way that predetermines how and for what purpose it will be used.

Group as the Lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset is classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease added to the carrying amount of the leased asset and recognised over the lease term on the same basis rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Group as the 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 Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment and are in the range of 3 to 36 years.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 2.5.16 - Impairment of non-financial assets.

(ii) 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 (including in-substance 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 the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the

lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. (refer Note 8).

(iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

The accounting policies applicable to the Group as a lessor in the comparative period were not difference from SLFRS 16.

2.5.8 Investment properties

Properties held for capital appreciation and properties held to earn rental income have been classified as Investment Property. Investment Property is recognized if it is probable that future economic benefits that are associated with the Investment Property will flow to the Group and cost of the Investment Property can be reliably measured.

Initial measurement

An Investment Property is measured initially at its cost. The cost of a purchased Investment Property comprises of its purchase price and

any directly attributable expenditure. The cost of a self-constructed investment is its cost at the date when the construction or development is complete.

Subsequent measurement

The Group applies the Fair Value Model for Investment Properties in accordance with Sri Lanka Accounting Standard 40 (LKAS 40), - "Investment Property". Accordingly, land and buildings classified as Investment Properties are stated at Fair Value.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the statement of comprehensive income in the period of derecognition. Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change.

2.5.9 Investments In subsidiaries

Investments in subsidiaries in the separate Financial Statements have been accounted for at cost, net of any impairment losses which are charged to the Statement of Comprehensive Income of the Company.

Income from these investments is recognised only to the extent of dividend received.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amounts are recognized as income or expense.

2.5.10 Business Combination and Goodwill

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of non-controlling interest in acquiree. For each business combination, the group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill is initially measured at cost being the excess of the aggregate of consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash generating unit is less than the carrying amount, an impairment loss is recognised. The impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets prorate to the carrying amount of each asset in the unit.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

2.5.11 Financial instruments – initial recognition and subsequent measurement

a) 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 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

- (a) The Group has transferred substantially all the risks and rewards of the asset, or
- (b) 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 Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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.

b) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of SLFRS 9 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate. 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 a financial liabilities at amortised cost.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at amortised cost (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.

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 38.

2.5.12 Cash and Cash Equivalents

Cash and cash equivalents are cash at bank and in hand, call 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 Statement of Cash Flows, cash and cash equivalents consist of cash in hand, cash at bank deposits in banks net of outstanding bank overdrafts. Investments with

short maturities (i.e. three months or less from date of acquisition) are also treated as cash equivalents. Bank overdrafts are disclosed under Interest Bearing Liabilities in the Statement of Financial Position.

2.5.13 Investments in Associates

The Group's investment in its associate is accounted for using the equity method. An associate is an entity in which the Group has significant influence.

Under the equity method, the investment in the associate is carried in the Statement of Financial Position at cost plus post acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The Statement of Profit or Loss of income reflects the share of the results of operations of the associate. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes and discloses this, when applicable, in the Statement of Changes in Equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The share of profit of an associate is shown on the face of the Statement of Profit or Loss. This is the profit attributable to equity holders of the associate and therefore is profit after tax and non-controlling interests in the subsidiaries of the associate.

The Financial Statements of the associate are prepared for the same reporting period as the Group. Accounting policies that are specific to the business of associate companies are discussed in note 2.9.

After application of the equity method, the Group determines whether it is

necessary to recognise an additional impairment loss on the Group's investment in its associate. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the 'share of profit of an associate' in the Statement of Profit or Loss.

The investment in associate is accounted for using the cost method in the separate financial statements.

2.5.14 Provisions, contingent assets and contingent liabilities

Provisions are recognized when the Company/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. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate assets but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Profit or Loss net of any reimbursement.

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.

All contingent liabilities are disclosed as a note to the financial statements unless the outflow of resources is remote. A contingent liability

recognised in a business combination is initially measured at its fair value. (refer Note 29).

Subsequently, it is measured at the higher of: The amount that would be recognised in accordance with the general guidance for provisions above (LKAS 37) or the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the guidance for revenue recognition (SLFRS 15).

Contingent assets are disclosed, where inflow of economic benefit is probable.

2.5.15 Retirement Benefit Obligations

(a) Defined Benefit Plan – Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The defined benefit is calculated by independent actuaries using Projected Unit Credit (PUC) method as recommended by revised LKAS 19 – "Employee benefits" and resulting actuarial gain/loss was recognized in full in the Other Comprehensive Income (OCI).

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability.

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions about discount rate, expected rates of return on assets, future salary increases and mortality rates. Key assumptions used in determining the defined retirement benefit obligations are given in Note 16. Any changes in these assumptions will impact the carrying amount of defined benefit obligations and all assumptions are reviewed at each reporting date. Interest expense and the current service cost related to

the liability is recognized in profit or loss and actuarial gain or loss is recognized in other comprehensive income.

The Group is liable to pay gratuity in terms of the Payment of Gratuity Act No. 12 of 1983, according to which a liability to pay gratuity arises only on completion of 5 years of continued service

Accordingly, the employee benefit liability is based on the actuarial valuation as of 31 March 2024 carried out by Messrs Actuarial and Management Consultants (Private) Limited, actuaries.

Funding Arrangements

The Gratuity liability is not externally funded.

(b) Defined Contribution Plans- Employees' Provident Fund and Employees' Trust Fund

Employees are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund Contributions in line with respective statutes and regulations. These are recognized as an expense in the Statement of Profit or Loss as incurred.

The Group contributes 12% and 3% of gross emoluments of the employees to Employees' Provident Fund and Employees' Trust Fund respectively.

2.5.16 Impairment of Non-financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing is required for an asset, the Company makes an assessment of the assets' recoverable amount. When the carrying amount of an asset exceeds its' recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

2.5.17 Non-current assets held for trade and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Such non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sale. Costs to sale are the incremental costs directly attributable to the sale, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to distribute will be withdrawn. Management must be committed to the sale expected within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for distribution are presented separately as current items in the statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations

Or

- Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

Additional disclosures are provided in Note 39. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

2.6 Statement of Profit or Loss

2.6.1 Revenue from contracts with customers

The Group is primarily involved in manufacturing and marketing of tiles and associated items, sanitaryware, packaging material, aluminium products and agricultural products in Sri Lanka and overseas as detailed in Note. 21. Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. The Group is the principal in its revenue arrangements, as it typically controls the goods before transferring them to the customer.

a) Sale of goods - tiles and associated items, sanitaryware, packaging material, aluminium products

Revenue from sales of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods which include one performance obligation. Control transition point to recognize the revenue on export sales is determined based on the international commercial terms applicable for the respective transactions. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, which is not materially affect on the recognition of revenue.

b) Rendering of Services

Revenue from services is recognised as the services are provided. Revenue from service contracts that cover periods of greater than 12 months is recognised in the profit and loss in proportion to the services delivered at the reporting date.

(i) Significant financing component

Generally, 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.

(ii) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

(iii) Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial instruments – initial recognition and subsequent measurement.

(iv) Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods to the customer, a

contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

2.6.2 Other Sources of Revenue**a) Interest Income**

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.

b) Dividends

Dividend Income is recognised when the shareholders' right to receive the payment is established.

c) Rental Income

Rental income is recognised on an accrual basis.

d) Other

Other income is recognised on an accrual basis.

e) Gains and Losses

Net Gains and losses of a revenue nature on the disposal of property, plant and equipment and other non-current assets including investments have been accounted for in the Statement of Profit or Loss, having deducted from proceeds on disposal, the carrying amount of the assets and related selling expenses. On disposal of revalued property, plant and equipment, amount remaining in revaluation reserve relating to that asset is transferred directly to Retained Earnings.

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

2.7 Cash Flow Statement

The Cash Flow Statement has been prepared by using the 'In direct Method' in accordance with LKAS 7 on Statement of Cash Flows, whereby gross cash receipts and gross cash payments of operating activities, financing activities and investing activities have been recognized. Cash and cash equivalents comprise mainly cash balances and highly liquid investments of which original maturity of 3 months or less and net amount due from banks.

2.8 Segment Reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment) or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. Segments of the Group are determined based on product or services supplied by Group.

Segment information is presented in respect of the Group's business and has been prepared in conformation with the accounting policies adopted for preparing and presenting the consolidated financial statements of the Group. The business segments are reported based on Group's management and internal reporting structure. Inter segment pricing is determined at prices mutually agreed by the companies.

Segment result, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise of goodwill on consolidation.

The Group's segmental reporting is based on the following operating segments:

Tiles and Associated Products

The manufacture and distribution of wall tiles, floor tiles and related products.

Sanitary ware

Manufacturing and marketing of sanitary ware products.

Packaging Material

The manufacture and distribution of packing materials

Aluminium Products

The manufacture and distribution of aluminium extrusions and allied products through a network of dealers & distributors.

Finance

Provision of Financial Solutions.

Other

Supply of raw materials to the ceramic industry and provision of consumer, retail, life style, healthcare and transportation.

Management considers that there is no suitable basis for allocating such assets and related liabilities to geographical segments. Accordingly, segment assets, segment liabilities and other segment information by geographical segment is not disclosed.

2.9 Significant Accounting Policies that are specific to the business of associates

2.9.1 L B Finance PLC

Revenue Recognition –

a) Net interest income

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

The Group use the Effective Interest Rate (EIR) method for recognising the interest income and interest expenses of Financial Assets and Financial Liabilities that are measured at amortised cost, fair value through profit or loss or fair value through other comprehensive income under SLFRS 9 and the same method followed by the Group for the Financial Assets and Financial Liabilities classified as held for trading and as available-for-sale and financial Assets and Liabilities measured at amortised cost under LKAS 39 in the comparative financial year. EIR is the rate that exactly discounts 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 financial liability.

The calculation of EIR takes into account all contractual terms of the financial instrument and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses.

The carrying amount of the financial asset or financial liability is adjusted if the Group revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original EIR and the change in carrying amount is recorded as an impairment charge or reversal to the Income Statement.

Interest income on impaired financial instruments continues to be recognised at original EIR to the unadjusted carrying amount until the financial asset has been classified as fully impaired. Until such the accrued interest added to the unadjusted carrying amount has been impaired to the estimated Loss Given Default (LGD). Interest from overdue rentals have been accounted for on a cash received basis.

b) Fee and commission income

The Group earns fee and commission income from a diverse range of services it provides to its customers. These fees include credit-related fees and commission income. All fees and commissions are recognised to the Income Statement on an accrual basis. Fee and commission income that are integral to the EIR of a financial asset or financial liability are capitalised and included in the measurement of the EIR and recognised in the Income Statement over the expected life of the instrument.

c) Net trading income

Net trading income includes all gains and losses from changes in fair value and related dividends for financial assets and financial liabilities 'held for trading' other than interest income. Dividend income received from Financial Investments - Held for Trading is recognised when the Group's right to receive the payment is established.

d) Others

Income earned on other sources, which are not directly related to the normal operations of the Group is recognised as Other Operating Income on an accrual basis.

e) Impairment charges and other losses

The Group recognises the changes to the impairment provision which are assessed based on expected credit loss method in accordance with Sri Lanka Accounting Standard - SLFRS 09 (Financial Instruments). Recovery of amounts written-off as bad and doubtful debts is credited to impairment charges and other losses.

2.10 Standards Issued But Not Yet Effective

The new and amended standards that are issued, but not yet effective to the date of issuance of these financial statements are disclosed below. None of the new or amended pronouncements are expected to have a material impact on the consolidated

financial statements of the Group in the foreseeable future. The Group intends to adopt these amended standards, if applicable, when they become effective.

Amendments to 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 2026, 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.

Classification of Liabilities as Current or Noncurrent - 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
- Disclosures

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

Disclosures: Supplier Finance Arrangements - Amendments to LKAS 7 and SLFRS 7

The amendments clarify the characteristics of supplier finance arrangements and require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements.

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

Lease Liability in a Sale and Leaseback - Amendment to SLFRS 16

The amendments to SLFRS 16 Leases specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. A seller-lessee applies the amendment retrospectively in accordance with LKAS 8 to sale and leaseback transactions entered into after the date of initial application

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

International Tax Reform—Pillar Two Model Rule - Amendments to LKAS 12

The amendments to LKAS 12 introduce a mandatory exception in LKAS 12 from recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. An entity is required to disclose that it has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

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

03. PROPERTY, PLANT & EQUIPMENT - COMPANY**3.1 Gross Carrying Amounts**

	Balance As at 01.04.2023 Rs.	Additions/ Transfers Rs.	Increase / (Decrease) from Revaluation Rs.	Transfers/ Reclassification Rs.	Transfers/ Disposals Rs.	Balance As at 31.03.2024 Rs.
At Cost or Valuation						
Land	3,223,622,000	107,420,967	87,551,533	-	-	3,418,594,500
Building	2,913,256,834	291,108,802	5,962,176	-	-	3,210,327,812
Lab Equipment	7,395,141	-	-	-	-	7,395,141
Motor Vehicles	542,996,093	40,000,000	-	-	(11,404,300)	571,591,793
Electricity Distribution	111,877,628	459,267,103	-	-	-	571,144,731
Office Equipment	647,022,585	74,751,120	-	-	(1,433,280)	720,340,425
Communication Equipment	18,330,027	470,492	-	-	-	18,800,519
Furniture & Fittings	900,060,531	59,188,304	-	-	(112,342)	959,136,493
Tools & Implements	286,793,162	62,087,204	-	-	(288,592)	348,591,774
Other Equipment	152,339,628	23,258,748	-	-	(500,877)	175,097,499
Factory Equipment	23,257,991	-	-	-	-	23,257,991
Construction Equipment	2,236,047	-	-	-	-	2,236,047
Plant and Machinery	5,819,667,014	2,525,279,143	-	-	(182,232,095)	8,162,714,062
Household Item Light	78,830	-	-	-	-	78,830
Showroom Fixtures & Fittings	1,712,823,369	158,630,206	-	-	(33,140,219)	1,838,313,356
Stores Buildings on Leasehold						
Land	347,032,000	-	-	-	-	347,032,000
	16,708,788,880	3,801,462,089	93,513,709	-	(229,111,705)	20,374,652,973

In the Course of Construction	Balance As at 01.04.2023 Rs.	Additions Rs.	Increase/ (Decrease) from Revaluation Rs.	Transfers/ Reclassification Rs.	Disposals Rs.	Balance As at 31.03.2024 Rs.
Capital Work in Progress	2,406,649,582	1,641,103,836	-	(3,639,964,348)	-	407,789,069
Total Gross Carrying Amount	19,115,438,462	5,442,565,925	93,513,709	(3,639,964,348)	(229,111,705)	20,782,442,042

03 PROPERTY, PLANT AND EQUIPMENT - COMPANY (Contd....)**3.2 Depreciation**

	Balance As at 01.04.2023 Rs.	Charge for the Year Rs.	Transfers to revaluation Reserve Rs.	Transfers/ Disposals Rs.	Balance As at 31.03.2024 Rs.
At Cost or valuation					
Building	99,312,704	106,447,998	-	-	205,760,702
Lab Equipment	7,395,141	-	-	-	7,395,141
Motor Vehicles	447,634,020	28,858,662	-	(11,404,300)	465,088,382
Electricity Distribution	27,677,228	11,096,184	-	-	38,773,412
Office Equipment	461,471,024	57,177,847	-	(933,088)	517,715,783
Communication Equipment	16,229,764	761,854	-	-	16,991,618
Furniture & Fittings	783,818,885	46,842,451	-	(112,342)	830,548,994
Tools & Implements	236,264,276	43,844,597	-	(288,592)	279,820,281
Other Equipment	106,462,670	15,421,551	-	(347,184)	121,537,037
Factory Equipment	23,257,991	-	-	-	23,257,991
Construction Equipment	2,236,047	-	-	-	2,236,047
Plant and Machinery	4,366,923,150	418,885,173	-	(182,232,095)	4,603,576,228
Household Item Light	59,092	-	-	-	59,092
Showroom Fixtures & Fittings	921,682,544	115,118,788	-	(25,477,105)	1,011,324,227
Stores Buildings on Leasehold Land	29,516,987	9,467,115	-	-	38,984,102
	7,529,941,523	853,922,220	-	(220,794,706)	8,163,069,037

3.3 Net Book Values of Property Plant and Equipments

	2024 Rs.	2023 Rs.
At Cost or Valuation		
Land	3,418,594,500	3,223,622,000
Building	3,004,567,110	2,813,944,130
Motor Vehicles	106,503,411	95,362,073
Electricity Distribution	532,371,319	84,200,400
Office Equipment	202,624,642	185,551,561
Communication Equipment	1,808,901	2,100,263
Furniture & Fittings	128,587,499	116,241,646
Tools & Implements	68,771,493	50,528,886
Other Equipment	53,560,462	45,876,958
Plant and Machinery	3,559,137,834	1,452,743,864
Household Item Light	19,738	19,738
Showroom Fixtures & Fittings	826,989,129	791,140,825
Stores Buildings on Lease hold Land	308,047,898	317,515,013
	12,211,583,936	9,178,847,357
In the Course of Construction	407,789,069	2,406,649,582
	12,619,373,004	11,585,496,939

3.4 During the period, the company acquired Property, Plant & Equipment for cash to the aggregate value of Rs. 1,794,299,540/- (2023-Rs. 2,374,181,783/-).

3.4.1 The amount of borrowing costs capitalised during the year ended 31 March 2024 was Rs. 168 Mn. The rate used to determine the amount of borrowing costs eligible for capitalisation was 19.5%, which is the average EIR of the specific borrowing

3.5 Property, Plant and Equipment includes fully depreciated assets having a gross carrying amount of Rs. 5,194,743,034 /- (2023 - Rs. 4,361,801,788/-) which are still in use.

PROPERTY, PLANT & EQUIPMENT - GROUP

3.6 Gross Carrying Amounts

	Balance As at 01.04.2023 Rs.	Additions / Transfers Rs.	Increase / (Decrease) from Revaluation Rs.	Reclassification / Disposals/ Transfers Rs.	Balance As at 31.03.2024 Rs.
Freehold and Clay Mining Land	9,610,054,069	215,010,891	906,985,058	(4,218,750)	10,727,831,268
Buildings	8,065,227,408	421,666,749	1,452,710,178	(125,276,000)	9,814,328,335
Water Supply Scheme	713,616,104	184,282,000	-	-	897,898,104
Lab Equipment	18,839,312	-	-	-	18,839,312
Motor Vehicles	605,531,663	40,174,825	-	(11,404,300)	634,302,188
Electricity Distribution	112,481,397	607,379,756	-	-	719,861,153
Office Equipment	685,555,746	78,399,520	-	(1,433,280)	762,521,986
Communication Equipment	565,586,483	46,594,492	-	(27,194,000)	584,986,975
Furniture and Fittings	1,020,565,752	60,152,662	-	(112,342)	1,080,606,072
Tools & Implements	1,684,442,217	260,031,204	-	(408,192)	1,944,065,229
Sundry Equipment	4,823,364	954,879	-	-	5,778,243
Other Equipment	148,692,233	24,282,338	-	(500,882)	172,473,688
Factory Equipment	23,257,991	-	-	-	23,257,991
Moulds	143,513,276	1,142,250	-	-	144,655,526
Construction Equipment	24,936,334	-	-	-	24,936,334
Plant and Machinery	19,909,429,353	3,604,856,454	-	(190,347,911)	23,323,937,896
Household Item - Light	78,830	-	-	-	78,830
Showroom Fixtures & Fittings	1,812,571,945	166,182,774	-	(33,140,219)	1,945,614,498
Stores Buildings on Lease hold Land	328,389,496	-	-	-	328,389,496
	45,477,592,973	5,711,110,795	2,359,695,236	(394,035,877)	53,154,363,125

	Balance As at 01.04.2023 Rs.	Additions / Transfers Rs.	Increase / (Decrease) from Revaluation Rs.	Reclassified / Disposals/ Transfers Rs.	Balance As at 31.03.2024 Rs.
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In the Course of Construction

Capital Work in Progress	4,980,531,661	7,700,964,472	-	(5,603,745,378)	7,077,750,754
Total Gross Carrying Amount	50,458,124,634	13,412,075,266	2,359,695,236	(5,997,781,255)	60,232,113,879

3.7 Depreciation

	Balance As at 01.04.2023 Rs.	Charge for the Year Rs.	Disposals/ Transfers Rs.	Balance As at 31.03.2024 Rs.
At Cost or Valuation				
Clay Mining Land	7,430,089	4,222,938	-	11,653,027
Building	363,880,512	289,323,893	(125,276,000)	527,928,405
Water Supply Scheme	453,987,226	38,685,000	-	492,672,226
Lab Equipment	18,601,014	71,880	-	18,672,894
Motor Vehicles	503,098,886	29,607,736	(11,404,300)	521,302,322
Electricity Distribution	28,855,767	15,057,427	-	43,913,194
Office Equipment	489,320,915	59,344,001	(933,088)	547,731,828
Communication Equipment	371,393,528	27,990,645	(27,352,000)	372,032,173
Furniture & Fittings	889,925,964	55,055,010	(112,342)	944,868,632
Tools & Implements	1,121,826,430	222,053,803	(863,192)	1,343,017,041
Sundry Equipment	2,022,033	368,157	-	2,390,190
Other Equipment	98,276,304	15,987,268	(347,184)	113,916,388
Factory Equipment	23,257,991	-	-	23,257,991
Moulds	136,959,798	1,211,975	-	138,171,773
Construction Equipment	23,834,051	69,081	-	23,903,131
Plant and Machinery	11,760,072,244	1,234,909,821	(244,831,095)	12,750,150,970
Household Item - Light	59,092	16,559	-	75,651
Showroom Fixtures & Fittings	932,773,230	116,167,142	(25,477,105)	1,023,463,267
Stores Buildings on Lease hold Land	91,950,988	9,467,115	-	101,418,103
Total Value of Depreciation	17,317,526,062	2,119,609,452	(436,596,307)	19,000,539,207

3.8 Net Book Values of Property Plant and Equipments

	2024 Rs.	2023 Rs.
At Cost or Valuation		
Freehold and Clay Mining Land	10,716,178,240	9,602,623,980
Building	9,286,399,930	7,701,346,896
Water Supply Scheme	405,225,878	259,628,878
Lab Equipment	166,418	238,298
Motor Vehicles	112,999,866	102,432,777
Electricity Distribution	675,947,959	83,625,630
Office Equipment	214,790,158	196,234,831
Communication Equipment	212,954,802	194,192,955
Furniture and Fittings	135,737,440	130,639,787
Tools and Implements	601,048,187	562,615,787
Sundry Equipment	3,388,053	2,801,331
Other Equipment	58,557,300	50,415,929
Mould	6,483,753	6,553,478
Construction Equipment	1,033,203	1,102,283
Plant and Machinery	10,573,786,926	8,149,357,109
Household Item - Light	3,179	19,738
Showroom Fixtures and Fittings	922,151,232	879,798,715
Stores Buildings on Leasehold Land	226,971,393	236,438,508
	34,153,823,918	28,160,066,911
In the Course of Construction	7,077,750,754	4,980,531,661
Net book value of assets	41,231,574,672	33,140,598,572

3.9 During the period, the Group acquired Property, Plant & Equipment for cash to the aggregate value of Rs. 7,852,527,032/- (2023- Rs.5,949,945,511/-)

3.9.1 The amount of borrowing costs capitalised during the year ended 31 March 2024 was Rs. 616 Mn .The rate used to determine the amount of borrowing costs eligible for capitalisation was 19.5%, which is the average EIR of the specific borrowing

3.10 Property, Plant and Equipment includes fully depreciated assets having a gross carrying amount of Rs.10,817,130,670 (2023- Rs.7,359,951,278) which are still in use.

3.11 The following properties are revalued and recorded under freehold land & clay mining land. Fair Value measurement disclosure for revalued land based on unobservable input as follows.

(A) Quoted Price (unadjusted) in active markets for identical assets or liabilities (Level -1).

(B) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is derived from prices) (Level - 2)

(C) Input for the assets or liability that are not based on observable market data (that is, unobservable inputs) (Level -3).

