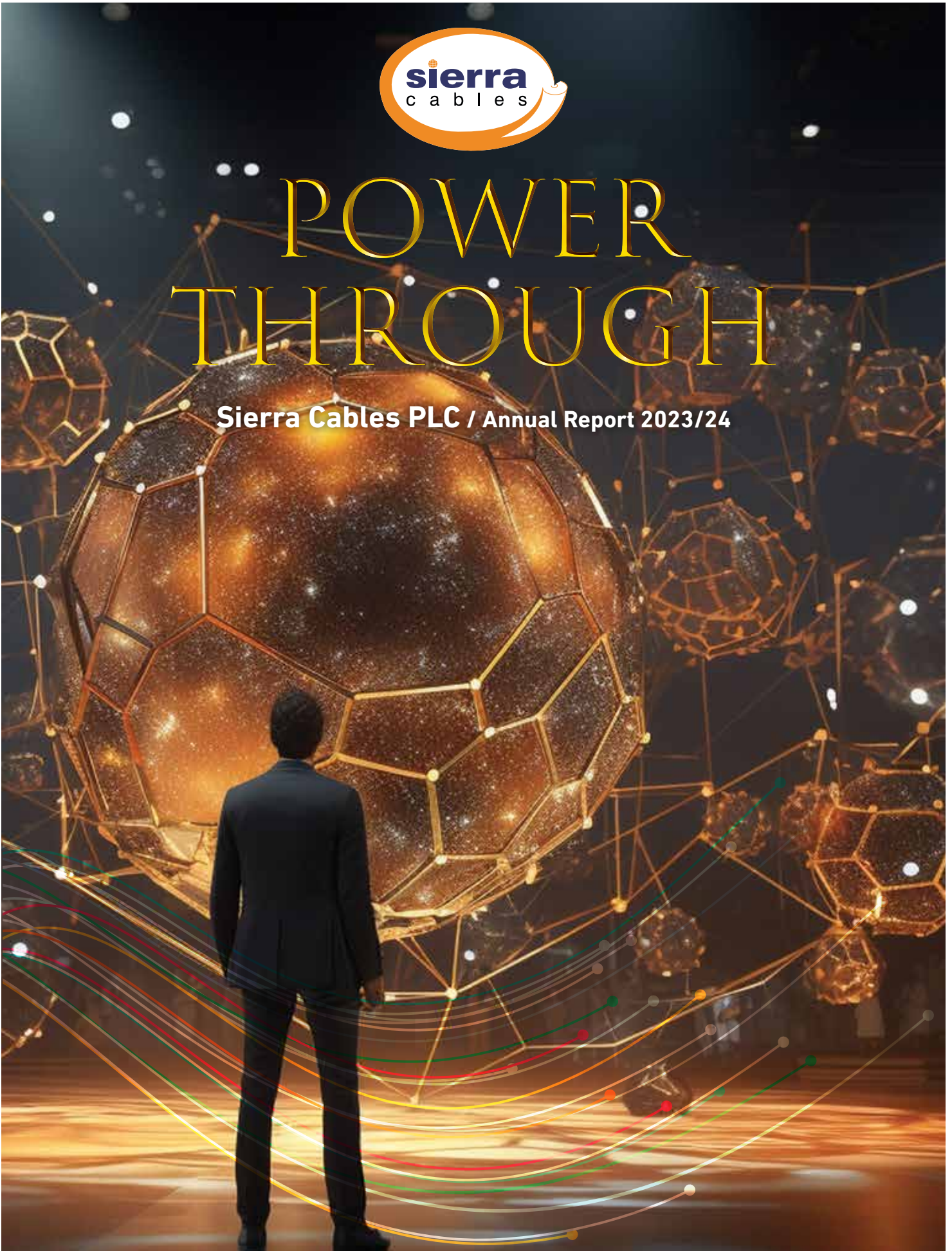




POWER THROUGH

Sierra Cables PLC / Annual Report 2023/24



Content

ABOUT US

- 3 - Our Purpose
- 4 - About Sierra Cables PLC
- 6 - Financial Highlights (Group)
- 10 - Our Journey
- 12 - Chairman's Message
- 15 - Chief Executive Officer's Message
- 20 - Board Of Directors

MANAGEMENT DISCUSSION & ANALYSIS

- 24 - Operating Environment
- 26 - Financial Review
- 30 - Our Customers and Key Stakeholders
- 35 - Our Employees
- 39 - Environmental Sustainability

CORPORATE GOVERNANCE

- 43 - Corporate Governance
- 55 - Risk Management Review
- 58 - Report of The Board Audit Committee
- 60 - Report of The Board Remuneration Committee
- 61 - Report of The Board Related Party Transactions Review Committee
- 62 - Nomination Committee Report

FINANCIAL STATEMENTS

- 64 - Statement of Directors' Responsibility
- 65 - Chief Executive Officer's and Group Chief Financial Officer's Responsibility Statement
- 66 - Annual Report of The Board of Directors on the affairs of Sierra Cables PLC
- 69 - Independent Auditors' Report
- 73 - Income Statement
- 74 - Statements of Profit or Loss and Other Comprehensive Income
- 75 - Statement of Financial Position
- 77 - Consolidated Statement of Changes in Equity
- 78 - Company Statement of Changes in Equity
- 79 - Statement of Cash Flow
- 81 - Accounting Policies
- 94 - Notes to the Financial Statements

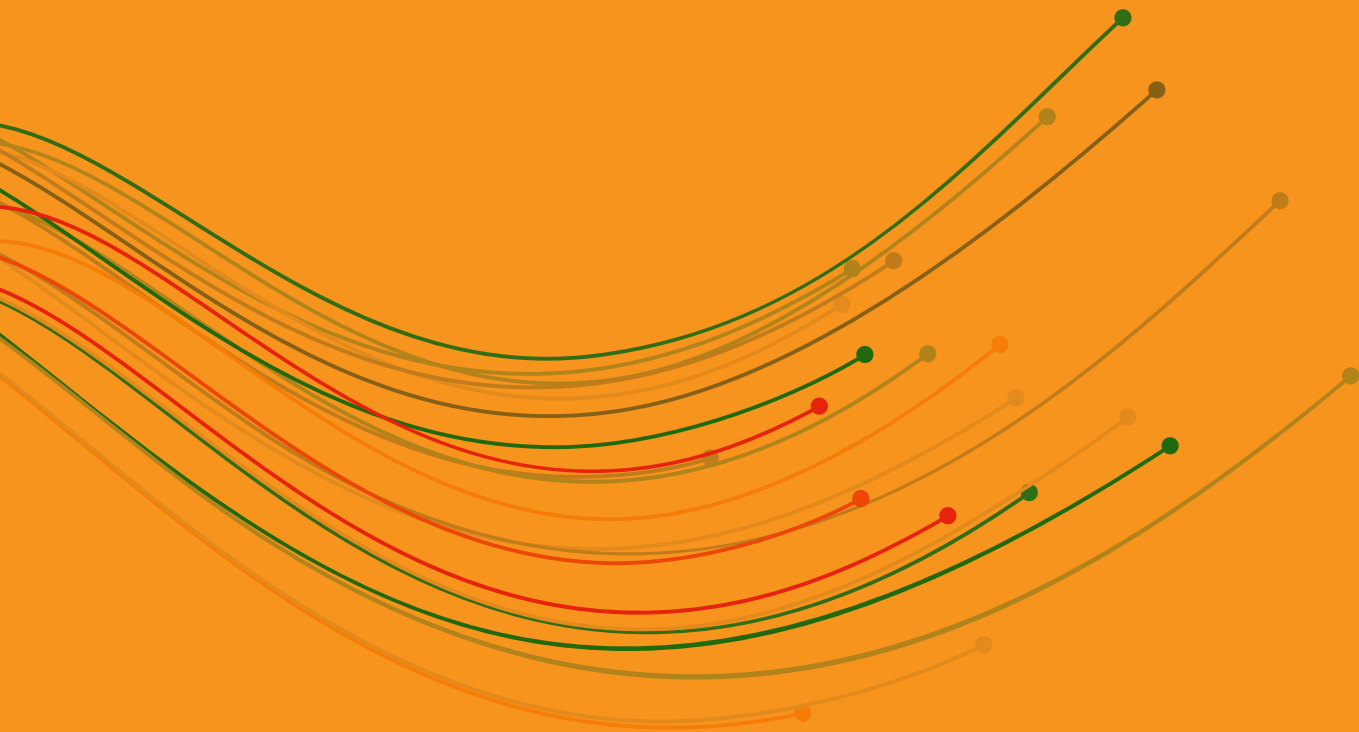
SUPPLEMENTARY INFORMATION

- 131 - Shareholder Information
- 133 - Ten Year Summary - Group
- 134 - Notice of the Annual General Meeting
- 135 - Form of Proxy
- Inner Back Cover** - Corporate Information

POWER THROUGH

The theme encapsulates our resilience and remarkable performance over the past year. Despite various challenges, our company and collective spirit, has demonstrated exceptional strength. Our unwavering commitment to innovation, quality, and customer satisfaction has led to unprecedented growth and achievements.

As we celebrate these significant milestones, we are filled with optimism for the future. Despite the hurdles in the construction industry, we are ready to power through and continue our path to success.



ABOUT US

- 3 - Our Purpose
- 4 - About Sierra Cables PLC
- 6 - Financial Highlights (Group)
- 10 - Our Journey
- 12 - Chairman's Message
- 15 - Chief Executive Officer's Message
- 20 - Board of Directors

POWER
THROUGH
TO EXTENSIVE
INNOVATION

CULTURE, ETHICS & CORPORATE VALUES

Vision

Being the bridge in energising the community.

Mission

Achieve a continuous growth to enhance the stakeholder value while offering a high quality product.

Become a reputed organisation by promoting sustainable development.
Uplifting the living standards of the Sierra Cables family.

Values

As a responsible and ethical corporate entity, Sierra Cables PLC conduct its affairs based on a set of values. Every member of the Sierra Cables family is committed to follow them.

Strategic Goal

Manufacture innovative product ranges and to be the pioneer in the cable industry.

To extend our footprint beyond Sri Lanka's geographical boundaries.

To reduce the environmental impact by reducing the carbon footprint year-on-year.

OUR CULTURE

We are proud of our culture of teamwork and cooperation which inspires our team of high achievers. We engender this ethos through knowledge - sharing, an inclusive approach to decision-making, ample learning and development opportunities and two-way communication and feedback.

A strictly implemented zero tolerance policy for discrimination based on religion, race, gender and ethnicity has given rise to a culture of equality and dignity for all.

OUR ETHICS

Our uncompromising ethics dictate the principles that form the bedrock on which our stakeholders perceive us:

- Transparency and accountability
- Legal and regulatory compliance
- Honest and truthful dealings

CORPORATE VALUES

Pursuit of Excellence:

Every cable is manufactured to the highest quality standards.

Customer-centric:

Add value to customer experience by fulfilling their requirements.

Innovation:

Driving innovation

Environmental stewardship:

Operate responsibly to ensure minimal impact on the environment

Stakeholder engagement:

Proactive and continuous engagement



Sierra Cables PLC, a leading player in Sri Lanka's cable manufacturing industry, has a significant presence in the domestic and international market. With a track record spanning over two decades, the Company has extensive expertise in the development, design, manufacture, marketing, and distribution of a comprehensive range of copper and aluminium cable products, catering to the requirements of a diverse clientele spanning the residential, commercial and industrial sectors both locally and overseas. The Company is fully equipped to meet varied customer needs by utilizing its cutting-edge technology in cable manufacturing and offers cables with diverse current conducting capacities and other technical requirements to ensure complete customer satisfaction.

Over the years, the Company has significantly expanded its export reach to neighbouring Asian nations, Eastern Europe, Oceania, North America, and various regions across Africa in catering to a varied clientele. As such, we have successfully established our market presence to Fiji through our joint venture, Sierra Cables PTE Limited. Additionally, our pipe manufacturing plant is currently being relocated to the African region, which will allow us to offer high-quality HDPE and uPVC pipes and fittings to African market.

Our dedication to delivering exceptional products is demonstrated through our deliberate selection of the highest-quality raw materials, ability to design cables to meet the strict requirements of customers, fast delivery to meet onsite needs and the capacity to adhere to rigorous quality standards. The quality standards we adhere include ISO system standards, Sri Lanka Standards (SLS) product certification and compliance with distinguished international standards from the United Kingdom (BS), Australian (AS/NZS),

France (NFC), Japan (JIS), the USA (UL) and international Electrotechnical Commission (IEC). Additionally, our products have undergone thorough testing and earned certifications from prestigious institutions such as Singapore (TUV), India (Central Power Unit Research Institute) and France (LCIE) Testing Laboratory. Sierra Cables PLC is also dedicated to maximizing value for its customers through continuous equipment upgrades and timely staff training.

We were the Cable Partner of Architect 2024 at the SLIA Members Work Lifestyles and Trade Exhibition organized by the Sri Lanka Institute of Architects. Likewise, we were the platinum sponsor for the Inco Exhibition and were honoured with both the Gold Award for the Stall with the Best Engineering Service Provider and the Gold Award for Platinum Sponsor at INCO 2024, organized by the Institution of Incorporated Engineers, Sri Lanka.

Our solid commitment to quality and excellence is echoed through the numerous accolades we have earned. During the financial year 2023/24, we were honored with several prestigious awards, including the 'Best Cable Manufacturer of the Year' in the large category in the Energy, Industrial, and Communications sectors at the South Asian Business Excellence Awards and the 'Gold Award' in the Electronic and Electrical products sector in recognition of export performance by the National Chamber of Exporters of Sri Lanka (NCE). We have received both awards in 3 succeeding years since 2021. Additionally, we received the 'Merit Award' at the Sri Lanka National Quality Awards organized by the Sri Lanka Standards Institution, as well as the prestigious 'Gold Award' in the large-scale Electrical, Electronics, and Allied Sector at the National Industry Excellence Awards 2023.



Our valued team, the foundation of our success, plays a crucial role in driving business growth, aligning the Company's objectives towards sustainable growth and fostering innovation and excellence in all our endeavours. In support of this, the management of Sierra Cables PLC has fostered a conducive work culture that offers continuous opportunities for professional and personal development. This also includes maintaining the highest standards of health and safety in the workplace, enabling our employees to perform at their best in creating value for all stakeholders.



For the year ended 31st March 2024	2024	2023
Net Turnover	8,150,443,782	7,069,360,002
Gross Profit	1,827,869,193	2,564,786,486
Profit from Operations	1,227,960,840	1,725,536,198
Profit After Tax	727,728,217	703,352,327
Issued and fully paid Number of Shares	537,512,430	537,512,430
Total Assets	8,965,022,072	7,691,464,158
Return on Equity (ROE)	15.20%	16.32%
Return on Assets (ROA)	8.12%	9.14%
Price Earnings Ratio	8.36	9.12
Total Assets/Equity	1.78	1.78
Per Share (Rs)		
Market Value - Highest	13.10	14.80
Lowest	9.40	5.20
Last Traded	11.90	12.00
Earnings	1.42	1.32
Net Assets Value	9.36	7.97

Highest Net Profit

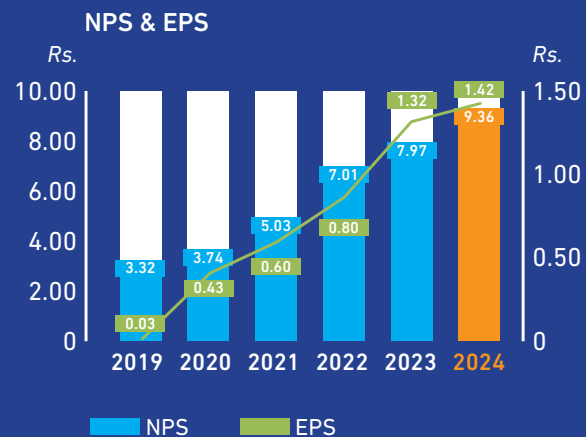
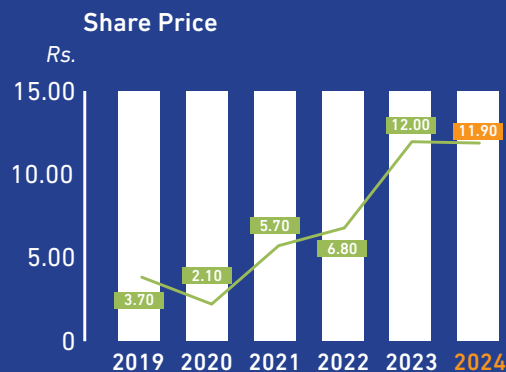
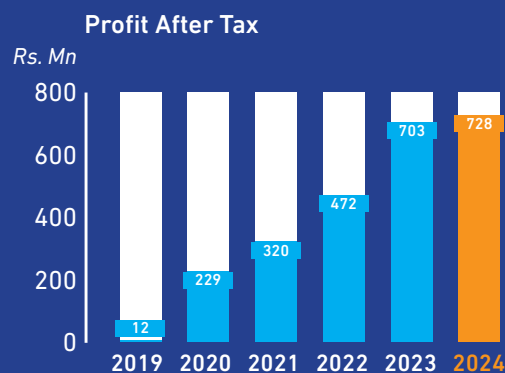
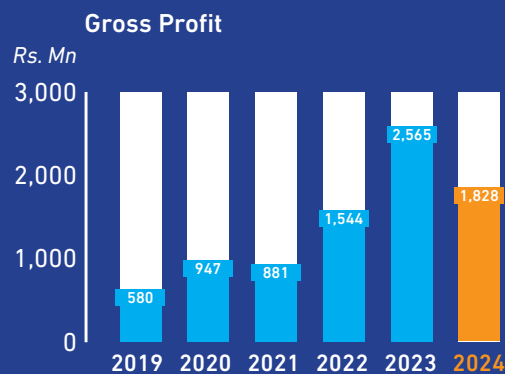
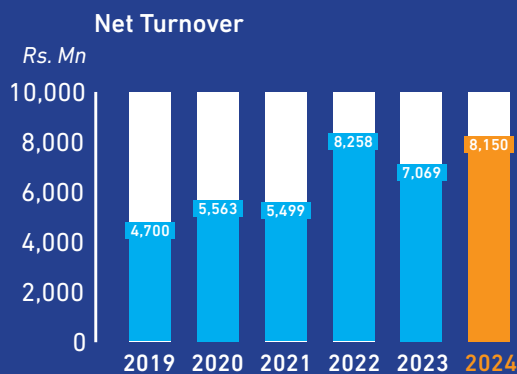


Company **1 Bn**



Group **728 Mn**





■ NPS ■ EPS





Incorporation

Sierra Cables Limited was incorporated as a legal entity in 2000.

2000

CNCI Industrial Excellence Gold Award

Sierra Cables PLC won the Gold Award for excellence in industrial sector enhanced quality standards, productivity, employee benefits and relations.

2009

Best Cable Manufacturer of the Year

UDC International Business Awards 2011 in recognition of innovation, product development and sustainability.

2011

Sierra Industries (Pvt) Ltd.

A subsidiary of Sierra Cables PLC engaged in the manufacturing and distribution of uPVC pipes and fittings. *(Amalgamated with SCPLC w.e.f. 31st December 2023)*

FIJI Market Entry

Accessed Pacific Islands, Australia, New Zealand markets through a joint venture, Cables PTE Limited located in Fiji islands.

2016

2005

Public Listing

Obtained the public listing on the Colombo Stock Exchange (CSE) through an Initial Public Offering (IPO).

2010

Quality Crown Award

Won BID Quality Crown Award based on QC100 Total Quality Management (TQM) model of the Company.

2015

Quality Crown Award

Won BID Quality Crown Award based on QC100 Total Quality Management (TQM) model of the Company.

2017

NCE Export Award

Won the Bronze Award for Industry Sector - Extra Large Category.

Manufacturing FR Cables

Manufacturing of Fire Resistance Cable obtaining certifications from laboratories in Singapore, India and France.

Best Manufacturer of the year

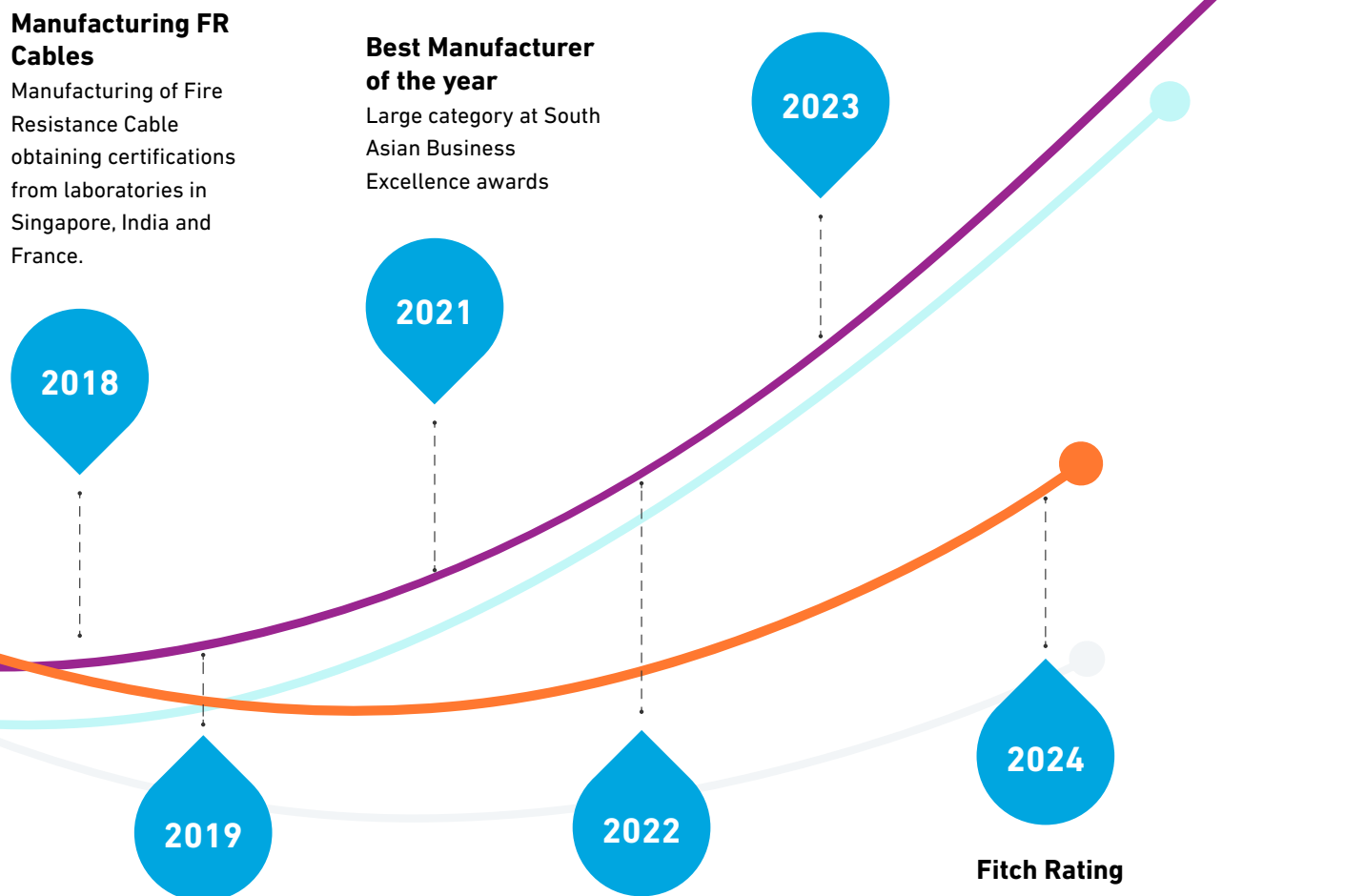
Large category at South Asian Business Excellence awards

Fitch Rating

Fitch Rating affirmed National long term rating at A+ (lka) with a stable outlook.

Gold Award at National Industry Excellence Awards

Merit Award at Sri Lanka National Quality Awards



In-house Solar Cable Manufacturing

Started manufacturing solar cables in-house obtaining SLS 1542 Certification.

Silver Award for Annual Report

Won Silver Award for the First Integrated Annual Report at CA Sri Lanka 55th Annual Report Awards.

Highest Revenue

Recorded Rs. 8.3 Bn Revenue

Gold Award at Annual Export Awards

Won the Gold award in the electronic & Electrical products (Medium) Sector at the 30th Annual Export Awards by National Chamber of Exporters of Sri Lanka (NCE)

Fitch Rating

Fitch Rating affirmed National long term rating at A+ (lka) with a stable outlook.

Highest Net Profit

The Group recorded a profit after tax of Rs. 728 Mn, while the Company exceeded 1 Bn.



Dear Shareholders,

The year 2023 presented a bleak portrait of a struggling economy that strives to find its grounds since a hard-hit contraction experienced a year before. The first half of the year showed a contraction of key economic sectors including the unfavourable performance of important economic indicators. Inflation and the high interest rates continue to weigh on many business activities as well as on people's disposable income. The Purchasing power also continues to decline in the backdrop of increases in prices of commodities, tax hikes and exchange rate volatility, further exacerbating the volatile macroclimate prevailing during the time. As a result, the economy recorded a negative GDP growth of 2.3 percent in the first half of the year.

It was towards the second half of the year, the economy demonstrated resilience placing itself on a path to recovery. Decisive policy adjustments and structural reforms spearheaded by the government and Central Bank also contributed to restoring macroeconomic stability, with inflation contained to single digits by year-end, marking the beginning of monetary policy normalization. Consequently, the economy emerged from six consecutive quarters of contraction in the second half of 2023, with signs of improvement in the ongoing twin deficits of the government budget and external current account, which were central to the economic crisis.

Operating in the above context, Sierra Cables had to be strategically prepared to navigate the Company ahead surpassing the uncertainties, fluctuations, and challenges in the macroeconomic environment. The notable contraction of the Construction industry and the economic stressors that impacted our operations and performance had to be carefully monitored to sustain growth during the period. In retrospect, we remain resilient demonstrating adaptability and agility to the evolving macroeconomic landscape

“The Company yielded positive results recording a group revenue of Rs. 8.2 Bn, a 15% year-on-year growth and achieved Rs.1.2 Bn profit from its operations, sustaining a Fitch rating A+ (lka) stable outlook for three consecutive years.”

and the economic pressures that affected us. Alongside, we continue to sustain quality excellence aligned with the latest technology and motivate our team to achieve the same in driving the Company's overall business agenda. This prudent approach proved successful, allowing us to deliver a remarkable performance during the financial year. I consider this a significant achievement given the prevailing macroeconomic conditions at the time. Hence I take this opportunity to present to you the Annual Report of Sierra Cables PLC for the year ended 31st March 2024 elaborating how we combined our efforts to create value for the stakeholders in this challenging period.

Outstanding Performance

The Company yielded positive results recording a group revenue of Rs. 8.2 Bn with a 15% year-on-year growth and achieved Rs.1.2 Bn profit from its operations, sustaining a Fitch rating A+ (lka) stable outlook for three consecutive years. This was mainly attributable to our focus on superior product quality in catering to the expectations of a diverse clientele and the strategic decision for expansion in the international market. When the project market and the dealer network demonstrated a subdued performance given the downturn in construction sectors in the domestic sphere, we made a prudent decision to increase our global footprint by leveraging our export market in harnessing market opportunities in other countries. This proved effective as we were able to build a strong clientele in the export arena, and developed new products to cater to their specific requirements utilizing our research and development capabilities. Apart from catering to a wide clientele, international growth has enabled us to be firmly entrenched in other Asian countries, Eastern European nations, Oceania nations, North America, and many parts of Africa.

Despite the presence of inferior products in the domestic market causing disruptions to our local operations, we remain steadfast in our commitment to providing high-quality products to our local clientele. We further applied strategic pricing methods for our product categories on par with the industry standards to control the high raw material prices and manage overhead costs. Similarly, to mitigate the exchange loss, we utilized dollar assets for imports (Natural hedging) and prevented obtaining Letters of Credit. These efforts were also instrumental in attaining our profit margins during the period.

Our team of employees also contributed immensely to the success of the Company during this uncertain period. With their continued commitment to sustaining quality excellence and catering to the evolving preferences of the modern clientele, they contributed their tireless effort to steer the Company creating value for the stakeholders. We in turn supported them by looking after their wellbeing while providing opportunities for professional and personal growth in advancing the career ladder.

“ We continue to sustain quality excellence aligned with the latest technology and motivate our team to achieve the same in driving the Company's overall business agenda”

Robust Governance

The system of rules and practices that determine the way we operate and align our goals with the interests of the stakeholders, is a vital component in fostering ethical business practices towards financial viability. Therefore, we have established a strong corporate governance foundation in embedding the principles of transparency, accountability, and integrity at all levels of our operations. This we believe would lead to stronger stakeholder relations that are nurtured based on trust and loyalty. As such, we comply with all the relevant compliance best practices, including the rules and regulations of the Colombo Stock Exchange and the Code of Best Practice on Corporate Governance issued jointly by the Institute of Chartered Accountants of Sri Lanka (ICASL). Moreover, we have also ensured that ethical work procedures are implemented by adhering to all the required industry regulations, including ISO system certification and SLS products.

Sustainable Presence

Our commitment to sustainability is ongoing; we remain dedicated to integrating this concept into our internal operations and extending our initiatives externally. We believe by doing so, we will positively contribute to the environment and the society in which we exist. From an environmental perspective, we make

an effort to reduce our footprint, minimizing wastage and optimizing resource usage. Guided by our environmental management system, We manage our inputs and outputs consciously to ensure a balance between our business objectives and the overarching responsibility towards preserving the environment. Furthermore, we supported the development of green spaces by planting trees on the factory premises and encouraged the reuse of pallets used for training room renovations. Similarly, we exemplified our dedication to the renewable energy sector by utilizing a 1 MW solar-powered system for our production processes and manufacturing solar cables compliant with the SLS 1542 standard.

Likewise, from a social perspective, we engaged in CSR initiatives to uplift the communities through extending our assistance to address their pressing needs. These include support to the neighbouring communities and schools around the factory premises including offering factory visits and internships to the university students. In doing so, we have aligned our governance system for the same, promoting ethical practices in responsibly delivering value to the stakeholders.

Way Forward

With remarkable achievements during the year, we are optimistic of our capacity to drive growth in the near future. Capitalizing on the improvement in the macroeconomic landscape, we believe we are better positioned to harness growth opportunities from both the domestic and international markets in the coming years. Given our strategic move to expand our export portfolio, we will aggressively explore untouched markets in the international sphere while maintaining our presence in the domestic market. In doing so, we believe we can sustain the growth momentum we demonstrated this year, elevating it to the next level in the years ahead leveraging our strong industry know-how, and the state-of-the-art technology, positioning us as a dependable and quality-oriented cable manufacturing entity.

We are eager to continue moving forward with resilience, ready to confront challenges along the way. We are also harnessing our research and development capabilities to drive innovation in product development, catering to a diverse and evolving clientele in the modern era thereby emerging as a prominent pioneer in the cable manufacturing industry in Sri Lanka.

Appreciation

As we conclude another eventful year, I wish to express my sincere appreciation to the Board of Directors for their continued stewardship and support in steering the Company through a challenging period. I also extend my gratitude to the Chief Executive Officer for his adept leadership and direction to realize the Company's strategic goals, ensuring relevance in industry knowledge and technological advancements. I am also deeply indebted to the Management team and the employees, who continue to fulfil their duties with integrity to create enhanced value for the stakeholders. Lastly, I am truly thankful for our faithful customers and the shareholders who believed in our capacity to meet their expectations, fortifying our relationships in the years to come.



Mr. W. A. P. Perera
Chairman

27th August 2024



Dear Shareholders,

It is with great pleasure that I present to you the Annual Report and the audited financial statements of Sierra Cables PLC for the financial year ended 31st March 2024. Steering through a turbulent year for the nation and the construction industry, Sierra Cables continues to readjust its strategic direction, remaining agile to the evolving industry complexities. In this process, tractability and resilience remained the buzzwords that fuel our spirit to navigate ahead. Hence, with greater emphasis on global penetration to gain competitive advantage and capitalizing on the marginal recovery of the domestic construction industry towards the latter part of the year, the Company delivered an impressive performance, achieving remarkable profitability by the end of the financial year. By swiftly responding to the challenges and the upheavals in the operating landscape, maintaining the superior quality of our product range, and embracing technology for cutting-edge solutions and process efficiencies, our dynamic team drove the Company forward, reaffirming our distinct position in the industrial electric wire and cable industry during the financial year.

Steering Through Adversity

The construction industry continues to grapple with a challenging confluence of factors that have significantly impacted the pricing dynamics of essential materials. The material costs were on an unrelenting ascent, propelled by a storm of shortages and supply constraints. This was also exacerbated by the inflationary pressures, casting a long shadow over pricing stability, and prompting industry suppliers and manufacturers to implement extensive price adjustments. This unexpected rise in costs has forced the construction sector to face the challenge of unpredictable and volatile increases, necessitating strategic adaptation in an ever-changing economic environment. On the other hand, the

decline in household purchasing power and labour shortages continue to weigh on the industry, adversely impacting its progress.