No.	Company	Location	Extent	Valuer
1	Royal Ceramics Lanka PLC	Factory at Ehaliyagoda	A50-R1-P34.72	Mr. A.A.M. Fathihu
		Showroom and Cutting Center Land at Kottawa	A1-R1-P24.75	Mr. A.A.M. Fathihu
		Land at Meegoda Warehouse	A2-R3-P31.29	Mr. A.A.M. Fathihu
		Land at Nawala New Showroom	P24.90	Mr. A.A.M. Fathihu
		Land at Nattandiya	A10	Mr. A.A.M. Fathihu
		Land at Seeduwa	R1-P12.50	Mr. A.A.M. Fathihu
		Land at Narahenpita	P17.02	Mr. A.A.M. Fathihu
		Land at Colpitty	P19.97	Mr. A.A.M. Fathihu
		Land at Panadura	P18.82	Mr. A.A.M. Fathihu
		Land at Dehiwela	P14.83	Mr. A.A.M. Fathihu
		Land at Narahenpita	R1-P5.32	Mr. A.A.M. Fathihu
		Factory Buildings at Eheliyagoda	333,019sq.ft	Mr. A.A.M. Fathihu
		Showroom Building at Kottawa	9,556sq.ft	Mr. A.A.M. Fathihu
		Warehouse Building at Meegoda	108,921sq.ft	Mr. A.A.M. Fathihu
		Showroom Building at Nawala 101	9,216sq.ft	Mr. A.A.M. Fathihu
		Showroom Building at Narahenpita 100	13,410sq.ft	Mr. A.A.M. Fathihu
		Showroom Building at Panadura	5,176sq.ft	Mr. A.A.M. Fathihu
		Showroom Building at Seeduwa	7,320sq.ft	Mr. A.A.M. Fathihu
		Showroom Building at Dehiwela	11,574sq.ft	Mr. A.A.M. Fathihu
		Head office Building at No 20, Colombo 03	28,278sq.ft	Mr. A.A.M. Fathihu
		Factory Land at Horana	A.14 - R.1 - P7.36	Mr. A.A.M. Fathihu
		Factory Building at Horana	301,617 sq.ft	Mr. A.A.M. Fathihu
		Building at Nawala 98 Showroom	9,235sq.ft	Mr. A.A.M.Fathithu
		Land at Nawala 98 Showroom	P18.20	Mr. A.A.M.Fathithu
2	Rocell Bathware Ltd	Factory land at Homagama	A1-R2-P19.60	Mr. A.A.M. Fathihu
		Land at Meegoda	A1-R3-P04.10	Mr. A.A.M. Fathihu
		Factory complex at Homagama	220,444Sq. ft	Mr. A.A.M. Fathihu
3	Lanka Walltiles PLC	No. 215, Nawala Road, Narahenpita, Colombo 05	A1-R1-P2.1	KPMG Real Estate & Valuation Services (Private) Limited
			36,170 Square feet building	KPMG Real Estate & Valuation Services (Private) Limited
		Plan No 2205 Situated at Mawathagama and Galagedara Village	A23-R1-P24.16	KPMG Real Estate & Valuation Services (Private) Limited
			313,012 Square Feet building	KPMG Real Estate & Valuation Services (Private) Limited

	Valuation Date	Valuation Details	Significant unobservable input : price per perch/ acre/range and rate per sq.ft.	Fair Value measurement using significant unobservable inputs (Level 3) Rs. Mn	Fair value as per previous revaluation year Rs. Mn
	31 March 2022	Market based evidence	Rs. 81,250/- per perch	656.071	454.203
	31 March 2022	Market based evidence	Rs. 1,748,000/- - Rs. 4,000,000/- per perch	505.463	343.437
	31 March 2022	Market based evidence	Rs. 389,013/- - Rs. 300,000/- per perch	183.338	120.187
	31 March 2022	Market based evidence	Rs. 9,500,000- per perch	236.550	174.3
	31 March 2022	Market based evidence	Rs. 24,062/- per perch	38.500	30
	31 March 2022	Market based evidence	Rs. 3,200,000/- per perch	168.000	131.25
	31 March 2022	Market based evidence	Rs. 9,500,000/- per perch	161.690	119.14
	31 March 2022	Market based evidence	Rs. 17,500,000/- per perch	349.475	300
	31 March 2022	Market based evidence	Rs. 4,500,000/- per perch	84.690	65.87
	31 March 2022	Market based evidence	Rs. 9,500,000/- per perch	140.885	103.81
	31 March 2022	Market based evidence	Rs. 9,051,192/- per perch	410.200	291.44
	31 March 2022	Market based evidence	Rs. 2,766.69 per sq.ft	921.361	645.307
	31 March 2022	Market based evidence	Rs. 3,000/- - Rs.10,000per sq.ft	71.839	54.465
	31 March 2022	Market based evidence	Rs. 2,500/- - Rs.6,000per sq.ft	504.613	149.065
	31 March 2022	Market based evidence	Rs. 4,000/- - Rs.12,000per sq.ft	64.109	52.983
	31 March 2022	Market based evidence	Rs.13,500 per sq.ft	162.932	137.6
	31 March 2022	Market based evidence	Rs. 11,000 per sq.ft	54.742	41.543
	31 March 2022	Market based evidence	Rs. 5,000/- - Rs.10,000per sq.ft	53.951	38.852
	31 March 2022	Market based evidence	Rs. 9,000/- - Rs.13,500per sq.ft	131.240	34.722
	31 March 2022	Market based evidence	Rs. 17,500per sq.ft	376.149	322
	31 March 2022	Market based evidence	Rs. 125,000/- per perch	288.760	142.96
	31 March 2022	Market based evidence	Rs. 1,350/- to Rs. 8250/- per sq.ft	801.649	566.073
	31 March 2024	Market based Evidence	Rs. 8,000/= per sq.ft	28	-
	31 March 2024	Market based Evidence	Rs. 10,000,000/= per perch	182	-
	31 March 2022	Market based evidence	Rs. 300,000/- per perch	77.880	38.94
	31 March 2022	Market based evidence	Rs. 320,000/- per perch	90.912	64.32
	31 March 2022	Market based evidence	Rs. 1,500/- to 7,000/- per Sq. ft	707.544	632.895
	31 March 2024	Market based evidence	Rs. 8,000,000/- per perch	1,616.8	1,414.7
	31 March 2024	Contractor's basis method valuation	Rs.3,000/-to Rs 7,000/- per square feet	219.38	135.61
	31 March 2024	Market based evidence	Rs. 300,000/- per perch	1,149.2	1,123.2
	31 March 2024	Contractor's basis method valuation	Rs. 2,000/-to Rs. 11,000/- per sq.ft	1,463.5	897.017

No.	Company	Location	Extent	Valuer
4	Lanka Tiles PLC	Factory Premises , Jaltara , Ranala	28A-02R-32.69P	KPMG Real Estate & Valuation Services (Private) Limited
		Factory Premises , Jaltara , Ranala	416,813 sqft	KPMG Real Estate & Valuation Services (Private) Limited
		Land Adjacent to the Factory Premises , Jaltara , Ranala	08A-02R-08.56P	KPMG Real Estate & Valuation Services (Private) Limited
		Land Adjacent to the Factory Premises , Jaltara , Ranala	25,604 sqft	KPMG Real Estate & Valuation Services (Private) Limited
		Lanka Tiles Warehouse , Samurdhi Mawatha Biyagama	02A-00R-15.93P	KPMG Real Estate & Valuation Services (Private) Limited
		Lanka Tiles Warehouse , Samurdhi Mawatha Biyagama	48,531 sqft	KPMG Real Estate & Valuation Services (Private) Limited
		Land at Nugegoda	00A-00R-32.03P	KPMG Real Estate & Valuation Services (Private) Limited
		Showroom , Nugegoda Building	15,385 sqft	KPMG Real Estate & Valuation Services (Private) Limited
5	Uni Dil Packing Limited	Land at Narampola road, Moragala, Deketana	A12-R03-P37.1	Mr. D.G.Newton
		Building and land improvement at Narampola road, Moragala, Deketana	179,357 sq.ft	Mr. D.G.Newton
6	Uni Dil Packaging Solutions Limited	Land at Narampola road, Moragala, Deketana	A2-R2-P35	Mr. D.G.Newton
		Building at Narampola road, Moragala, Deketana	32103 sq.ft	Mr. D.G.Newton
7	Swisstek (Ceylon) PLC	Factory Complex, Belummahara, Imbulgoda	984.5 Perches	Mr. D.G.Newton
		No: 288/26, Colombo Road, Belummahara, Imbulgoda	81.6 perches	Mr. D.G.Newton
		No:334/5, Colombo Road, Belummahara, Imbulgoda	20.0 Perches	Mr. D.G.Newton
		No: 177/6, New Kandy Rd., Weliveriya	85.0 Perches	Mr. D.G.Newton
		Factory Complex, Belummahara, Imbulgoda	62,530 sq.ft	Mr. D.G.Newton
		No: 177/6, New Kandy Rd., Weliveriya	27,170 Sq.ft.	Mr. D.G.Newton
		Factory Complex, Belummahara, Imbulgoda-Tiles Stores	27,285 sq.ft	Mr. D.G.Newton
		Factory Complex, Belummahara, Imbulgoda-Sales Center	4944 sq.ft	Mr. D.G.Newton
		Factory Complex, Belummahara, Imbulgoda-Open shed	3,400 sq.ft	Mr. D.G.Newton
		Factory Complex, Belummahara, Imbulgoda-Warehouse	5,000 sq.ft	Mr. D.G.Newton
		Land at Ratupaswela	2,446.0 Perches	Mr. D.G.Newton
		Land at Belummahara	0.95 Perches	Mr. D.G.Newton
8	Swisstek Aluminium Ltd.	76/7, Pahala Dompe, Dompe	A11-R1-P22.8	Mr. A.A.M. Fathihu
		76/7, Pahala Dompe, Dompe	171,861 Sq.ft	Mr. D.G.Newton
9	Lanka Ceramic PLC	Mining Land at Owala	25A-2R-3.5P	Mr. A.A.M. Fathihu
		Land situated at Owala	1A-1R-02.0P	Mr. A.A.M. Fathihu
		Factory, office building & other infrastructure at Owala mine	10,535 Sq.ft	Mr. A.A.M. Fathihu
		Mining Land at Dediawala	38A-0R-38.91P	Mr. A.A.M. Fathihu
		Land situated at Meetiyagoda	14A-0R-24.26P	Mr. A.A.M. Fathihu
		Factory building & office building at Meetiyagoda mine	42,189sq.ft	Mr. A.A.M. Fathihu

Valuation Date	Valuation Details	Significant unobservable input : price per perch/ acre/range and rate per sq.ft.	Fair Value measurement using significant unobservable inputs (Level 3) Rs. Mn	Fair value as per previous revaluation year Rs. Mn
31 March 2024	Market based evidence	Rs. 50,000/- to 150,000/- per perch	642.04	430.507
31 March 2024	Contractor's method	Rs 1,113/- to Rs. 6,190/- per sqft	1,630.64	930.041
31 March 2024	Market based evidence	Rs. 126,000/- to 231,000/- per perch	222.69	154.541
31 March 2024	Contractor's method	Rs 1,400/- to Rs. 5000/- per sqft	49.66	30.917
31 March 2024	Market approach	Rs. 1,500,000/- per perch	503.9	319.133
31 March 2024	Contractor's method	Rs 1,900/- to Rs. 5,100/- per sqft	243.39	180.377
31 March 2024	Market approach	Rs. 9,000,000/- per perch	288.27	39.037
31 March 2024	Market approach	Rs 15,000/- per sqft	230.78	-
31 March 2024	Market based evidence	Rs. 85,000/- per perch	124.211	124.211
31 March 2024	Depreciated Replacement cost	Rs. 750/- to Rs. 2,000/- per sq.ft	334.09	179.25
31 March 2024	Market based evidence	Rs. 80,000/- per perch	34.8	26.1
31 March 2024	Depreciated Replacement cost	Rs.1,750/- to Rs. 2,500/- per sq.ft	65.7	46.04
31 March 2024	Market based evidence	Rs. 800,000/- per perch	787.6	738.375
31 March 2024	Market based evidence	Rs. 725,000 per perch	59.13	51
31 March 2024	Market based evidence	Rs. 650,000 per perch	12.83	12
31 March 2024	Market based evidence	Rs. 600,000 per perch	51	44.63
31 March 2024	Contractors Method	Rs. 750/- to 4,500/- per sqft	226.42	139.25
31 March 2024	Contractors Method	Rs. 2,850/- to 3,350/- per sq.ft	82.29	79.565
31 March 2024	Income approach	Rs. 4,378.96 per sqft.	119.48	87.067
31 March 2024	Income approach	Rs. 8,458.33 per sqft	41.82	30.473
31 March 2024	Income approach	Rs. 3,282.42 per sqft	11.16	8.133
31 March 2024	Income approach	Rs. 5,908.35 Per sqft	29.54	21.527
31 March 2024	Contractors Method	Rs. 100,000/- to 175,000/- per perch	387.53	-
31 March 2024	Contractors Method	Rs. 848,000/- per perch	0.81	-
31 March 2024	Market based evidence	Rs.50,000/- to Rs.150,000/- per perch	299.38	218.311
31 March 2024	Contractor's method	Rs.1,250/- to Rs.7,500/- per sqft	802.41	559.398
31 March 2021	Market based evidence	Rs. 100,000/- to Rs. 1000,000/- per acre	22.873	4.809
31 March 2021	Market based evidence	Rs. 1,000,000/- per acre	1.137	0.5
31 March 2021	Depreciated Cost method	Rs. 150/- to Rs. 2,500/- per sq.ft	9.075	5.157
31 March 2021	Market based evidence	Rs. 100,000/- to Rs. 2,600,000/- per acre	40.68	17.05
31 March 2021	Market based evidence	Rs. 100,000/- to Rs. 3,500,000/- per acre	29.08	12.931
31 March 2021	Depreciated cost method	Rs. 275/- to Rs. 2,500/- per sq.ft	33.496	13.557

No.	Company	Location	Extent	Valuer
10	Biscuits and Chocolate Company Limited	Kiriwaththuduwa Estate, Moonamalwatta Road, Kiriwaththuduwa, Homagama	33A-2R-26.0P	Mr. A.A.M. Fathihu
11	CP Holding (Pvt) Ltd	Akuressa	105A 2R 14.94P	Mr. A.A.M. Fathihu

Significant increases/ (decrease) in estimated price per perch/ price per square foot in isolation would result in a significantly higher/ (lower) fair value.

* A reassessment of the fair valuation was obtained from the same independent professional valuer who determined that there would have been no substantial material change in the fair value between the last revaluation date and reporting date."

1. **Market Based Evidence:** This valuation approach utilizes recent transaction prices of comparable assets in the open market to determine the value of the subject asset. Adjustments are made for differences in location, condition, and other relevant factors to ensure comparability. This method reflects current market conditions and provides a reliable benchmark for asset valuation. It is particularly suitable for assets with an active and transparent market.
2. **Contractor's Method / Contractor's Basis Method:** This approach estimates the value of an asset based on the total cost a contractor would incur to reproduce or replace the asset, including materials, labour, overhead, and profit margin. It considers contemporary construction costs and adjusts for any necessary entrepreneurial profit. This method is effective for valuing specialized or unique assets where market comparables are unavailable. It provides a detailed and cost based perspective on asset value.
3. **Depreciated Replacement Cost:** This method calculates the current cost to replace an asset with a similar new one and then subtracts depreciation to account for physical deterioration, functional obsolescence, and economic factors. It offers a realistic assessment by considering the asset's remaining useful life and current condition. This approach is widely used for fixed assets such as buildings and industrial equipment. It ensures the valuation reflects both the cost of replacement and the asset's depreciated state.
4. **Income Approach:** This valuation technique determines an asset's value based on the present value of future economic benefits it is expected to generate. It involves projecting future cash flows and discounting them to their present value using an appropriate discount rate that reflects the risk associated with those cash flows. This method is commonly applied to income-producing properties and businesses. It provides an intrinsic valuation by focusing on the asset's potential to generate future revenue.

3.12 The useful lives of the assets are estimated as follows ;

	2024	2023
Building on Freehold Land and Roadway	25,40 & 50	25,40 & 50
Plant and Machinery, Other Equipment	5-20	5-20
Water Supply and Electricity Distribution Scheme	5-25	5-25
Tools, Implements and Furniture and Fittings, Lab Equipment	2,4,5,&10	2,4,5,&10
Transport and Communication Equipment	4-12	4-12
Motor Vehicles	5	5
Computer Hardware and Software	8,4	8,4
Communication Equipment, Sundry Equipment, Factory Equipment	10-50	10-50
Construction Equipment	20	20

Valuation Date	Valuation Details	Significant unobservable input : price per perch/ acre/range and rate per sq.ft.	Fair Value measurement using significant unobservable inputs (Level 3) Rs. Mn	Fair value as per previous revaluation year Rs. Mn
31 March 2022	Market based evidence	Price per perch - Rs. 100,000/-	539Mn	403.92Mn
31 March 2024	Market based evidence	Rs 200,000 - Rs 2,000,000	130.63Mn	130.63Mn

3.13 The carrying amount of revalued assets of the Company would have been included in the Financial Statement had the assets been carried at cost less depreciation as follows;

	Company			
	Cost	Accumulated Depreciation	Net Carrying Amount	Net Carrying Amount
	2024	2024	2024	2023
	Rs.	Rs.	Rs.	Rs.
Freehold Land	996,524,025	-	996,524,025	902,075,558
Freehold Building	2,404,442,372	1,021,280,361	1,383,162,011	1,515,740,479
	3,400,966,397	1,021,280,361	2,379,686,036	2,417,816,037

	Group			
	Cost	Accumulated Depreciation	Net Carrying Amount	Net Carrying Amount
	2024	2024	2024	2023
	Rs.	Rs.	Rs.	Rs.
Freehold land and Clay Mining Land	3,841,237,311	4,354,000	3,836,883,311	3,767,493,355
Freehold Building	6,340,158,967	2,037,756,318	4,302,402,648	4,253,618,217
	10,181,396,278	2,042,110,318	8,139,285,959	8,021,111,572

04. INVESTMENT PROPERTY

	Group	
	2024 Rs.	2023 Rs.
At the beginning of the year	2,069,663,100	2,045,053,010
Additions	-	2,337,894
Change in Fair Value	65,789,600	22,272,196
At the end of the year	2,135,452,700	2,069,663,100

4.1 Fair value of investment property

Company	Location	Extent	No. of Buildings
Lanka Ceramics PLC	No 696,696 1/1,696 2/1,696 3/1,696 4/1, Kolupitiya Road, Colombo 03.	1R - 1.12 P	01
	No 696,696 1/1,696 2/1,696 3/1,696 4/1, Kolupitiya Road, Colombo 03.	27,712 Sq.ft	
	No 696,696 1/1,696 2/1,696 3/1,696 4/1, Kolupitiya Road, Colombo 03.	1R - 1.12 P	
	No 696,696 1/1,696 2/1,696 3/1,696 4/1, Kolupitiya Road, Colombo 03.	27,712 Sq.ft	01
LWL Development Limited	Agalagedara Village, Divulapitiya, Gampha	48A-03R-17.9P	
	Waradala Village, Divulapitiya, Gampha	4A-01R-15.9P	
	Agalagedara Village, Divulapitiya, Gampha	00A-00R-45 P	
	Agalagedara Village, Divulapitiya, Gampha	00A-00R-6.90 P	
	Agalagedara Village, Divulapitiya, Gampha	48A-03R-17.9P	
	Waradala Village, Divulapitiya, Gampha	4A-01R-15.9P	
	Agalagedara Village, Divulapitiya, Gampha	00A-00R-45 P	
	Agalagedara Village, Divulapitiya, Gampha	00A-00R-6.90 P	
Beyond Paradise Collection Limited	Agalagedara Village, Divulapitiya, Gampha	48A-03R-17.9P	
	House	981.sq.ft	01
	Agalagedara Village, Divulapitiya, Gampha	48A-03R-17.9P	
	House	981.sq.ft	01
CP Holding (Pvt) Ltd	Paraduwa Estate - Akuressa	190A 2R 7.86P	
	Paraduwa Estate - Akuressa	190A 2R 7.86P	

Significant increases/ (decrease) in estimated price per perch/ price per square foot in isolation would result in a significantly higher/(lower) fair value.

4.2 Rental Income earned from Investment Property by the Group amounted Rs. 37.86Mn (2023 - Rs. 37.31 Mn). Direct operating expenses incurred by the Group amounted to Rs. 3.91Mn (2023 - Rs. 1.75 Mn).

4.3 Rental income receivable under the operating lease agreement of investment property as follows;

	Less than 1 year Rs.	1 -2 year Rs.	2 - 3 year Rs.	3 - 4 year Rs.	4 - 5 year Rs.	Over 5 Years Rs.
2023-2024	74,216,400.00	74,216,400.00	74,304,720.00	74,393,040.00	74,393,040.00	-
2022-2023	37,306,800.00	-	-	-	-	-

	Valuation Date	Valuer	Valuation Details	Significant unobservable input : price per perch/ acre/range	Significant unobservable inputs (Level 3) Rs.000's
	31 March 2024	Mr. A.A.M. Fathihu	Market based evidence	Rs. 23,000,000/- per perch	945,760
	31 March 2024	Mr. A.A.M. Fathihu	Depreciated replacement cost	Rs. 13,500/- 'Rs. 9,000/- per sq.ft	98,144
	31 March 2023	Mr. A.A.M. Fathihu	Market based evidence	Rs. 21,875,000/- per perch	899,500
	31 March 2023	Mr. A.A.M. Fathihu	Depreciated replacement cost	Rs. 8,500/- Rs. 13,000/- per sq.ft	99,760
	31 March 2024	FRT Valuation Services (Pvt) Ltd	Market based evidence	Rs. 8,000,000/- per acre	390,900
	31 March 2024	FRT Valuation Services (Pvt) Ltd	Market based evidence	Rs. 5,000,000/- per acre	21,800
	31 March 2024	FRT Valuation Services (Pvt) Ltd	Market based evidence	Rs.130,000/- per perch	5,850
	31 March 2023	FRT Valuation Services (Pvt) Ltd	Market based evidence	Rs. 80,000/- per perch	552
	31 March 2023	FRT Valuation Services (Pvt) Ltd	Market based evidence	Rs. 8,000,000/- per acre	390,900
	31 March 2023	FRT Valuation Services (Pvt) Ltd	Market based evidence	Rs.5,000,000/- per acre	21,800
	31 March 2023	FRT Valuation Services (Pvt) Ltd	Market based evidence	Rs.125,000/- per perch	5,850
	31 March 2023	FRT Valuation Services (Pvt) Ltd	Market based evidence	Rs. 70,000/- per perch	552
	31 March 2024	FRT Valuation Services (Pvt) Ltd	Market based evidence	Rs. 8,000,000/- per acre	390,895
	31 March 2024	FRT Valuation Services (Pvt) Ltd	Market based evidence	Rs. 5,800/- per sq.ft	5,690
	31 March 2023	FRT Valuation Services (Pvt) Ltd	Market based evidence	Rs. 8,000,000/- per acre	390,895
	31 March 2023	FRT Valuation Services (Pvt) Ltd	Market based evidence	Rs. 4,000/- per sq.ft	5,690
	31 March 2024	Mr. A.A.M. Fathihu	Market based evidence	Rs. 50,000 - Rs 2,650,000- per perch	275,861
	31 March 2023	Mr. A.A.M. Fathihu	Market based evidence	Rs. 50,000 - Rs 2,500,000- per perch	254,715

05. INVESTMENTS IN SUBSIDIARIES**5.1 Quoted and Non-Quoted**

	Holding		Country of incorporation	Cost	
	2024 %	2023 %		2024 Rs.	2023 Rs.
Non-Quoted					
Royal Ceramics Distributors (Pvt) Limited	100	100	Sri Lanka	500,000	500,000
Rocell Bathware Limited	100	100	Sri Lanka	1,529,999,950	1,529,999,950
Ever Paint and Chemical Industries (Pvt) Ltd	100	100	Sri Lanka	270,400,000	270,400,000
Biscuits and Chocolate Company Limited	69.11	69.11	Sri Lanka	258,564,256	258,564,256
Rocell (PTY) Ltd	-	100	Australia	-	282,791,228
Nilano Garments (Pvt) Ltd	100	100	Sri Lanka	60,000,000	60,000,000
Rocell Properties (Pvt) Ltd	100	100	Sri Lanka	56,666,670	56,666,670
Swisstek Aluminium Limited	7.60	7.60	Sri Lanka	106,344,740	106,344,740
Quoted					
Lanka Ceramics PLC	73.56	73.56	Sri Lanka	551,039,307	551,039,307
Lanka Tiles PLC	2.61	2.61	Sri Lanka	125,032,515	125,032,515
Lanka Walltile PLC	54.55	54.55	Sri Lanka	3,924,004,105	3,924,004,105
Swisstek Ceylon PLC	6.88	6.88	Sri Lanka	127,065,816	127,065,816
Total Quoted & Non-Quoted Investments in Subsidiaries				7,009,617,359	7,292,408,587
Total Gross Carrying Value of Investments				7,009,617,359	7,292,408,587
Impairment made				(270,900,000)	(553,691,228)
Total Net Carrying Value of Investments				6,738,717,359	6,738,717,359

5.2 Impairment of Investments in Subsidiaries**Ever Paint and Chemical Industries (Pvt) Ltd**

In view of the negative net asset position resulting from the continuing losses and with the classification as a discontinued operation, the Company has made a full provision for impairment of the investment in Ever Paint and Chemical Industries (Pvt) Ltd in 2017. The said loss has been eliminated in the consolidated financial statements.

06. INVESTMENTS IN ASSOCIATES**6.1 Company**

	Holding Percentage		Cost	
	2024 %	2023 %	2024 Rs.	2023 Rs.
Quoted Investments				
L. B. Finance PLC	26.08	26.08	2,499,577,145	2,499,577,145
Non-quoted Investments				
Delmege Limited	21.00	21.00	988,586,453	988,586,453
			3,488,163,598	3,488,163,598

6.2 Group

	Holding		Carrying Value	
	2024 %	2023 %	2024 Rs.	2023 Rs.
Quoted Investments				
L. B. Finance PLC	26.08	26.08	13,343,027,180	11,728,782,012
Non-quoted Investments				
Delmege Limited	21.00	21.00	1,792,957,306	1,620,992,779
			15,135,984,486	13,349,774,791

Market value of L B Finance PLC as at 31 March 2024 is Rs. 9,074,155,878/- (2023- Rs. 7,947,111,040/-)

6.3 Movement in Investments in Associates

	L. B. Finance PLC		Delmege Limited		Total	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
As at the beginning of the year	11,728,782,012	10,400,543,248	1,620,992,779	1,378,454,835	13,349,774,791	11,778,998,083
Share of results of associates	2,533,389,242	1,625,914,059	173,263,741	81,718,062	2,706,652,983	1,707,632,121
Dividends	(890,437,669)	(288,985,872)	-	-	(890,437,669)	(288,985,872)
Share of Other Comprehensive Income	(28,706,405)	(8,689,423)	(1,299,214)	160,819,882	(30,005,619)	152,130,459
At the end of the year	13,343,027,180	11,728,782,012	1,792,957,306	1,620,992,779	15,135,984,486	13,349,774,791

07. INTANGIBLE ASSETS**Summary**

	Company		Group	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Goodwill (Note 7.1)	-	-	1,123,694,130	1,025,346,492
Software (Note 7.2)	101,212,366	128,379,118	250,844,366	281,061,118
	101,212,366	128,379,118	1,374,538,496	1,306,407,610

7.1 Goodwill

	Group	
	2024 Rs.	2023 Rs.
Balance at the beginning of the year	1,025,346,492	1,030,295,492
Goodwill arising on acquisition	98,347,638	-
De-recognition on disposal of subsidiaries	-	(4,949,000)
Balance at the end of the year	1,123,694,130	1,025,346,492

Carrying value of Goodwill acquired through business combination as at the reporting date is relevant to Tile & Associated products.

The recoverable amounts of all cash generating units have been determined based on the fair value, less cost to sell or the value in use (VIU) calculation.

The key assumptions used to determine the recoverable amount for the different cash generating units, are as follows;

Gross margins

The basis used to determine the value assigned to the budgeted gross margins is the gross margins achieved in the year preceding the budgeted year adjusted for projected market conditions. Gross margins used for the cash flow projection is 30%.

Discount rates

The discount rate used is the risk free rate, adjusted by the addition of an appropriate risk premium. The pre-tax discount rate applied to cash flow projections is 14.58%. (2023 - 17.73%)

Inflation

The basis used to determine the value assigned to the budgeted cost inflation, is the inflation rate, based on projected economic conditions.

Growth Rate

The Management has estimated 8% average annual revenue growth rate within the five-year period. Further 2% terminal growth rate in the cash flow beyond the five-year period is estimated.

7.2 Software

	Company		Group	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Balance at the beginning of the year	128,379,118	116,253,613	281,061,118	149,455,613
Incurred during the year	2,000,000	33,086,270	17,007,000	163,320,405
Amount amortised during the year	(29,166,752)	(20,960,765)	(47,223,752)	(31,714,900)
Balance at the end of the year	101,212,366	128,379,118	250,844,366	281,061,118

08. LEASES**08.1 Right of Use Assets/ Lease Liabilities- Company**

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Building Rs.
Right of Use Asset	
As at 01 April 2023	946,300,551
Additions	122,476,492
Adjustments for changes of Lease Terms and Termination	(25,196,256)
Depreciation expense	(176,783,647)
As at 31 March 2024	866,797,140
Lease Liability	
As at 1 April 2023	1,122,023,550
Additions	80,625,024
Adjustments for changes of Lease Terms and Termination	(25,196,256)
Interest Expense	161,275,289
Less: Payments	(272,573,689)
As at 31 March 2024	1,066,153,918
As at 31 March 2024	
Payable within one year	159,715,200
Payable after one year	906,438,718
Total	1,066,153,918
As at 31 March 2023	
Payable within one year	135,031,729
Payable after one year	986,991,821
Total	1,122,023,550

08.2 Right of Use Assets/ Lease Liabilities- Group

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Land Rs.	Building Rs.	Total Rs.
Right of Use Asset			
As at 01 April 2023	88,057,270	1,024,463,147	1,112,520,417
Additions	-	342,759,729	342,759,729
Adjustments for changes of Lease Terms and Termination	-	(25,196,256)	(25,196,256)
Depreciation expense	(6,094,469)	(269,645,136)	(275,739,605)
As at 31 March 2024	81,962,801	1,072,381,484	1,154,344,285

Lease Liability			
As at 1 April 2023	102,410,305	1,231,870,852	1,334,281,157
Additions	-	275,222,312	275,222,312
Adjustments for changes of Lease Terms and Termination	-	(25,194,791)	(25,194,791)
Interest Expense	11,817,306	195,421,206	207,238,511
Less: Payments	(9,356,367)	(386,873,714)	(396,230,081)
As at 31 March 2024	104,871,244	1,290,445,866	1,395,317,110

As at 31 March 2024		
Payable within one year		281,390,329
Payable after one year		1,113,926,781
Total		1,395,317,110

As at 31 March 2023		
Payable within one year		187,209,216
Payable after one year		1,147,071,941
Total		1,334,281,157

Useful live of Right of Use Lease Asset are estimated at the range of 3 - 36 years

The following are the amounts recognised in profit or loss:

	Company		Group	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Depreciation expense of right-of-use assets	176,783,647	174,675,424	275,738,637	277,952,405
Interest expense on lease liabilities	161,275,289	151,998,754	207,243,550	185,157,619
Expense relating to short-term leases (included in cost of sales)	2,617,835	2,884,489	61,107,760	67,417,213
Expense relating to short-term leases (included in distribution expenses)	15,105,016	13,157,085	19,235,296	17,287,365
Total amount recognised in profit or loss	355,781,786	342,715,752	563,325,243	547,814,602

Cash Outflows from short term leases and leases with low values for the year ended 31 March 2024 for the Company and for the Group are Rs. 17,722,851/- and Rs.80,343,056/-respectively.