Amidst a rapidly changing construction environment, the domestic construction industry was hit by multiple crises that included an increase of Value Added Tax (VAT), reduced demand for residential construction projects amidst a drop in household purchasing power, decline in new commercial construction projects under volatile economic conditions as well as the highly competitive environment for the available projects. It was only towards the latter part of the year, that the industry witnessed an improvement encouraging growth of the sector.

Fueling Continuous Growth

With the economy stabilizing in the latter part of the financial year, the construction sector also bounced back creating growth opportunities. Leveraging this growth momentum, Sierra Cables continues to drive growth, recording a group revenue of Rs. 8.2 Bn, a notable 15 percent year-on-year increase. Consequently, the Company achieved a net profit of Rs. 1 Bn, marking the highest net profit in its history. The company's prudent strategic shift to increase the focus on penetration into the global market space was instrumental in sustaining this growth trajectory and the remarkable profitability. By harnessing our expertise in material science and technology to solve our customers' most demanding challenges and ensure safety, continuous connectivity, and performance, we infiltrated into untouched global market space for cables and delivered products accordingly to cater to their specific requirements and standards. While the project market and the tenders with CEB constitute a larger portion of the Company's revenue, exports and dealer market segments also made significant contributions to the revenue during the period.

Our ongoing commitment to cater to the specific requirements of both the project customers and the export market, which comprise a significant segment of our value creation, enabled us to withstand the adversities in the operating landscape, ensuring the Company's sustainable growth during the period. We enhanced our concentration on the export market given the subdued market space for electrical wires and cables in the domestic market, leading to a substantial expansion of the market share compared to the previous financial year. Nevertheless, our strategic agenda also prioritized the domestic market, where we consistently serve local clientele to the best of our ability.

During this period, we took measures to enhance our performance through continued improvements to our Research and Development leading to novel and innovative product designs that serve the unique customer preferences. Consequently, we modified the Drum twister armouring machine and manufactured Steel Tape armouring cables for the first time in Sri Lanka for the European market. Apart from that, we also relocated the uPVC and HDPE pipe plant to the African Region, operating under the name of Browns Manufacturing Limited.

However, the Company also encountered challenges posed by market competition arising from substandard products despite the progress observed in the industry. In response to the situation, we adopted strategic pricing methods in line with the industry norms, and innovative promotions, including exploration of global market penetration to gain a competitive edge.

Significant Achievements

One of the outstanding achievements of the Company during the year was the accomplishment of Rs. 8 Bn revenue and a net profit of Rs. 1 Bn amidst an extremely volatile macroeconomic landscape, a decidedly unfavourable environment for the construction sector, the primary industry in which the cable sector operates, as well as raw material price hike in LME that directly impacted our gross profit margins. Aside from that, we became the Cable Partner for Architect 2024 at the SLIA Members Work, Lifestyle and Trade Exhibition, an event that brings together the leading companies and entrepreneurs from various sectors to showcase their latest innovations, creating a new era in the industry. Our participation in this event was a major landmark in the Company's efforts to showcase the latest advancements in the cable industry, aligned with modern technology.

Recognition of our unrelenting commitment to quality excellence is an assertion of the standards we uphold in cable manufacturing, ensuring high quality and reliability in every product we deliver. Throughout the year, we were bestowed with numerous awards, including the 'Gold Award' in the Electronic and Electrical products sector in recognition of export performance by the National Chamber of Exporters of Sri Lanka (NCE), for three consecutive years from 2021 to 2023. The Company was also conferred a 'Gold Award' in the large-scale Electrical, Electronics and Allied Sector at the National Industry Excellence Awards 2023', Best Cable Manufacturer of the Year' under a large category in energy, Industrial and communications sectors at the South Asian Business Excellence Awards, a 'Merit Award' at the Sri Lanka National Quality Awards organized by Sri Lanka Standards Institution and operated a stall for the Best Engineering Service Provider and Platinum Sponsor INCO 2024 organized by Institution

“By swiftly responding to the challenges and the upheavals in the operating landscape, maintaining the superior quality of our product range, and embracing technology for cutting-edge solutions and process efficiencies, our dynamic team drove the Company forward, reaffirming our distinct position in the industrial electric wire and cable industry during the financial year.”

of Incorporated Engineers, Sri Lanka. Overall, these awards reflect the Company's high standards and excellence in the field and the genuine dedication to maintaining the superior quality of its products and services.

Sustainability Focus

We understand our responsibility towards society and the environment in which we operate and thus consistently make an effort to promote initiatives to support social upliftment and environmental conservation. During the year, a few CSR initiatives were carried out extending our support to the neighbouring community and schools surrounding the factory premises. This includes provision of nutritious supplements to neighbouring schools, offering extensive internships for university undergraduates and students at technical institutes, as well as allowing students to visit factories and gain comprehensive exposure and knowledge regarding the overall industry and its processes.

With regards to the environment, we continue with our commitment to minimize the Company's ecological impact, prudently managing our inputs and outputs thereby maintaining a balance between our business agenda and the overall commitment as a responsible corporate to contribute to a healthy ecosystem. Towards this end, we are primarily guided by a comprehensive environmental management system that stipulates specific policies and procedures for environmentally and socially equitable consumption of natural supplies across our entire value chain alongside driving long-term profitability. In addition, we also supported greenery development, including planting trees on the factory premises for the same. Our production is powered by solar energy, reinforcing our commitment to sustainability. Reusing the pallets used for training room renovations was also encouraged, aligning with the 3R concept.

Competent Workforce

Our people remain the backbone of our success and thus we continue to support their growth and well-being through the provision of fair remuneration on par with industry standards, various statutory and non-statutory benefits, learning and development opportunities as well as rewarding their valued contribution to the Company's sustainable progress. As a result, over the years, we have been able to nurture a competent and loyal workforce who has been with us through our highs and lows delivering a dedicated service.

“Our ongoing commitment to cater to the specific requirements of both the project customers and the export market, which comprise a significant segment of our value creation, enabled us to withstand the adversities in the operating landscape, ensuring the Company's sustainable growth during the period.”

In further supporting their progression and motivation, we regularly encourage them to freely express their views and opinions, thereby making them feel included in the larger decision-making process. Similarly, throughout the year, based on necessity, we arrange training and development opportunities for their technical and soft skill development, elevating their capacities to cater to the unique requirements of the modern clientele. We believe these growth opportunities will enable them to accelerate in their career path while grooming their personality for future success. Staying true to our commitment to nurturing a staff dedicated to excellence and continuous development, during the financial year, we continue to provide opportunities for their personal and professional growth.

Way Ahead

With the improvements in the macroeconomic environment towards the beginning of 2024, we remain optimistic about the market development for the domestic cable market in the near term. Hence, we will continue with the efforts to sustain our local presence, while placing greater emphasis on international expansion leveraging modern state-of-the-art technology to cater to the overseas clientele. In this effort, research and development would be crucial in staying at the forefront of the industry. With over four decades of expertise in research, design, and development, we will establish a production environment that fosters innovation and accelerates the discovery of new capabilities. Moreover, we will remain constantly on the alert for the rapidly evolving customer preferences and industry dynamics, thereby creating cutting-edge products to cater to the local and international clientele. Building upon these factors, we anticipate a rewarding year ahead and aim to drive profitability.

Acknowledgement

I would like to take this opportunity to extend my sincere appreciation to the Chairman, the Board of Directors, and our valued team for their unwavering guidance, dedication, and hard work in navigating the Company through challenging times. Your commitment has been instrumental in steering us along our strategic path despite the uncertainties we have faced. I am also deeply grateful to our customers, dealers, suppliers, financial partners, and other stakeholders for their ongoing trust and support in our ability to create value. Together, we will continue to create value in the years to come, driving sustainable growth of the Company. Thank you for your continued collaboration and trust in our endeavours.



Mr. Harsha Jayatunga
Chief Executive Officer

27th August 2024





Mr. W. A. P. Perera - Chairman
Non-Executive Director

Mr. W.A.P. Perera is a founder Director of Sierra Construction Limited and serves as the Chairman of Sierra Cables PLC. He counts for over 43 years of experience in the construction industry.



Mr. D. S. Panditha
Executive Director

Mr. D.S. Panditha is an Executive Director of Sierra Cables PLC. He is a member of Institute of Incorporated Engineers, Life member of the Sri Lanka Institute of Marketing and also a fellow member of Chartered Institute of Professional Managers. He has over 49 years' experience in the Cable and Pipe industry.



Mr. P. Weerasingha
Executive Director

Joining the LOLC Group in 2018, Mr. Panduka Weerasingha currently holds several key management positions and serves on multiple boards in the group. He is the CEO of Browns Investments PLC, CEO/Executive Director of Iconic Trust (Pvt) Ltd and an Executive Director of Agstar PLC, Sansun Boutique Hotels Ltd, Browns Developments Ltd. He is also a Director of LOLC Geo Technologies (Pvt) Ltd, Browns Teas, BG Air Services, Browns Metal & Sands (Pvt) Ltd & Browns Properties (Pvt) Ltd.

Mr. Weerasingha counts for over 27 years of management experience of which, 12 years in the capacity of a Director/ Chief Executive Officer. He possesses expertise in turning around loss making/ mismanaged entities to profitable ventures, Manufacturing, Investor/ Shareholder Relations, identifying & acquiring most profitable investment opportunities, Real-Estate Management, Channel Management, Project Management & People Development backed up with excellence in performance & achievements. Before joining the Group, Mr. Weerasingha has held key leadership positions in leading groups/companies such as Singer (Sri Lanka) PLC, Brown & Company PLC, Associated Battery Manufacturers (Pvt) Ltd, BASF Lanka (Pvt) Ltd, Ceyoka (Pvt) Ltd, International Construction Consortium (ICC).

In addition to the above, he has also been providing consultancy services to the mercantile sector. Mr. Weerasinghe holds a Master of Business Administration (MBA) from American International University, Los Angeles, California and an old boy of S. Thomas' College Mount Lavinia.



Mr. D. S. K. Amarasekera
Non-Executive Director

Mr. Kamantha Amarasekera is a member of the Institute of Chartered Accountants of Sri Lanka and is an Attorney-at-Law of the Supreme Court of Sri Lanka. He also holds a degree in Business Administration from the University of Sri Jayewardenepura and began his career in the year 1998. Mr. Amarasekera is an eminent Tax Consultant and the Senior Tax and Legal Partner of M/s. Amarasekera & Company, a leading tax consultancy firm in the country. In addition to his directorship in this company, his other key appointments are: Director - Kelani Tyres PLC, Lanka Milk Foods (CWE) PLC, Madulsima Plantations PLC, Balangoda Plantations PLC, Eden Hotel Lanka PLC, Ceylon Hotels Corporation PLC, Palm Garden Hotels PLC, AgStar PLC, Serendib Hotels PLC, Dolphin Hotels PLC, Hotel Sigiriya PLC, Udapussellawa Plantations PLC, Hapugastenna Plantations PLC, and several other subsidiaries of Browns Investments Group.



Ms. S. S. Kotakadeniya

Non- Executive Director

Ms. Kotakadeniya is a fellow member of Chartered Institute of Management Accountants (UK), Chartered Global Management Accountant (USA) and holds a Masters in Business Administration from the University of Colombo. A senior Finance professional with extensive experience in strategic Management and Financial management in several industries holding senior positions in the Financial services, Insurance, Leisure, Trading, Manufacturing, Construction, Agriculture and Plantations and IT services sectors. She is a catalyst in change management, restructures, mergers, acquisitions and project management & has taken leadership in strategic change, driving organisations to leading positions.

Ms. Kotakadeniya currently holds the position of Chief Financial Officer, LOLC Group overseeing finance functions for the group locally and internationally. She serves as a Director in several LOLC Group Companies including several regulated entities, such as Seylan Bank PLC, LOLC General Insurance PLC, Serendib Microinsurance PLC – Cambodia, LOLC Microfinance Bank Limited - Pakistan and listed entities, Hapugastenna Plantations PLC, Udapussellawa Plantations PLC, Agstar PLC.



Mr. P. E. A. B. Perera

Independent Non-Executive Director

Mr. Buwanekabahu Perera is a veteran Professional Banker with 41 years of experience serving in the Financial Sector in Sri Lanka with an established reputation as a prominent leader in Corporate Banking. Mr. Perera worked for over 14 years as the Head of Corporate Banking in the capacity of Senior Vice President at National Development Bank PLC, having previously worked at Deutsche Bank AG, Sampath Bank PLC and Banque Indosuez in the early part of his career. His qualifications include a BSc (Hon) in Financial Services from the University of Manchester, UK, a Post Graduate Diploma - Bank Financial Management, University of Sri Jayawardenapura, Associate Member of Certified Management Accountants, Sri Lanka and The Chartered Institute of Bankers, UK. He is also a passed finalist of the Chartered Institute of Management Accountants (CIMA). Mr. Perera is a past President of The Association of Professional Bankers, Sri Lanka 2008/09.

Currently he is an Independent Non-Executive Director of Cargills Bank Ltd and the Chief Executive Officer / Secretary General of the Ceylon Chamber of Commerce.



Prof. A. K. W. Jayawardane

Independent Non-Executive Director

Prof. A.K.W. Jayawardane is a Senior Professor in Civil Engineering and a past Vice - Chancellor of the University of Moratuwa. He is an academic, a researcher and a consultant with experience and expertise in the broad areas of construction management, project management, technology management and entrepreneurship. He has extensive experience in organisation leadership and corporate governance. He has been a past Chairman of the Commercial Bank of Ceylon PLC, past Director General of the National Science Foundation and is serving in governing boards of several public and private sector corporate entities. He has a BSc Eng in Civil Engineering with first class honors from the University of Moratuwa, MSc in Construction from Loughborough University of Technology, United Kingdom and a PhD from the same University. He is a Past President and a Fellow of the Institution of Engineers, Sri Lanka, a Fellow of National Academy of Sciences Sri Lanka, a Fellow of the Institute of Project Managers, life member of Sri Lanka Association for Advancement of Science and a founding member of the Society of Structural Engineers, Sri Lanka. He is also a Graduate Member of Sri Lanka Institute of Directors.



Eng. B. W. N. Rupasinghe
Independent Non-Executive Director

Eng. B.W.N. Rupasinghe is a Chartered Electrical Engineer by profession, and a former General Manager of Central Engineering Consultancy Bureau. He is a consultant in electromechanical engineering, hydropower and renewable energy. He is an honorary life Member of the Institution of Engineers Sri Lanka and a Fellow of the Institution of Engineering & Technology, UK. He has a BSc Engineering (Hon) degree in Electrical and Electronics from the University of Peradeniya, an MSc Degree in Electrical Power Transmission and Distribution from the University of Manchester Institute of Science & Technology, UK and a MA Degree in Economics from the University of Colombo.



Mr. G. Jayasena
Non- Executive Director

(Appointed w.e.f. 29th Aug 2023)
Joining LOLC Group in 2007, Mr. Gunendra Jayasena comes armed with years of expertise in key management roles with leading conglomerates in Sri Lanka. He is an alumnus of the prestigious Royal College, Colombo and has a keen eye for effectively overseeing group administration. This unique skill has led him to play a pivotal role in the daily management strategy and execution of the Group. Mr. Jayasena's experience spans across a wide range of dynamic sectors such as; company acquisitions, investments, property trading, construction, renewable energy initiatives and mining to name a few. He currently functions as the Chief Administration Officer for LOLC and Browns Groups. Other key appointments: Head of Operations, Favourite International (Exports) Limited – FMCG Import, Export & Distribution. General Manager, Worldwide Resources Pvt. Ltd. – Apparel Trading & Exports. General Manager – Ventures, LOLC Holdings PLC – New Business Investments.

MANAGEMENT DISCUSSION & ANALYSIS

24 - Operating Environment

26 - Financial Review

30 - Our Customers and Key Stakeholders

35 - Our Employees

39 - Environmental Sustainability

A conceptual image of two people climbing a glowing staircase in a digital space. The staircase is made of dark steps with a bright, golden glow emanating from each step, creating a path that leads upwards and into the distance. The background is a deep blue, almost black, space filled with numerous small, bright, golden and white particles, resembling stars or data points. Thin, glowing lines of various colors (blue, green, yellow) crisscross the space, suggesting a network or data flow. The overall atmosphere is one of upward movement, progress, and technological advancement.