9. INVENTORIES

	Company		Group	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Raw Materials	1,136,280,337	1,767,247,972	8,755,693,938	8,559,352,449
Spares & Consumables	1,678,020,120	1,657,148,044	3,793,701,835	4,770,131,386
Accessories	-	-	786,350,906	539,219,168
Work in Progress	103,425,793	144,004,835	1,293,472,558	2,063,096,009
Finished Goods	4,461,176,395	2,627,600,168	15,165,507,237	9,899,373,137
Goods in Transit	3,776,921	36,292,711	48,246,979	141,641,187
Other Consumables	29,264,955	23,457,325	29,264,955	33,632,304
	7,411,944,521	6,255,751,055	29,872,238,408	26,006,445,640
Less : Provision for Obsolete & Slow Moving Stock (note 9.1)	(232,924,827)	(239,571,154)	(1,182,639,938)	(945,327,165)
	7,179,019,694	6,016,179,901	28,689,598,470	25,061,118,475

9.1 Provision for Obsolete & Slow Moving Stock

	Company		Group	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
At the beginning of the year	239,571,154	167,200,945	945,327,165	750,461,909
Provisions made during the year	(6,646,327)	72,370,209	237,312,773	204,586,256
De-recognition on disposal of subsidiaries	-	-	-	(9,721,000)
At the end of the year	232,924,827	239,571,154	1,182,639,938	945,327,165

10. TRADE AND OTHER RECEIVABLES**10.1 Company**

	Company	
	2024 Rs.	2023 Rs.
Trade debtors - Other	509,690,843	653,409,803
- Related Parties (note 10.1.1)	15,235,093	1,935,920
Trade Debtors	524,925,936	655,345,723
Provision for Bad and Doubtful Debts (note 10.1.2)	(53,806,015)	(54,203,595)
	471,119,921	601,142,128
Other Receivables - Other	242,871,957	149,044,346
	713,991,878	750,186,474

10.1.1 Trade Debtors includes following related party receivables,

	Relationship	Company	
		2024 Rs.	2023 Rs.
Greener Water Limited	Affiliate	8,279,369	-
Dipped Products PLC	Affiliate	124,963	-
Hayleys PLC	Affiliate	-	708,964
Haycarb PLC	Affiliate	-	845,093
Kelani Valley Plantations PLC	Affiliate	51,609	-
LB Finance PLC	Associate	6,779,152	381,863
		15,235,093	1,935,920

10.1.2 Allowances for Doubtful Debts

	Company	
	2024 Rs.	2023 Rs.
Balance at the beginning of the year	54,203,595	52,310,769
Amount provided/(reversal) during the year	(397,580)	1,892,826
Balance at the end of the year	53,806,015	54,203,595

10.1.3 Amount due from Related Parties

	Relationship	Company	
		2024 Rs.	2023 Rs.
Royal Ceramics Distributors (Pvt) Ltd	Subsidiary	2,318,155	2,318,155
Rocell Bathware Ltd	Subsidiary	1,896,437,106	1,859,916,199
Rocell Properties Ltd Limited	Subsidiary	732,745	615,278
Biscuits and Chocolate Company Limited	Subsidiary	27,842,421	-
Lanka Tiles PLC	Subsidiary	12,781,363	12,990,917
Lanka Wall Tiles PLC	Subsidiary	8,766,169	4,027,369
Ever Paint and Chemical Industries (Pvt) Ltd	Subsidiary	36,106,658	33,725,617
Swisstek Ceylon PLC	Subsidiary	14,775	14,775
Unidil Packaging Limited	Subsidiary	493,118	493,116
		1,985,492,511	1,914,101,426
Impairment Provision		(2,318,155)	(2,318,155)
		1,983,174,356	1,911,783,271

10.1.4 Trade receivables are non interest bearing and on 30 to 45 days credit terms. As at 31 March, the ageing analysis of trade receivables is as follows:

	Total Rs.	Neither past due nor Impaired Rs.	Past due but not impaired			Impaired Rs.	Provision for Impairment Rs.
			Less Than 3 Month	3 to 12 Month	More Than One Year Rs.		
Trade debtors							
2024	471,119,921	227,611,306	216,428,001	28,331,264	52,555,365	-	(53,806,015)
2023	601,142,128	337,767,479	217,064,946	50,240,842	50,363,456	-	(54,203,595)

10.2 Group

	2024 Rs.	2023 Rs.
Trade Debtors - Others	5,288,376,939	5,973,693,383
- Related Parties (note 10.2.1)	16,055,565	820,472
Trade Debtors	5,304,432,504	5,974,513,855
Provision for Bad and Doubtful Debts (note 10.1.2)	(229,799,418)	(212,312,545)
	5,074,633,086	5,762,201,310
Loans to Company officers	12,613,000	8,255,707
Other Receivables -Others	648,833,583	656,872,426
	5,736,079,669	6,427,329,443

10.2.1 Trade Debtors includes following related party receivables,

	Relationship	Group	
		2024 Rs.	2023 Rs.
The Kingsbury PLC	Affiliate	66,660	66,660
Greener Water Limited	Affiliate	8,486,155	206,786
Fentons Ltd.	Affiliate	294,200	294,200
Dipped Products PLC	Affiliate	134,459	9,496
Kandyan Resorts (Pvt) Ltd	Affiliate	138,500	138,500
Hayleys Fabric PLC	Affiliate	48,530	48,530
Energynet (Pvt) Ltd	Affiliate	56,300	56,300
Kelani Valley Plantations PLC	Affiliate	51,609	-
LB Finance PLC	Associate	6,779,152	-
		16,055,565	820,472

10.2.2 Trade receivables are non interest bearing and on 30 to 45 days credit terms. As at 31 March, the ageing analysis of trade receivables is as follows:

	Total Rs.	Neither past due nor Impaired Rs.		Past due but not impaired		Impaired Rs.	Provision for Impairment Rs.
			Less Than 3 Month	3 to 12 Month	More Than One Year Rs.		
Trade debtors							
2024	5,074,633,086	2,047,342,973	2,519,270,374	508,307,034	111,948,123	117,564,000	(229,799,418)
2023	5,762,201,310	3,483,508,085	1,799,780,739	447,590,879	145,748,152	97,886,000	(212,312,545)

10.2.3 Allowances for Doubtful Debts

	2024 Rs.	2023 Rs.
Balance at the beginning of the year	212,312,545	192,152,660
Amount provided/(reversal) during the year	17,953,851	27,173,611
Amount Written off as bad debts during the year	(466,978)	(908,726)
De-recognition on disposal of subsidiaries	-	(6,105,000)
Balance at the end of the year	229,799,418	212,312,545

10.3 Contract Assets

	Group	
	2024 Rs.	2023 Rs.
As at 1st April	32,342,715	29,342,566
During the year recognised/(transferred)	(2,310,000)	3,000,149
As at 31st March	30,032,715	32,342,715

The contract assets primarily relate to Swisstek Ceylon PLC rights to consideration for work completed but not billed at the reporting date on supply of timber. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Company issues an invoice to the customer.

11. OTHER NON FINANCIAL ASSETS

	Company		Group	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Receivables - Other	10,914,275	49,643,913	21,263,920	91,033,655
Advances and Prepayments	432,856,328	611,435,213	2,702,282,316	4,115,256,111
	443,770,603	661,079,126	2,723,546,236	4,206,289,766

12 OTHER FINANCIAL ASSETS**12.1 Current - Company/Group**

Investments at Fair Value Through Profit or Loss

	No. of Shares		Company		Group	
			Fair Value			
	2024	2023	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.

Quoted

The Fortress Resorts PLC	336,100	336,100	7,730,300	7,394,200	7,730,300	7,394,200
Aitken Spence PLC	225,000	225,000	29,306,250	29,475,000	29,306,250	29,475,000
Lanka Hospitals Corporation PLC	45,519	45,519	5,280,204	5,143,647	5,280,204	5,143,647
Citrus Leisure PLC	2,768,276	2,768,276	13,841,378	18,270,622	13,841,378	18,270,622
Serendib Hotels PLC	16,000	16,000	224,000	156,800	224,000	156,800
Softlogic Finance PLC	8	8	46	62	46	62
Hikkaduwa Beach Resort PLC	583,393	583,393	2,741,947	2,975,304	2,741,947	2,975,304
			59,124,126	63,415,635	59,124,125	63,415,635

Non-Quoted

MBSL Insurance Company Ltd	4,666,667	4,666,667	8,666,667	8,666,667	8,666,667	8,666,667
Impairment	-	-	(8,666,667)	(8,666,667)	(8,666,667)	(8,666,667)
			59,124,125	63,415,635	59,124,125	63,415,635

12.2 Bank Term Deposits

	Company		Group	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Short Term Investment - FD	-	-	2,397,222	-
Deposit of Tsunami donations	-	-	4,963,000	4,454,036
	-	-	7,360,222	4,454,036

12.3 Loan

	Company		Group	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Loan Given to Royal Paint	5,347,341		5,347,341	
	5,347,341	-	5,347,341	-
Total	64,471,467	63,415,635	71,831,687	67,869,671

13. STATED CAPITAL - COMPANY/GROUP

	2024		2023	
	Number	Rs.	Number	Rs.
Balance as at 01 April	1,107,893,840	1,368,673,373	1,107,893,840	1,368,673,373
Balance as at 31 March	1,107,893,840	1,368,673,373	1,107,893,840	1,368,673,373

14. RESERVES

Summary	Company		Group	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Revaluation Reserve (Note 14.1)	2,423,466,960	2,358,007,365	5,598,874,197	4,811,363,566
Fair Value Reserve (Note 14.2)	-	-	(12,006,345)	(12,319,075)
Exchange Differences on translation of foreign operations (Note 14.3)	-	-	(17,948,859)	(3,851,924)
	2,423,466,960	2,358,007,365	5,568,918,993	4,795,192,567

14.1 Revaluation Reserve

On: Property, Plant and Equipment	Company		Group	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
As at 1 April	2,358,007,365	2,758,473,571	4,811,363,566	5,333,056,560
Revaluation of surplus during the year	93,513,708	-	1,116,974,332	164,582,428
Realised Surplus on Disposal Transferred to Retained Earnings	-	-	(839,273)	-
Tax effect on Revaluation Surplus	(28,054,113)	(400,466,206)	(328,624,428)	(686,275,422)
As at 31 March	2,423,466,960	2,358,007,365	5,598,874,197	4,811,363,566

The above revaluation surplus consists of net surplus resulting from the revaluation of property plant and equipment as described in Note 3.
The unrealised amount cannot be distributed to shareholders.

14.2 Fair Value Reserve

	Group	
	2024 Rs.	2023 Rs.
As at 1 April	(12,319,075)	(20,498,820)
Net Gains/(Losses) on Investment in Equity Instruments - Fair Value Through Other Comprehensive Income	312,730	8,179,745
As at 31 March	(12,006,345)	(12,319,075)

The fair value reserve comprises the cumulative net change in the fair value of financial assets measured at fair value through other comprehensive income until they are derecognised or impaired.

14.3 Foreign Currency Translation Reserve

	Group	
	2024 Rs.	2023 Rs.
As at 1 April	(3,851,924)	9,591,524
Transferred during the year	(14,096,935)	(13,443,448)
As at 31 March	(17,948,859)	(3,851,924)

The foreign currency translation reserve comprises of all foreign currency differences arising from the translation of the Financial Statements of foreign operations. As at the reporting date, the assets and liabilities of foreign operations were translated into the presentation currency (Sri Lankan Rupee) at the exchange rate ruling at the reporting date and the Income Statement and Comprehensive Income was translated at the average exchange rate for the period. The exchange differences arising on the translation are taken to foreign currency translation reserve through other comprehensive income.

15 INTEREST BEARING LOANS AND BORROWINGS

	Company		Group	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Non Current				
Long term loans (Note 15.1)	1,447,423,159	784,360,338	9,134,521,179	1,496,748,868
Lease Liability (Note 15.3)	906,438,718	986,991,821	1,113,926,781	1,147,071,941
	2,353,861,877	1,771,352,159	10,248,447,960	2,643,820,809
Current				
Long term loans (Note 15.1)	515,913,044	534,447,044	1,661,104,684	1,075,616,403
Lease Liability (Note 15.3)	159,715,200	135,031,729	281,390,329	187,209,216
Short term loans (Note 15.2)	3,262,692,764	1,739,792,499	9,999,967,748	12,004,913,630
Bank overdrafts (Note 20)	714,991,626	1,373,488,077	2,055,241,604	3,674,731,384
	4,653,312,635	3,782,759,349	13,997,704,366	16,942,470,633
Total	7,007,174,511	5,554,111,508	24,246,152,326	19,586,291,442

15.1 Long Term Loans

	Company		Group	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
At the beginning of the year	1,318,807,382	1,893,000,343	1,750,021,402	5,222,509,231
On acquisition of subsidiaries	-	-	822,343,869	-
Loans obtained during the year	1,177,348,365	633,332,000	9,353,384,965	1,152,985,500
De-recognition on disposal of subsidiaries	-	-	-	(1,190,814,000)
Exchange gain/loss on USD loans	-	-	(2,202,000)	22,134,153
Repayments during the year	(532,819,544)	(1,207,524,961)	(1,127,923,182)	(2,636,174,810)
At the end of the year	1,963,336,203	1,318,807,382	10,795,625,664	2,572,365,271
Payable within one year	515,913,044	534,447,044	1,661,104,685	1,075,616,403
Payable after one year	1,447,423,159	784,360,338	9,134,521,179	1,496,748,868
	1,963,336,203	1,318,807,382	10,795,625,864	2,572,365,271

15.2 Short Term Loans

	Company		Group	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
At the beginning of the year	1,739,792,499	-	12,004,913,630	5,341,276,382
Loans obtained during the year	6,882,164,354	2,139,792,499	25,433,212,554	26,265,930,609
Exchange gain/loss on USD loans	224,542	-	95,345	-
Repayments during the year	(5,359,488,631)	(400,000,000)	(27,438,253,781)	(19,602,293,361)
At the end of the year	3,262,692,764	1,739,792,499	9,999,967,748	12,004,913,630
Payable within one year	3,262,692,764	1,739,792,499	9,999,967,748	12,004,913,630

15.3 Leases

	Company		Group	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Lease Liability-Others (Note 8)	1,066,153,918	1,122,023,550	1,395,317,110	1,334,281,157
Total Lease Liability	1,066,153,918	1,122,023,550	1,395,317,110	1,334,281,157
Payable within one year	159,715,200	135,031,729	281,390,329	187,209,216
Payable after one year	906,438,718	986,991,821	1,113,926,781	1,147,071,941
Total	1,066,153,918	1,122,023,550	1,395,317,110	1,334,281,157

15.4 INTEREST BEARING LOANS AND BORROWINGS (CONTD.)**Details of the Long Term Loans;**

Lender	Approved Facility	Interest Rate	Repayment Terms	
Company : Royal Ceramics Lanka PLC				
Commercial Bank of Ceylon PLC	Rs. 3Bn	Fixed	8 years-(first 48 monthly instalment of Rs. 20Mn each and subsequent 48 monthly instalments of Rs. 42.5Mn each	
Commercial Bank of Ceylon PLC	Rs. 500Mn	Fixed	59 equal monthly instalments of Rs. 8,334,000 after a grace period of 6 months	
Commercial Bank of Ceylon PLC	Rs.100Mn	Fixed	59 equal monthly instalments of Rs. 1,666,000 and the final instalment of Rs 1,706,000	
Commercial Bank of Ceylon PLC	Rs.152Mn	Fixed	59 equal monthly instalments of Rs. 2,550,000 each and the final instalment of 1,550,000	
Commercial Bank of Ceylon PLC	Rs. 500Mn	Fixed	59 equal monthly instalments of Rs. 8,400,000 each and the final instalment of Rs. 4,400,000	
Commercial Bank of Ceylon PLC	Rs. 218.71Mn	Fixed	Payable in 22 equal monthly instalments of Rs.4,300,000.00 / 61 equal monthly instalments of Rs.2,000,000.00 each and a final instalment of Rs.2,112,360.00 together with interest.	
Commercial Bank of Ceylon PLC	Rs. 77.35Mn	AWPLR plus margin	Payable in 10 equal monthly instalments of Rs.2,262,000.00 / 51 equal monthly instalments of Rs.1,052,000.00 each and a final instalment of Rs.1,050,865.00 together with interest.	
Commercial Bank of Ceylon PLC	Rs. 400Mn	Fixed	Payable in 2 equal monthly instalments of Rs.16,666,000.00 / 56 equal monthly instalments of Rs.6,432,772.00 each and a final instalment of Rs.6,432,768.00 together with interest.	
Commercial Bank of Ceylon PLC	Rs. 600Mn	AWPLR plus margin	Payable in 56 equal monthly instalments of Rs.10,526,315.00 each and a final instalment of Rs 10,526,360.00 together with interest.	
Commercial Bank of Ceylon PLC	Rs. 1Bn	AWPLR plus margin	Payable in 59 equal monthly instalments of Rs.16,700,000.00 each and a final instalment of Rs 14,700,000.00 together with interest.	

Security	Security Amount	Balance As At 31st March 2024 Rs. Mn	Balance As At 31st March 2023 Rs.Mn
Tripartite agreement with Company/custodian Company and bank over a portfolio of 29,710,800 shares of Lanka Walltiles PLC and 2,009,036 shares of Lanka Ceramic PLC and 7,545,422 shares of LB Finance PLC	Rs. 3,000Mn	-	85
Primary mortgage bond no FCC/18/007 DATED 25/06/2019 for Rs 500Mn over SACMI machine and other related machinery	Rs. 500Mn	-	24.96
Tertiary Mortgage bond no 3420 dated 12/10/2017 executed over Land and Building at No. 20, R.A De Mel Mawatha, Colombo 03. Rs 100Mn	Rs. 100Mn	-	1.71
Primary Mortgage Bond 3180 31/03/2006 for Rs 50Mn over the property at Baddegedaramulla, Meegoda and secondary mortgage Bond no 346 dated 02/11/2016 and Primary mortgage bond No 3097 dated 07/12/2005 for Rs 62.5Mn over the property at No 101, Nawala Rd ,Nugegoda/ Secondary mortgage bond No 3912 dated 10/12/2008 for Rs 25 Mn, No 101 , Nawala Rd, Nugegoda/ Primary mortgage bond no 3096 dated 07/12/2005 for Rs 24.5Mn over the property at No 472, Highlevel Rd, Makumbura, Pannipitiya/ Primary mortgage bond No 3823 dated 2/10/2013 for Rs 300Mn over the property at No 20, R.A De Mel Mawatha, Colombo 03. .	Rs. 152Mn	-	21.95
Primary Mortgage Bond 3180 31/03/2006 fr Rs 50Mn over the property at Baddegedaramulla, Meegoda and Secondary mortgage Bond no 346 dated 02/11/2016 and Primary mortgage bond No 3097 dated 07/12/2005 for Rs 62.5Mn over the property at No 101, Nawala Rd ,Nugegoda/ Secondary mortgage bond No 3912 dated 10/12/2008 for Rs 25 Mn, No 101 , Nawala Rd, Nugegoda/ Primary mortgage bond no 3096 dated 07/12/2005 for Rs 24.5Mn over the property at No 472, Highlevel Rd, Makumbura, Pannipitiya/ Primary mortgage bond No 3823 dated 2/10/2013 for Rs 300Mn over the property at No 20, R.A De Mel Mawatha, Colombo 03.	Rs. 500Mn	-	70
Primary Mortgage bond for Rs. 359Mn over solar panels and related equipment installed on the roofs of Royal Ceramics Lanka factories at Horana and Eheliyagoda."	Rs. 218.71Mn	102.11	128.41
Primary Mortgage bond for Rs. 359Mn over solar panels and related equipment installed on the roofs of Royal Ceramics Lanka factories at Horana and Eheliyagoda."	Rs. 77.35 Mn	53.68	-
General terms and conditions relating to term loan facility for Rs. 400Mn dated 30/12/2021 signed by the Company.	Rs. 400Mn	244.45	321.63
General terms and conditions relating to term loan facility for Rs. 600Mn dated 01.11.2022 signed by the company.	Rs. 600Mn	421.05	547.36
Leeway available in mortgage bonds of following properties; no.3180 dated 31/03/2006 for Rs.50Mn over the property at Baddegedaramulla, Meegoda and Secondary mortgage bond no.346 dated 02/11/2016, Primary mortgage bond no.3097 dated 07/12/2005 for Rs.62.5Mn over the property at no.101, Nawala Rd, Nugegoda and Secondary mortgage bond no.3912 dated 10/12/2008 for Rs. 25 Mn, Primary mortgage bond no.3096 dated 07/12/2005 for Rs. 24.5Mn over the property at no.472, Highlevel Rd, Makumbura, Pannipitiya, Primary mortgage bond no.3823 dated 2/10/2013 for Rs.300Mn over the property at no.20, R A De Mel Mawatha, Colombo 03 and Secondary mortgage bond no.266 dated 3/11/2016 for Rs.110Mn and Tertiary mortgage bond no.3420 dated 12/10/2017 for Rs.100Mn, Primary mortgage bond no.1250 dated 12/11/2017 for Rs.150Mn over the property at no.106, Galle Road, Dehiwala, Primary mortgage bond no.1945 dated 12/11/2013 for Rs.200Mn over factory stores at Highlevel Road, Baddegedaramulla.	Rs. 1,000Mn	1,000.00	-

Lender	Approved Facility	Interest Rate	Repayment Terms	
Commercial Bank of Ceylon PLC	Rs. 100Mn	AWPLR plus margin	Payable in 35 equal monthly instalments of Rs.2,777,000.00 each and a final instalment of Rs.2,805,000.00 together with interest.	
Hatton National Bank PLC	Rs. 175Mn	Fixed	Payable in 59 equal monthly instalments of Rs.2,900,000.00 each and a final instalment of Rs.3,900,000.00 together with interest.	
Hatton National Bank PLC	Rs. 90Mn	Fixed	Payable in 60 equal monthly instalments of Rs.1,500,000.00 each together with interest.	
Hatton National Bank PLC	Rs. 100Mn	Fixed	Payable in 59 equal monthly instalments of Rs.1,660,000.00 each and a final instalment of Rs.2,060,000.00 together with interest.	
Hatton National Bank PLC	Rs. 45Mn	Fixed	Payable in 60 equal monthly instalments of Rs.750,000.00 each together with interest.	
Company : Rocell Bathware Limited				
Commercial Bank of Ceylon PLC	Rs. 106.11Mn	Fixed	Payable in 21 equal monthly instalments of Rs.1,650,000.00 / 62 equal monthly instalments of Rs.1,134,000.00 each and a final instalment of Rs.1,152,600.00 together with interest.	
Commercial Bank of Ceylon PLC	Rs. 20.69Mn	Fixed	Payable in 1 instalment of Rs.3,333,000.00 / 58 equal monthly instalments of Rs.294,220.00 each and a final instalment of Rs.294,240.00 together with interest.	
Commercial Bank of Ceylon PLC	Rs. 84Mn	AWPLR plus margin	Payable in 15 equal monthly instalments of Rs. 3,039,118.00 / 43 equal monthly instalments of Rs. 873,000.00 each and a final instalment of Rs. 876,730.00 together with interest.	
Commercial Bank of Ceylon PLC	Rs. 24.13Mn	AWPLR plus margin	Payable in 10 equal monthly instalments of Rs.506,000.00 / 52 equal monthly instalments of Rs.359,700.00 each and a final instalment of Rs.361,000.00 together with interest.	

Security	Security Amount	Balance As At 31st March 2024 Rs. Mn	Balance As At 31st March 2023 Rs. Mn
Floating Primary mortgage bond for Rs.100Mn to be executed over the property bearing assessment no.98, 98 1/1, 98 2/1 and 98 B1, Nawala Road, Nugegoda. General terms & conditions relating to term loan facility for Rs.100Mn signed by the company.	Rs. 100Mn	100	-
Negative pledge over machinery for Rs.175Mn	Rs. 175Mn	21.3	56.1
Negative Pledge over machinery for Rs.90Mn	Rs. 90Mn	-	12
Negative Pledge over heat recovery system for Rs.100Mn	Rs. 100Mn	17	36.92
Negative Pledge over machinery for Rs.45Mn	Rs. 45Mn	3.75	12.75
		1,963.34	1,318.79
Primary Mortgage bond no.FCC/23/02 dated 08/03/2023 for Rs. 138Mn over solar panels and related equipment installed on the roof of Rocell Bathware factory at Panagoda. General terms & conditions relating to term loan facility for Rs. 138Mn dated 04/01/2021 signed by the company.	Rs. 138Mn	58.99	73.11
General terms & conditions relating to the term loan for Rs. 200Mn dated 07/01/2022 signed by the Company.	Rs. 200Mn	11.77	15.3
General terms & conditions relating to the term loan for Rs. 179,308,000 dated 02/11/2022 signed by the company.	Rs 179.30Mn	37.54	71.85
Primary Mortgage bond no.FCC/23/02 dated 08/03/2023 for Rs. 138Mn over solar panels and related equipment installed on the roof of Rocell Bathware factory at Panagoda. General terms & conditions relating to term facility for Rs. 31,889,400.0 dated 24/07/2023 signed by the company.	Rs. 138Mn	18.71	-
		127.01	160.26

15.4 INTEREST BEARING LOANS AND BORROWINGS (CONTD.)

Financial Institution	Repayment terms	Principal Rs. Mn	Interest rate per annum
Lanka Walltiles PLC			
Commercial Bank of Ceylon PLC	72 monthly instalments (12 month Grace period)	3,500	AWPLR
Commercial Bank of Ceylon PLC	72 monthly instalments (12 month Grace period)	800	AWPLR+0.4%
Company Total - Lanka Walltiles PLC			
Lanka Tiles PLC			
DFCC Bank PLC	72 monthly instalments (12 month Grace period)	1,500	AWPLR+0.75%
Company Total - Lanka Tiles PLC			
Uni-Dil Packaging Limited			
Standard Chartered Bank	US \$ 114,079 Quarterly instalments	USD 500000	LIBOR+3.25%
Commercial Bank of Ceylon PLC	54 monthly instalments	71	7.75%(fixed)
Hatton National Bank PLC		60	AWPLR+0.5%
Peoples Bank		100	
Company Total - Uni-Dil Packaging Limited			
Uni-Dil Packaging Solution Limited			
Commercial Bank of Ceylon PLC	54 monthly instalments	18	7.75%(fixed)
Peoples Bank		100	
Company Total - Uni-Dil Packaging Solution Limited			
Swisstek (Ceylon) PLC			
DFCC Bank PLC	60 monthly instalments	110	AWPLR+1.25%
Company Total - Swisstek (Ceylon) PLC			
Swisstek Aluminium Limited			
DFCC Bank PLC	60 monthly instalments, After a 24 months grace period.	500	AWPR+1.4%
Commercial Bank	60 monthly instalments, After a 6 months grace period.	157	AWPR+1.4%
DFCC Bank PLC	12 M Grace period , 0% - for the first 06 month,start int from Dec-23	2,000	AWPLR+ 1%
DFCC Bank PLC	48 instalments , 03 M grace period	75	Fixed Rate 10%
DFCC Bank PLC	48 instalments	26	
Seylan Bank PLC	48 instalments with 6M grace period,	1,065	AWPLR+ 1%
Nations Trust Bank PLC	36 instalments	489	AWPLR
Company Total - Swisstek Aluminium Limited			
Lanka Ceramic PLC			
Hatton National Bank PLC	60 Monthly instalments (Restructured)	500	AWPLR plus margin

Security	Balance as at 31st March 2024 Rs.Mn	Balance as at 31st March 2023 Rs.Mn
"KAHATAGAHAHENA" land, and the plants and machinery located thereon are mortgaged	3,500	-
"KAHATAGAHAHENA" land, and the plants and machinery located thereon are mortgaged	787	-
	4,287	-
A primary mortgage over land, buildings and plant and machinery located at Ranala amounting to Rs.1500 Mn	418	667
	418	667
Mortgage bond for USD 500,00 over Movable Machinery	13	68
Solar System & related equipment	39	55
Clean	7	27
	78	-
	137	150
Solar System & related equipment	11	14
	78	-
	89	14
Mortgage over Land, Building, Plant & Machinery , Stocks and Book debts owned by Swisstek Aluminium Ltd.	17	46
	17	46
Mortgage over land, building, plant & machinery	-	50
Mortgage over Solar Panel Equipment	102	133
Mortgage Bond for Rs. 1,500 Mn over stock and Debtors with an insurance policy over stocks assigned in favour of the Bank.	2,000	-
	75	-
Mortgage Bond for Rs. 1,500 Mn over stock and Debtors with an insurance policy over stocks assigned in favour of the Bank.	23	-
Mortgage Bond for Rs.660 over stock & debtors	1,065	-
Primary Mortgage Bond over stocks and Book Debts of SAL for Rs. 600 MN.	485	-
	3,750	183
Mortgage for Rs, 500 Mn over investment property of land and building at No 696,696 1/1,696 2/1,696 3/1,696 4/1, Kolupitiya Road, Colombo 03 (1R - 1.12 P).	9	33
	9	33
	10,786	2,572

16 RETIREMENT BENEFIT OBLIGATIONS

	Company		Group	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
At the beginning of the year	614,298,949	515,091,650	1,184,427,431	1,524,411,158
Interest cost	110,573,811	77,263,748	207,300,941	223,706,466
Current service cost	48,127,857	46,375,378	92,036,382	119,211,778
Benefits Paid	(21,571,588)	(20,738,837)	(152,252,222)	(221,024,529)
Actuarial (gain)/loss	(35,359,269)	(3,692,990)	145,107,209	43,870,558
De-recognition on disposal of subsidiaries				(505,748,000)
At the end of the year	716,069,760	614,298,949	1,476,619,741	1,184,427,431

* The Retirement Benefit Plan was amended due to the increase in retirement age enacted by the Minimum Retirement Age of Workers Act No. 28 of 2021.

16.1 Maturity Profile of the Retirement benefit obligation

	Company		Group	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Future Working Life Time				
Within the next 12 months	89,743,008	81,326,083	180,739,352	150,292,744
Between 1-2 Years	151,364,943	61,884,412	236,958,996	206,449,707
Between 2-5 Years	176,376,045	187,493,080	335,289,476	279,195,676
Over 5 Years	298,585,763	283,595,374	723,631,917	548,489,304
Total	716,069,760	614,298,949	1,476,619,741	1,184,427,431

16.2 Sensitivity Analysis

In order to illustrate the significance of the salary escalation rates and discount rates assumed in these valuations a sensitivity analysis for all employees of Royal Ceramics Lanka PLC and its subsidiaries is carried out as follows;

	Company	Group
	Rs.	Rs.
Discount Rate as at 31 March 2024		
Effect on DBO due to decrease in the discount rate by 1%	41,754,802	250,937,688
Effect on DBO due to increase in the discount rate by 1%	(37,657,033)	(223,661,038)
Salary Escalation Rate as at 31 March 2024		
Effect on DBO due to decrease in salary escalation rate by 1%	(37,115,388)	(223,504,340)
Effect on DBO due to increase in salary escalation rate by 1%	40,480,913	251,060,544
Discount Rate as at 31 March 2023		
Effect on DBO due to decrease in the discount rate by 1%	33,385,552	167,504,416
Effect on DBO due to increase in the discount rate by 1%	(30,251,228)	(141,958,107)
Salary Escalation Rate as at 31 March 2023		
Effect on DBO due to decrease in salary escalation rate by 1%	(33,414,840)	(146,246,117)
Effect on DBO due to increase in salary escalation rate by 1%	36,359,070	172,857,257

The Group uses market yields (at the end of the reporting period) on treasury bonds issued by the Government of Sri Lanka (T-bonds) to determine the discount rate, as disclosed in its accounting policy (refer Note 16.3). However, due to the economic conditions prevailing in the country as at the period end, the exceptionally high T-bond market yields would not be a reasonable reflection of the time value of money. Therefore, period end T-bond market yields have been adjusted for the credit risk spread to derive the rate used to discount the defined benefit obligation. Such adjustment has been made based on the method set out in illustration 1 of the Frequently Asked Questions (FAQs) on Use of Discount Rate under the uncertain economic conditions issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka). Credit risk spread has been calculated based on Sovereign Default and Recovery Rates published by Moody's. Adjusted discount rates have been calculated for tenors available, and estimated using the yield curve for any remaining maturities and corresponds with the remaining average working life of the employees of the Group.

16.3 Principle Assumptions used for Actuarial Valuation

Royal Ceramics Lanka PLC/ Rocell Bathware Limited

Messrs. Actuarial & Management Consultants (Pvt) Ltd, Actuaries, carried out an actuarial valuation of the defined benefit plan gratuity using the Projected Unit Credit Method as at 31st March 2023 and 31 March 2024. Appropriate and compatible assumptions were used in determining the cost of retirement benefits.

The principal assumptions used are as follows:

	2024	2023
Discount rate assumed	12% p.a	18.0% p.a
Future salary increase rate- Royal Ceramics Lanka PLC	10.5% p.a	15% p.a
Future salary increase rate- Rocell Bathware Limited	12.0% p.a	15% p.a
Staff Turn Over - Royal Ceramics Lanka PLC	10% p.a	13% p.a
Staff Turn Over - Rocell Bathware Limited	12% p.a	8% p.a
Weight Average duration of retirement benefit liability (Years) - Royal Ceramics Lanka PLC	6.00	6.06
Weight Average duration of retirement benefit liability (Years) - Rocell Bathware Limited	7	7.74
Retirement age	60 years	60 years

Lanka Ceramic PLC

Messrs. Actuarial and Management Consultants (Pvt) Ltd., actuaries carried out an actuarial valuation for Lanka Ceramic PLC of the defined benefit plan gratuity as at 31 March 2024

The principal assumptions used are as follows:

		2024	2023
Discount rate (per annum)		12.0%	19.0%
Salary scale (per annum)	Executives	10%	12%
	Non-Executives	10%	12%
Staff Turn Over		21%	11%
Retirement Age		60 Years	60 Years
Weight Average duration of retirement benefit liability (Years)		4	6.39

CP Holding (Pvt) Ltd

Messrs. Actuarial and Management Consultants (Pvt) Ltd., actuaries carried out an actuarial valuation for CP Holding (Pvt) Ltd of the defined benefit plan gratuity as at 31 March 2024.

The principal assumptions used are as follows:

		2024	2023
Discount rate (per annum)		12.0%	24.0%
Salary scale (per annum)	Executives	10%	20.0%
	Non Executives	10%	20.0%
Staff Turn Over		25%	29.0%
Retirement Age		60 Years	60 Years
Weight Average duration of retirement benefit liability (Years)		5	5.2

Lanka Walltiles PLC

The defined benefit liability as of 31 March 2024 was actuarially valued by Messrs. Actuarial and Management Consultants (Pvt) Ltd. qualified actuary.

The principal assumptions underlying the valuation are as follows;

		2024	2023
Discount rate (per annum)		12.50%	17%
Salary scale (per annum)	Executives	15.0%	15.0%
	Non Executives	12.00%	12.50%
Retirement Age		60 Years	60 Years
Staff Turnover ratio		7% up to 54 years, thereafter 0%	4% up to 54 years, thereafter 0%
Weighted Average duration of defined benefit obligation (Years)		9	11.47

Lanka Tiles PLC

The defined benefit liability of Lanka Tiles PLC was actuarially valued by Messrs. Actuarial and Management Consultants (Pvt) Ltd qualified actuary on 31 March 2024.

Principal actuarial assumptions are as follows;

		2024	2023
Discount rate		12.5%	16.0%
Future salary increases	Executives	15.0%	15.0%
	Non Executives	12.0%	12.5%
Retirement Age		60 Years	60 Years
Weighted Average duration of defined benefit obligation (Years)		7	7

In addition to above, demographic assumptions such as mortality, withdrawal disability and retirement age were considered for the actuarial valuation.

Uni Dil Packaging Ltd and Uni Dil Packaging Solution Ltd

Messrs. Actuarial and Management Consultants (Pvt) Ltd., actuaries carried out an actuarial valuation for Uni Dil Packaging Ltd and Uni Dil Packaging Solution Ltd of the defined benefit plan gratuity as at 31 March 2024.

The valuation method used by the actuaries to value the benefit is the "projected Unit Credit Method".

Principal Actuarial Assumptions are as follows;

		2024	2023
Discount rate p.a.		12.25%	17.8%
Future salary increases		12.5%	12.5%
Staff turnover factor		9.0%	8.0%
Retirement age (Years)		60	60
Weighted Average duration of defined benefit obligation (Years)	Uni Dil Packaging Ltd	7.2	5.32
Weighted Average duration of defined benefit obligation (Years)	Uni Dil Packaging Solution Ltd	7.2	6.28

Swisstek (Ceylon) PLC

Gratuity liability based on the actuarial valuation carried out by Messrs Actuarial and Management (Pvt) Ltd on 31 March 2024.

Principal Actuarial Assumptions are as follows;

		2024	2023
Discount rate p.a.		12.50%	17%
Future salary increases	Executives	15%	15%
	Non Executives	15.0%	15%
Retirement age (Years)		60	60
Weighted Average duration of defined benefit obligation (Years)		11.90	10.43

Swisstek Aluminium Limited

Retirement benefit obligation based on the actuarial valuation carried out by Messrs Actuarial and Management (Pvt) Ltd on 31 March 2024.

Principal Actuarial Assumptions are as follows;

		2024	2023
Discount rate p.a.		12.50%	15%
Future salary increases	Executives	15%	15%
	Non Executives	13%	13%
Retirement age (Years)		60	60
Weighted Average duration of defined benefit obligation (Years)		8.33	8.33

17. OTHER NON CURRENT LIABILITIES

	Group	
	2024 Rs.	2023 Rs.
Refundable Deposit	34,500,000	15,000,000
	34,500,000	15,000,000

18. TRADE AND OTHER PAYABLES

	Company		Group	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Trade Creditors (Note 18.2)	660,233,944	596,671,102	3,208,143,985	2,684,767,367
Accrued Expenses	384,175,791	624,971,309	427,383,686	681,865,318
Sundry Creditors	538,108,179	203,886,098	2,869,609,385	2,599,205,455
	1,582,517,914	1,425,528,509	6,505,137,056	5,965,838,140

18.1 Payable to Related Parties

	Relationship	Company		Group	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Nilano Garments (Pvt) Ltd	Subsidiary	37,553,915	13,094,493	-	-
Lanka Ceramics PLC	Subsidiary	29,478	27,952	-	-
Swisstek Aluminium Limited	Subsidiary	26,702	26,702	-	-
Vallibel One PLC	Parent	36,155,298	37,203,168	165,866,138	260,731,195
		73,765,393	50,352,315	165,866,138	260,731,195

18.2 Trade Creditors includes following related party payables,

	Relationship	Company		Group	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Lanka Ceramics PLC	Subsidiary	297,225	671,452	-	-
Unidil Packaging Limited	Subsidiary	19,896	19,896	-	-
Unidil Packaging Solution Limited	Subsidiary	18,115,944	24,222,850	-	-
Swisstek Ceylon PLC	Subsidiary	9,559,750	2,848,542	-	-
Swisstek Aluminium Limited	Subsidiary	325,758	345,758	-	-
Lanka Walltiles PLC	Subsidiary	982,197	982,196	-	-
Lanka Tiles PLC	Subsidiary	509,485	1,517,772	-	-
Delmege Forsyth Co. Limited	Associate	178,494	217,831	178,494	217,831
Grip Delmege (Pvt) Ltd	Associate	191,214	1,042,810	191,214	1,306,392
Grip Nordic (Pvt) Ltd	Associate	-	-	-	311,622
Singer (Sri Lanka) PLC	Affiliate	3,668,971	6,996,411	3,713,765	7,010,825
Hayleys Electronics Lighting (Pvt) Ltd	Affiliate	5,000	5,000	5,000	5,000
Hayleys Aventura (Pvt) Ltd	Affiliate	599,342	95,282	599,342	95,282
Venigros (Pvt) Ltd	Affiliate	-	102,040	-	102,040
Puritas (Pvt) Ltd	Affiliate	-	85,000	-	103,022
Unisyst Engineering PLC	Affiliate	-	-	-	184,090
Regnis Lanka PLC	Affiliate	-	-	-	18,022
Fentons Limited	Affiliate	12,252,665	-	12,252,665	-
		46,705,941	39,152,842	16,940,480	9,354,126

19 OTHER CURRENT LIABILITIES

	Company		Group	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Provisions	309,222,688	243,826,518	317,431,031	277,012,081
Other Statutory Payables	157,259,198	449,049,269	169,316,319	472,329,516
Contract Liability	777,127,858	1,999,500,044	1,124,487,897	2,343,915,250
	1,243,609,744	2,692,375,831	1,611,235,247	3,093,256,847

19.1 Contract Liability

	Company		Group	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
As at 1st April	1,999,500,044	5,488,836,016	2,343,915,250	6,190,506,582
Advance received	777,127,856	1,999,500,044	(1,246,929,353)	2,243,710,549
During the year recognized	(1,999,500,044)	(5,488,836,016)	27,502,000	(6,090,301,881)
As at 31st March	777,127,858	1,999,500,044	1,124,487,897	2,343,915,250

The contract liability primarily relates to the advances received for supply of tiles and sanitaryware. This will be recognized as revenue when the company issues an invoice to the customer, which is expected to occur over the next year.

20. CASH AND CASH EQUIVALENTS

Components of Cash and Cash Equivalents

20.1 Favourable Cash & Cash Equivalent Balances

	Company		Group	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Cash & Bank Balances	1,080,478,857	802,327,697	3,080,061,976	3,601,535,933
Cash & Bank Balances attributable to discontinued operations			56,060	6,861,993

20.2 Unfavourable Cash & Cash Equivalent Balances

Bank Overdraft	(714,991,626)	(1,373,488,077)	(2,055,241,604)	(3,674,731,383)
Bank Overdraft Attributable to Discontinued Operations			-	(88,052,877)
Total Cash and Cash Equivalents For the Purpose of Cash Flow Statement	365,487,231	(571,160,380)	1,024,876,432	(154,386,334)

21 REVENUE FROM CONTRACTS WITH CUSTOMERS**21.1 Disaggregated revenue information**

Set out below is the disaggregation of the Group's/Company's revenue from contracts with customers:

	Company		Group	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Type of goods or service				
Sale of Tiles & Associated Items	17,550,479,665	16,908,567,141	43,261,905,627	46,787,238,642
Sale of Sanitaryware	-	-	3,747,729,729	3,394,998,442
Sale of Packaging Material	-	-	6,963,300,209	8,062,274,663
Sale of Aluminium Products	-	-	7,200,106,426	4,933,737,533
Other	-	-	19,014,956	28,009,948
Total revenue from contracts with customers	17,550,479,665	16,908,567,141	61,192,056,947	63,206,259,228

Geographical markets

Export Sales	133,946,059	177,555,823	2,171,607,672	2,439,400,586
Local Sales	17,346,390,165	16,720,462,824	58,910,440,115	60,756,310,148
Electricity Supply	70,143,441	10,548,494	110,009,160	10,548,494
Total revenue from contracts with customers	17,550,479,665	16,908,567,141	61,192,056,947	63,206,259,228

Timing of revenue recognition

Goods transferred at a point in time	17,550,479,665	16,908,567,141	61,192,056,947	63,206,259,228
Total revenue from contracts with customers	17,550,479,665	16,908,567,141	61,192,056,947	63,206,259,228

Segmental Information given on note 28 to these financial statements.

21.2 Contract balances

	Company		Group	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Trade receivables (Note 10)	471,119,921	601,142,128	5,074,633,086	5,762,201,310
Contract assets (Note 10.3)	-	-	30,032,715	32,342,715
Contract liabilities (Note 19.1)	777,127,857	1,999,500,044	1,124,487,899	2,343,915,250

22. OTHER OPERATING INCOME

	Company		Group	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Dividends on long-term & current investments with Related Parties	1,667,298,982	2,013,470,716	-	-
Dividends on long-term & current investments	1,016,102	991,063	1,016,102	991,063
Rental Income and Service Charge - Related Parties	337,691,747	275,735,558	-	-
Technical Fee Income - Related Parties	32,136,939	35,003,239	-	-
Rent Income - Related Parties	2,461,539	507,692	-	-
Rent Income - Others	-	-	40,325,040	37,306,800
Profit/(Loss) on Disposal of Property, Plant & Equipment	4,568,514	4,000,000	31,814,084	5,000,000
Sundry Income	28,770,374	20,816,128	379,174,066	405,672,067
Change in fair value of investment property	-	-	65,789,600	22,272,196
Exchange Gain	-	36,006,931	-	-
	2,073,944,197	2,386,531,327	518,118,892	471,242,126

22.1 OTHER OPERATING EXPENSES

	Company		Group	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Net loss on financial Assets at fair value through profit or loss	4,291,510	(20,709,416)	4,291,510	(20,709,416)
Other expense	-	-	9,541,317	-
Exchange loss	23,913,387	-	264,274,453	243,256,084
Termination Expenses -Rocell (Pty) Ltd	24,303,146	-	24,303,146	-
	52,508,043	(20,709,416)	302,410,426	222,546,668

23. FINANCE COST AND INCOME**23.1 FINANCE COST**

	Company		Group	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Interest Expense on Overdrafts	16,514,333	137,894,486	324,277,828	595,391,740
Interest Expense on Loans & Borrowings	501,446,747	132,542,387	1,992,864,380	2,776,168,040
Finance Charges on Lease Liabilities	161,275,289	151,998,754	207,243,550	185,157,619
Interest expense on Related party balances	4,791,369	761,745	-	-
	684,027,738	423,197,372	2,524,385,758	3,556,717,399

23.2 FINANCE INCOME

	Company		Group	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Interest Income	64,750,436	518,518,866	358,329,609	1,152,595,044
Interest Income on Related party balances	222,000,171	71,724,751	-	-
	286,750,607	590,243,617	358,329,609	1,152,595,044

24. PROFIT/(LOSS) FROM OPERATING ACTIVITIES

Stated after Charging /(Crediting)	Company		Group	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.

Included in Cost of Sales

Depreciation	522,148,699	419,185,481	1,591,821,207	1,388,590,358
Amortisation of Right of use Lease Asset	-	-	4,142,159	4,142,159
Employee Benefits including the following	1,335,365,110	1,265,653,439	4,280,661,717	4,362,305,005
- Defined Benefit Plan Costs -Gratuity	90,235,353	53,576,904	140,675,105	120,284,000
- Defined Contribution Plan Costs - EPF & ETF	98,030,372	88,427,970	228,671,372	249,130,559

Included in Administrative Expenses

Depreciation	40,489,619	39,114,246	152,151,520	135,528,166
Employee Benefits including the following	402,825,953	346,466,948	964,851,098	869,836,586
- Defined Benefit Plan Costs -Gratuity	19,630,789	16,267,554	99,730,645	44,370,836
- Defined Contribution Plan Costs - EPF & ETF	29,775,989	26,006,506	76,774,426	70,890,147
Auditors' Fees	3,570,672	3,342,108	27,249,972	17,957,780
Amortisation of intangible assets	21,961,292	16,656,452	40,018,292	27,410,587
Amortisation of right of use lease liability	-	-	789,000	30,729,811

Included in Selling and Distribution Costs

Depreciation	291,283,902	284,029,143	375,636,725	348,986,443
Amortisation of Right of use Lease Asset	176,783,647	174,675,424	271,451,976	217,751,429
Amortisation of intangible assets	7,205,460	4,304,313	7,205,460	4,304,313
Employee Benefits including the following	1,345,493,599	1,192,624,730	1,878,763,515	1,722,141,313
- Defined Benefit Plan Costs -Gratuity	48,835,526	53,794,667	58,931,872	64,003,762
- Defined Contribution Plan Costs - EPF & ETF	102,188,848	90,062,782	139,204,797	117,159,552

25 INCOME TAX EXPENSE**25.1 The major components of income tax expense for the years ended 31 March are as follows :**

Statement of Profit or Loss	Company		Group	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Current Income Tax				
Current Income Tax charge	1,188,922,278	919,258,313	3,240,389,234	3,091,233,402
Dividend Tax	-	77,112,466	12,823,326	408,525,049
Under/(Over) Provision of current taxes in respect of prior years	27,905,922	25,433,685	(12,798,546)	59,755,284
	1,216,828,200	1,021,804,464	3,240,414,014	3,559,513,735
			-	
Deferred Income Tax				
Deferred Tax Charge/(Reversal) (Note 25.5)	(13,067,332)	282,997,235	(208,603,108)	702,570,407
Deferred Tax on Un distributable Associate Profit	-	-	(8,531,889)	(32,951,911)
Income tax expense reported in the statement of profit or loss	1,203,760,868	1,304,801,699	3,023,279,017	4,229,132,231
Statement of Other Comprehensive Income				
Deferred Income Tax related to items charged or credited directly to equity :				
Deferred Tax effect on Employee Benefits	10,607,781	1,107,897	(41,559,545)	129,502
Deferred Tax effect on Land and Buildings revalued during the Year	28,054,113	-	690,127,589	1,907,604
Tax Rate Increased effect to previously revalued Land and Buildings	-	400,466,206	-	916,468,281
Income tax expense reported in equity	38,661,894	401,574,103	648,568,044	918,505,387

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

	Company		Group	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Accounting Profit (Profit before Taxation)	6,015,447,436	6,052,151,481	12,079,378,652	14,447,078,342
Share of results of associates	-	-	(2,706,652,983)	(2,312,742,890)
	6,015,447,436	6,052,151,481	9,372,725,669	12,134,335,452
Exempt Profit	(53,092,539)	(1,088,621,610)	(1,770,891,776)	(2,253,171,282)
Non deductible expenses	1,477,182,619	1,305,945,091	3,133,132,339	4,305,726,995
Deductible expenses	(3,765,675,404)	(4,203,071,817)	(5,382,390,021)	(7,776,849,310)
Tax losses utilized	-	-	(48,239,482)	(367,472,000)
Interest Income	-	-	(2,164,136)	-
Income considered as separate source of income	289,212,146	2,169,621,426	236,230,618	3,732,374,724
Qualifying Payment Relief	-	-	61,236,675	(100,000)
Taxable Income	3,963,074,258	4,236,024,571	5,599,639,886	9,774,844,579
Income Tax on Profit @ 30%	1,188,922,278	569,881,366	3,240,389,234	1,651,672,928
Income Tax on Profit @ 24%	-	116,142,425	-	282,721,427
Income Tax on Profit @ 20%	-	-	-	3,446,000
Income Tax on Profit @ 18%	-	229,490,697	-	938,298,618
Income Tax on Profit @ 15%	-	-	-	40,885,121
Income Tax on Profit @ 14%	-	3,743,825	-	174,209,308
Dividend Tax @ 15%	-	77,112,466	12,823,326	408,525,049
Deferred Tax on Un distributable Associate Profit	-	-	(8,531,889)	(32,951,911)
Charge/(Reversal) of Deferred Tax (Note 26.5)	(13,067,332)	282,997,235	(208,603,108)	702,570,407
Adjustment of taxes in respect of prior years	27,905,922	25,433,685	(12,798,546)	59,755,284
	1,203,760,868	1,304,801,699	3,023,279,017	4,229,132,231

25.3 Deferred Tax Assets

	Group	
	2024 Rs.	2023 Rs.
At the beginning of the year	146,832,618	-
Reclassification from liability	(80,103,199)	(144,927,000)
Charge/(Reversal) for the year	184,449,573	294,915,272
Deferred Tax release on components of other comprehensive Income	(44,293,178)	(3,155,654)
At the end of the year	206,885,814	146,832,618
The closing net deferred tax liability relate to the following;		
Capital allowances for tax purposes	(278,312,404)	(162,840,505)
Revaluation surplus on Land and Buildings	(135,686,145)	(1,552,424)
Defined Benefit Obligation	19,165,940	7,227,000
Provision	11,984,000	-
Unutilized tax losses	476,587,339	297,131,547
Provision for Obsolete and Slow Moving, Consumables and Spares	105,848,719	6,867,000
Allowances for Doubtful Debts	349,110	-
Leases	2,442,523	-
Unrealised Exchange Gain/(Loss)	4,506,732	-
	206,885,814	146,832,618

25.4 Deferred Tax Liability

	Company		Group	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Balance as at 31st March	1,684,183,800	999,612,462	5,114,902,850	3,509,055,664
Reclassification to deferred tax assets	-	-	(80,103,199)	(144,927,000)
De-recognition on disposal of subsidiaries	-	-	-	(129,109,151)
Charge/ (Reversal) Recognised in Profit or Loss				
- Arising on During the Year Movement	(13,067,332)	(15,287,765)	(32,621,456)	278,361,983
- Due to Change in Tax Rates	-	298,285,000	-	1,155,616,739
De-recognition on disposal of subsidiaries	-	-	-	(469,445,118)
Charge/ (Reversal) Recognised in Other Comprehensive Income				
- Arising on During the Year Movement	38,661,895	1,107,897	604,216,069	(16,798,874)
- Due to Change in Tax Rates	-	400,466,206	-	916,621,338
De-recognition on disposal of subsidiaries	-	-	-	15,527,269
At the end of the year	1,709,778,362	1,684,183,800	5,606,394,264	5,114,902,850

The closing net differed tax liability relate to the following;

Capital allowances for tax purposes	1,047,445,746	949,521,953	2,901,523,109	2,873,331,694
Revaluation surplus on Land and Buildings	1,029,219,628	1,001,165,515	3,063,165,475	2,495,058,847
Revaluation surplus on Investment Property	-	-	375,898,350	356,162,394
Retirement benefit Liability	(214,820,928)	(184,289,685)	(410,118,578)	(331,328,487)
Unutilized tax losses	-	-	(30,589,982)	(24,060,184)
Deferred Taxation on Un distributable Associate Profit	-	-	45,375,528	53,907,417
Provision for Obsolete and Slow Moving, Consumables and Spares	(69,877,448)	(71,871,347)	(235,798,853)	(266,166,778)
Allowances for Doubtful Debts	(16,141,806)	(16,261,079)	(36,341,027)	(33,963,076)
Leases	(50,853,320)	(46,265,694)	(51,526,248)	(53,753,271)
Unrealised Exchange Gain/(Loss)	(15,193,510)	52,184,136	(15,193,510)	45,714,293
	1,709,778,362	1,684,183,800	5,606,394,264	5,114,902,850

25.5 Statement of Profit or Loss

	Company		Group	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Deferred tax expense/(reversal) arising from;				
Capital allowances for tax purposes	97,923,793	411,553,090	162,500,810	1,228,661,573
Retirement benefit Liability	(41,139,024)	(92,395,403)	(49,192,909)	(152,362,404)
Provision for Obsolete and Slow Moving, Consumables and Spares	1,993,899	(41,682,443)	(80,828,690)	(119,241,601)
Allowances for Doubtful Debts	119,273	(6,816,127)	(3,282,043)	(9,117,879)
Transfers on Revaluation	-	-	13,392,978	46,531,632
Unutilized tax losses	-	-	(185,985,137)	(280,308,652)
Lease Liability	(4,587,627)	(21,128,407)	206,418	(24,280,673)
Unrealised Exchange Gain/(Loss)	(67,377,646)	33,466,525	(65,414,536)	12,688,409
	(13,067,332)	282,997,235	(208,603,108)	702,570,407
Deferred Tax on Un distributable Associate Profit	-	-	(8,531,889)	(32,951,911)
Total Deferred Tax Charge/(Reversal) for the year	(13,067,332)	282,997,235	(217,134,997)	669,618,496
Effective Tax Rate	20.01%	21.56%	25.03%	29.27%

Deferred tax has been computed at applicable weighted average tax rates of respective companies within the Group.