POWER
THROUGH TO
NEW LEVELS OF
EXCELLENCE

Global Economy

The global economy demonstrated resilience during 2023, placing itself on a path of recovery following the blows of the pandemic, the impact of the Ukraine-Russia war, and the cost-of-living crisis. Although the challenges such as disruption to energy and food markets owing to the war, tightened global monetary conditions to control inflation, withdrawal of fiscal support amid high debt, and extreme weather events continue to hinder global growth, the global economy continued to move slowly ahead in uneven terms and below the pre-pandemic levels. According to the World Economic Outlook (WEO) update of the IMF, released in January 2024, global growth is estimated to have slowed down from 3.5 per cent in 2022 to 3.1 per cent in 2023. Global growth is projected to remain around 3.1 per cent in 2024 and accelerate to 3.2 per cent in 2025 with the strong resurgence of several economies, including the United States (US), and fiscal stimulus in China. Overall, global output for 2023 is estimated at 3.4 percent (or about \$3.6 trillion in 2023 prices) below pre-pandemic projections.

The global headline inflation improved during the year driven by the decline in food and energy prices in the first half of 2023. However, the core inflation remained above the expected parameters, indicating a tighter interest rate environment for a longer period. The commodity price shocks mainly driven by high energy prices largely contribute to the acceleration of core inflation. Alongside, the currency depreciation experienced during the period owing to the downward performance of the US dollar contributed to the weaker performance of economies. The impact of these economic stressors was more pronounced in low-income countries as opposed to advanced economies that demonstrated resilient consumption and investment despite tight labour market conditions. While the US economy remained stronger than the Euro area, many

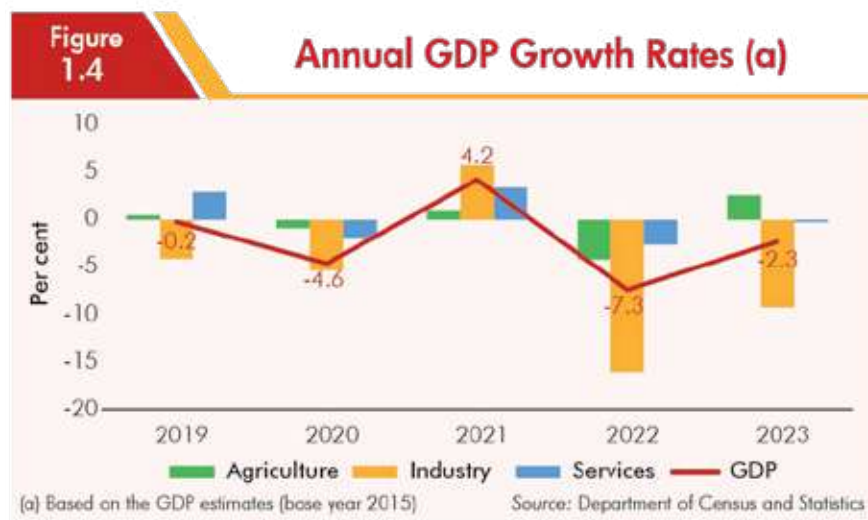
emerging markets also showcased resilience with upward progress, with China being a notable exception, as it continued to be affected by the headwinds of the real estate crisis and weakening confidence. There was also robust economic activity in countries with large travel and tourism sectors, such as Italy, Mexico, and Spain. These global developments offset a slowdown in more interest-rate-sensitive manufacturing sectors.

In this milieu, the global construction industry also faces a mix of challenges and opportunities. The industry continued to be impacted by the global economic fluctuations though the technological drive within the industry remained intact with integrating digital tools and advanced technologies to enhance efficiencies and finding new avenues of construction methodologies. According to the Global Construction Outlook report, the industry witnessed a moderate growth rate, propelled by recovering economies post-pandemic. Nevertheless, this growth was not uniform across the globe. While regions such as the Pacific and North America showed robust expansion driven by large-scale infrastructure projects and increased demand for housing, the construction market in Europe demonstrated subdued performance mainly due to the prevailing political uncertainties and supply chain disruptions. Besides, the economies with low-interest regimes witnessed an upturn of demand for residential projects as opposed to economies with high interest rates that witnessed a stagnation of the construction sector. On the supply side, high input costs, rising interest rates, inflationary pressures, supply-chain issues and labour shortages continue to add pressure on the industry margins. As global demand picked up and supply tightened, the copper and aluminum prices also reached their highest levels during the period.

Local Economy

The Sri Lankan economy contracted during the first half of 2023 mainly driven by the contraction in industry and services activities. Industry activities were impacted by the sluggish performance of the construction and manufacturing sectors while the services activities declined owing to the downturn in financial services and real estate activities. The situation was propelled by rising inflation, a high-interest rate environment, commodity price hikes, tax escalation and exchange rate volatility, leading to the economy recording a negative GDP growth rate of 2.3 percent.

⁷ DCS estimates GDP in production, expenditure and income approaches.



However, towards the second half of the year, the economy rebounded after six consecutive quarters of contraction. Improved inflation, external resilience, stronger fiscal balances, and the preserved financial system stability accompanied by the implementation of corrective macroeconomic policies, and the required structural reforms were instrumental in achieving domestic price stability, thereby reinforcing overall macroeconomic stability. While inflation improved to single-digit levels, the market interest rates also recorded a notable decline. Supported by the easing of monetary policy and improvement in domestic economic activity, there was also an expansion in credit to the private sector observed since mid-2023. Besides, the external current account recorded a surplus in 2023 supported by a significant contraction in the trade deficit amidst increased services exports and improved workers' remittances as well as earnings from tourism. Consequently, the economy recorded a 1.6 percent growth rate in the third quarter and a 4.5 percent growth rate in the fourth quarter respectively. The economy is projected to see a moderate growth of 2.2% in 2024, ensuring further stabilization of the economy.

Local Construction Sector Performance

The construction sector during the financial year witnessed a notable decline despite the gradual recovery of supply conditions. According to the Chamber of Construction Industry of Sri Lanka, the sector has suffered its highest slump of 38.3% in Q1 2023, following repeated contractions in recent years. On the commercial side, the challenges such as halted construction projects under highly vulnerable economic conditions and the decline of new projects, both local and foreign-funded, significantly contributed to the decrease in industry activities. As the bidding for available tenders was also highly competitive, it was challenging for firms to even secure the available new projects. The residential

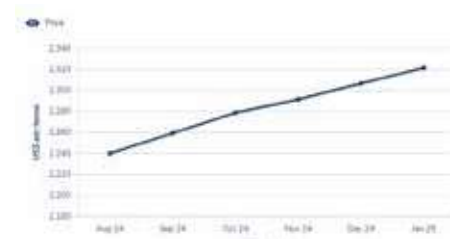
market also observed a drop mainly owing to the restricted disposable income of the consumers with an increment in income tax and a sharp increase in utility prices. Further, the quantity of purchases declined in line with the decrease in construction work. Steep domestic currency depreciation, rising inflation, the high tax regime on the importation of raw materials, and high lending rates, continue to weigh on the sector's progress during the year. Against the VAT percentage increase, fuel and transport costs also accelerated, further increasing the cost of operations for manufacturers. In this situation, employment in the sector also remained low, primarily due to layoffs following project completion.

Nevertheless, the industry growth forecasts for the Sri Lankan construction sector in the medium to long term remain positive in anticipation of economic recovery, a resumption of investment in transport, housing, and renewable energy projects, and government policies to promote manufacturing and exports. As such, the Sri Lankan construction industry is expected to register an average annual growth of 5.6% from 2024 to 2027, picking up from the low base in 2022 and 2023.

LME Copper Price Graph



LME Aluminium Price Graph

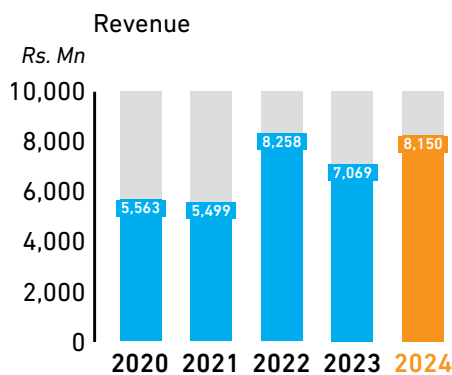


Source – London Metal Exchange
<https://www.lme.com/en/>

During the financial year 2023/24, Sierra Cables encountered a multitude of challenges, including subdued performance in the construction sector, leading to a decline in local demand for cables, high costs of imported raw materials exacerbated by currency fluctuations, and high overhead expenses. This volatile macroeconomic climate necessitated the company to implement proactive financial management measures to maintain financial and operational stability, thereby strengthening its position as a forward-thinking business entity. Given the cable industry's high dependency on imported raw materials such as copper, aluminum, XLPE, and PVC, cost pressures remained acute against a backdrop of constant price fluctuations in the global market and currency fluctuations domestically. In overcoming these challenges, Sierra Cables adopted a resilient stance, remaining flexible to evolving market dynamics and shaping strategies accordingly. Consequently, the company was able to record the highest net profit in its history, ensuring sustainable growth and delivering value to its stakeholders.

Revenue

This year's achievement underscores our unwavering commitment to projects and tenders, with a strategic objective of strengthening our local presence and adopting a more targeted approach to the dealer market. By strategically repositioning our dealer network within the Browns network, we have seen improved sales compared to last financial year. Despite a marginal decline in the first quarter, the company recorded growth in sales over the remaining three quarters in comparison to the previous year. Portfolio interventions, efficient distribution, and a continued focus on superior product quality enabled Sierra Cables to achieve a revenue growth of nearly 15% during the year.



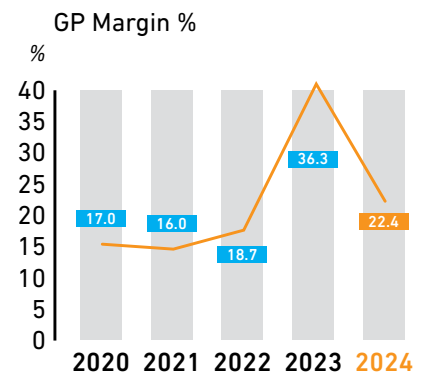
Gross Profit

Despite a notable achievement of the highest gross profit in the company's history last year, a remarkable Rs. 2.6 billion, the current year presented different financial dynamics.

The group recorded a gross profit of Rs. 1.8 billion, reflecting a decrease of 29% compared to the previous year. The significant reduction in gross profit can be attributed to a 40% increase in the cost of sales, which outpaced the 15% growth in revenue. This underscores the challenges faced, particularly in raw material procurements due to currency volatility in the first quarter.

To address these challenges, our management strategically shifted focus towards the project market, leveraging high-contribution stock. This move ensured continued operations, paving the way for sustainable growth. Additionally, proactive measures were taken to counteract the rising costs of materials and overhead expenses through industry-aligned strategic pricing methods. This deliberate approach was instrumental in mitigating the impact of increasing expenses, thereby maintaining our operational stability.

With the gross profit margin remaining under pressure this year, these strategic efforts highlight our commitment to ensure financial stability and reinforce our position as a forward-thinking industry leader. The effective strategies implemented by our dedicated management team continue to drive the company towards sustainable growth, despite the challenging economic environment.



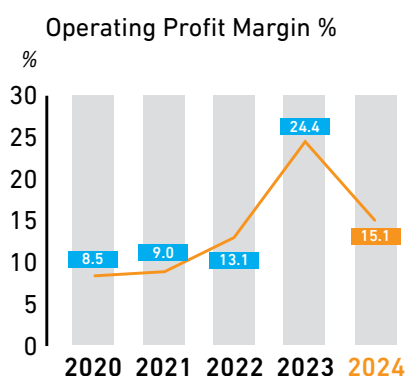
Profit from Operations

Despite facing increased administrative and production expenses, the group's operating profit demonstrated resilience during the fiscal year 2023/24. The operating profit decreased by 29% from Rs. 1.7 billion to Rs. 1.2 billion.

This decline is a result of various challenges, including a substantial increase in administrative expenses by 60% and a significant 40% rise in the cost of sales.

However, the company effectively managed to offset some of these challenges by reducing selling and distribution expenses and other operating expenses. Additionally, other income saw a remarkable increase of 168%, contributing positively to the overall operating profit.

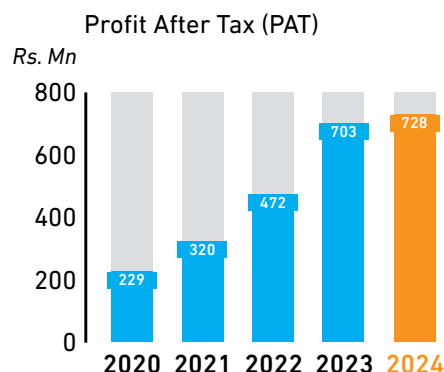
This strategic financial management underscores the company's commitment to maintaining operational profitability amidst rising costs. While the operating profit margin experienced a decrease, these efforts highlight the company's ability to adapt and sustain its operations effectively.



Profit After Tax (PAT)

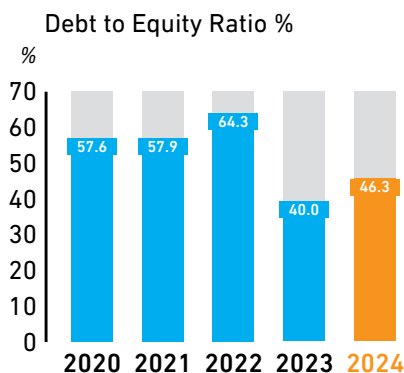
The group achieved an impressive milestone by reaching a net profit of Rs. 728 million demonstrating a growth of 3% compared to the previous year. Additionally, the company recorded a profit after tax of Rs. 1 billion, the highest in the company's history since its inception. This accomplishment is particularly praiseworthy given the backdrop of

macroeconomic instability characterized by foreign exchange shortages, inflationary pressures, elevated income tax rates from 18% to 30%, and escalating interest rates. Furthermore, this achievement has resulted in a robust net profit margin, showcasing the company's resilience and effective strategic management. The financial performance underscores the company's strategic resilience and operational efficiency in navigating through economic challenges.



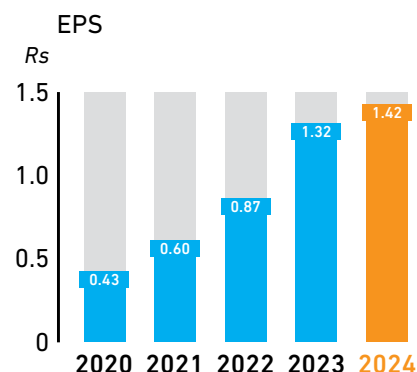
Debt to Equity Ratio

The debt-to-equity ratio increased to 46.3% in 2024, up from 40.0% in 2023. This increase is mainly due to the new securitization debt facility obtained towards the end of the 2023/24 financial year.



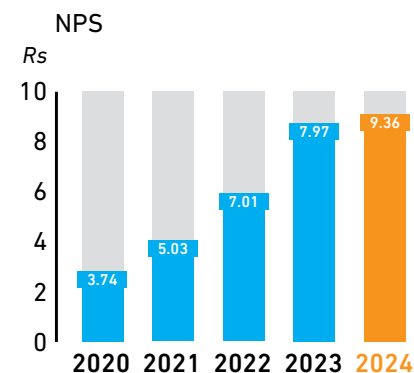
Earnings Per Share

The Earnings Per Share (EPS) for the financial year 2023/24 stands at Rs. 1.42, an increase from the previous year's value of Rs. 1.32. This growth in EPS reflects the company's improved financial performance and underscores its commitment to generating enhanced value for its shareholders.



Net Assets Value Per share

Net Asset Value per share has shown significant growth, reaching Rs. 9.36 in 2024, up from Rs. 7.97 in 2023. This increase reflects the company's strong financial position and effective utilisation of new machinery, underscoring its robust financial standing and strategic investment initiatives.





TERRA



We comprehend the value of strong social connections and networks and thus consistently make an effort to maintain engagement with all our key stakeholders; the customers, suppliers, business partners, regulators and the larger community that gives us the social license to operate. These stakeholder relationships play a vital role in our value generation as they represent common values, dedications and expertise that reinforce our company's reputation as a reliable cable manufacturer, in turn driving sustainable business growth over the longer term. By engaging with them in diverse ways, we actively seek input in addressing their needs, striving to exceed their expectations.

Customer Value Creation

Our customers remain a significant stakeholder who drives the success and growth of the business by providing revenue, feedback, loyalty, market insights, and a competitive edge. Therefore, we strive to understand the evolving customer preferences in a rapidly changing industry landscape thereby developing products to cater to their specific needs. As such, over the years, we have delivered top-tier products alongside unparalleled service, aimed at consistently exceeding customer expectations. Through our unwavering commitment to quality and service excellence, we have affixed our position as a revered brand within the industry.