The Deferred Tax asset arising from unused tax losses has been recognised up to the extend that it is probable that future taxable temporary differences available against which the unused tax loss can be utilised.

Lanka Ceramics PLC

As per the transitional provisions of the Inland Revenue Act No. 24 of 2017, brought forward tax losses can be claimed against the taxable income for a period of six years with effective from 1 April 2018. The Company has a cumulative tax loss of Rs. 176,143,012/- 2023- Rs. 224,382,497/-) as at 31 March 2024 which can be carried forward up to the financial year of 2029/2030 based on year of loss increased.

The deferred tax asset of Rs. 30,589,982/- (2023- Rs. 24,060,184/-) has been recognized as at 31 March 2024 based on its recoverability assessed by Management on the estimated future taxable profits within the six year of assessments based on the year of loss incurred.

Sensitivity analysis

Revenue growth rate used in determining the taxable profit of 2024/25 is 15% and If the forecasted revenue is reduced by 10%, the deferred tax asset gets written-off by Rs.1.6Mn representing 5% of deferred tax asset relating to tax loss as at the reporting date.

Swisstek Aluminium Ltd

Income tax exemption given for the Swisstek Aluminium Ltd has been ended by 01st September 2016 and company liable to pay tax at a rate of 20% on trade profit and 30% on other income.

Surcharge Tax

As per the Surcharge Tax Act No. 14 of 2022 which was certified on 8th April 2022, the Group was liable to pay the surcharge tax of Rs. 1,965 million (the Company - Rs. 388 million) pertaining to the year of assessment 2020/21. According to the said Act, the surcharge tax shall be deemed to be an expenditure in the financial statement relating to the year of assessment which commenced on 1st April 2020. Since the Act supersedes the requirements of the Sri Lanka Accounting Standards, the surcharge tax expense is accounted through the Statement of Changes in Equity as an equity adjustment on the first day of the first reporting period ending after enactment of the said Act, as recommended in the Addendum to Statement of Alternative Treatment (SoAT) on Accounting for Surcharge Tax issued by the Institute of Chartered Accountants of Sri Lanka, in August 2022.

25.6 Carried forward tax losses of the Group as follows;

	Group	
	2024 Rs.	2023 Rs.
Tax loss brought forward	1,756,658,807	2,084,929,195
Loss for the year	1,030,594,623	1,583,791,619
Adjustment for prior years	-	(36,959,329)
Utilised during the year	(48,239,482)	-
Investment Income claimed	-	(22,167,778)
De-recognition on disposal of subsidiaries	-	1,852,934,905
Tax loss carried forward	2,739,013,943	1,756,658,802

26. EARNINGS PER SHARE

26.1 Basic Earnings per Share is calculated by dividing the net profit for the year attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the year.

26.2 The following reflects the income and share data used in the basic Earnings per Share computation.

Amount Used as the Numerator:	Company		Group	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.

Net Profit for the year attributable to equity holders of the parent

Continuing operations	4,811,686,568	4,747,349,782	7,038,947,474	7,371,086,673
Discontinued operations	-	-	177,409,517	375,987,603
Net Profit for the year attributable to equity holders of the parent	4,811,686,568	4,747,349,782	7,216,356,991	7,747,074,276

Number of Ordinary Shares Used as the Denominator:	2024 Number	2023 Number	2024 Number	2023 Number
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Weighted Average number of Ordinary Shares in issue

Applicable to basic Earnings per Share	1,107,893,840	1,107,893,840	1,107,893,840	1,107,893,840
Basic Earnings per Share	4.34	4.29	6.51	6.99

26.3 There were no potentially dilutive Ordinary Shares outstanding at any time during the year.

27 DIVIDEND PER SHARE

	Company /Group	
	2024 Rs.	2023 Rs.
1st Interim Dividends for 2023/24	2,215,787,680	-
Final Dividnd 2022/23	553,946,920	-
1st Interim Dividends for 2022/23	-	2,658,945,216
Final Dividnd 2021/2022	-	830,920,380
Total Gross Dividends	2,769,734,600	3,489,865,596
No of shares	1,107,893,840	1,107,893,840
Total Dividend per Share	2.50	3.15

	Tiles & Associated Items		Sanitaryware		Packaging		Aluminium Products		
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.	

Revenue

Sales to external customers	43,261,905,627	46,787,238,642	3,747,729,729	3,394,998,442	6,963,300,209	8,062,274,663	7,200,106,426	4,933,737,533	
Inter-Segment Sales	-	-	2,043,703	6,082,345	922,169,791	1,163,347,618	64,688,574	323,105,467	
Total Revenue	43,261,905,627	46,787,238,642	3,749,773,432	3,401,080,787	7,885,470,000	9,225,622,281	7,264,795,000	5,256,843,000	

Results

Gross Profit	19,634,689,838	20,558,429,720	813,450,845	1,269,261,493	1,840,475,849	2,288,322,080	1,130,983,000	1,280,277,000	
Other Income	641,987,043	567,220,136	3,569,874	78,166,050	108,800,146	334,126,487	83,038,000	87,205,000	
Distribution Expenses	(6,888,247,315)	(6,767,849,950)	(854,662,734)	(673,737,023)	(297,896,357)	(304,277,255)	(652,186,000)	(581,823,000)	
Administrative Expenses	(3,048,501,176)	(2,445,497,021)	(69,364,622)	(65,818,605)	(414,725,000)	(430,114,639)	(333,409,000)	(233,404,000)	
Other Operating Expenses	(53,659,264)	20,709,416	(53,253,066)	-	-	-	-	(485,804,000)	
Finance Costs	(1,587,399,444)	(1,345,574,197)	(431,421,277)	(161,600,606)	(217,092,000)	(674,453,484)	(664,010,000)	(1,391,618,656)	
Finance Income	488,960,629	1,136,720,054	45,360,790	49,524,984	3,567,000	-	24,043,000	-	
Share of Associate Company's Profit	-	-	-	-	-	-	-	-	
Net Profit before Income Tax	9,187,830,311	11,724,158,158	(546,320,190)	495,796,292	1,023,129,638	1,213,603,189	(411,541,000)	(1,325,167,656)	
Income Tax Expense	(2,621,285,921)	(3,745,909,670)	112,667,481	(52,525,884)	(310,477,000)	(290,675,471)	74,197,000	256,564,000	
Net Profit for the Year	6,566,544,390	7,978,248,488	(433,652,709)	443,270,408	712,652,638	922,927,718	(337,344,000)	(1,068,603,656)	

As at 31st March

Assets and Liabilities

Segment Assets	66,874,581,072	57,086,461,293	7,283,464,096	7,584,279,210	5,281,495,000	5,279,444,688	7,499,651,000	7,377,511,067	
Total assets	66,874,581,072	57,086,461,293	7,283,464,096	7,584,279,210	5,281,495,000	5,279,444,688	7,499,651,000	7,377,511,067	
Segment liabilities	32,080,632,067	27,157,853,327	3,608,136,989	3,470,682,072	2,633,844,000	2,987,973,651	7,110,747,000	6,812,451,661	
Total Liabilities	32,080,632,067	27,157,853,327	3,608,136,989	3,470,682,072	2,633,844,000	2,987,973,651	7,110,747,000	6,812,451,661	

Other Segment Information

Total cost incurred during the period to acquire

Property, Plant & Equipment	7,298,835,053	4,810,768,784	291,250,791	168,204,259	161,807,000	194,992,122	54,642,000	134,791,711	
Depreciation & Amortisation	1,777,317,392	1,509,907,627	154,637,344	147,370,492	101,554,000	97,406,289	104,769,000	128,523,000	
Provisions for retirement benefit liability	246,106,369	192,011,556	13,975,373	12,949,231	25,085,000	22,537,714	12,487,000	12,707,000	

28 SEGMENT INFORMATION**Primary Reporting Format - Business Segments**

For management purposes, the group is organised into business units based on its products and services and has six reportable segments, as follows:

- Tiles and Associated Items
- Sanitaryware
- Packaging
- Finance
- Aluminium
- Other

The following tables present revenue and profit and certain assets and liability information regarding the company's business segments:

No operating segments have been aggregated to form the reportable operating segments. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the

consolidated financial statements. However, Group financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Finance		Other		Total Segments		Eliminations/ Adjustments		Total	
2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
-	-	19,014,955	28,009,948	61,192,056,947	63,206,259,228	-	-	61,192,056,947	63,206,259,228
-	-	198,459,117	418,804,901	1,187,361,185	1,911,340,330	(1,187,361,185)	(1,911,340,330)	-	-
		217,474,073	446,814,848	62,379,418,132	65,117,599,558	(1,187,361,185)	(1,911,340,330)	61,192,056,947	63,206,259,228
-	-	67,967,849	94,906,648	23,487,566,489	25,491,196,942	-	38,979,496	23,487,566,489	25,530,176,438
-	-	140,042,542	87,177,221	977,437,605	1,153,894,893	(459,318,713)	(682,652,767)	518,118,892	471,242,126
-	-	(14,085,439)	(25,187,163)	(8,707,077,845)	(8,352,874,390)	453,570,589	380,416,475	(8,253,507,256)	(7,972,457,915)
-	-	(50,735,188)	(98,438,722)	(3,916,734,986)	(3,273,272,988)	5,749,105	5,316,814	(3,910,985,881)	(3,267,956,174)
		(8,390,096)	(15,392,067)	(115,302,425)	(480,486,651)	(187,108,001)	257,939,983	(302,410,426)	(222,546,668)
-	-	(36,345,229)	(56,238,616)	(2,936,267,951)	(3,629,485,559)	411,882,193	72,768,160	(2,524,385,758)	(3,556,717,399)
-	-	21,172,383	39,118,167	583,103,803	1,225,363,205	(224,774,193)	(72,768,161)	358,329,609	1,152,595,044
2,533,389,242	2,231,024,827	173,263,741	81,718,062	2,706,652,983	2,312,742,890	-	-	2,706,652,983	2,312,742,890
2,533,389,242	2,231,024,827	292,890,564	107,663,530	12,079,378,653	14,447,078,342	-	-	12,079,378,652	14,447,078,342
-	-	(51,402,916)	(106,368,533)	(2,796,301,356)	(3,938,915,558)	(226,977,661)	(290,216,673)	(3,023,279,017)	(4,229,132,231)
2,533,389,242	2,231,024,827	241,487,648	1,294,997	9,283,077,298	10,508,162,784	(226,977,661)	(290,216,673)	9,056,099,635	10,217,946,111
-	-	3,392,663,364	3,627,892,881	90,331,854,532	80,955,589,139	11,287,233,128	9,609,555,966	101,619,087,660	90,565,145,104
-	-	3,392,663,364	3,627,892,881	90,331,854,532	80,955,589,139	11,287,233,128	9,609,555,966	101,619,087,660	90,565,145,104
-	-	692,364,949	807,078,316	46,125,725,005	41,236,039,027	(4,619,758,286)	(4,076,696,099)	41,505,966,719	37,159,342,929
-	-	692,364,949	807,078,316	46,125,725,005	41,236,039,027	(4,619,758,286)	(4,076,696,099)	41,505,966,719	37,159,342,929
-	-	45,992,251	208,681,636	7,852,527,083	5,517,438,511	-	432,507,000	7,852,527,083	5,949,945,511
-	-	28,555,137	21,614,595	2,166,833,203	1,904,822,004	-	166,016,000	2,166,833,203	2,070,838,004
-	-	1,683,581	1,675,742	299,337,323	241,881,243	-	101,037,000	299,337,323	342,918,243

28.1 SEGMENT INFORMATION (Continued)

Reconciliations of reportable Segment Revenues, Profit or Loss, Assets and Liabilities and other material items.

	2024 Rs.	2023 Rs.
Reconciliation Net Profit for the year		
Segment Net Profit for the year	9,283,077,297	10,508,162,784
Dividend Tax on Intercompany dividend Income	(235,509,550)	(323,168,584)
Deferred Tax effect on Associate undistributable Profit	8,531,888	32,951,911
Group Net Profit for the year	9,056,099,635	10,217,946,111
Reconciliation of assets		
Segment assets	90,331,854,532	80,955,589,139
Assets of discontinued operations	36,056,060	42,861,993
Investment in subsidiaries (elimination)	775,982,471	548,179,283
Inter company balances (elimination)	(4,692,399,978)	(4,331,260,101)
Share of associate company's accumulated profit net of dividend received (elimination)	15,167,594,574	13,349,774,791
Group assets	101,619,087,660	90,565,145,104
Reconciliation of Liabilities		
Segment Liabilities	46,125,725,005	41,236,039,027
Liabilities of discontinued operations	194,938	200,656,585
Deferred Tax effect on Associate undistributable Profit	72,446,754	53,907,417
Inter company balances (elimination)	(4,692,399,978)	(4,331,260,101)
Group Liabilities	41,505,966,719	37,159,342,929

29. CONTINGENT LIABILITIES

- a). Commercial Bank of Ceylon PLC has offered a combined letter of guarantee facility for the Royal Ceramic Lanka PLC and Rocell Bathware Ltd amounting to Rs.150Mn & at the reporting date total guaranteed value is Rs. 111.34Mn.

The Department of Inland Revenue has issued two assessments to Royal Ceramics Lanka PLC claiming an additional income tax of Rs. 156 Mn and penalty of Rs. 78 Mn for the year of assessments 2013/14 and 2014/15. The Company has filed appeals against these assessments and subsequent determinations on those appeals were not in favour of the company. Currently the appeal is being heard in the Tax Appeal Commission. The Directors believe, based on the information currently available, the amounts provided in the accounts based on the proposal submitted is reasonable and that the ultimate resolution of such assessments is not likely to have a material adverse effect on the Company. Accordingly, provision for additional income tax and penalties including the resulting adjustment of deferred taxation on carried forward tax losses have not been made in these financial statements.

b). Lanka Walltiles PLC

As at the reporting date, the Lanka Walltiles PLC has received assessments issued by the Department of Inland revenue in respect of Income tax, Value added tax and Economic Service Charge totalling Rs. 46,988,405/- for the year of assessment 2008/09, 2009/10. The Company has appealed against the assessments in the appeal hearing branch. The Directors believe, based on the information currently available, the ultimate resolution of such assessment is not likely to have a material adverse effect on the Company. Accordingly no provision for liability has been made in these financial statements.

There are no other material contingent liabilities as at the reporting date.

30. CAPITAL COMMITMENTS**30.1 Capital commitments**

There were no significant capital commitments as at the reporting date in the Company and Group except as detailed below.

- b). The Group and Company's commitment for acquisition of Property, Plant and Equipment incidental to the ordinary course of business as at 31st March as follows.

	Company		Group	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Contracted but not provided for	91,940,111	467,767,316	224,851,820	677,960,260
	91,940,111	467,767,316	224,851,820	677,960,260

No provision has been made in these Financial Statements in this regard as at 31st March 2024

Lease commitments

- b). Lanka Tiles PLC is committed to pay Rs. 14,808,000/- as rent per month for the use of land & buildings situated in Nawala.

31. EVENTS AFTER THE REPORTING PERIOD

Subject to the approval of the shareholders at the Annual General Meeting, Directors recommended payment of a final dividend of Rs. 0.90 per share for the year ended 31 March 2024 on 28 May 2024.

Other than the above there have been no material events occurring after the reporting date that require adjustment or disclosure in the financial statements.

32. ASSETS PLEDGED

The group has pledged its assets as security for the interest bearing loans and borrowings obtained as stated in note 15.4.

Royal Ceramics Lanka PLC/Rocell Bathware Ltd

Bank overdrafts and Short term loans are secured primarily over stocks in Trade and over book debts.

Lanka Tiles PLC

Bank overdrafts are secured primarily on mortgage of inventories.

Lender	Facility	Limit Rs.	Security
Hatton National Bank PLC	Import Loan	1,200,000,000	Mortgage of immovable Property Mortgage of inventories and Debtors
Standard Chartered Bank	Import Loan	70,000,000	Mortgage of land and Building, Immoveable Machinery and Debtors
		134,000,000	Mortgage of inventories and Debtors
DFCC Bank PLC	Import Loan	1,250,000,000	Mortgage of inventories and Debtors
Sampath Bank PLC	Import Loan	1,000,000,000	Corporate Bonds

Uni Dil Packaging Solutions Ltd

Lender	Facility	Limit Rs.	Security
Hatton National Bank PLC	Import Loan	570,000,000	Primary Mortgage Bond over the Company's Stock-in-trade and Book Debts
	Overdraft	30,000,000	
Hongkong and Shanghai Banking Corporation Limited	Import Loan	40,000,000	Corporate Guarantee from Uni Dil Packaging Limited
Seylan Bank PLC	Import Loan	100,000,000	Corporate Guarantee from Uni Dil Packaging Limited
	Overdraft	20,000,000	
DFCC Bank PLC	Import Loan	100,000,000	Primary concurrent Mortgage Bond for Rs 120,000,000/- ranking equal and parri passu with mortgage bond no 2365.
	Overdraft	20,000,000	

Lanka Walltiles PLC

Lender	Facility	Limit Rs.	Security
Sampath Bank PLC	Overdraft	60,000,000	Primary Mortgage Bond over the Company's Stock-in-trade and Book Debts
	Import Loan	80,000,000	
Seylan Bank PLC	Overdraft	10,000,000	Primary Mortgage Bond over the Company's Stock-in-trade and Book Debts
	Short Term Loan	500,000,000	
Union Bank of Colombo PLC	Overdraft	100,000,000	Primary Mortgage Bond over the Company's Stock-in-trade and Book Debts
	Short Term Loan	400,000,000	

Swisstek Aluminium Ltd

Lender	Facility	Limit Rs.	Security
Hatton National Bank PLC	Import Loan	300,000,000	Primary Mortgage Bond over the Company's Stock-in-trade and Book Debts
DFCC Bank PLC	Import Loan	800,000,000	Secondary Mortgage Bond over the Company's Stock-in-trade and Book Debts

33 RELATED PARTY DISCLOSURES

Details of significant related party disclosures are as follows:

33.1 Transactions with the Related Entities - Company

Nature of Transaction	Parent		Subsidiaries		Associates and Other		Affiliates	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.

Statement of Profit or Loss

Sale of Goods/ Services	-	-	20,950,640	10,033,160	6,752,556	26,346	49,808,874	9,400,469
Purchase of Goods/ Services	-	-	(379,175,407)	(539,137,018)	(1,387,260)	(1,831,145)	(65,778,627)	(8,800,077)
Rendering of Services	-	-	667,974,196	509,053,167	-	-	-	-
Rent Income	-	-	(3,457,403)	(4,156,748)	-	-	-	-
Dividend Income	-	-	776,861,306	1,724,484,804	890,437,669	288,985,856	-	-
Interest Income/ (Expense)	-	-	217,208,802	70,963,006	-	-	-	-
Dividend Payments	(1,434,333,086)	(1,849,778,748)	-	-	-	-	-	-
Technical Fee	(87,490,863)	(70,024,410)	37,117,818	39,611,565	-	-	-	-
Investments made by the Company	-	-	-	58,276,546	-	-	-	-
Reimbursement of Expenses net of fund Transfer	101,010,416	37,417,789	(511,091,105)	1,478,647,063	-	-	-	-

**Statement of Financial Position
Balance outstanding as at end of the year**

Trade Debtors	-	-	-	-	6,779,152	-	8,455,940	1,935,919
Due from Related Parties	-	-	1,985,492,509	1,914,101,426	-	-	-	-
Due to Related Parties	(36,155,298)	(37,203,168)	(37,610,095)	(13,149,147)	-	-	-	-
Trade Creditor	-	-	(29,810,255)	(30,608,468)	(369,708)	(1,260,640)	(16,525,978)	(7,283,732)

Companies within the group issued corporate guarantees in favour of Royal Ceramics Lanka PLC, Rocell Bathware Ltd. Guaranteeing loans, interest and other charges of the loans as stated in note 15.4.

33.1.1 Transaction with the related entities-Group

	Parent		Subsidiaries/Affiliates	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Nature of Transaction				
Statement of Profit or Loss				
Sale of Goods/Services	-	-	3,068,039,904	4,221,895,588
Purchase of Goods/Services	-	-	(2,807,081,144)	(6,430,501,514)
Dividend Payments	(3,201,304,250)	(2,423,237,948)	-	-
Technical Fee	(436,610,920)	(487,774,072)	-	-
Reimbursement of Expenses net of fund Transfer	101,010,416	37,417,789	(1,701,878,858)	(673,551,174)
Balance outstanding as at end of the year				
Trade Debtors	-	-	16,055,565	820,472
Due to Related Parties	(139,499,833)	(260,731,195)	-	-
Trade Creditor	-	-	(16,940,480)	(9,354,126)

Parent company is Vallibel One PLC

Transactions With the Subsidiaries include Rocell Bathware Limited, Royal Ceramics Distributors (Pvt) Ltd, Ever Paint & Chemical industries (Pvt) Ltd, Lanka Ceramics PLC, Lanka Walltiles PLC, Lanka Tiles PLC, Swisstek Ceylon PLC, Swisstek Aluminium Ltd., Uni-Dil Packaging Ltd, Uni Dil Packaging solutions (Pvt) Ltd and Nilano Garments (Pvt) Ltd.

Transactions with Affiliates includes Greener Water Limited, Singer Sri Lanka PLC, Singer Finance PLC, Dipped product PLC, The Kingsbury PLC, Hayleys Aventura (Pvt) Ltd, Fentons Smarts Facilities (Pvt) Limited, Expolanka Holdings PLC, Culture Club Resorts (Pvt) Ltd., Hayleys Fabric PIC, Mabroc Teas (Pvt) Ltd, Puritas (Pvt) Ltd, Hayleys PLC, Singer Finance Lanka PLC, Thalawakale Tea Estates PLC, Hayleys Agro Bio-Tech (Pvt) Ltd, Hanwella Rubber Products Ltd, Fentons Limited, Hayleys Electronics Lighting (Pvt) Ltd, Kelani Valley Plantations PLC, Hayleys Fabric PLC

Associates of the Group include L. B. Finance PLC and Delmage Limited.

The company carried out above transactions under the ordinary course of its business at commercial rates as agreed between outside parties. Fund transfers represents the sales proceeds of the subsidiaries received by the parent company and it will be settled by transferring of funds back to the relevant companies.

Outstanding related party balances are repayable on demand.

33.2 Transactions with Key Management Personnel (*)**33.2.1 Compensation to Key Management Personnel**

	Company		Group	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Nature of Transaction				
Short term Employee Benefits	347,214,649	392,405,431	566,749,553	612,176,939
Post Employment Benefits	38,853,249	33,105,213	96,668,249	90,919,724
	386,067,898	425,510,644	663,417,802	703,096,663

33.2.2 Other Transactions with Key Management Personnel

	Company		Group	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Rent Payment	11,160,000	9,860,000	11,160,000	9,860,000
Transport Expenses	11,618,924	6,525,468	11,618,924	6,525,468

(*) Key management personnel include the Board of Directors of the Company, Parent Company and its Subsidiaries. In addition, Director Finance and Director Manufacturing are Key management personnel of the company.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise interest bearing loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group has trade and other receivables, and cash and short-term deposits that arrive directly from its operations.

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

The senior management of the Group oversees the management of these risks. The Senior management of the Group determine on financial risks and the appropriate financial risk governance framework for the Group. The financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Group policies and risk appetite.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised 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, equity investments classified as fair value through profit or loss.

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. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt and short term borrowings with floating interest rates. The Group manages its risk by striking a balance between long term and short term debts. The company has easy access to funds at competitive interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of the long term and short term borrowings. With all other variables held constant, the Groups profit before tax is affected through the impact on floating rate borrowings as follows;

	Company		Group	
	Change in Interest Rate	Change in Profit before tax	Change in Interest Rate	Change in Profit before tax
2024	6%	Rs. (318.3 Mn)	6%	Rs. (462.9 Mn)
	4%	Rs. (212.2 Mn)	4%	Rs. (308.6 Mn)
	2%	Rs. (106.1 Mn)	2%	Rs. (154.3 Mn)
	(2%)	Rs. 106.1 Mn	(2%)	Rs. 154.3 Mn
	(4%)	Rs. 212.2 Mn	(4%)	Rs. 308.6 Mn
	(6%)	Rs. 318.3 Mn	(6%)	Rs. 462.9 Mn
2023	6%	Rs. (203.5 Mn)	6%	Rs. (1,014.4 Mn)
	4%	Rs. (135.7 Mn)	4%	Rs. (676.3 Mn)
	2%	Rs. (67.8 Mn)	2%	Rs. (338.1 Mn)
	(2%)	Rs. 67.8 Mn	(2%)	Rs. 338.1 Mn
	(4%)	Rs. 135.7 Mn	(4%)	Rs. 676.3 Mn
	(6%)	Rs. 203.5 Mn	(6%)	Rs. 1,014.4 Mn

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities. The Group companies exposed to foreign currency-denominated payments with local currency revenues are adversely impacted to undue fluctuations in exchange rates.

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in USD, AUD, EURO and GBP exchange rates, with all other variables held constant. The Group exposure to all the other currencies are not material. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities.

	Company		Group	
	Change in exchange rate	Change in Profit before tax	Change in exchange rate	Change in Profit before tax
2024	20%	Rs. 106.5 Mn	20%	Rs.223.1 Mn
	15%	Rs. 80.0 Mn	15%	Rs. 167.4 Mn
	10%	Rs. 53.3 Mn	10%	Rs. 111.6 Mn
	(10%)	Rs. (53.3 Mn)	(10%)	Rs. (111.6 Mn)
	(15%)	Rs. (80.0 Mn)	(15%)	Rs. (167.4 Mn)
	(20%)	Rs. (106.5 Mn)	(20%)	Rs. (223.1 Mn)
2023	20%	Rs. 109.9 Mn	20%	Rs. 748.6 Mn
	15%	Rs. 82.4 Mn	15%	Rs. 561.4 Mn
	10%	Rs. 55.0 Mn	10%	Rs. 374.3 Mn
	(10%)	Rs. (55.0 Mn)	(10%)	Rs. (374.3 Mn)
	(15%)	Rs. (82.4 Mn)	(15%)	Rs. (561.4 Mn)
	(20%)	Rs. (109.9 Mn)	(20%)	Rs. (748.6 Mn)

Equity Price risk

The Groups listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about the future values of the investments securities. The Group manages the equity price risk by diversification and placing limits on individual and total investment in equity instruments. The group Board of Directors reviews and approves all equity investment decisions. The exposure was limited as total investments in listed equity securities at fair value was not material to the group.

At the reporting date, the exposure to listed equity securities at fair value was Rs. 59.1 Mn (2023 - 63.4 Mn). A change in 5% of the ASPI could have an impact on approximately Rs. 2.8 Mn (2023 - 1.7 Mn) on the Company/Groups profit before tax.

Credit risk

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

Trade receivables

Customer credit risk is managed in accordance with the Group's established policy, procedures and control relating to customer credit risk management. Individual credit limits are defined in accordance with the prior experience with the customers. Outstanding customer receivables are regularly monitored. The requirement for an impairment is analysed at each reporting date on an individual basis for major clients. Additionally, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The calculation is based on actually incurred historical data. Part of the trade receivable of the group are backed by bank guarantees. Hence the Group evaluates the concentration of risk with respect to trade receivables as low. Further, the individual receivable balances were re-assessed, specific provisions were made wherever necessary.

Liquidity Risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and lease contracts. The Management is solemnly engaging with banks as well as with suppliers to negotiate terms in order to manage liquidity levels effectively.

Maturity analysis

The table below summarises the maturity profile of the Group's financial liabilities at 31 March 2024 based on contractual undiscounted (principal plus interest) payments.

	On demand Rs	Less than 3 months Rs	3 to 12 months Rs	1 to 5 years Rs	Over 5 years	Total Rs
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As at 31 March 2024**Company**

Interest-bearing loans and borrowings	468,157,730	3,476,462,801	415,954,892	1,881,650,105	-	6,242,225,528
Lease liability of right of use assets	-	40,927,020	128,770,380	513,489,651	869,459,354	1,552,646,405
Trade and other payables	-	1,582,517,914	-	-	-	1,582,517,914
	468,157,730	5,099,907,735	544,725,272	2,395,139,756	869,459,354	9,377,389,847

Group

Interest-bearing loans and borrowings	1,759,924,830	8,556,697,564	2,885,075,203	11,527,826,309	-	24,729,523,905
Lease liability of right of use assets	-	51,663,673	162,856,648	684,598,280	933,363,166	1,832,481,767
Trade and other payables	-	6,505,137,056	-	-	-	6,505,137,056
	1,759,924,830	15,113,498,294	3,047,931,851	12,212,424,589	933,363,166	33,067,142,729

As at 31 March 2023**Company**

Interest-bearing loans and borrowings	1,373,488,077	1,920,239,367	430,897,929	1,019,668,438	-	4,744,293,811
Lease liability of right of use assets	-	34,601,881	108,869,332	503,753,431	1,019,131,608	1,666,356,252
Trade and other payables	-	1,425,528,509	-	-	-	1,425,528,509
	1,373,488,077	3,380,369,757	539,767,261	1,523,421,869	1,019,131,608	7,836,178,572

Group

Interest-bearing loans and borrowings	3,674,731,383	7,662,084,992	6,972,304,106	1,969,338,705	-	20,278,459,186
Lease liability of right of use assets	-	39,593,150	124,715,402	583,822,110	1,119,495,609	1,867,626,271
Trade and other payables	-	5,965,837,140	-	-	-	5,965,837,140
	3,674,731,383	13,667,515,282	7,097,019,508	2,553,160,815	1,119,495,609	28,111,922,597

35. CAPITAL MANAGEMENT

Capital includes equity attributable to the equity holders of the parent. The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratios in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2024 and 31 March 2023.

The Company monitors capital using a gearing ratio, which is interest bearing borrowings divided by equity plus interest bearing borrowings.

	Company		Group	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Interest Bearing Borrowings	7,007,174,512	5,554,111,508	24,246,152,326	19,586,291,442
Equity	22,286,346,889	20,143,630,651	60,113,120,941	53,405,802,175
Gearing ratio	24%	22%	29%	27%

36. MATERIAL PARTLY-OWNED SUBSIDIARIES

Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests:

Company Name	Country of incorporation and operation	Location	2024	2023
Lanka Ceramic PLC	Sri Lanka	Sri Lanka	26.44%	26.44%
Lanka Walltile PLC	Sri Lanka	Sri Lanka	45.45%	45.45%
Lanka Tiles PLC	Sri Lanka	Sri Lanka	60.17%	60.17%
Vallibel Plantation Management Limited	Sri Lanka	Sri Lanka	45.45%	45.45%
Swisstek (Ceylon) PLC	Sri Lanka	Sri Lanka	67.82%	67.82%
Swisstek Aluminium Limited	Sri Lanka	Sri Lanka	64.28%	64.28%
Unidil Packaging Limited	Sri Lanka	Sri Lanka	45.45%	45.45%
Unidil Packaging Solutions Limited	Sri Lanka	Sri Lanka	45.45%	45.45%
LWL Development (Private) Limited	Sri Lanka	Sri Lanka	45.45%	45.45%
Beyond Paradise Collection Limited	Sri Lanka	Sri Lanka	60.17%	60.17%
Lanka Swisstek (Pvt) Ltd	India	India	79.69%	79.69%
Swisstek Development Limited	Sri Lanka	Sri Lanka	67.82%	67.82%
LW Plantation Investments Limited	Sri Lanka	Sri Lanka	45.45%	45.45%
LTL Development Ltd	Sri Lanka	Sri Lanka	60.17%	60.17%
LC Plantation Project Ltd	Sri Lanka	Sri Lanka	26.44%	26.44%
CP Holding (Pvt) Ltd	Sri Lanka	Sri Lanka	33.31%	33.31%
Biscuit and Chocolate Company Limited	Sri Lanka	Sri Lanka	30.89%	30.89%
Lanka Tiles USA, Inc	USA	USA	45.45%	-
Valley View Ceramics LLC	USA	USA	68.31%	-

Company Name	2024 Rs. 000's	2023 Rs. 000's
Accumulated Balances of Material Non - Controlling Interest		
Lanka Ceramic PLC	273,817	256,740
Lanka Walltile PLC	3,742,618	3,348,327
Lanka Tiles PLC	8,382,081	7,224,004
Vallibel Plantation Management Limited	420,663	413,929
Swisstek (Ceylon) PLC	1,490,998	1,320,246
Swisstek Aluminium Limited	250,000	363,238
Unidil Packaging Limited	938,402	803,331
Unidil Packaging Solutions Limited	334,285	307,465
LWL Development (Private) Limited	195,164	196,626
Beyond Paradise Collection Limited	251,136	251,843
Lanka Swisstek (Pvt) Ltd	90,817	16,137
Swisstek Development Limited	38,347	38,347
LW Plantation Investments Limited	25,680	25,752
LTL Development Ltd	33,925	34,061
LC Plantation Project Ltd	14,985	14,908
CP Holding (Pvt) Ltd	135,738	128,562
Biscuit and Chocolate Company Limited	188,830	188,779
Lanka Tiles USA	(128)	-
Valley View Ceramics LLC	(300,302)	-
Less - Cross investments	(1,607,927)	(1,564,091)
Add - Attributed Goodwill	445,990	445,990
Accumulated Material Non- Controlling Interest	15,345,120	13,814,193
Profit allocated to Material Non - Controlling Interest		
Lanka Ceramic PLC	23,599	(11,652)
Lanka Walltile PLC	37,292	387,626
Lanka Tiles PLC	1,760,470	2,318,409
Vallibel Plantation Management Limited	18,408	70,346
Swisstek (Ceylon) PLC	149,800	238,918
Swisstek Aluminium Limited	(216,855)	(686,932)
Horana Plantation PLC	-	122,752
Unidil Packaging Limited	251,528	226,485
Unidil Packaging Solutions Limited	66,571	181,058
LWL Development (Private) Limited	(1,465)	1,278
Beyond Paradise Collection Limited	(844)	(8,198)
Lanka Swisstek (Pvt) Ltd	(8,316)	347
LW Plantation Investments Limited	(72)	(55)
LTL Development Ltd	(136)	(86)
Swisstek Development Limited	-	(104)
LC Plantation Project Ltd	(53)	(39)
CP Holding (Pvt) Ltd	5,153	6,706
Lanka Tiles USA	(129)	-
Valley View Ceramics LLC	(67,794)	-
Accumulated Material Non- Controlling Interest	2,017,152	2,846,859

The summarised financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

Summarised statement of profit or loss for year ended 31 March 2024:

	Lanka Ceramic PLC	Lanka Walltiles PLC	Lanka Tiles PLC	Vallibel Plantation Management Limited	Swisstek (Ceylon) PLC	Swisstek Aluminium Limited	Unidil Packaging Limited	Unidil Packaging Solutions Limited	LWL Development (Private) Limited	
	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	
Revenue	217,475	7,407,574	16,130,887	-	2,872,649	7,264,795	5,891,622	1,993,848	-	
Cost of sales	(149,507)	(5,235,557)	(8,667,606)	-	(2,122,909)	(6,133,953)	(4,404,457)	(1,640,537)	-	
Administrative expenses	(40,341)	(476,476)	(1,159,316)	(1,862)	(126,714)	(333,422)	(345,683)	(69,042)	(3,364)	
Finance costs	(36,343)	(376,058)	(287,775)	(2)	(224,172)	(664,010)	(176,957)	(40,135)	(371)	
Profit before tax	99,518	1,620,333	4,190,841	395,943	336,978	(406,647)	884,437	211,236	(3,223)	
Income tax	(10,276)	(76,539)	(1,219,351)	(34,147)	(112,633)	69,777	(245,704)	(64,773)	-	
Profit for the year from continuing operations	89,241	1,543,794	2,971,491	361,796	224,345	(336,870)	638,733	146,463	(3,223)	
Total comprehensive income	79,382	2,191,364	3,542,626	361,796	351,039	(156,560)	618,468	144,351	-	
Attributable to non-controlling interests	19,836	467,154	2,261,907	18,408	273,982	(83,011)	242,317	65,611	(1,465)	
Dividends paid to non-controlling interests	3,966	607,985	973,617	-	64,975	-	146,036	38,791	-	

Summarised statement of profit or loss for year ended 31 March 2023:

	Lanka Ceramic PLC	Lanka Walltiles PLC	Lanka Tiles PLC	Vallibel Plantation Management Limited	Swisstek (Ceylon) PLC	Swisstek Aluminium Limited	Unidil Packaging Limited	Unidil Packaging Solutions Limited	LWL Development (Private) Limited	
	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	
Revenue	446,815	9,297,171	18,684,042	-	3,741,283	5,256,843	7,329,952	2,755,778	-	
Cost of sales	(351,908)	(5,753,067)	(10,256,396)	-	(2,816,587)	(3,976,566)	(5,808,973)	(1,988,435)	-	
Administrative expenses	(68,645)	(427,514)	(1,023,031)	(1,820)	(119,130)	(233,404)	(352,979)	(77,136)	(3,267)	
Finance costs	(56,238)	(390,543)	(264,642)	-	(263,720)	(1,877,423)	(404,761)	(167,609)	(460)	
Profit before tax	37,259	3,508,837	5,670,742	1,107,340	532,601	(1,325,168)	908,102	504,765	(2,302)	
Income tax	(81,323)	(560,326)	(1,686,966)	(19,190)	(180,331)	256,564	(184,259)	(106,416)	5,113	
Profit for the year from continuing operations	(44,064)	2,948,511	3,983,776	1,088,150	352,270	(1,068,604)	723,843	398,348	2,812	
Total comprehensive income	(65,215)	2,690,621	3,861,934	1,088,150	274,855	(1,059,791)	727,629	397,507	2,812	
Attributable to non-controlling interests	(17,245)	270,414	2,245,093	70,346	186,413	(681,267)	228,205	180,676	1,278	
Dividends paid to non-controlling interests	4,125	1,141,526	531,819	-	199,263	141,071	-	-	-	

	Beyond Paradise Collection Limited	Lanka Swisstek (Pvt) Ltd	Swisstek Development Limited	LTL Development (Pvt) Limited	LW Plantation Investments Limited	CP Holding (Pvt) Ltd	LC Plantation Project Ltd	Biscuit and Chocolate Company Limited	LankaTile USA Inc.	Valley view Ceramic
	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's
	-	649	-	-	-	-	-	-	-	223,603
	-	(1,198)	-	-	-	-	-	-	-	(142,576)
	(2,602)	(9,452)	-	(226)	(158)	(7,798)	(200)	(197)	(284)	7,213
	-	-	-	-	-	-	-	-	-	(12,755)
	(1,402)	(10,436)	-	(226)	(158)	22,446	(200)	63	-	24,175
	-	-	-	-	-	(6,980)	-	(78)	-	-
	(1,402)	(10,436)	-	(226)	(158)	15,467	(200)	(15)	(284)	24,175
	(1,402)	(24,423)	-	(226)	(158)	21,541	(200)	(15)	(284)	24,175
	(844)	(19,462)	-	(136)	(72)	8,044	(53)	(5)	(129)	(80,854)

	Beyond Paradise Collection Limited	Lanka Swisstek (Pvt) Ltd	Swisstek Development Limited	LTL Development (Pvt) Limited	LW Plantation Investments Limited	CP Holding (Pvt) Ltd	LC Plantation Project Ltd	Biscuit and Chocolate Company Limited
	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	(2,650)	(439)	(154)	(142)	(120)	(7,890)	(146)	(34,793)
	-	-	-	-	-	-	-	-
	317	423	(154)	(142)	(120)	25,984	(146)	(34,793)
	(13,941)	12	-	-	-	(5,855)	-	-
	(13,625)	436	(154)	(142)	(120)	20,128	(146)	(34,793)
	(13,625)	3,728	(154)	(142)	(120)	23,679	(146)	(84,473)
	(8,198)	2,970	(104)	(86)	(55)	7,889	(39)	-
	-	-	-	-	-	-	-	-

Summarised statement of financial position as at 31 March 2024:

	Lanka Ceramic PLC	Lanka Walltiles PLC	Lanka Tiles PLC	Vallibel Plantation Management Limited	Swisstek (Ceylon) PLC	Swisstek Aluminium Limited	Unidil Packaging Limited	Unidil Packaging Solutions Limited	LWL Development (Private) Limited	
	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	
Current Assets	146,595	5,966,081	10,043,065	762,592	1,383,834	5,490,986	2,840,513	1,064,686	12,425	
Non- Current Assets	1,369,992	12,753,730	9,076,276	196,992	2,626,659	2,011,695	1,390,079	138,616	479,464	
Current Liabilities	118,927	4,888,484	3,355,096	34,080	1,335,257	3,787,860	1,834,452	397,178	7,033	
Non- Current Liabilities	362,179	5,596,771	1,834,210	-	448,396	3,315,883	331,552	70,662	55,459	
Total equity	1,035,481	8,234,556	13,930,036	925,504	2,226,841	398,938	2,064,586	735,464	429,402	
Attributable to:										
Equity holders of parent	761,663	4,491,937	5,547,954	504,841	716,545	142,488	1,126,185	401,179	234,238	
Non-controlling interest	273,818	3,742,618	8,382,082	420,663	1,510,295	256,450	938,403	334,285	195,164	
	1,035,481	8,234,556	13,930,036	925,504	2,226,840	398,938	2,064,587	735,464	429,402	

Summarised statement of financial position as at 31 March 2023:

	Lanka Ceramic PLC	Lanka Walltiles PLC	Lanka Tiles PLC	Vallibel Plantation Management Limited	Swisstek (Ceylon) PLC	Swisstek Aluminium Limited	Unidil Packaging Limited	Unidil Packaging Solutions Limited	LWL Development (Private) Limited	
	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	
Current Assets	272,906	6,271,610	9,923,802	719,244	1,419,241	5,577,156	2,893,655	1,069,748	20,416	
Non- Current Assets	1,359,336	7,589,263	7,686,783	196,992	2,454,768	1,800,356	1,332,576	135,866	480,253	
Current Liabilities	314,700	5,297,129	3,791,946	5,548	1,537,194	6,658,328	2,162,853	503,467	10,951	
Non- Current Liabilities	346,643	1,196,712	1,813,188	-	390,194	154,124	295,964	25,690	57,095	
Total equity	970,899	7,367,032	12,005,447	910,688	1,946,625	565,059	1,767,414	676,457	432,619	
Attributable to:										
Equity holders of parent	714,159	4,018,704	4,781,443	496,759	626,378	201,821	964,084	368,992	235,993	
Non-controlling interest	256,740	3,348,327	7,224,004	413,929	1,320,246	363,238	803,331	307,465	196,626	
	970,899	7,367,032	12,005,447	910,688	1,946,624	565,059	1,767,415	676,457	432,619	

	Beyond Paradise Collection Limited	Lanka Swisstek (Pvt) Ltd	Swisstek Development Limited	LTL Development (Pvt) Limited	LW Plantation Investments Limited	CP Holding (Pvt) Ltd	LC Plantation Project Ltd	Biscuit and Chocolate Company Limited	LankaTile USA Inc.	Valley view Ceramic
	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's
	984	48,596	-	-	-	22,554,285	-	3,848	238,596	725,860
	484,857	77,917	56,667	56,667	56,667	408,337,716	67,906,755	731,981	16,354	118
	899	12,548	127	287	165	2,087,353	490,243	294	255,232	1,165,594
	67,584	-	-	-	-	21,364,116	-	124,199	-	-
	417,358	113,965	56,541	56,380	56,502	407,440,532	67,416,512	611,336	(281)	(439,617)
	166,358	23,148	18,193	22,454	30,822	271,702,336	49,589,289	422,506	(153)	(139,315)
	251,000	90,817	38,348	33,925	25,680	135,738,196	17,827,223	188,830	(128)	(300,302)
	417,358	113,965	56,541	56,379	56,502	407,440,532	67,416,512	611,336	(281)	(439,617)

	Beyond Paradise Collection Limited	Lanka Swisstek (Pvt) Ltd	Swisstek Development Limited	LTL Development (Pvt) Limited	LW Plantation Investments Limited	CP Holding (Pvt) Ltd	LC Plantation Project Ltd	Biscuit and Chocolate Company Limited
	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's
	7,800	20,321	-	-	-	21,409	-	10,038
	484,857	-	56,667	56,667	56,667	379,000	56,667	725,925
	6,313	71	127	61	7	2,127	290	593
	67,585	-	-	-	-	12,382	-	124,199
	418,760	20,250	56,540	56,606	56,660	385,900	56,377	611,171
	166,917	4,113	18,193	22,544	30,908	257,338	41,469	422,392
	251,843	16,137	38,347	34,061	25,752	128,562	14,908	188,779
	418,760	20,250	56,540	56,605	56,660	385,900	56,377	611,171

Summarised cash flow information for year ended 31 March 2024:

	Lanka Ceramic PLC	Lanka Walltiles PLC	Lanka Tiles PLC	Vallibel Plantation Management Limited	Swisstek (Ceylon) PLC	Swisstek Aluminium Limited	Unidil Packaging Limited	Unidil Packaging Solutions Limited	LWL Development (Private) Limited	
	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	
Operating Cash Flow	199,241,453	429,274	2,772,773	83,769	397,795	(95,505)	743,548	127,422	(45)	
Investing Cash Flow	13,732,215	(3,087,814)	(974,557)	283,983	(47,669)	(45,292)	(79,395)	(8,299)	-	
Financing Cash Flow	(170,013,988)	2,721,510	(2,022,329)	(337,522)	(267,567)	123,895	(992,632)	(121,532)	(1,200)	
Net increase / (decrease) in cash and cash equivalents	42,959,498	62,970	(224,113)	30,230	82,559	(16,902)	(328,479)	(2,409)	(1,245)	

Summarised cash flow information for year ended 31 March 2023:

	Lanka Ceramic PLC	Lanka Walltiles PLC	Lanka Tiles PLC	Vallibel Plantation Management Limited	Swisstek (Ceylon) PLC	Swisstek Aluminium Limited	Unidil Packaging Limited	Unidil Packaging Solutions Limited	LWL Development (Private) Limited	
	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	
Operating Cash Flow	(211,050)	(1,160,901)	(1,188,706)	(37,501)	152,312	(1,527,941)	805,516	236,438	(14,907)	
Investing Cash Flow	(127,889)	641,602	(1,007,863)	563,397	(314,566)	(143,008)	(189,866)	(5,126)	-	
Financing Cash Flow	106,355	(686,795)	(2,002,369)	(544,294)	(127,382)	1,733,518	(822,004)	(162,699)	(1,200)	
Net increase / (decrease) in cash and cash equivalents	(232,584)	(1,206,094)	(4,198,938)	(18,398)	(289,636)	62,569	(206,355)	68,613	(16,107)	

	Beyond Paradise Collection Limited	Lanka Swisstek (Pvt) Ltd	Swisstek Development Limited	LTL Development (Pvt) Limited	LW Plantation Investments Limited	CP Holding (Pvt) Ltd	LC Plantation Project Ltd	Biscuit and Chocolate Company Limited	LankaTile USA Inc.	Valley view Ceramic
	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's
	-	(10,436)	-	(226)	(158)	(761,273)	-	(193,080)	-	-
	-	-	-	-	-	1,989,311	-	(8,393,490)	-	-
	-	-	-	-	-	-	-	-	-	-
	-	(10,436)	-	(226)	(158)	1,228,038	-	(8,586,570)	-	-

	Beyond Paradise Collection Limited	Lanka Swisstek (Pvt) Ltd	Swisstek Development Limited	LTL Development (Pvt) Limited	LW Plantation Investments Limited	CP Holding (Pvt) Ltd	LC Plantation Project Ltd	Biscuit and Chocolate Company Limited
	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's
	-	1,739	-	(57,084)	(56,888)	8,757	-	(34,551)
	-	-	-	-	-	(2,218)	-	(41,795)
	-	-	-	57,084	56,888	-	-	85,989
	-	1,739	-	-	-	6,539	-	9,644

37. SUMMARISED FINANCIAL INFORMATION OF ASSOCIATES

	L. B. Finance PLC		Delmage Limited	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Revenue / Operating Income	27,905,046,678	21,950,353,931	11,745,427,425	10,727,457,997
Cost of sales / Operating Expenses	(8,940,380,211)	(7,429,683,432)	(8,826,771,710)	(7,890,828,136)
Other Income and Gains	-	-	112,681,403	95,527,676
Administrative expenses	-	-	(930,445,037)	(938,276,263)
Selling and Distribution Costs	-	-	(1,069,223,852)	(892,560,836)
Finance costs	-	-	(307,070,532)	(746,005,159)
Finance Income	-	-	153,177,485	181,317,463
Tax on Financial Services	(3,630,243,445)	(2,677,605,595)	-	-
Profit before tax	15,334,423,022	11,843,064,904	877,775,182	536,632,741
Income tax Expenses	(5,627,414,439)	(3,290,177,961)	(52,709,749)	(135,426,776)
Profit for the year	9,707,008,584	8,552,886,943	825,065,433	401,205,965
Other Comprehensive income	(110,069,569)	(33,318,340)	-	819,761,134
Total Comprehensive income	9,596,939,015	8,519,568,603	825,065,433	1,220,967,099
Group share of profit for the year	2,533,389,242	2,231,024,827	173,263,741	81,718,062
Group share of Total Comprehensive Income for the year	2,504,682,837	2,222,335,404	171,964,527	242,537,944

	L. B. Finance PLC		Delmage Limited	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Current Assets	138,200,010,474	129,727,367,423	5,979,749,259	6,307,920,526
Non- Current Assets	63,976,496,258	52,546,235,976	5,907,738,825	5,818,422,117
Current Liabilities	121,366,981,465	118,889,513,338	3,812,832,610	4,771,590,415
Non- Current Liabilities	37,183,455,894	27,964,420,433	623,152,869	653,298,909
Total Equity	43,626,069,373	35,419,669,628	7,451,502,605	6,701,453,319
Group's Carrying amount of the investments	13,343,027,180	11,728,782,012	1,792,957,306	1,620,992,779
Group Share of Contingent Liabilities	13,801,536	99,582,060	-	-
Capital and other Commitments	515,867,616	527,367,486	-	-

LB Finance

Nature of principal activity	Principal place of business
LB Finance PLC provides a comprehensive range of financial services encompassing acceptance of deposits, granting lease facilities, hire purchases, mortgage loans, gold loans, personal loans, factoring, margin trading, trade finance loans, microfinance and other credit facilities, real estate development and related services	Sri Lanka

Delmage Ltd

Nature of principal activity	Principal place of business
Delmage Ltd is managing its subsidiaries, carrying out investment activities and providing management and administration services to the companies within the group. Subsidiaries of the group were engaged in the business of manufacturing, trading, shipping, logistics, airline and travel, and insurance brokering.	Sri Lanka

38. FAIR VALUE MEASUREMENT**Accounting Policy**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

01. In the principal market for the asset or liability, or
02. In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses various valuation methodologies that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. The use of observable and unobservable inputs and their significance in measuring fair value are reflected in our fair value hierarchy assessment.

Level 1 : Inputs include quoted prices for identical instruments and are the most observable

Level 2 : Inputs include quoted prices for similar instruments and observable inputs such as interest rates, currency exchange rates, and yield curves

Level 3 : Inputs include data not observable in the market and reflect management judgment about the assumptions market participants would use in pricing the instruments

Management review the inputs to the fair value measurements to ensure they are appropriately categorized within the fair value hierarchy. Transfers into and transfers out of the hierarchy levels are recognized as if they had taken place at the end of the reporting period.

38.1 Assets Measured at Fair Value:

As at 31 March		2024			
		Fair Value Measurement Using			
		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	Total Fair Value
		Level 1	Level 2	Level 3	
		Rs.	Rs.	Rs.	Rs.
Other Financial Assets					
Investments at fair value through profit or loss	12	59,124,126	-	-	59,124,126
		59,124,126	-	-	59,124,126
Property, Plant & Equipment	3				
Freehold and Clay Mining Land		-	-	10,727,831,268	10,727,831,268
Buildings		-	-	10,142,717,831	10,142,717,831
Investment Property	4	-	-	2,135,452,700	2,135,452,700
		59,124,126	-	23,006,001,799	23,065,125,925

There were no transfers into and transfers out of the hierarchy levels during 2023 & 2024.