Key Customer Segments

Projects Market	Caters to Apartments, Hotels, Commercial Buildings, Housing Projects and mega infrastructure development projects
Dealer Market	Caters to local distribution channels, agents, distributors and dealers
Institutional	Caters to projects acquired through bidding for government tenders of Ceylon Electricity Board(CEB)/LECO for national electrification projects, telecommunication providers and other government institutions
Export Market	Spans all over Asia, East Europe, North America, Africa and Oceania regions.

Product Excellence

As the premier cable manufacturer in Sri Lanka with a global preference, we are dedicated to upholding the utmost quality of our product range and verifying its reliability, which is essential for ensuring safety, performance, customer satisfaction and reputation. To this end, we meticulously adhere to all relevant local and international industry standards and protocols throughout every stage of the journey of production, from sourcing raw materials to distributing the final product to the market.

Product quality is verified at three stages: an incoming check at the stage of purchasing raw material, an inline check during the process of manufacturing as well as a final inspection after the completion of the manufacturing process. In addition to these quality assessments, all our products undergo a megger and continuity test while heavy cables

are tested using high voltage testing before being released to the market. These rigorous quality controls are a confirmation of our dedication to serving customers with products that meet the highest standards of reliability and performance.

Quality checks in Cable Manufacturing

- Incoming, Inline and final Inspection
- Megger and Continuity Tests
- High Voltage Testing
- Obtaining a Compulsory Test report
- Tensile & Elongation Test
- Thickness Test
- Hot Set Test
- Insulation Resistance Test
- Diameter Test
- Lay Length Test
- Conductor Resistance Test
- High Voltage Test
- Flame Propagation & Smoke Density Test
- Aging Tests
- Halogen Acid Gas Test
- Temperature Index Test
- Oxygen Index Test
- Fire Resistance Cable Test (C, W, Z Category)
- Heat Shock Test
- Mass of Zinc Coating Test
- Wrapping Test
- Smoke Density Test



Compulsory Test Report

Sierra Cables is one of the two Companies in Sri Lanka to have completed the 'Compulsory Test Report' as per the Government directives. Attested and issued

by the LCIE laboratory in France, this third-party accreditation test report affirms our unwavering dedication to quality excellence in maintaining the trust and satisfaction of the customers. This quality standard has also opened doors for us to seize opportunities through competing for government contracts.

We source the highest quality raw materials in developing the entire product range and adhere to all the required industry standards without any compromise. Key industry standards followed by Sierra Cables include;

- ISO 9001, ISO 14001 and ISO 45001.
- United Kingdom (BS), Australian (AS) New Zealand (NZS), France (NFC), Japanese (JIS), USA (ASTM, UL) and International Electro-Technical Commission (IEC) standards.
- Sri Lanka Standards Institutions: SLS 412, 733, 750, 1186 and 1542, SLS 1504-2-11, SLS 1504-2-31

Crafting Innovative products

To meet the advanced customer needs, we consistently strive to introduce fresh products to the market. As a result, our product portfolio has grown significantly over time. During the financial year, we manufactured Steel Tape armouring for the first time in Sri Lanka for the European market while Tin Copper wires were developed for the African market according to their regional standards. Products were also developed for the US market complying with the UL standards.

Island-wide customer touchpoints

Our substantial Browns dealer network spans across the entire island, bolstered by the established distribution infrastructure of the Browns Group, a key entity within our conglomerate. Leveraging this robust network has not only solidified our presence in the local market but has also positioned Sierra Cables as the primary supplier for a diverse-scale construction projects in Sri Lanka.

Sierra Cables extends its reach globally through subsidiaries like Cables PTE Limited, a joint venture in Fiji. These establishments benefit from Sierra Cables' technical expertise, supported by a skilled labour force. By nurturing these international relationships, we are not only maintain strong ties with customers but also enhance our engagement with them on a global scale.

During the year, we relocated the Sierra pipe factory to Zambia under Browns Manufacturing Limited. (This involved amalgamating Sierra Industries Pvt Ltd with Sierra Cables, which was a subsidiary, and relocating the machinery to Zambia.)

Ensuring the health and safety of customers

Given its direct involvement with energy transmission, manufacturing cables entails inherent risks. Any lapse in meeting quality standards could lead to potentially hazardous product outcomes for customers. Consequently, prioritizing customer health and safety remains paramount for us and continue to implement stringent measures to ensure that our products are devoid of any harmful substances that could constitute risks to our customers' well-being.

All our products undergo rigorous testing protocols such as megger and continuity tests including high voltage testing for heavy-duty cables. We also use pure copper and virgin PVC materials for crafting our products and involve meticulous inspections directed at every stage of the development process. Consequently, our Fire Resistant, Fire Retardant and Flame Retardant cables have earned recognition for their enhanced safety features, affirming our dedication to quality assurance as a market leader in the industry. In the future, we also aspire to foster innovation in product development through embracing advanced technology to enhance our product range.

Our product designs are tailored to meet the diverse needs of our customers and we also offer customized solutions upon request from specific clients. Throughout this process, we sustain all quality standards without exception, being transparent to the customers regarding product features and providing them with the necessary knowledge for effective usage. Our in-house packaging operations exploit high-quality materials to safeguard our products. During the reviewed period, there were no reported incidents of non-compliance concerning product information and labelling, affirming our responsibility to regulatory adherence and customer satisfaction.

Marketing Communication

We comprehend the significance of marketing and communication in shaping our brand identity and thus prioritize ethical standards, emphasizing honesty, transparency, responsibility and full disclosure in all our marketing endeavours. We manage customer information with the utmost confidentiality, refraining from distributing it to any external party without explicit consent. Moreover, we are committed to furnishing customers with inclusive product information and catalogues that affix to regulatory standards, authorizing them to make well-informed decisions.

Direct liaising with customers was primarily carried out by leveraging digital media platforms while our sales representatives epitomised our brand values, forging personalized connections with each client they encounter. In addition, we employ Search Engine Optimization (SEO) techniques to enhance the visibility of our website in search engine results, focusing on optimizing content, structure and technical aspects. Moreover, we execute brand awareness campaigns, including sponsorships, exhibitions (We were the Cable Partner of Architect Exhibition 2024), and participation in

industry events to maintain recognition of our brand name. Public relations initiatives were also carried out to manage the public image and reputation of the Company and the brand.

Strategies for Building Brand Awareness

- Social Media
- Sales representatives
- Official website
- Brand awareness campaigns
- Public relations initiatives
- Electrician engagement



Conducting an Electrician seminar in Kandy



An insight into Networking session for the stakeholders of the company

Customer Engagement

We encourage customer engagement through various activities to build a sense of loyalty and to make them feel valued and connected to the brand, creating a platform for them to return for future purchases. In this regard, we have instituted the following initiatives.

- Social Media Engagement: We respond to comments and messages, ask questions, run polls and contests, and encourage user-generated content (UGC)
- Feedback and Surveys: We sought customer feedback through surveys, feedback forms, or online reviews demonstrating that the brand values their opinions.
- Customer Support and Communication: We provided excellent customer support and responsive communication channels to engage customers thereby addressing their queries, concerns, or issues promptly further demonstrating our sincere commitment to ensuring their satisfaction and fostering trust and loyalty.

Anti-Competitive behaviour

In encouraging anti-competitive behaviour, the pricing of our products is carried out in line with the country's monetary policy and market trends and developments. During the financial year, the Company did not incur any fines or penalties for anti-competitive, anti-trust or monopolistic behaviour.

Anti-Corruption

The Company takes a zero-tolerance approach to any form of corruption and in support of this has established a strong governance framework with relevant internal controls to sustain ethical manufacturing practices. To this end, we comply with all the industry rules and regulations including ISO system certification audits and SLS product certification audits.

The internal audit division monitors and reviews compliance with internal protocols and documentation procedures of all functions. Apart from that, the Company has also executed CCTV surveillance across the factory and office premises to ensure no fraudulent activity takes place. During the reporting period, there were no reports of risks and/or incidents relating to corrupt practices.

Supplier Value Creation

Being a manufacturing entity that depends on externally sourced raw materials for product development, our suppliers form a vital stakeholder group that contributes to our progress by providing us with the finest raw materials to deliver value to customers. Hence, we make an ongoing effort to maintain healthy relationships with our network of long-standing suppliers, benefiting them through our ethical business conduct. While we evaluate them for meeting the required industry standards prior to procurement, we also ensure that our dealings with the suppliers are carried out in a responsible manner.

Supplier Assessment

Aligned with our ethical business conduct, we assess the suppliers prior to selection. To this end, we have put in place stringent procurement procedures and obtained raw materials from a network of registered suppliers. However, when obtaining raw materials from a newly registered suppliers, we evaluate them systematically based on their transparency, ethical business conduct, competitive and equitable pricing, quality, timely delivery as well as optimal return on investment.

Criteria Employed in Supplier Evaluation

- Level of certification with international standards such as ISO.
- History of supplying similar goods to Sri Lanka or other countries.
- Production facilities, manufacturing technologies and capabilities of continuous supply of the material.
- Negotiable and competitive pricing.
- Performance of the supply in terms of delivery history, meeting required specifications, level of technical assistance when required and follow-up on complaints.
- Compliance with environmental standards when packing and supplying materials.

Procuring Raw Materials

The raw material used in our manufacturing process is sourced from both international and local suppliers with whom we have a long-established relationship. While we maintain a list of registered suppliers as per the ISO 9001 certification, we regularly assess them on their quality assurance and reliability to ensure that we obtain the supreme quality raw material for our production. International suppliers are primarily employed to obtain some of the key raw materials used in our cable production. These include materials such as Copper, Aluminium, Alloy Aluminium, PVC, XLPE/FR Compounds, and Steel, most of which are obtained from suppliers based in Dubai, Vietnam, China, Malaysia and India.



The production plan outlines our raw material need guiding us to determine the monthly raw material requirement thereby placing orders with suppliers accordingly. We also ensure sufficient lead time in sourcing raw materials to ensure the smooth continuation of our production process with efficiency and minimal interruption. During the year, given the macroeconomic uncertainties prevailing in the local and global context continue to impact prices and supplier channels, necessitating us to plan our requirements well in advance to meet production needs.

Compliance with Industry Standards

We, as a responsible manufacturing entity, ensure that our suppliers and partners conform to all the required regulatory compliance including environmental, and labour regulations, the use of child or forced labour, and other regulations. The compliance foundation is further fortified by the ISO 14001 quality management certification we have required, which stipulates the framework for managing supplier and business partner relationships in line with the expected standards of the Company.

There were no incidents of non-compliance related to supply chain activities during the financial year under review.

External Associations

The company has fostered partnerships with Brown & Company PLC, one of our group of companies which operates in our dealer market segment. Additionally, we carry out our CSR initiatives such as awareness campaigns for school children and job fairs for university undergraduates etc.



Industry Visit of Colombo University Undergraduates – Department of Management and Organization Studies

During the financial year, we were conferred with “Cable Partner of Architect 2024” at the SLIA Members Work Lifestyles and Trade Exhibition organized by the Sri Lanka Institute of Architects.



Sponsoring as the official Cable Partner of 2024 at the SLIA Media Briefing

Memberships of Associations

Local	International
Ceylon Chamber of Commerce	European Chamber of Commerce
National Chamber of Exporters	Germany Business Council
The Ceylon National Chamber of Industries	Sri Lanka-China Business Council
Sri Lanka Chamber of Small & Medium Industries	Sri Lanka-Australia-New Zealand Business Council
The Plastics & Rubber Institute	

Government & Regulatory Value Creation

We ensure that all business activities are conducted in accordance with the rules and regulations specified by the regulatory bodies and maintain zero tolerance for any deviations or violations of these conditions. This is a clear reflection of our commitment to transparency and accountability in carrying out our business transactions and our solid relationships with government and regulatory authorities.

List of Compliance

- Companies Act No. 7 of 2007
- Listing requirements of the Colombo Stock Exchange
- Code of Best Practice on Corporate Governance issued by ICASL (2017)
- Shop and Office Employees Act of 1954
- Inland Revenue Act No. 24 of 2017

Community Value creation

In comprehending our overall responsibility as a business entity, we remain committed to uplifting marginalized communities in contributing to social development. To this end, we carry our CSR initiatives throughout the year focusing on core areas of education, community development, healthcare and environmental conservation targeting social segments that encounter pressing issues in these areas. We believe this contribution will make a positive difference in the lives of the communities in which we operate, thereby contributing to the overall socioeconomic progress in the country.

CSR activities implemented

- Awareness-raising programs on social media
- CSR initiatives such as awareness campaigns for school children and job fairs for university undergraduates.
- Internship programs for university undergraduates and students at technical institutes, including MOU agreements with technical institutes.
- Provision of Nutritional Supplements to Oruwala Primary School

The employees constitute a significant component in our value creation and performance. By bringing diverse skills, knowledge and expertise to the table, combining innovation and creativity, employees have the capacity to drive better output and profitability in delivering value for the stakeholders. Therefore, we continue with our commitment to support human capital development in ensuring our long-term viability and competitive advantage.

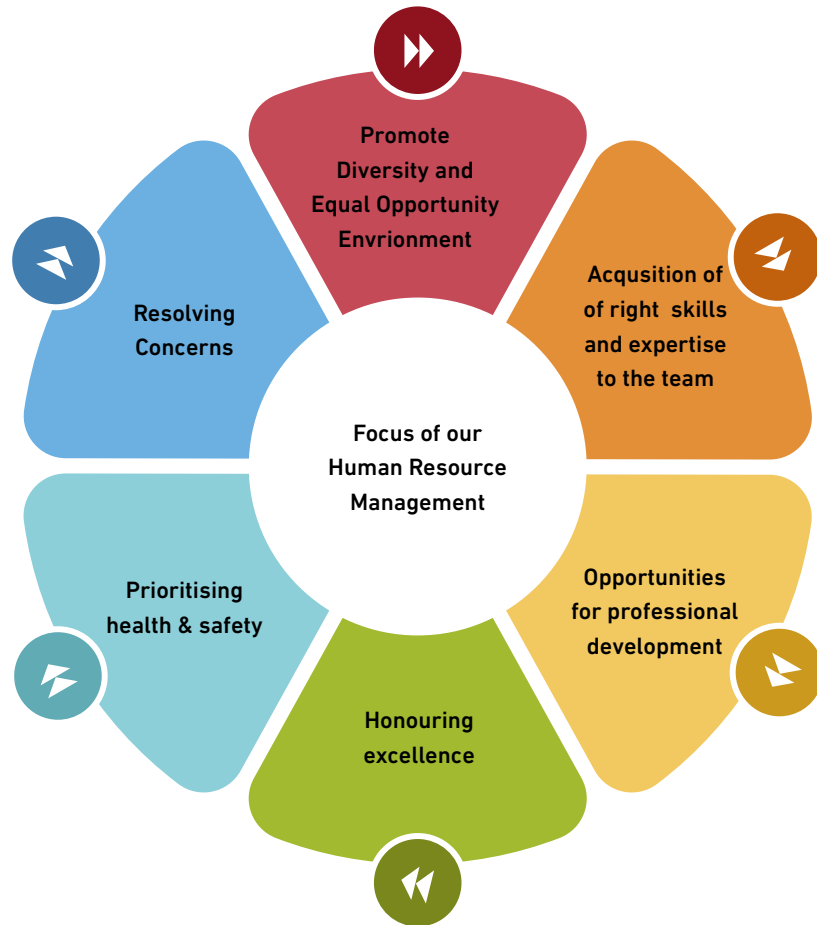
Despite a volatile macroeconomic landscape that brought forth unprecedented challenges during the financial year, with industries experiencing high turnover, we succeeded in retaining our valued employees, and keeping them motivated to achieve the strategic goals. Courageously navigating the Company through the upheavals, our employees continue to steer the Company ahead demonstrating resilience and adaptability to the market dynamics in a rapidly evolving industry landscape and the uncertainties in the operating environment. As a result, we were able to sustain our market position to drive growth in the foreseeable future.

[Insert graphs – employees by age/gender/grade/service breakdown]

Management Approach to Human Capital

The Company’s well-structured Human Resource Policy Framework provides direction to our human resource management by establishing best practices, systems, and processes that align with the Company’s strategic objectives and the Company’s vision, mission and values.

Our HR vision	Our HR mission
<ul style="list-style-type: none"> To be the most sought-after partner in our associates’ progress while helping them to realise their professional and personal dreams. 	<ul style="list-style-type: none"> Equipping our associates with the required knowledge, skills and abilities to undertake challenging roles in the dynamic business environment. Creating an organisational culture and climate that improve our associates’ motivation, commitment and concern to serve customers through a high-performance work system for improved organisational performance.