Financial assets and financial liabilities at amortized cost

Fair value of financial assets and financial liabilities at amortized cost does not materially deviate from carrying value of those as at the reporting date.

Fixed rate financial instruments

Fair Value of interest bearing borrowing at fixed interest rate is amounted to Rs. 816Mn (2023-Rs. 999Mn) as at reporting date.

In fair valuing financial assets and financial liabilities with fixed rate, Average Weighted Primary Lending rate published by the CBSL were used.

38.2 Financial Assets and Financial Liabilities not carried at fair value**Assets for which Fair Value Approximates Carrying Value**

For financial assets and financial liabilities that have a short term maturity (original maturities less than a year), it is assumed that the carrying amounts approximate their fair values.

Accordingly, the following is a list of financial instruments whose carrying amount is a reasonable approximation of fair value.

Assets

Trade and Other Receivables, Amounts Due From Related Parties and Cash and short-term deposits

Liabilities

Trade and Other Payables and Amount Due to Related Parties

Majority of the Interest-bearing loans and borrowings balances comprise floating rate instruments therefore fair value of the value due to banks approximate to the carrying value as at the reporting date.

	2023			
	Fair Value Measurement Using			
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	Total Fair Value
	Level 1	Level 2	Level 3	
	Rs.	Rs.	Rs.	Rs.
	63,415,635	-	-	63,415,635
	63,415,635	-	-	63,415,635
	-	-	9,610,054,069	9,610,054,069
	-	-	7,937,785,404	7,937,785,404
	-	-	2,069,663,100	2,069,663,100
	63,415,635	-	19,617,502,573	19,680,918,208

39 DISCONTINUED OPERATIONS

On 28th March 2023, the group decided to dispose Horana Plantation PLC, which carried out all the group's plantation operations. The disposal was effected in order to generate cash flows for the expansion of group's other businesses. The disposal was completed on 29 March 2023, on which date control of the Horana Plantation PLC passed to the Hayles Plantation Management Services (Pvt) Ltd (the acquirer).

On 25th July 2016, the Board of Directors took a decision to cease the operations of Ever Paint and Chemical Industries (Private) Limited ("EPCI") and to dispose of the assets thereof. EPCI is a fully owned subsidiary of Royal Ceramics Lanka PLC and it was engaged in the business of manufacturing and marketing of paints and allied products. With EPCI being classified as discontinued operations, the paint and allied products segment is no longer presented in the segment note.

Rocell Pty Ltd ("RPTY") is a fully owned subsidiary of Royal Ceramics Lanka PLC and it was engaged in the business of wholesale and retailing of floor tiles and wall tiles in Australia. On 31st January 2021, the Board of Directors decided to cease the operations of RPTY and to dispose of the assets thereof. Accordingly it was classified as a discontinued operation and its results were no longer taken to tiles and associated items segment. However the Company settled its liabilities in March 2024 and wound up the company by 31 March 2024.

Management has reassessed the recoverability of the remaining assets and liabilities as at the reporting date. Management is continued to take steps to dispose the remaining assets of the Company. The results of discontinued operations for the period ended is presented below:

	2024			2023			Total
	Ever Paint and Chemical Industries (Private) Limited	Rocell Pty Ltd	Total	Ever Paint and Chemical Industries (Private) Limited	Rocell Pty Ltd	Horana Plantation PLC	
	31.03.2024 Rs.000's	31.03.2024 Rs.000's	31.03.2024 Rs.000's	31.03.2023 Rs.000's	31.03.2023 Rs.000's	31.03.2023 Rs.000's	31.03.2023 Rs.000's
Net Revenue	-	-	-	-	-	3,794,035	3,794,035
Cost of Sales	-	-	-	-	-	(2,559,346)	(2,559,346)
Operating Income	-	-	-	-	-	1,234,689	1,234,689
Other Operating Income	-	173,332	173,332	-	-	3,404	3,404
Distribution Expenses	-	-	-	-	(235)	-	(235)
Administrative Expenses	(2,487)	89	(2,398)	(2,462)	(36)	(251,583)	(254,082)
Finance Expenses	-	6,476	6,476	-	(7,303)	(334,515)	(341,818)
Finance Income	-	-	-	-	8	5,097	5,105
Tax Expense	-	-	-	-	-	(487,030)	(487,030)
Gain/(Loss) for the year from discontinued operations	(2,487)	179,897	177,410	(2,462)	(7,567)	170,062	160,033
Gain on disposal of subsidiary to VPML	-	-	-	-	-	215,955	215,955
Total Gain/(Loss) for the year from discontinued operations	(2,487)	179,897	177,410	(2,487)	(7,567)	386,016	375,988
Basic Earnings Per Share (Rs.)	(0.12)	72.13		(0.12)	(3.03)	6.80	-

The major classes of assets and liabilities of discontinued operations are being classified as held for sale as at the end of the period:

	Ever Paint and Chemical Industries (Private) Limited 31.03.2024 Rs.000's	Total 31.03.2024 Rs.000's	Ever Paint and Chemical Industries (Private) Limited 31.03.2023 Rs.000's	Rocell Pty Ltd 31.03.2023 Rs.000's	Total 31.03.2023 Rs.000's
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Assets

Property, Plant & Equipment	36,000	36,000	36,000	-	36,000
Cash and Cash Equivalents	56	56	173	6,689	6,862
Assets held for sale	36,056	36,056	36,173	6,689	42,862

Liabilities

Trade and Other Payables	(195)	(195)	(214)	(17,678)	(17,892)
Interest Bearing Loans & Borrowings	-	-	-	(182,765)	(182,765)
Liabilities directly associated with the assets held for sale	(195)	(195)	(214)	(200,443)	(200,657)
Net Assets directly associated with disposal group	35,862	35,862	35,959	(193,754)	(157,795)

The net cash flows incurred by each company for the period ended is as follows:

	Ever Paint and Chemical Industries (Private) Limited 31.03.2024 Rs.000's	Rocell Pty Ltd 31.03.2024 Rs.000's	Total 31.03.2024 Rs.000's	Ever Paint and Chemical Industries (Private) Limited 31.03.2023 Rs.000's	Rocell Pty Ltd 31.03.2023 Rs.000's	Horana Plantation PLC 31.03.2023 Rs.000's	Total 31.03.2023 Rs.000's
Operating	(115)	67,507	67,392	(658)	(11,643)	681,562	669,261
Investing	-	-	-	-	10,498	(430,106)	(419,608)
Financing	-	-	-	-	4,299	(227,186)	(222,887)
Net cash (outflow)/ inflow	(115)	67,507	67,392	(658)	3,154	24,270	26,766

Ever Paint and Chemical Industries (Private) Limited.

The fair value of land and buildings amounting to Rs. 36 Mn was determined by Mr. A.A.M. Fathihu, an independent professionally qualified valuer in reference to market based evidence. (valuation report dated 9 April 2018).

Significant increases (decrease) in estimated price per perch/ price per square feet in isolation would result in a significantly higher (lower) fair value

Price per square feet is in the range of Rs. 3,000/- to Rs.2,000/-

Price per perch is in the range of Rs. 85,000/- to Rs. 5,000/-

Significant increases (decrease) in estimated price per perch/ price per square feet in isolation would result in a significantly higher (lower) fair value

40 BUSINESS COMBINATIONS AND ACQUISITION OF NON-CONTROLLING INTERESTS**40.1 Investment in Lanka Tiles USA Inc.**

On 22 August 2023, Lanka Walltiles PLC invested in 100% of the voting shares of LankaTiles USA Inc, a non-listed company based in the United States of America and specializing in the distribution of tiles and associated products for the consideration of USD 10. The Lanka Walltiles PLC invested in Lanka Tiles USA Inc. to ensure access to the USA market.

40.2 Acquisition of Valley View Ceramics LLC

On 4 December 2023, Lanka Tiles USA Inc. acquired 51% of the voting shares of Valley View Ceramics LLC, a non-listed company based in the United States of America and specializing in the distribution of tiles and associated products. Lanka Tiles USA Inc. acquired Valley View Ceramics LLC to ensure access to the USA market.

The provisional fair values of the identifiable assets and liabilities of Valley View Ceramics LLC as at the date of the acquisition were:

	Fair value Recognized on Acquisition date Rs.
Assets	
Other Current Assets	751,524,779
Cash & Cash equivalents	13,137,083
	764,661,862
Liabilities	
Current Liabilities	492,398,993
Non Current Liabilities	593,510,000
	1,085,908,993
Total Identifiable Net Assets at Fair Value	(321,247,131)
Non-controlling interest measured at Fair value	239,351,609
Provisional Goodwill arising on Acquisition	98,347,638
Purchase consideration transferred	16,452,115
Cash Flow on Acquisition	
Net Cash Acquired with the Subsidiaries	13,137,083
Cash Paid	(16,452,115)
Net cash flow on acquisition	(3,315,032)

40.2.1 Acquisition of additional interest in Valley View Ceramics LLC

On 29 February 2024, the Group obtained an additional 7.1% interest in the voting shares of Valley View Ceramics LLC at zero consideration, increasing its ownership interest to 58.1%.

This increase in ownership resulted from a change in the share structure of Valley View Ceramics LLC, following the withdrawal of one shareholder from the company.

40.2.2 From the date of acquisition, Valley View Ceramics LLC contributed Rs.223Mn to the group revenue and Rs.99Mn as loss from continuing operations to the Group.**40.3** On 13 November 2023, Lanka Tiles PLC, a subsidiary of Lanka Walltiles PLC, accepted and acquired the right-issued shares of 1,497,812 for the amount of Rs.60.4Mn of Lanka Swisstek (Pvt) Ltd, formerly known as Lanka Tiles India (Pvt) Ltd, to secure the 51% ownership interest in the voting shares. The proceeds of the right issue will be utilized for expanding business operations in India.

41 DISPOSAL OF SUBSIDIARY**Disposal of Horana Plantations PLC.**

On 28th March 2023, the Board of Directors of Lanka Walltiles PLC approved the sale of 12,750,000 shares held by its fully owned subsidiary, Vallibel Plantations Management Limited in Horana Plantations PLC to Hayleys Plantation Services (Pvt) Limited at Rs.54.90 per share. The said shares constitute 51% of the total shares in the issue of Horana Plantations PLC. Results of Horana Plantations PLC is being classified as discontinued operations and for the year ended 2022/23 it was reported gain on disposal of Rs.216Mn

	Rs	Rs
Total Cash Consideration to VallibelPlantation Management Limited (VPML)		695,180,153

Net Assets Attributable to Immediate Parent

Carrying amount of the net assets disposed	929,953,146	
Goodwill on Acquisition of HPPLC	4,948,995	
De-recognition of non-controlling interests	(455,676,803)	479,225,338
Gain on disposal of subsidiary to VPML		215,954,815

Attributable to:

Equity Holders of the Parent - Royal Ceramics Lanka PLC	117,798,350
Non-Controlling Interest	98,156,465
	215,954,815

Net cash inflow arising on disposal

The consideration from the disposal of subsidiary	695,180,153
Net cash inflow from disposal of subsidiary	459,625,000

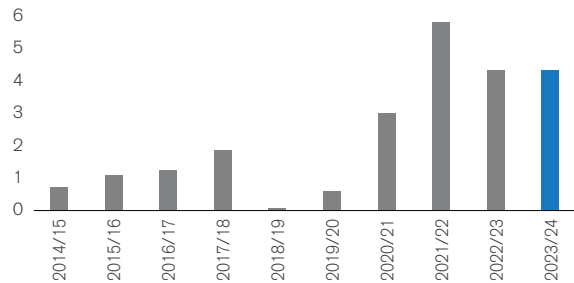
TEN YEAR SUMMARY - COMPANY

Trading results (RS:'000)	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15
Net Turnover	17,550,480	16,908,567	14,374,446	12,524,229	6,445,391	3,794,578	3,452,289	3,824,905	3,405,538	2,649,933
Other Income	2,073,944	2,386,531	2,986,684	1,385,096	1,016,944	1,039,703	2,759,288	1,808,744	1,679,396	1,256,470
Profit before interest & Tax	6,699,475	6,475,349	7,763,620	4,473,528	1,703,780	815,937	2,672,951	1,875,976	1,538,438	1,011,066
Interest	(684,028)	(423,197)	(298,731)	(594,353)	(952,011)	(795,936)	(432,816)	(386,935)	(360,784)	(376,515)
Profit After Interest Before Tax	6,015,447	6,052,151	7,464,889	3,879,175	769,656	32,940	2,247,381	1,489,818	1,177,680	635,642
Tax Reversal/Expense	(1,203,761)	(1,304,802)	(1,077,339)	(593,885)	(122,966)	24,779	(218,578)	(130,701)	15,315	143,881
Net Profit	4,811,687	4,747,350	6,387,549	3,285,290	646,690	57,719	2,028,803	1,359,117	1,192,996	779,524

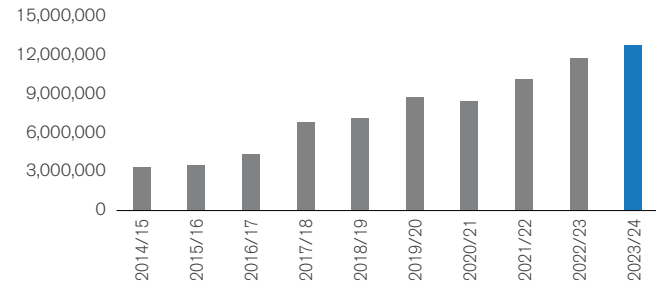
Statement of Financial Position (RS:'000)	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15
Stated Capital	1,368,673	1,368,673	1,368,673	1,368,673	1,368,673	1,368,673	1,368,673	1,368,673	1,368,673	1,368,673
Capital Reserve	2,423,467	2,358,007	2,758,474	1,360,280	1,192,935	830,591	830,591	213,634	213,634	213,634
Retained Earnings	18,494,207	16,416,950	15,534,919	13,783,646	12,023,045	7,247,365	7,466,545	6,444,557	6,076,307	5,545,481
Shareholders Funds	22,286,347	20,143,631	19,662,066	16,512,599	14,584,653	9,446,629	9,665,810	8,026,864	7,658,614	7,127,789
Fixed Assets	12,720,585	11,713,876	10,069,898	8,377,817	8,690,289	7,055,383	6,730,677	4,250,818	3,402,847	3,270,216
Right to use lease asset	866,797	946,301	881,696	855,049	965,787	-	-	-	-	-
Other non financial assets	-	-	-	18,017	41,304	-	-	-	-	-
Investments	10,226,881	10,226,881	10,168,604	9,786,712	9,786,712	9,769,937	9,618,309	8,320,280	8,046,217	8,153,536
Other Financial Assets	64,471	63,416	42,706	436,933	74,240	64,758	146,928	43,981	56,771	131,735
Current Assets	11,464,907	10,204,972	11,307,121	6,356,039	6,289,860	3,459,721	2,801,554	2,402,416	2,459,179	2,215,855
Current Liabilities	(8,213,113)	(8,878,564)	(9,597,794)	(5,491,693)	(7,146,803)	(7,307,418)	(5,525,765)	(3,625,785)	(3,485,306)	(3,333,914)
Non Current Liabilities	(4,779,710)	(4,069,835)	(3,167,460)	(3,389,342)	(4,042,496)	(3,530,994)	(3,958,965)	(3,515,723)	(3,088,016)	(3,487,254)
Total Equity	22,286,347	20,143,631	19,662,066	16,512,599	14,584,653	9,446,629	9,665,810	8,026,864	7,658,614	7,127,789

Ratios and Statistics	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15
Ordinary Dividends (Rs.'000)	2,769,735	3,489,866	4,653,154	1,551,051	443,158	221,579	997,104	997,104	664,736	443,158
Dividend per Share (Rs.)*	2.50	3.15	4.20	1.40	0.40	0.20	0.90	0.90	0.60	0.40
Dividend Payout Ratio(%)	58	74	73	47	69	92	49	73	56	57
Earnings Per Share (Rs.)*	4.34	4.29	5.77	2.97	0.58	0.05	1.83	1.23	1.08	0.70
Market value per share-closing(Rs.)	31.10	27.60	40.70	257.00	55.90	59.00	105.40	119.00	100.10	111.00
Market value per share-Highest(Rs.)	35.50	44.90	83.50	439.50	99.10	109.50	134.70	125.30	137.00	125.00
Price Earnings Ratio(Times)	7.16	6.44	7.06	8.67	9.64	118.00	5.76	9.67	9.27	15.86
Net Assets Per Share(Rs.)	20.12	18.18	17.75	14.90	13.16	8.53	8.72	7.25	6.91	6.43
Return on Equity(%)	21.59	23.57	32	20	4	1	21	17	16	11

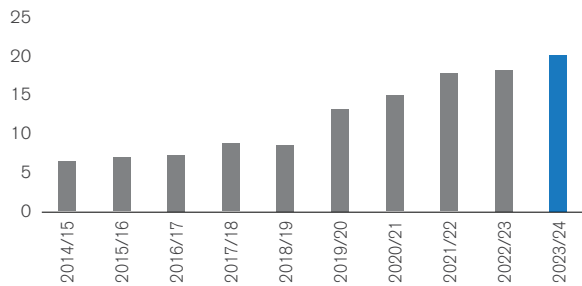
Earnings Per Share (Rs.)



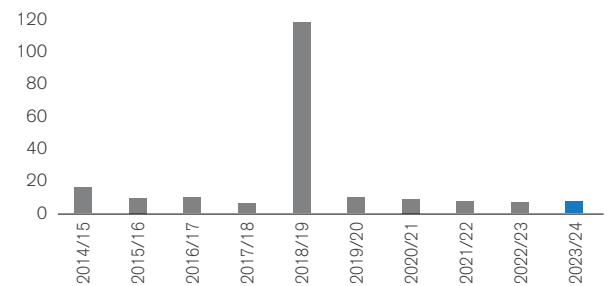
Fixed Assets (Rs.'000)



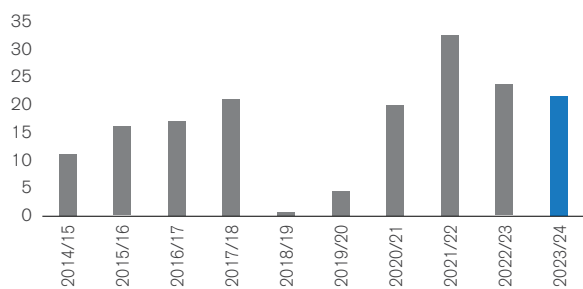
Net Assets Per Share (Rs.)



Price Earnings Ratio(Times)



Return on Equity (%)



GROUP VALUE ADDED STATEMENT

	2023/24			2022/23		
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
Turnover	61,082,048			63,195,711		
Finance & Other Income	986,458			1,634,386		
Share of Associate Company's profit	4,174,283			3,175,131		
	66,242,788			68,005,227		
Less: Cost of Material & Services bought in	31,250,848			33,469,543		
	34,991,940			34,535,684		
Value Allocated to Employees						
Salaries and Wages and Other Benefits		7,124,330	22%		6,954,283	20%
To Government						
Income Tax/Surcharge Tax	4,490,909			6,108,105		
VAT/SSCL	8,937,507	13,428,416	38%	7,777,427	13,885,533	40%
To Providers of Capital						
Dividends	3,861,607			5,366,393		
Finance Cost	2,524,386	6,385,993	18%	3,556,717	8,923,110	26%
To Expansion and Growth						
Retained in Business	5,933,592			2,733,635		
Depreciation	2,119,609	8,053,202	23%	2,039,123	4,772,758	14%
		34,991,940	100%		34,535,684	100%

SHARE INFORMATION

SHARE DISTRIBUTION

Shareholding as at 31st March 2024

There were 22,035 registered shareholders as at 31st March 2024, distributed as follows

Number of Shares Held	Number of Shareholders	Number of Shares	% Shareholding
1 - 1,000	8,805	2,957,274	0.27
1,001 - 10,000	10,450	34,373,573	3.10
10,001 - 100,000	2,391	71,526,648	6.46
100,001 - 1,000,000	336	94,178,856	8.50
1,000,000 & over	53	904,857,489	81.67
Total	22,035	1,107,893,840	100.00

43.80% of shares were held by public as at 31st March 2024.

Category Shareholders	Number of Shareholders	Number of Shares	% Shareholding
Local Individuals	21,123	194,807,842	17.58
Local Institutions	768	901,634,323	81.38
Foreign Individuals	134	4,390,008	0.40
Foreign Institutions	10	7,061,667	0.64
Total	22,035	1,107,893,840	100.00

Share Prices for the year

	2023/24		2022/23	
	Date	Price	Date	Price
Highest during the year	10.07.2023	35.50	05.04.2022	44.90
Lowest during the year	30.05.2023	24.90	07.07.2022	22.50
As at end of the year		31.10		27.60

Public Holding Percentage as at 31st March 2024	- 43.80%
Number of shareholders representing the above Percentage	- 22,028
The float adjusted market capitalization as at 31st March 2024	- Rs. 15,093,193,154.70

The Float adjusted market capitalization of the Company falls under Option 1 of Rule 7.14.1 (a) of the Listing Rules of the Colombo Stock Exchange and the Company has complied with the minimum public holding requirement applicable under the said option.

TWENTY FIVE MAJOR SHAREHOLDERS

	31.03.2024		31.03.2023	
	No of Shares	% of Issued Capital	No of Shares	% of Issued Capital
1 Vallibel One PLC	620,026,000	55.96	620,026,000	55.96
2 Employee's Provident Fund	152,779,980	13.79	152,779,980	13.79
3 Mr. K.D.H. Perera	17,676,020	1.60	15,657,474	1.413
4 Sri Lanka Insurance Corporation Ltd - Life Fund	13,831,320	1.25	10,362,668	0.94
5 Employees Trust Fund Board	7,814,986	0.71	5,819,327	0.53
6 Seylan Bank Plc/Mr. Mohamed Nayaz Deen	7,414,855	0.67	7,414,855	0.67
7 Lotus Technologies (Private) Limited	3,959,259	0.36	3,959,259	0.36
8 Northern Trust Company S/A LSV Frontier Markets Equity Fund,LP	3,600,600	0.32	3,600,600	0.32
9 Mrs. D.G.F. Amaratunga	3,530,000	0.32	14,000	1.26
10 Seylan Bank PLC/Phantom Investments (Pvt) Ltd	3,240,087	0.29	-	-
11 Mackenzie Capital Ltd	3,000,000	0.27	3,000,000	0.27
12 Renuka Hotels PLC	2,900,000	0.26	2,900,000	0.26
13 Amana Bank PLC/Mr. Mohamed Nayaz Deen	2,781,997	0.25	2,732,486	0.25
14 J.B. Cocoshell (Pvt) Ltd	2,747,482	0.25	1,100,000	0.10
15 Crescent Launderers and Dry Cleaners Pvt Limited	2,730,000	0.25	1,180,000	0.16
16 Bank Of Ceylon-No2 A/C (Boc Ptf)	2,403,392	0.22	2,403,392	0.22
17 Renuka Consultants & Services Limited.	2,310,000	0.21	1,810,000	0.16
18 Perera And Sons Bakers Pvt Limited	2,100,000	0.19	500,000	0.05
19 Hatton National Bank PLC/JN Lanka Holdings Company (Pvt) Ltd	2,086,396	0.19	7,658,937	0.69
20 Sri Lanka Insurance Corporation Ltd - General Fund	2,059,537	0.19	4,559,537	0.41
21 Mr. K.D.D. Perera	2,007,720	0.18	2,007,720	0.18
22 DFCC Bank PLC A/C No .02	1,910,000	0.17	1,400,000	0.13
23 Mr. T.G. Thoradeniya	1,856,800	0.17	1,856,800	0.17
24 Renuka City Hotels PLC	1,800,000	0.16	1,800,000	0.16
25 Hatton National Bank PLC / Mr. Ruwan Prassana Sugathadasa	1,720,651	0.16	2,229,282	0.20
	868,287,082	78.39	858,790,863	78.83
Others	239,606,758	21.61	249,102,977	21.17
Total	1,107,893,840	100.00	1,107,893,840	100.00

INDEPENDENT ASSURANCE REPORT



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

Independent practitioner's assurance report to the Board of Directors of Royal Ceramics Lanka PLC on the Integrated Annual Report FY 2023/24

Scope

We have been engaged by Royal Ceramics Lanka PLC to perform a 'limited assurance engagement,' as defined by Sri Lanka Standard on Assurance Engagements, here after referred to as the engagement, to report on Royal Ceramics Lanka PLC's Information on how its strategy, governance, performance and prospects, in the context of its external environment, lead to the creation, preservation or erosion of value over the short, medium and long term (the "Subject Matter") contained in Royal Ceramics Lanka PLC's (the "Entity's") Integrated Annual Report for the year ended 31 March 2024 (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Royal Ceramics Lanka PLC

In preparing the Subject Matter, Royal Ceramics Lanka PLC applied the Integrated Reporting Framework (<IR> Framework) issued by the International Integrated Reporting Council (IIRC) ("Criteria"):

Such Criteria were specifically designed for the purpose of assisting in determining whether the capital management, stakeholder engagement, business model, strategy, organizational overview & external environment outlook presented in the Integrated Annual Report is presented in

accordance with the relevant criteria; As a result, the subject matter information may not be suitable for another purpose.

Royal Ceramics Lanka PLC's responsibilities

Royal Ceramics Lanka PLC management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

Ernst & Young's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the Sri Lanka Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (SLSAE 3000 (Revised), and the terms of reference for this engagement as agreed with the Royal Ceramics Lanka PLC on 30 May 2024. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

Partners: D K Hulangamuwa FCA FCMA LLB (London), A P A Gunasekera FCA FCMA, Ms. Y A De Silva FCA, Ms. G G S Manatunga FCA, W K B S P Fernando FCA FCMA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, Ms. N A De Silva FCA, N M Sulaiman ACA ACMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajewani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage ACA ACMA, C A Yalagala ACA ACMA

Principals: T P M Ruberu FCMA FCCA MBA (USJ-SL), G B Goudian ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shakthivel B.Com (Sp)

A member firm of Ernst & Young Global Limited



A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the subject matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Performed a comparison of the content of the Integrated Annual Report against the Guiding Principles and Content Elements given in the Integrated Reporting Framework (<IR> Framework).
- Checked whether the information contained in the Integrated Annual Report – Financial Capital element information has been properly derived from the audited financial statements.
- Conducted interviews with the selected key management personnel and relevant staff and obtained an understanding of the internal controls, governance structure and reporting process relevant to the Integrated Report.
- Obtained an understanding of the relevant internal policies and procedures developed, including those relevant to determining what matters most to the stakeholders, how the organization creates value, the external environment, strategy, approaches to putting members first, governance and reporting.
- Obtained an understanding of the description of the organization's strategy and how the organization creates value, what matters most to the stakeholders and enquiring the management as to whether the description in the Integrated Report accurately reflects their understanding.
- Checked the Board of Directors meeting minutes during the financial year to ensure consistency with the content of the Integrated Report.

- Tested the relevant supporting evidence related to qualitative & quantitative disclosures within the Integrated Report against identified material aspects.
- Read the Integrated Report in its entirety for consistency with our overall knowledge obtained during the assurance engagement.

We also performed such other procedures as we considered necessary in the circumstances.

Emphasis of matter

Economic, Environment, Social and Intellectual capital management data/information are subject to inherent limitations given their nature and the methods used for determining, calculating and estimating such data. Such inherent limitations are common in Sri Lanka.

We also do not provide any assurance on the assumptions and achievability of prospective information presented in the Entity's Annual Report.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the information contained in the Integrated Annual Report of Royal Ceramics Lanka PLC for the year ended 31 March 2024, in order for it to be in accordance with the Criteria.

31 May 2024

Colombo

GRI INDEX

Statement of use	Royal Ceramics Lanka PLC has reported in accordance with the GRI Standards for the period 1st April 2023 to 31st March 2024
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	There is no applicable sector standard.

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI sector Standard Ref. No.				
			Requirement(s) Omitted	Reason	Explanation					
General disclosures										
GRI 2: General Disclosures 2021										
2-1	Organizational details	5	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.							
2-2	Entities included in the organization's sustainability reporting	3								
2-3	Reporting period, frequency and contact point	3								
2-4	Restatements of information	3								
2-5	External assurance	3								
2-6	Activities, value chain and other business relationships	5	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.							
2-7	Employees	77								
2-8	Workers who are not employees						Not Applicable			
2-9	Governance structure and composition	109								
2-10	Nomination and selection of the highest governance body	110								
2-11	Chair of the highest governance body	110								
2-12	Role of the highest governance body in overseeing the management of impacts	110								
2-13	Delegation of responsibility for managing impacts	112								
2-14	Role of the highest governance body in sustainability reporting	110								
2-15	Conflicts of interest	112								
2-16	Communication of critical concerns	112								
2-17	Collective knowledge of the highest governance body	109								
2-18	Evaluation of the performance of the highest governance body	113								
2-19	Remuneration policies	113								
2-20	Process to determine remuneration	113								
2-21	Annual total compensation ratio						Confidentiality constraints			
2-22	Statement on sustainable development strategy	28								
2-23	Policy commitments	112								
2-24	Embedding policy commitments	112								
2-25	Processes to remediate negative impacts	112								
2-26	Mechanisms for seeking advice and raising concerns	110								
2-27	Compliance with laws and regulations	112								
2-28	Membership associations	94								
2-29	Approach to stakeholder engagement	36								
2-30	Collective bargaining agreements	83								
Material topics										
GRI 3: Material Topics 2021	3-1 Process to determine material topics	39					A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	3-2 List of material topics	39								
Economic performance										
GRI 3: Material Topics 2021	3-3 Management of material topics	39								

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	246				
	201-2 Financial implications and other risks and opportunities due to climate change	42				
	201-3 Defined benefit plan obligations and other retirement plans	162				
	201-4 Financial assistance received from government			Not applicable		
Market presence						
GRI 3: Material Topics 2021	3-3 Management of material topics	75, 76				
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	78				
	202-2 Proportion of senior management hired from the local community	78				
Indirect economic impacts						
GRI 3: Material Topics 2021	3-3 Management of material topics	92				
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	94				
	203-2 Significant indirect economic impacts	94				
Procurement practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	39				
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	93				
Anti-corruption						
GRI 3: Material Topics 2021	3-3 Management of material topics	95				
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	95				
	205-2 Communication and training about anti-corruption policies and procedures	80				
	205-3 Confirmed incidents of corruption and actions taken				No such incidents reported during FY 23/24	
Anti-competitive behaviour						
GRI 3: Material Topics 2021	3-3 Management of material topics	92				
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	92				
Tax						
GRI 3: Material Topics 2021	3-3 Management of material topics					
GRI 207: Tax 2019	207-1 Approach to tax	155				
	207-2 Tax governance, control, and risk management	155-156, 210				
	207-3 Stakeholder engagement and management of concerns related to tax	38				
	207-4 Country-by-country reporting		207 - 4	Not applicable	Do not met criteria for country by country reporting	

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
Materials						
GRI 3: Material Topics 2021	3-3 Management of material topics	95				
GRI 301: Materials 2016	301-1 Materials used by weight or volume	96				
	301-2 Recycled input materials used	96				
	301-3 Reclaimed products and their packaging materials		301 -3	Not applicable	No such incidents reported during FY 23/24	
Energy						
GRI 3: Material Topics 2021	3-3 Management of material topics	95				
GRI 302: Energy 2016	302-1 Energy consumption within the organization	97				
	302-2 Energy consumption outside of the organization		302 - 2	Information unavailable	The group do not track the information at present	
	302-3 Energy intensity	97				
	302-4 Reduction of energy consumption	97				
	302-5 Reductions in energy requirements of products and services	97				
Water and effluents						
GRI 3: Material Topics 2021	3-3 Management of material topics	95				
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	98				
	303-2 Management of water discharge-related impacts	98				
	303-3 Water withdrawal	98				
	303-4 Water discharge	98				
	303-5 Water consumption	98				
Biodiversity						
GRI 3: Material Topics 2021	3-3 Management of material topics					
GRI 304:EO Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		304 - 1	Not applicable		
	304-2 Significant impacts of activities, products and services on biodiversity		304 - 2	Information unavailable		
	304-3 Habitats protected or restored		304 - 3	Not applicable		
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations		304 - 4	Not applicable		
Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	99				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	99				
	305-2 Energy indirect (Scope 2) GHG emissions	99				
	305-3 Other indirect (Scope 3) GHG emissions	99				
	305-4 GHG emissions intensity					
	305-5 Reduction of GHG emissions	99				
	305-6 Emissions of ozone-depleting substances (ODS)		305 - 6	Not applicable		
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		305 - 7	Not applicable		

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
Waste						
GRI 3: Material Topics 2021	3-3 Management of material topics	98				
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	98				
	306-2 Management of significant waste-related impacts	98				
	306-3 Waste generated	99				
	306-4 Waste diverted from disposal	99				
	306-5 Waste directed to disposal	99				
Supplier environmental assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	93				
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	93				
	308-2 Negative environmental impacts in the supply chain and actions taken					
Employment						
GRI 3: Material Topics 2021	3-3 Management of material topics	75				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	78				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	78				
	401-3 Parental leave	83				
Labour/management relations						
GRI 3: Material Topics 2021	3-3 Management of material topics	75				
GRI 402: Labour/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes					
		78				
Occupational health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	80				
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	80				
	403-2 Hazard identification, risk assessment, and incident investigation	80				
	403-3 Occupational health services	80				
	403-4 Worker participation, consultation, and communication on occupational health and safety	80				
	403-5 Worker training on occupational health and safety	80				
	403-6 Promotion of worker health	81				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	81				
	403-8 Workers covered by an occupational health and safety management system	81				
	403-9 Work-related injuries	81				
	403-10 Work-related ill health	81				

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
Training and education						
GRI 3: Material Topics 2021	3-3 Management of material topics	79				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	79				
	404-2 Programs for upgrading employee skills and transition assistance programs	79				
	404-3 Percentage of employees receiving regular performance and career development reviews	79				
Diversity and equal opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics	75				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	83				
	405-2 Ratio of basic salary and remuneration of women to men	83				
Non-discrimination						
GRI 3: Material Topics 2021	3-3 Management of material topics	75				
GRI 406: Non- discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	83				
Freedom of association and collective bargaining						
GRI 3: Material Topics 2021	3-3 Management of material topics	75				
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		407 - 1	Not applicable	No such incidents reported during FY 23/24	
Child labour						
GRI 3: Material Topics 2021	3-3 Management of material topics	76				
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour		408 - 1	Not applicable	No such incidents reported during FY 23/24	
Forced or compulsory labour						
GRI 3: Material Topics 2021	3-3 Management of material topics					
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour		409 - 1	Not applicable	No such incidents reported during FY 23/24	
Security practices						
GRI 3: Material Topics 2021	3-3 Management of material topics					
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures		410 - 1	Not applicable	No such incidents reported during FY 23/24	

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
Rights of indigenous peoples						
GRI 3: Material Topics 2021	3-3 Management of material topics					
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples		411 - 1	Not applicable	No such incidents reported during FY 23/24	
Local communities						
GRI 3: Material Topics 2021	3-3 Management of material topics	94				
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	94				
	413-2 Operations with significant actual and potential negative impacts on local communities		413 - 2	Not applicable	No such incidents reported during FY 23/24	
Supplier social assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	93				
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	93				
	414-2 Negative social impacts in the supply chain and actions taken		414 - 2	Not applicable	No such incidents reported during FY 23/24	
Public policy						
GRI 3: Material Topics 2021	3-3 Management of material topics					
GRI 415: Public Policy 2016	415-1 Political contributions		415 - 1	Not applicable	No such incidents reported during FY 23/24	
Customer health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics					
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	92				
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		416 - 2	Not applicable	No such incidents reported during FY 23/24	
Marketing and labelling						
GRI 3: Material Topics 2021	3-3 Management of material topics	92				
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	92				
	417-2 Incidents of non-compliance concerning product and service information and labelling	92				
	417-3 Incidents of non-compliance concerning marketing communications	92				
Customer privacy						
GRI 3: Material Topics 2021	3-3 Management of material topics	93				
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		418 - 1	Not applicable	No such incidents reported during FY 23/24	

SASB DISCLOSURES

2 CONSTRUCTION MATERIALS SUSTAINABILITY ACCOUNTING STANDARD

2.1 SUSTAINABILITY DISCLOSURE TOPICS & METRICS

Topic	Metric	Category	Unit of Measure	Code	Disclosure/Reference
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Quantitative	Metric tonnes (t) CO ₂ -e, Percentage (%)	EM-CM-110a.1	99
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	n/a	EM-CM-110a.2	99
Air Quality	Air emissions of the following pollutants: (1) NO _x (excluding N ₂ O), (2) SO _x , (3) particulate matter (PM ₁₀), (4) dioxins/furans, (5) volatile organic compounds (VOCs), (6) polycyclic aromatic hydrocarbons (PAHs) and (7) heavy metals	Quantitative	Metric tonnes (t)	EM-CM-120a.1	Not applicable
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage alternative and (4) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	EM-CM-130a.1	97
Water Management	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic metres (m ³), Percentage (%)	EM-CM-140a.1	98
Waste Management	Amount of waste generated, percentage hazardous and percentage recycled	Quantitative	Metric tonnes (t), Percentage (%)	EM-CM-150a.1	98, 99
Biodiversity Impacts	Description of environmental management policies and practices for active sites	Discussion and Analysis	n/a	EM-CM-160a.1	Not applicable
	Terrestrial land area disturbed, percentage of impacted area restored	Quantitative	Hectares (ha), Percentage (%)	EM-CM-160a.2	
Workforce Health & Safety	(1) Total recordable incident rate (TRIR) and (2) near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees	Quantitative	Rate	EM-CM-320a.1	81
	Number of reported cases of silicosis ¹	Quantitative	Number	EM-CM-320a.2	No such incidents reported during FY 23/24
Product Innovation	Percentage of products that qualify for credits in sustainable building design and construction certifications	Quantitative	Percentage (%) by annual sales revenue	EM-CM-410a.1	79% of our products qualify for sustainable product certificate
	Total addressable market and share of market for products that reduce energy, water or material impacts during usage or production	Quantitative	Presentation currency, Percentage (%)	EM-CM-410a.2	Not available information
Pricing Integrity & Transparency	Total amount of monetary losses as a result of legal proceedings associated with cartel activities, price fixing, and antitrust activities ²	Quantitative	Presentation currency	EM-CM-520a.1	92

Table 2. Activity Metrics

Activity metric	Category	Unit of Measure	Code	Disclosure/Reference
Production by major product line ³	Quantitative	Metric tonnes (t)	EM-CM-000.A	54

3 IRON & STEEL PRODUCERS SUSTAINABILITY ACCOUNTING STANDARD

3.1 SUSTAINABILITY DISCLOSURE TOPICS & METRICS

Topic	Metric	Category	Unit of Measure	Code	Disclosure/Reference
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Quantitative	Metric tonnes (t) CO ₂ -e, Percentage (%)	EM-IS-110a.1	99
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	n/a	EM-IS-110a.2	99
Air Quality	Air emissions of the following pollutants: (1) CO, (2) NO _x (excluding N ₂ O), (3) SO _x , (4) particulate matter (PM ₁₀), (5) manganese (MnO), (6) lead (Pb), (7) volatile organic compounds (VOCs), and (8) polycyclic aromatic hydrocarbons (PAHs)	Quantitative	Metric tonnes (t)	EM-IS-120a.1	Not applicable
Energy Management	(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	EM-IS-130a.1	97
	(1) Total fuel consumed, (2) percentage coal, (3) percentage natural gas and (4) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	EM-IS-130a.2	97
Water Management	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic metres (m ³), Percentage (%)	EM-IS-140a.1	98
Waste Management	(1) Amount of waste generated, (2) percentage hazardous, (3) percentage recycled	Quantitative	Metric tonnes (t), Percentage (%)	EM-IS-150a.1	98, 99
Workforce Health & Safety	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees	Quantitative	Rate	EM-IS-320a.1	81
Supply Chain Management	Discussion of the process for managing iron ore or coking coal sourcing risks arising from environmental and social issues	Discussion and Analysis	n/a	EM-IS-430a.1	63

3.2 Table 2. Activity Metrics

Activity metric	Category	Unit of Measure	Code	Disclosure/Reference
Raw steel production, percentage from: (1) basic oxygen furnace processes, (2) electric arc furnace processes	Quantitative	Metric tonnes (t), Percentage (%)	EM-IS-000.A	62
Total iron ore production ¹	Quantitative	Metric tonnes (t)	EM-IS-000.B	Not applicable
Total coking coal production ²	Quantitative	Metric tonnes (t)	EM-IS-000.C	Not applicable

4 CONTAINERS & PACKAGING SUSTAINABILITY ACCOUNTING STANDARD**4.1 SUSTAINABILITY DISCLOSURE TOPICS & METRICS**

Topic	Metric	Category	Unit of Measure	Code	Disclosure/Reference
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Quantitative	Metric tonnes (t) CO ₂ -e, Percentage (%)	RT-CP-110a.1	99
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets and an analysis of performance against those targets	Discussion and Analysis	n/a	RT-CP-110a.2	99
Air Quality	Air emissions of the following pollutants: (1) NO _x (excluding N ₂ O), (2) SO _x , (3) volatile organic compounds (VOCs), and (4) particulate matter (PM)	Quantitative	Metric tonnes (t)	RT-CP-120a.1	Not applicable
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable and (4) total self-generated energy	Quantitative	Gigajoules (GJ), Percentage (%)	RT-CP-130a.1	97
Water Management	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic metres (m ³), Percentage (%)	RT-CP-140a.1	98
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	n/a	RT-CP-140a.2	98
	Number of incidents of non-compliance associated with water quality permits, standards and regulations	Quantitative	Number	RT-CP-140a.3	98
Waste Management	Amount of hazardous waste generated, percentage recycled	Quantitative	Metric tonnes (t), Percentage (%)	RT-CP-150a.1	98
Product Safety	(1) Number of recalls issued, (2) total units recalled 1	Quantitative	Number	RT-CP-250a.1	No such incidents reported during FY 23/24
	Discussion of process to identify and manage emerging materials and chemicals of concern	Discussion and Analysis	n/a	RT-CP-250a.2	96

Topic	Metric	Category	Unit of Measure	Code	Disclosure/Reference
Product Lifecycle Management	Percentage of raw materials from: (1) recycled content, (2) renewable resources, and (3) renewable and recycled content	Quantitative	Percentage (%) by weight	RT-CP-410a.1	96
	Revenue from products that are reusable, recyclable, or compostable	Quantitative	Presentation currency	RT-CP-410a.2	99
	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	Discussion and Analysis	n/a	RT-CP-410a.3	99
Supply Chain Management	Total wood fibre procured; percentage from certified sources	Quantitative	Metric tonnes (t), Percentage (%)	RT-CP-430a.1	Not applicable
	Total aluminium purchased; percentage from certified sources	Quantitative	Metric tonnes (t), Percentage (%)	RT-CP-430a.1	Not applicable

Table 2. Activity Metrics

Activity metric	Category	Unit of Measure	Code	Disclosure/Reference
Amount of production, by substrate ²	Quantitative	Metric tonnes (t)	RT-CP-000.A	66
Percentage of production as: (1) paper/wood, (2) glass, (3) metal, and (4) plastic	Quantitative	Quantitative Percentage (%) by revenue	RT-CP-000.B	Not applicable
Number of employees	Quantitative	Number	RT-CP-000.C	66

GLOSSARY OF FINANCIAL TERMS

ACCOUNTING POLICIES

Specific principles, bases, conventions, rules and practices adopted by an enterprise in preparing and presenting Financial Statements.

CAPITAL EMPLOYED

Total assets less interest free liabilities.

CASH AND CASH EQUIVALENT

Short-term highly liquid assets those are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

CONTINGENCIES

A condition or situation existing at the reporting date where the outcome will be confirmed only by occurrence or non- occurrence of one or more future events.

CURRENT RATIO

Current assets divided by current liabilities.

GEARING RATIO

Interest bearing borrowings divided by equity plus interest bearing borrowings.

LEVERAGE RATIO

Interest bearing borrowings divided by equity.

DEFERRED TAXATION

Sum set aside for tax in the accounts of an entity that will become liable in a period other than that under review.

QUICK ASSET RATIO

Current assets excluding inventories divided by current liabilities

DIVIDEND PAYOUT RATIO

Dividends Per Share divided by Earnings Per Share.

EARNINGS PER SHARE

Profits attributable to ordinary Shareholders divided by the number of ordinary shares in issue and ranking for dividend.

GROSS DIVIDEND

Portion of profits distributed to Shareholders.

NET ASSETS PER SHARE

Shareholders' funds divided by the number of ordinary shares issued.

OPERATING PROFIT MARGIN

Operating profit divided by turnover.

PRICE EARNINGS RATIO

Market price of a share divided by Earnings per share.

RELATED PARTIES

Parties who could control or significantly influence the financial and operating policies of the business.

RETURN ON ASSETS

Net profit for the year divided by assets.

RETURN ON EQUITY

Net profit for the year divided by Equity.

RETURN ON CAPITAL EMPLOYED (ROCE)

Operating Profit (EBIT) divided by equity plus interest bearing borrowings.

SHAREHOLDERS' FUNDS

Total of issued and fully paid up capital and reserves.

VALUE ADDITIONS

The quantum of wealth generated by the activities of the group and its application.

WORKING CAPITAL

Capital required to finance the day-to-day operations (current assets minus current liabilities).

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty Fourth (34th) Annual General Meeting of Royal Ceramics Lanka PLC will be held on the 28th day of June 2024 at 2.30 p.m. at "The Kingsbury", 48, Janadhipathi Mawatha, Colombo 01 for the following purposes:

1. To receive and consider the Annual Report of the Board of Directors on the affairs of the Company and its subsidiaries and the Statement of Accounts for the year ended 31st March 2024 and the Report of the Auditors thereon.
2. To declare a Final Dividend of Cents Ninety (Rs. 0.90) per Ordinary share for the year ended 31st March 2024 as recommended by the Board of Directors.
3. To re-elect Mr. J R Gunaratne, who retires by rotation in terms of Article 87(1) of the Articles of Association, as a Director of the Company
4. To pass the ordinary resolution set out below to re- appoint Mr. R N Asirwatham who is 81 years of age, as a Director of the Company;
 "IT IS HEREBY RESOLVED THAT the age limit stipulated in Section 210 of the Companies Act, No.07 of 2007 shall not apply to Mr. R N Asirwatham who is 81 years of age and that he be and is hereby re-appointed a Director of the Company in terms of Section 211 of the Companies Act No. 07 of 2007"
5. To pass the ordinary resolution set out below to re- appoint Mr. L N de S Wijeyeratne who is 74 years of age, as a Director of the Company;
 "IT IS HEREBY RESOLVED THAT the age limit stipulated in Section 210 of the Companies Act, No.07 of 2007 shall not apply to Mr. L N de S Wijeyeratne who is 74 years of age and that he be and is hereby re-appointed a Director of the Company in terms of Section 211 of the Companies Act No. 07 of 2007"
6. To re-appoint Messrs. Ernst & Young, Chartered Accountants, the retiring Auditors and to authorize the Directors to determine their remuneration.
7. To authorize the Directors to determine payments for the year 2024/2025 and up to the date of the next Annual General Meeting for charitable and other purposes as set out in the Companies Donations Act.

By Order of the Board

ROYAL CERAMICS LANKA PLC



P W Corporate Secretarial (Pvt) Ltd
 Director / Secretaries

At Colombo
 31 May 2024

Notes:

- 1) A shareholder entitled to attend and/or vote at the Annual General meeting (AGM) is entitled to appoint a Proxy who need not be a shareholder, to attend and vote instead of him/her. A Form of Proxy is enclosed for this purpose. A proxy may vote on a poll (and join in demanding a poll).
2. Shareholders who are unable to attend the meeting are encouraged to submit a duly completed Form of Proxy appointing the Chairman or any other Member of the Board to represent them at the Annual General Meeting.
3. A form of Proxy is enclosed in this report.
4. The completed Form of Proxy should be deposited at the Registered Office of the Company at No. 20, R.A. de Mel Mawatha, Colombo 03, not less than 48 hours before the time appointed for holding the meeting.

FORM OF PROXY

*I/We holder of NIC No.
 of being a *Shareholder /Shareholders of Royal Ceramics Lanka PLC, do hereby appoint
 holder of NIC No.
 of or failing him/her

Mr. S H Amarasekera	or failing him
Mr. A M Weerasinghe	or failing him
Mr. M Y A Perera	or failing him
Mr. L N de S Wijeyeratne	or failing him
Mr. R N Asirwatham	or failing him
Mr. S R Jayaweera	or failing him
Mr. J R Gunaratne	or failing him
Mr. T G Thoradeniya	or failing him
Mr. G A R D Prasanna	or failing him
Ms. N R Thambiayah	or failing her
Mr. N J Weerakoon	or failing him
Mr. S M Liyanage	or failing him
Ms. K A D B Perera	

as *my/our proxy to represent me/us to speak and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 28th June 2024 at 2.30 p.m. and any adjournment thereof and at every poll which may be taken in consequence thereof.

	For	Against
1. To declare a Final Dividend of Cents Ninety (Rs. 0.90) per Ordinary share for the year ended 31st March 2024 as recommended by the Board of Directors.	☐	☐
2. To re-elect Mr. J R Gunaratne, who retires by rotation in terms of Article 87(1) of the Articles of Association, as a Director of the Company.	☐	☐
3. To pass the ordinary resolution set out below to appoint Mr. R N Asirwatham who is 81 years of age, as a Director of the Company; "IT IS HEREBY RESOLVED THAT the age limit stipulated in Section 210 of the Companies Act, No.07 of 2007 shall not apply to Mr. R N Asirwatham who is 81 years of age and that he be and is hereby re-appointed a Director of the Company in terms of Section 211 of the Companies Act No. 07 of 2007"	☐	☐
4. To pass the ordinary resolution set out below to re- appoint Mr. L N de S Wijeyeratne who is 74 years of age, as a Director of the Company; "IT IS HEREBY RESOLVED THAT the age limit stipulated in Section 210 of the Companies Act, No.07 of 2007 shall not apply to Mr. L N de S Wijeyeratne who is 74 years of age and that he be and is hereby re-appointed a Director of the Company in terms of Section 211 of the Companies Act No. 07 of 2007"	☐	☐
5. To re-appoint Messrs. Ernst & Young, Chartered Accountants, the retiring Auditors and to authorize the Directors to determine their remuneration.	☐	☐
6. To authorize the Directors to determine payments for the year 2024/2025 and up to the date of the next Annual General Meeting for Charitable and other purposes as set out in the Companies Donations Act (Cap 147).	☐	☐

Signed this day of Two Thousand and Twenty-Four.

.....
 Signature

- 1) *Please delete the inappropriate words.
- 2) Instructions as to completion are noted on the reverse hereof.

INSTRUCTIONS AS TO COMPLETION

1. The full name, National Identity Card number and the registered address of the shareholder appointing the Proxy and the relevant details of the Proxy should be legibly entered in the Form of Proxy which should be duly signed and dated.
2. The Proxy shall –
 - (a) In the case of an individual be signed by the shareholder or by his/her attorney, and if signed by an Attorney, a notarially certified copy of the Power of Attorney should be attached to the completed Proxy if it has not already been registered with the Company.
 - (b) In the case of a company or corporate / statutory body either be under its Common Seal or signed by its Attorney or by an Officer on behalf of the company or corporate / statutory body in accordance with its Articles of Association or the Constitution or the Statute (as applicable).
3. Please indicate with a 'X' how the Proxy should vote on each resolution. If no indication is given, the Proxy in his/her discretion will vote as he/she thinks fit.
4. To be valid, the completed Form of Proxy must be deposited at the Registered Office of the Company, No. 20, R.A. de Mel Mawatha, Colombo 03, not later than 48 hours before the time appointed for the Meeting.

CORPORATE INFORMATION

NAME OF THE COMPANY

Royal Ceramics Lanka PLC

LEGAL FORM

A Public Quoted Company with limited liability incorporated under the provisions of Companies Act No. 7 of 2007

DATE OF INCORPORATION

29th August 1990

COMPANY REGISTRATION NUMBER

PQ 125

NATURE OF BUSINESS

Manufacture and sale of Porcelain & Ceramic Tiles

BOARD OF DIRECTORS

Mr. S H Amarasekara
(Chairman)

Mr. A M Weerasinghe
(Deputy Chairman)

Mr. M Y A Perera
(Managing Director)

Mr. T G Thoradeniya
(Director Marketing & Business Development)

Mr. L N de S Wijeyeratne

Mr. R N Asirwatham

Mr. S R Jayaweera

Mr. J R Gunaratne

Mr. G A R D Prasanna

Ms. N R Thambiayah

Mr. N J Weerakoon

Mr. S M Liyanage

Ms. Brindhiini Perera

HEAD OFFICE AND REGISTERED OFFICE

20, R. A de Mel Mawatha, Colombo 03.

Tel : 011 4799400

Fax : 011 4720077

Email : ho.gen@rcl.lk

Website : www.rocell.com

SUBSIDIARY COMPANIES

Rocell Bathware Limited

Royal Ceramics Distributors (Private) Limited

Ever Paint and Chemical Industries (Private) Limited

Nilano Garments (Private) Limited

Biscuits and Chocolate Company Limited
(Previously known as Rocell Ceramics Limited)

Rocell Properties Limited

CP Holding (Private) Limited

Lanka Walltiles PLC and its subsidiaries

Lanka Ceramic PLC and its subsidiary

ASSOCIATE COMPANIES

Delmege Limited

L B Finance PLC

SECRETARIES

P W Corporate Secretarial (Pvt) Ltd
3/17, Kynsey Road,
Colombo 08.

Tel : 011 4640360-3

Fax : 011 4740588

Email : pwcs@pwcs.lk

REGISTRARS

Central Depository Systems (Pvt) Ltd
Ground Floor, M & M Centre,
341/5, Kotte Road, Rajagiriya.

Tel : 011 2356491

Fax : 011 2440396

EXTERNAL AUDITORS

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

BANKERS

Commercial Bank of Ceylon PLC

Hatton National Bank PLC

Standard Chartered Bank Ltd.

HSBC Ltd.

DFCC Bank PLC

Seylan Bank PLC

Bank of Ceylon

PABC Bank PLC

Sampath Bank PLC

MCB Bank Ltd.

NDB Bank PLC

Nations Trust Bank PLC



Eternal Elegance