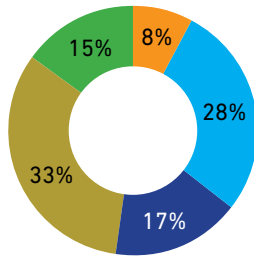


Policies that Guide Us

- Health & Safety Management Policy
- Training & Development Policy
- Performance Appraisal Policy
- Staff Welfare Policy

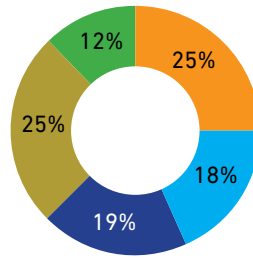
Our Human Resource Management Framework focuses on the following areas in managing our human capital in supporting value creation.

Age Analysis of employees



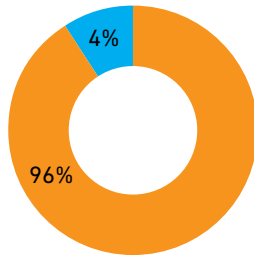
- 18 -25 Years
- 26 -35 Years
- 36 -40 Years
- 41 -50 Years
- Above 50 Years

Service Period Analysis



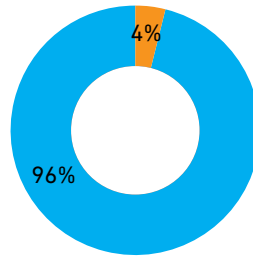
- 18 -25 Years
- 26 -35 Years
- 36 -40 Years
- 41 -50 Years
- Above 50 Years

Permanent, Contract



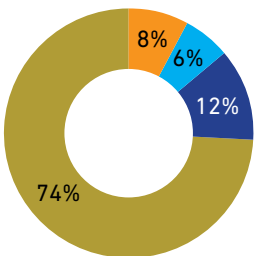
- Permanent
- Contract

Gender



- Female
- Male

Grade Analysis



- Managers
- Asst. Managers
- Executives
- Non Executives

Promote Diversity and Equal Opportunity Environment

At Sierra Cables, we have fostered a work culture where people from different cultures and various backgrounds come together as a work team and contribute to decision-making. While the Company remains dedicated to nurturing a diverse and inclusive work culture with non-discrimination based on gender, ethnicity, language, religion, or any other factor, we also promote the same through the Company's Code of Conduct included in the Handbook. All our employees in turn have to respect and act by the code of conduct where disciplinary action will be taken in case of failure to abide.

It is our privilege to report that there were no reported incidents of discrimination on the grounds of race, sex, religion, political opinion, social origin, or other relevant forms of discrimination during the year.

Key Actions to Promote Diversity & Equal Opportunity

- Equal remuneration for male and female employees who are in the same job positions.
- Provide employees with counselling and awareness training to educate them on disciplinary procedures relating to workplace harassment.
- Freedom to engage in various cultural and religious activities in promoting respect for diverse cultures
- Well-structured grievance management system for speedy resolutions of employee concerns.
- Policies in place related to sexual harassment, anti-bullying and gender equality

Acquisition of the right skills and expertise for the team

Sierra Cables remains focused on attracting and retaining capable individuals who are motivated to contribute to the overall growth of the company. Thus, we continue to invest in recruiting the correct talent for the correct positions thereby bringing on board an efficient and productive talent pool that could drive profitability in the long term. Furthermore, we encourage all employees including recruits to take part in professional development programs to fill their knowledge gaps, further inculcating industry know-how and the soft skills that are necessary to remain competitive within the changing industry landscape.

Although we have formulated our recruitment policy to align with the strategic objectives, we frequently update policies and procedures in response to labour market dynamics.

While there is a formal recruitment procedure for hiring new candidates, the top-tier management personnel are appointed by utilizing a professional network/headhunting.

We have offered a range of opportunities to escalate employee motivation and satisfaction that includes, training opportunities, performance evaluation, rewards schemes, statutory and non-statutory benefits, and engagement opportunities including fostering a conducive work culture. The work environment is also improved based on the findings of periodical employee attitude surveys and satisfaction surveys that are carried out to obtain employee feedback. These survey findings have been instrumental in initiating proactive action to promote a healthy and safe work culture.

Despite the high employee turnover witnessed across many industries during the financial year, we were able to maintain industry-par retention levels.

Key actions to promote employee motivation and satisfaction

- Offer opportunities for professional development
- Promote employee engagement initiatives
- Provide both statutory and non-statutory benefits
- Rewards Scheme for exceptional performance
- Performance driven culture
- Conducive work environment
- Employee feedback system

Opportunities for Professional Development

We remain committed to enhancing the skills and capabilities of our employees in steering their own personal growth and career success. We evaluate the training needs identified through the employee skill assessment and competency matrix

and plan the trainings that are relevant for the employees. A grading system is also in place for the factory employees where they are evaluated based on a set of criteria to bestow them with opportunities for career growth. At Sierra Cables, training and development of employees remain a critical component in enhancing their knowledge and skills which we believe would contribute positively to the Company's performance.

The trainings are a combination of technical and soft skill development which are presumed in the form of internal and external trainings. In this way, employees have the chance to gather insights from both peers and industry leaders, gaining fresh perspectives on operational approaches.

Furthermore, the Company collaborates with the National Apprentice and Industrial Training Authority (NAITA) to develop NVQ-level training centres for cable machine operators in the cable industry. We believe this will be a value addition to their profile which in turn will provide greater career recognition.

During the year under review, Sierra Cables conducted the following training programs.

- First Aid Training
- Workshop on Internal Auditing for ISO 9001:2015 QMS
- Training Programme on Measurement Assurance & Interpretation of Test Reports
- Training on Self Improvement
- Supervisor's Role in Productivity Improvement through Factory Floor Administration
- Training on QMS for Manufacturing Supervisors
- Induction Training for New Employees
- Forklift Operation and Maintenance
- Process Documentation
- Awareness on Trade Agreements

Honouring excellence

Employee appraisals are carried out twice a year, based on which bonuses are granted in November and March. Through these appraisals, employees are evaluated for their suitability for rewards including the aptness to handle special assignments and senior positions. In addition, all employees are offered an attractive benefit package including industry-par remuneration relevant to their job roles to sustain their motivation and satisfaction towards better performance.

Steps in Performance Evaluation

1. Self-Appraisal
2. Superior Appraisal
3. Cross-Functional team appraisal

Prioritising Health & Safety

We consider ensuring the health and safety of employees at the workplace to be a moral obligation and thus continue to establish appropriate health and safety measures at the workplace to be followed by our employees during their day-to-day operations for their protection. As a cable manufacturing entity, we highly prioritise safety not only to comply with regulations but also to safeguard our employees from inherent risks associated with the industry. We ensure that employees follow the necessary health and safety measures at all times and take immediate corrective action in case of non-compliance.

Key Safety Measure Adopted

- Transport arrangements for late-night staff
- Providing facemasks for all employees
- Providing personal protective equipment
- Fogging

We update our staff about health and safety information regularly via email and notices. Apart from that, we provide rigorous training on the significance of responsible work practices and the use of safety gear as ISO 45001 certified.

As a responsible business entity, we are committed to maintaining the health and safety management system to ensure a risk-free and secure work environment. To this end, we have established safety protocols across the organisation including rigorous accident and reporting procedures. While we encourage strict adherence to these measures, we also continue to implement appropriate actions to upgrade and improve the standards where required.

The accident follow-up procedure is as follows;

1. Report to immediate superior
2. Organise first aid if the accident is minor or take victims (permanent/casual/contract) to the nearest hospital if the accident is major
3. Report relevant information to the Department Head
4. Department Head to notify the Executive Director and HR Manager
5. HR Manager to assign an officer to investigate the cause of the accident
6. Ensure the welfare of victims by providing the necessary financial assistance

Resolving Concerns

We allow our employees to freely voice their concerns and opinions to their immediate superiors and supervisors at any given time. This open-door policy involves step by step process where employees can raise their concerns first with their immediate supervisor, then with the supervisor's superior and finally take it to the executive director. Through this well-established system, we ensure all employee grievances are carefully evaluated, taking timely remedial action without bias. Employee anonymity is also safeguarded throughout the process.

Engaging Employees

We promote engagement amongst the workforce to enhance their satisfaction and motivation for improved performance.

One of the first initiatives in this regard is fostering a conducive work culture where employees have the freedom to express their opinions, suggestions, and feedback in the overall decision-making process. Also, we believe such freedom and the space for fellowship will create a sense of ownership amongst the workforce leading to greater work outcomes.

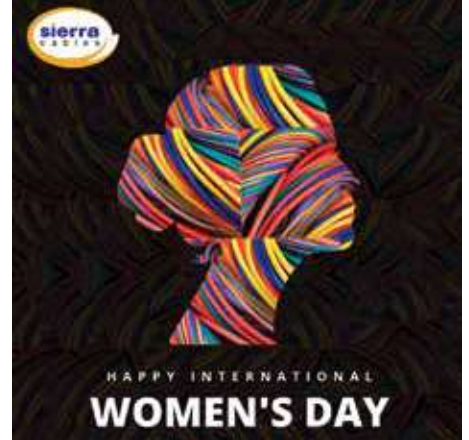
In comprehending this perspective, we carry out various engagement programs throughout the financial year.



Donating books to the local school library in lieu of children's day



Sinhala and Tamil New Year celebration



Women's day celebration



Family Get-together of all employees

The world today is facing unprecedented environmental challenges that is presented in the form of climate change, biodiversity loss, resource depletion, pollution, and global warming, making it imperative for urgent action to tackle the situation in ensuring a sustainable future for the generations to come. Hence, the responsibility of every individual and the business world as a whole is often highlighted in the discourse of collective action towards ecological sustainability. Consequently, more and more business entities have increased their stewardship of natural resources, implementing innovative solutions to minimize the impact in contributing to sustainable development.

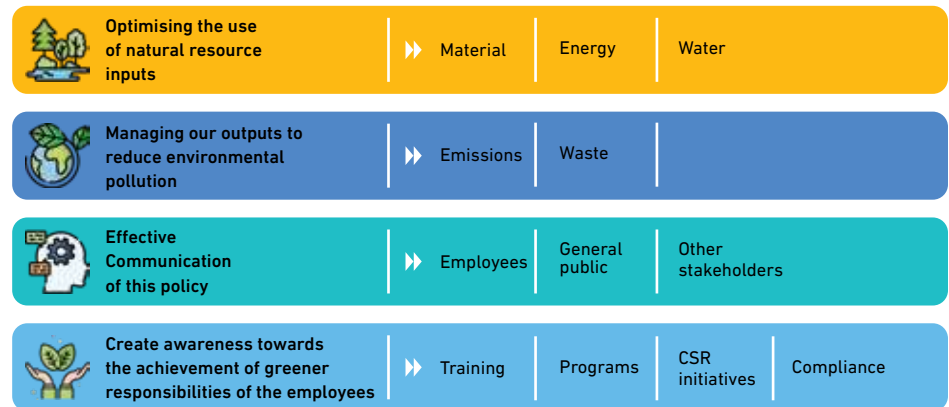
Against the above context, we believe that we have a vital role to play in securing the well-being of our current and future generations by perpetuating our responsibility of promoting environmental sustainability. To this end, we continue to carefully analyze our environmental impacts, risks and opportunities thereby formulating our strategies to achieve the overall business agenda while preserving the ecosystem. This is further reinforced by our commitment to ensure responsible and ethical business practices guaranteeing the security of the stakeholders and respecting environmental regulations and standards. Moreover, we have stimulated activities that reduce the environmental impact of our operations by continuously carrying out process improvements, adopting sustainable policies and setting goals to enhance our overall environmental performance.

Environmental Management Policy

Our steadfast obligation to minimize the company's ecological impact directly guides our approach to environmental sustainability. Hence, we consciously manage our inputs (materials, energy, water and biodiversity protection) and our

outputs (emissions, waste and effluents) maintaining a balance between the achievement of the business agenda and fulfilling the larger responsibility of conserving the natural resources. The Company's comprehensive environmental management system powers this approach by establishing different policies and procedures for the environmentally responsible and socially equitable consumption of natural supplies across our entire value chain while driving long-term profitability.

Core focus of the Environmental Management Policy



- **Sustainability:**
We will strive to achieve a balance of economic susceptibility, environmental friendliness and social responsibility throughout our operations.
- **Energy Efficiency:**
We are dedicated to continual optimizing in energy consumption, reduction of greenhouse gas (GHG) emissions, and energy costs. This will be achieved through ongoing monitoring, implementing energy-saving measures, and investing in energy-efficient technologies.
- **Renewable Energy:**
We will actively pursue opportunities to increase the proportion of renewable energy used in our operations.
- **Energy Management System (EnMS):**
We are committed to the implementation and continual improvement of our EnMS, ensuring all activities and departments within the company are considered.
- **Equipment and Facility Upgrades:** Energy efficiency will be a consideration when procuring new equipment during any facility modifications or improvements.

Managing our Inputs

Optimizing raw material usage

The Company ensure that raw materials used in our production are utilized efficiently and responsibly by following the below practices.

- Reducing our rework by bringing in production process efficiencies and operation layout.
- Maintenance of sufficient stocks of raw materials by placing bulk orders thereby contributing to the reduction of our carbon footprint.

Optimizing energy usage

The Company promote efficient energy management within the organization by undertaking the following practices.

- Reduction in the number of plant operating days to save energy and overheads. The Plants that previously operated for seven consecutive days, is in operation for only 4 days since mid-2022. By limiting our plant operations to a more efficient schedule this way, we have been able to optimize resource usage achieving cost efficiency.
- Installation of 1MW solar system. The generated electricity is diverted to the national grid.
- Recovering energy through micro machines by modifying the steam recovery process is enhanced efficiently.
- Reduce the power consumption of the lighting system by cleaning existing polycarbonate sheets and increasing the number of sheets to improve the natural lighting in the warehouse. Further, we also replaced the CFL bulbs in the plant with LED bulbs.
- Optimizing machine runs by encouraging machine runs at off-peak times and using the interlocking system during peak hours to prevent two machines from operating at the same time.
- Optimizing the compressed air system by introducing ring bowlers in reducing compressed air. Also, regular maintenance of water lines and airlines by fixing water filters and drainers and reducing compressed air leakages.
- Optimizing energy consumed by air conditioning units through replacing the old units with energy-saving inverter technology, running ACs at room temperature and adding an 'On-Off' timer for AC machines on automatic mode.

- UPS systems installation for extruder machines to ensure interrupted power supply while manufacturing customized cables so that in the event of a power failure, production may continue. With this system, there will be no requirement to restart machines thus leading to cost and time savings.
- Maintaining 0.99 power factor in the factory
- Installing the VFD (Variable Frequency Drive) for cutting Winder

Optimizing Water usage

The Company regularly tracks its water usage and encourages mindful water consumption or recycled water usage to minimize the depletion of water resources. The following practices are carried out in this regard.

- Educating all employees on the importance of water conservation and minimizing wastage.
- Preventing/fixing water leakages.
- Developing a rainwater harvesting plant at the factory premises to be used in cooling machinery.
- Fixing sensor taps for canteen and use that wastewater for gardening

Managing our Outputs

Controlling Emissions

To manage emissions, we implemented several modifications to our processors such as switching conventional scrubber methods for copper tinning to capture and divide all feasible emissions. In addition, by rearranging the process layout, we allocated a dedicated area for the solar cable manufacturing plant, which helped reduce forklift movement.

Waste Reduction

The Company consistently tries to reduce waste generated from its production process. As a result of these efforts, during the year under review, the total waste generated by the Company witnessed a reduction with Copper waste reducing by 1.3. The following practices were adopted to support this endeavour.

- Shifting from the use of Grafted Polymer to Base Polymer has significantly contributed to reducing waste generated in the process of colour change, changeovers, as well as machine cleaning frequency. The use of base polymer has significantly improved the processing ability resulting in an overall reduction in wastage and rework of ABC cables.
- Encourage the sales team to return the wooden drums for the transportation of our cables to customers to reuse and reduce our consumption of wood.
- Recycling waste by bailing it into blocks to use as paving bricks and for other purposes. The bailing also helps to compact waste and saves storage space.
- We maintained Copper scrap below 1.3 during the year (2023-1.5)
- Additional Improvements during FY
- As a Research & Development initiative, we modified the Drum Twister armouring machine for steel tape armouring manufacturing.
- We also developed Loading Bay at the factory in order to ease the loading/unloading.

Raising Employees' Environmental Awareness

We firmly trust that fostering environmentally conscious behaviour within our company is essential for cultivating voluntary pro-environmental actions among our employees. This, in turn, helps us reduce our overall environmental impact. To achieve this, we regularly collaborate with our staff through awareness training seminars and encourage participation in voluntary environmental initiatives.

As a conscientious manufacturing company, we prioritize conducting our operations with environmental sustainability at the forefront and thus ensures that our projects do not adversely affect natural habitats, wildlife or plant life



in the regions where we operate. However, our commitment to environmental stewardship does not end at this. We also persistently educate our employees about the importance of environmental conversation, actively encouraging their involvement in our company's sustainability initiatives aimed at supporting biodiversity and ecosystem preservation.

Eco-friendly Initiatives

1. Awareness Training

We have undertaken initiatives to raise awareness among our employees about ISO 14001:2015, which is based on Environmental Management Systems. These training sessions aim to build up the company's environmental performance by fostering dedication, meticulous planning, and effective implementation, through evaluation and periodic review.

Additionally, we also emphasize each employee's responsibility in environmental conservation efforts while developing an understanding of the "Green Concept". This comprehensive approach ensures that our workforce is fully engaged and dedicated to environmentally responsible practices.

2. Health & Safety Audit

We have conducted health, safety and environmental audits across the company with dedicated teams representing every department. Each team is provided with adequate knowledge through training covering various aspects including environmental aspects, pollution, sustainability auditing techniques etc.

3. Environmental Compliance

We act in accordance with the required environment-related laws and regulations and have acquired the following certifications;

- Green Certificate by Ceylon Institute of Builders
- ISO 14001: 2015

Throughout the financial year, we are proud to report that there were no incidents of non-compliance with environmental laws and regulations.

4. Implementing Environmental Solutions

We are actively implementing a range of initiatives to reduce wastage and enhance sustainability across our operations. These include initiatives such as compacting wastage, rainwater harvesting, increasing renewable energy capacity, reusing wooden drums, using base polymer and monitoring energy consumption.

5. Tree Planting Initiatives

As a courtesy of our dedication towards environmental stewardship, we planted over 300 fruit plants across our factory grounds as a part of our ongoing environmental initiatives.

CORPORATE GOVERNANCE

- 43 - Corporate Governance
- 55 - Risk Management Review
- 58 - Report of The Board Audit Committee
- 60 - Report of The Board Remuneration Committee
- 61 - Report of The Board Related Party Transactions Review Committee
- 62 - Nomination Committee Report

POWER
THROUGH TO
NEW LEVELS OF
EXCELLENCE

Chairman's Message on Corporate Governance

It gives me pleasure to present to you the Corporate Governance Report for the year 2023/24, on behalf of the Board of Directors of Sierra Cables PLC. This report covers our comprehensive approach to Corporate Governance and the related best practices that strengthen our foundation for value creation over the long term and meet the expectations of the stakeholders. The well-established Corporate Governance Framework of the Company has laid out the policies and procedures to promote transparent and ethical business practices, upholding accountability of our actions. This sound foundation has in turn positively contributed to solidifying our market position, including the expansion in the international market unlocking new business opportunities. Hence, we continue to promote good governance within the Company incorporating those principles in our forward strategy and action plan. This has enabled us to make informed and effective decisions while establishing clear roles and responsibilities aimed at value creation.

The Company's Board of Directors regularly reviews the Corporate Governance policies and practices, continually improving them to ensure effective risk management, internal controls, and accountability, all in support of the Company's long-term strategy.

Key Focus Areas

The prevailing macroclimate during the financial year necessitated the Board to remain adaptable and agile to the uncertainties and fluctuations, taking a holistic perspective to its impact on the Company's business operations. In this regard, the Board regularly reviewed the Corporate Governance best practices adopted by the Company, refining, and adjusting them to address the evolving concerns, reinforcing the risk management facet to withstand potential impediments. With its unwavering commitment to accomplishing the strategic objectives towards business success and profitability, the Board continued to drive the Company's operations and the manufacturing process with flexibility and agility during the period. The Board initiated timely measures to address the hindrances emanating from the macroeconomic front while remaining open to the key economic stressors such as increasing interest rates, exchange rate volatility, rise in raw material prices and increase in expenditure, that impact our operations and performance.

Compliance

The Company's level of compliance with the Code of Best Practice on Corporate Governance 2017 and the extent of compliance with the Corporate Governance Rules issued by the Colombo Stock Exchange is described in this report. As stipulated by the Code, I affirm that I am not aware of any material violations of any of the provisions of the Code of Business Conduct and Ethics by any Director or any member of the Corporate Management.



Mr. W. A. P. Perera
Chairman/Non-Executive Director

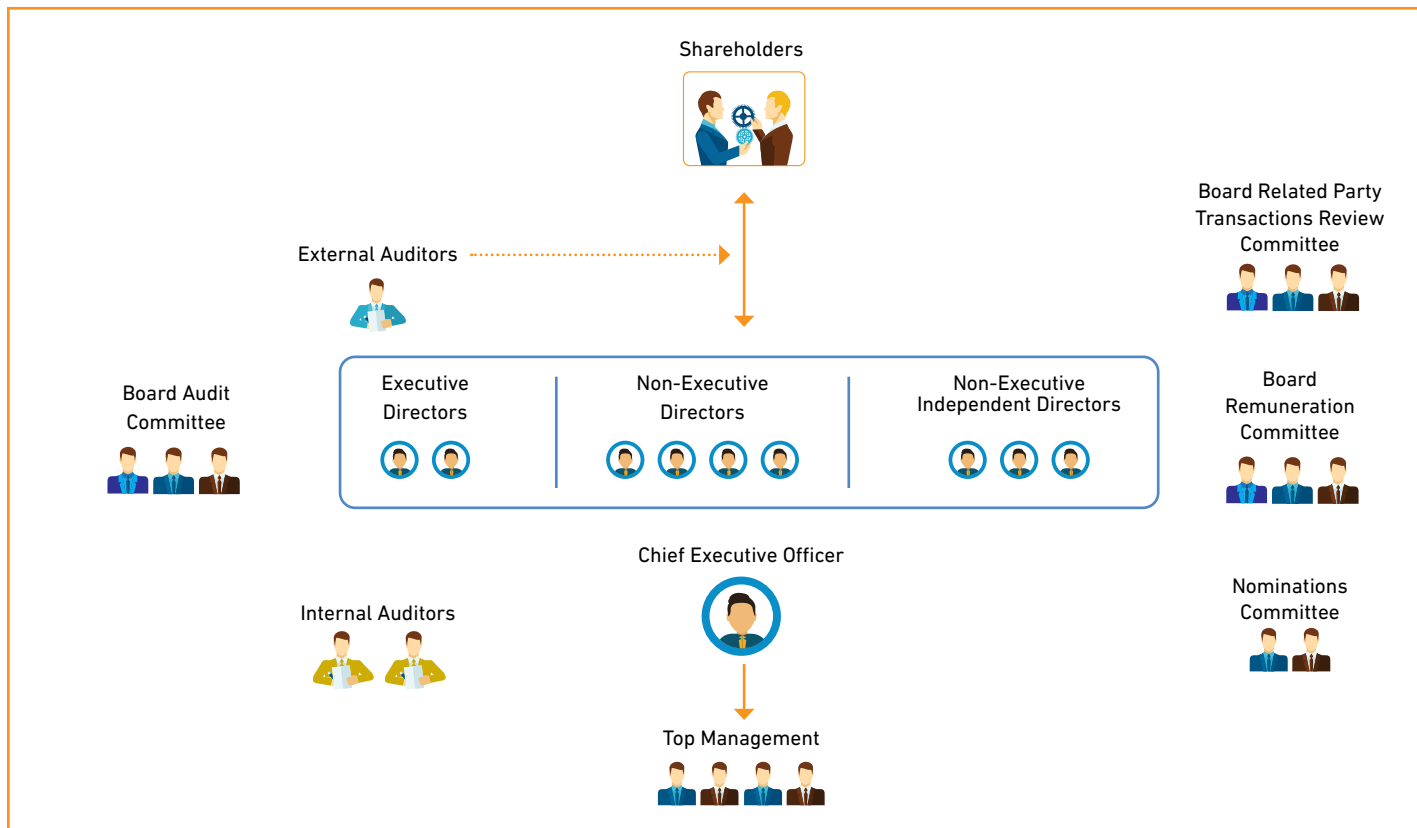
27th August 2024

Our Approach to Corporate Governance

Corporate Governance, the system by which organizations are directed and managed, is a vital aspect in promoting a culture of integrity that leads to positive performance and sustainable business growth. Therefore, the Board remains committed to complying with all the necessary corporate governance standards within the organization and all levels of operations to ensure that business activities are carried out ethically and for the benefit of all stakeholders. To this end, the Company consistently assesses the good governance frameworks and policies in place and ensures that they are aligned with the Company's overall strategy and objectives, including the local and international best practices. Changing dynamics of the external environment and technological developments are also taken into consideration when setting corporate governance best practices.

Governance Framework













Sierra Cables PLC is guided by the following internal and external instruments in its overall value-creation process.



External Mechanisms	Internal Mechanisms
<ul style="list-style-type: none"> Companies Act No. 7 of 2007 Listing Rules issued by the Colombo Stock Exchange Code of Best Practice on Corporate Governance issued by ICASL (2017) Shop and Office Employees Act of 1954 Inland Revenue Act No. 24 of 2017 	<ul style="list-style-type: none"> Quality Standards: ISO 9001:2015, ISO 14001:2015, SLS 733, SLS 750, SLS 412, SLS 1186, SLS 1542, SLS 1504-2-11, SLS 1504-2-31 Safety Standards: ISO 45001:2018 Employee Handbook

Board of Directors

The Company's Board of Directors holds the responsibility for providing overall direction and guidance in determining the strategic direction and risk appetite of the Company. The Board collectively directs the affairs of the Company in the interest of the Company and all the shareholders. By combining its diverse skills and industry acumen, the Board effectively discharges its duties in achieving the long-term strategic aspirations of the Company. At Sierra Cables PLC, the Corporate Management team led by the Chief Executive Officer holds the responsibility of executing the corporate strategies while the Board assumes a supervisory role in overseeing the management and its performance.

<p>Board Composition</p> <p>7 Non-Executive Directors </p> <p>2 Executive Directors </p>	<p>Board Size</p> <p>Total 9 Directors </p>
<p>Board Independence</p> <p>3 Independent Non-Executive Directors </p> <p>6 Non-Independent Directors </p>	<p>Age Diversity</p> <p>4 Below 60 </p> <p>5 Over 60 </p>
<p>Gender Diversity</p> <p>8 Male Directors </p> <p>1 Female Director </p>	<p>Board Expertise</p> <p>3 Construction & Manufacturing </p> <p>4 Banking & Finance </p> <p>2 Sales Marketing & Administration </p>

Separate Roles of the Chairman and the Chief Executive Officer

In maintaining the balance of power and authority in the positions and to encourage independent decision-making, the role of the Chairman and the Chief Executive Officer are held separately by two persons.

Chairman	Chief Executive Officer
<ul style="list-style-type: none"> Lead the Board and manage the business of the Board. Ensure that the Board receives accurate and timely information to make sound decisions. Improving shareholder value by formulating strategy, evaluating the viability and implementation to reach the desired objectives. Encourage constructive discussions among the Board members to facilitate effective decision-making. Monitoring the effectiveness of the Board. 	<ul style="list-style-type: none"> Continuous monitoring and reporting to the Board on the Company's performance. Ensuring compliance with all applicable legal and regulatory obligations. Ensuring that the Company operates within the approved risk appetite. Developing and recommending the budgets to the Board.

Sub Committees of the Board

The Board is assisted by several Board Sub-Committees in the discharge of its duties;

Sub-committee	Areas of oversight	Composition	Further information
Audit Committee	<ul style="list-style-type: none"> Financial Reporting Internal Controls Internal Audit External Audit 	Mr. P.E.A.B Perera (C) Prof. A.K.W. Jayawardane Eng. B.W.N. Rupasinghe	Refer to the Report of the Audit Committee on pages 58 - 59 for more information.
Remuneration Committee	<ul style="list-style-type: none"> Remuneration of the Chief Executive Officer and Key Management Personnel HR Policies, including Remuneration Policy Organisational structure HR Systems, including Performance Evaluation 	Prof. A.K.W. Jayawardane (C) Eng. B.W.N. Rupasinghe Mr. P.E.A.B. Perera	Refer to the Report of the Remuneration Committee on page 60 for more information.
Related Party Transactions Review Committee	<ul style="list-style-type: none"> Related Party Transactions Policy Disclosures on related party transactions in the annual report Quarterly and annual disclosures of related party transactions 	Eng. B.W.N. Rupasinghe (C) Mr. P.E.A.B Perera Prof. A.K.W. Jayawardane	Refer to the Report of the Related Party Transactions Review Committee on page 61 for more information.
Nomination Committee Report	<ul style="list-style-type: none"> Recommendations to the Board on the appointments Assessing the structure, composition, and skills of the Board and its committees 	Mr. W.A.P. Perera (C) Prof. A.K.W. Jayawardane	Refer to the Nomination Committee Report on page 62 for more information.

Board Meetings and Attendance

The Board and sub-committees meet once every quarter unless otherwise required. Meeting agendas and Board papers are circulated to all Board members well in advance of each meeting to provide adequate time for preparation. As the Group has a state-of-the-art management information system to process and monitor Group performance, appropriate and timely information is made available to the Board members, who make additional inquiries when necessary. Any Director can call for a resolution to be presented to the Board if deemed necessary.

Name of the Director	Board Meeting	Audit Committee	Remuneration Committee	Related party
Total Number of meetings held	5	7	1	4
Mr. W. A. P. Perera	5/5	-	-	-
Mr. D. S. Panditha	5/5	-	-	-
Mr. P. Weerasingha	5/5	-	-	-
Ms. S. S. Kotakadeniya	5/5	-	-	-
Mr. P. E. A. B. Perera	4/5	6/7	1/1	3/4
Mr. B. W. N. Rupasinghe	5/5	7/7	1/1	4/4
Prof. A. K. W. Jayawardena	5/5	7/7	1/1	4/4
Mr. D. S. K. Amarasekera	1/5	-	-	-
Ms. T. A. P. Weerasinghe (Resigned w.e.f. 11th Aug 2023)	2/5	-	-	-
Mr. G. Jayasena (Appointed w.e.f. 29th Aug 2023)	2/5	-	-	-

Autonomous Decision Making

Directors make independent decision-making regarding strategy, resource allocation, performance, key appointments and standards of business conduct. Therefore, the Company has ensured a sufficient balance of power within the Board through appropriate Board composition and representation to ensure that one or few members would not dominate the decision-making.

The Board collectively and the Directors individually act in accordance with the laws of the country of operation, which are applicable to the business enterprise. Likewise, the Board of Directors ensures that relevant procedures and processes are in place for the Company to comply with all applicable laws and regulations and presents a compliance checklist to the Audit Committee.

To enhance the effectiveness of the Board's decision-making and preserve

overall independence, the Company seeks independent professional advice when deemed necessary at the expense of the Company, including that of the Company's external lawyers and auditors.

Board Appointment and Re-election

Directors are appointed to the Board by the shareholders upon recommendations made by the Board. New Directors appointed are communicated immediately to shareholders through the Colombo Stock Exchange along with a brief resume of the newly appointed Director, their relevant expertise, key appointments, shareholding, and status of independence. Mr. Gunendra Jayasena was appointed to the Board as a Non Executive Director w.e.f 29th August 2023 and the required announcement was made to the shareholders.

In compliance with the Articles of Association of the Company, 1/3 of the Directors will retire from office each year and are eligible for re-election. Details of

the Directors being re-elected at this year's AGM are given in the Notice of Meeting on page 134. Written communication is obtained from any Director resigning prior to the completion of his appointed term.

Directors reaching the age of 70 years are recommended for re-appointed by way of an ordinary resolution by the shareholders of the Company in terms of Sec.211 of the Companies Act No. 07 of 2007. Accordingly, Re-election of Mr. D.S. Panditha & Eng. B.W.N. Rupasinghe, who retire at the forthcoming Annual General Meeting as Directors, in terms of Section 210 of the Companies Act No. 07 of 2007 have been recommended by the Board of Directors for shareholders approval at the forthcoming AGM.

Company Secretary

The Company Secretary ensures that proper Board procedures are followed in line with applicable laws, rules, and regulations to ensure good governance.

The Company Secretary assists the Chairman and CEO in setting the agenda for the meeting and is responsible for maintaining Board minutes in consultation with the Chairman.

The main duties performed by the Company Secretary include;

- Conduct meetings in accordance with the Articles of Association and relevant legislation.
- Provide timely and accurate information needed for meetings and advice on matters relating to corporate governance and economic and social sustainability.
- Maintaining registers of shareholders, company changes, directors and secretary and directors' interests in shares.
- Obtaining legal advice in consultation with the Board on company law, SEC, CSE and other relevant legislations in ensuring that the Group complies with all applicable laws and regulations.
- Filing statutory returns/information with the Registrar of Companies.

Compliance with the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka in 2017

Code Ref.	Requirement	Compliance	Details of Compliance/Reference
A	Directors		
A.1	The Board	<input checked="" type="checkbox"/>	Refer - A diverse Board on pages 20 - 22.
A.1.1	Board Meetings	<input checked="" type="checkbox"/>	Refer - Meetings and attendance on page 46.
A.1.2	Roles and Responsibilities of the Board	<input checked="" type="checkbox"/>	Refer - Roles and responsibilities on page 45
A.1.3	Independent Professional Advice	<input checked="" type="checkbox"/>	The Board members are permitted to obtain independent professional advice from third parties as deemed necessary including that of the Company's external lawyers and auditors at the expense of the Company.
A.1.4	Access to advice and services of Company Secretary and Insurance Cover	<input checked="" type="checkbox"/>	Refer - Role of the Company Secretary on page 47. The Company has provided an appropriate insurance cover for Key Management Personnel (KMP's) according to the Group policy
A.1.5	Independent Judgement	<input checked="" type="checkbox"/>	All the Board members actively participate in the Board meetings by bringing up their own independent judgment.
A.1.6	Dedicate Adequate Time and Effort to Board matters	<input checked="" type="checkbox"/>	The Company estimates that Non-Executive Directors devoted sufficient time for the Group during the year.
A.1.7	Calls for Resolutions	<input checked="" type="checkbox"/>	All Directors are encouraged to submit any items/ proposals to the agendas of the Board meetings and the Articles of Association provides directions as to how directors can request for a circular resolution to be presented to the Board.
A.1.8	Board Induction and Training	<input checked="" type="checkbox"/>	The Board has in place an induction programme for new Directors to ensure they are adequately briefed and have the requisite knowledge of the Group and its operations. The Board regularly reviews the training needs of the Directors and all Directors engage in relevant training Programs to enhance their skills and expertise.
A.2	Chairman & Chief Executive Officer	<input checked="" type="checkbox"/>	There is a clear demarcation of the responsibilities between the Chairman and the CEO. The functions performed by the Chairman and the CEO are distinct and separate, ensuring the balance of power and authority within the organisation, so that no person has unfettered powers of decision-making and implementation. Refer- Roles and Responsibilities on page 45.

Code Ref.	Requirement	Compliance	Details of Compliance/Reference
A.3	Chairman's Role in Preserving Good Corporate Governance	<input checked="" type="checkbox"/>	<p>The Chairman is responsible for the leadership of the Board, managing Board meetings and business undertakings. The Chairman is responsible for ensuring that all relevant issues of the Company are dealt with on the Board Agenda and that Directors receive all appropriate information and documentation in a timely manner, thus facilitating the Directors to contribute at the deliberations.</p> <p>Refer - Roles and Responsibilities on page 45.</p>
A.4	Availability of Financial Acumen	<input checked="" type="checkbox"/>	<p>Our Directors with their academic and/or entrepreneurial financial skill, business acumen and wide practical wisdom contribute substantial value, knowledge and independent judgment in decision making on matters concerning finance and investment.</p>
A.5	Board Balance	<input checked="" type="checkbox"/>	<p>Seven of the Nine Directors of the Board held office in a Non- Executive capacity. The Board comprises of three Non- Executive Independent Directors</p> <p>Each Non-Executive Director submits a signed and dated declaration annually of his/ her Independence or Non -Independence.</p> <p>The Chairman meets the Independent Non-Executive Directors as and when necessary.</p>
A.6	Provision of Appropriate and Timely Information	<input checked="" type="checkbox"/>	<p>Board agendas and necessary Board Papers and minutes are dispatched in advance of the Board meetings.</p>
A.7	Appointments to the Board	<input checked="" type="checkbox"/>	<p>Board appointments follow a transparent and formal process. The Board is satisfied that the experience and exposure of the Board members are adequate to meet the strategic demands faced by the Company.</p>
A.8	Re-election of Directors	<input checked="" type="checkbox"/>	<p>In compliance with the Articles of Association of the Company, 1/3 of the Directors will retire from office each year and are eligible for re-election. Details of the Directors being re-elected at the AGM are given in the Notice of Meeting on page 134. Written communication is obtained from any Director resigning prior to completion of his appointed term.</p>
A.9	Appraisal of Board Performance	<input checked="" type="checkbox"/>	<p>The Board annually appraises itself on its performance in the discharge of its key responsibilities. The Board also undertakes an annual self-evaluation of its own performance and that of its committees identifying any areas which require improvements.</p>
A.10	Disclosure of information in respect of Directors	<input checked="" type="checkbox"/>	<p>The names of the Directors of the Board, their expertise, skills and profiles are disclosed on pages 20 to 22 of this Annual Report.</p> <p>Directors' interests in contracts are indicated in Note 35.2.1 of the Financial Statements of this Annual Report.</p> <p>Refer Corporate Governance Report on pages 43 to 54.</p>
A.11	Appraisal of the Chief Executive Officer	<input checked="" type="checkbox"/>	<p>At the start of each year the Board in consultation with the CEO sets the goals to be achieved by the CEO during the year. At the end of each year the performance of the CEO is evaluated against these set targets</p>

Code Ref.	Requirement	Compliance	Details of Compliance/Reference
B.	Directors' Remuneration		
B.1	Remuneration Procedure	<input checked="" type="checkbox"/>	<p>The details of the Remuneration Committee's composition, policies and responsibilities are set out on page 60 of this Annual Report</p> <p>The Board as a whole decides the remuneration of the Non-Executive Directors. The Non-Executive Directors receive a fee for being a Director of the Board and a fee for participating as a sub-committee member. The Remuneration Committee obtains the input of the Chairman relating to the remuneration of Executive Directors and external professional advice is sought when deemed necessary</p>
B.2	Level and Make-up of Remuneration	<input checked="" type="checkbox"/>	The remuneration scheme for Executive Directors is structured to align rewards to their individual and corporate performance targets and the Remuneration Committee ensures that the remuneration is on par with market standards
B.3	Disclosures related to Remuneration in the Annual Report	<input checked="" type="checkbox"/>	Refer Remuneration Committee Report on page 60.
C.	Relations with Shareholders		
C.1	Constructive use of the AGM and other General Meetings	<input checked="" type="checkbox"/>	<p>We ensure that all proxy votes are counted and the quantum of proxies lodged on each resolution is conveyed to our Chairman. Separate resolutions are proposed at the AGM on each substantial issue.</p> <p>At the AGM, the Chairman of each sub-committee provides any clarification required by Shareholders.</p> <p>The notice and the agenda of the AGM together with the Annual Report of the Company containing the relevant documents are sent to the Shareholders 15 working days prior to the date of the AGM, or uploaded in the CSE website.</p>
C.2	Communication with shareholders	<input checked="" type="checkbox"/>	Shareholders are engaged through various channels of communication, including the AGM, regulatory reports and announcements via the CSE. Shareholders also have the opportunity to ask questions, comment or make suggestions to the Board through the Company Secretary. All significant issues and concerns of Shareholders are referred to the Board with the views of the Management and our Company Secretarial Division.
C.3	Disclosure of Major and Material Transactions	<input checked="" type="checkbox"/>	The Directors ensure that any transaction which may affect the net asset base of the Company is communicated to the Shareholders and required approvals are obtained and disclosures are made in accordance with the Statutes.
D.	Accountability and Audit		
D.1	Present a balanced and understandable assessment of the Company's financial position, performance and prospects	<input checked="" type="checkbox"/>	<p>The Board aims to present a balanced and understandable assessment of the Group's financial position, performance and prospects through this annual report. Interim reports have been published and all other statutory requirements have been complied with and approval of the Board has been obtained prior to publication.</p> <ul style="list-style-type: none"> ● Refer – Annual Report of the Board of Directors on the affairs of Sierra Cables PLC (pages 66 to 68) ● Statement of Directors' Responsibility (page 64) ● Management Discussion and Analysis (Pages 24 to 41) ● Independent Auditors' Report (pages 69 to 72) ● Related Party Transactions in Note 35 in the Financial Statements ● CEO and Group CFO's Statement on page 65

Code Ref.	Requirement	Compliance	Details of Compliance/Reference
D.2	Process of Risk Management and a sound system of Internal controls	<input checked="" type="checkbox"/>	The Board is responsible for establishing a sound framework of risk management and internal controls and monitoring its effectiveness on a continuous basis. Refer - Managing Risks on pages 55 - 57.
D.3	Audit Committee	<input checked="" type="checkbox"/>	Refer - Audit Committee Report (page 58 - 59)
D.4	Related Party Transactions Review Committee	<input checked="" type="checkbox"/>	Refer - Related Party Transactions Review Committee Report (page 61)
D.5	Code of Conduct and Ethics	<input checked="" type="checkbox"/>	Refer - Our Employees on pages 35 - 38. - Chairman's Message on pages 12 - 14.
D.6	Corporate Governance Disclosures	<input checked="" type="checkbox"/>	Refer - Corporate Governance Report on pages 43 to 54.
E/F	Institutional and Other Investors		
E.1&F.1	Encourage voting at AGM - Institutional and other investors	<input checked="" type="checkbox"/>	Institutional and other investors are encouraged to participate in the annual general meetings and exercise their voting rights. The Company has an effective mechanism to record and count all proxy votes lodged for each resolution
E.2	Evaluation of governance disclosures	<input checked="" type="checkbox"/>	Institutional investors are encouraged to give due consideration to all relevant factors related to Board structure and composition
F.2	Investing/divesting decisions	<input checked="" type="checkbox"/>	Individual shareholders investing directly in the shares of the Company are encouraged to carry out adequate analysis or seek independent advice in investing or divesting decision.
G.	Internet of Things & Cyber security	<input checked="" type="checkbox"/>	The Board is conscious of its responsibility to ensure investments in technology generate the desired business value while mitigating associated risks. The Board is assisted in the discharge of responsibilities by the Audit Committee which monitors and reviews the Management's initiatives to ensure that information technology risks, including emerging cyber security risks, are managed appropriately. Consequently, data protection and cyber security matters are regularly addressed at Board meetings. This is headed by the IT Manager who is responsible for the Group's IT security strategy and safeguarding against cyber threats
H.	Environment, Society & Governance	<input checked="" type="checkbox"/>	The Board places significant emphasis on sustainable development and ESG factors are built into the Company's value creation model, strategy, governance and risk management framework. Refer- <ul style="list-style-type: none"> ● Risk management on pages 55 - 57. ● Environmental Sustainability on pages 39 - 41. ● Corporate Governance on pages 43 - 54.

Compliance with Section 7.10 of the Listing Rules issued by Colombo Stock Exchange

Rule No.	Applicable Requirements	Compliance	Company's Action
7.10.1	Non – Executive Directors		
7.10.1(a)	Non-Executive Directors (NEDs) on the Board	<input checked="" type="checkbox"/>	7 out of 9 Board members are NEDs
7.10.2	Independent Directors		
7.10.2(a)	Independent Directors	<input checked="" type="checkbox"/>	3 out of the 7 NEDs are independent
7.10.2(b)	Declaration of Independence	<input checked="" type="checkbox"/>	A declaration of independence has been given by the Independent Directors
7.10.3	Disclosures relating to Directors		
7.10.3(a)	Names of Independent Directors should be disclosed in the Annual Report	<input checked="" type="checkbox"/>	Refer Board of Directors - pages 20 - 22.
7.10.3(b)	The basis for determining the independence of NEDs, if criteria for independence is not met.	<input checked="" type="checkbox"/>	Based on the declarations received from the Non-Executive Directors the Board has determined that three directors are independent
7.10.3(c)	A brief resume of each Director should be included in the Annual Report, including his area of expertise.	<input checked="" type="checkbox"/>	Refer Board of Directors - pages 20 to 22.
7.10.3(d)	Upon appointment of a new Director a brief resume of the Director should be submitted to the CSE.	<input checked="" type="checkbox"/>	Refer Corporate Governance - pages 43 to 54.
7.10.4	Criteria for defining the Independence of Directors		
	Requirements for meeting the criteria to be an Independent Director	<input checked="" type="checkbox"/>	All of the Independent Directors of the Company met the criteria for independence specified in this rule. <i>Eng. B.W.N Rupasinghe is currently over 70 Years old. Further, both Eng. B.W.N Rupasinghe and Prof. A.K.W. Jayawardane have served over nine years on the Board. The Board is of the opinion that the aforesaid Directors are nevertheless independent by considering all the circumstances and are satisfied that they are free of material business or other relationship that could interfere with or could reasonably be perceived to interfere with the exercise of their unfettered and independent judgments. The Company will take the necessary steps to comply with Rule 9.8.3.</i>
7.10.5	Remuneration Committee		
7.10.5(a)	Composition of the Remuneration Committee	<input checked="" type="checkbox"/>	Report of the Remuneration Committee (page 60)
7.10.5(b)	Functions of the Remuneration Committee	<input checked="" type="checkbox"/>	Report of the Remuneration Committee (page 60)
7.10.5(c)	Disclosure in the Annual Report relating to the Remuneration Committee	<input checked="" type="checkbox"/>	Report of the Remuneration Committee (page 60)
7.10.6	Audit Committee		
7.10.6(a)	Composition of the Audit Committee	<input checked="" type="checkbox"/>	Refer Report of the Audit Committee (pages 58 - 59)
7.10.6(b)	Functions of the Audit Committee	<input checked="" type="checkbox"/>	Refer Report of the Audit Committee (pages 58 - 59)
7.10.6(c)	Disclosure in the Annual Report relating to the Audit Committee	<input checked="" type="checkbox"/>	Refer Report of the Audit Committee (pages 58 - 59)

Compliance with Section 9 of the Listing Rules issued by Colombo Stock Exchange

Section	Principle, compliance and implementation	Effective date	Complied
9.1.3	Disclosure in the Annual report with regard to the extent of compliance with the Rule <i>The status of compliance with the Rule 9 is given below.</i>	01st October 2023	<input checked="" type="checkbox"/>
9.2.1	The Company shall disclose the fact of existence of the list of following policies as set out in the rule together with the details relating to the implementation of such policies in the Annual report and make them available on its website (a) Policy on the matters relating to the Board of Directors (b) Policy on Board Committees (c) Policy on Corporate Governance, Nominations and Re-election (d) Policy on Remuneration (e) Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities (f) Policy on Risk management and Internal controls (g) Policy on Relations with Shareholders and Investors (h) Policy on Environmental, Social and Governance Sustainability (i) Policy on Control and Management of Company Assets and Shareholder Investments (j) Policy on Corporate Disclosures (k) Policy on Whistleblowing (l) Policy on Anti-Bribery and Corruption <i>The Company is in the process of finalizing the recommended policies to be implemented by 1st October 2024 in conformity with the Rules.</i>	01st October 2024	Moving towards compliance
9.2.2	Any waivers from compliance with the Internal Code of business conduct and ethics or exemptions granted	01st October 2024	None
9.2.3	(i) List of policies in place as per Rule 9.2.1, with reference to website (ii) Any changes to policies adopted	01st October 2024	Moving towards compliance
9.2.4	The Company shall make available all such policies as set out in 9.2.1 to shareholders upon a written request being sent for such policy	01st October 2024	Moving towards compliance
9.3.1 / 9.3.2	The following Board subcommittees should be established and maintained at a minimum and shall function effectively : - a) Nomination & Governance committee* b) Remuneration Committee c) Audit Committee d) Related Party Transactions Review Committee <i>The Company is in the process of complying with the requirement with regard to the Nomination and Governance Committee by 01st October 2024 in conformity with the Rules. Rest of the Subcommittees are functioning effectively and refer sec.9.11,9.12,9.13 and 9.14 for details.</i>	01st October 2023 (* 01st October 2024)	Moving towards compliance <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
9.3.3	Chairperson of the Board cannot be a Chairperson in any of the aforesaid subcommittees <i>Refer "Sub Committees of the Board" given on page 45.</i>	01st October 2024	Moving towards compliance
9.4.1	Maintainance of records of all resolutions and other information stipulated in section 9.4.1 of the listing rules and shall provide copies of the same at the request of the Exchange and or SEC. <i>All records of resolutions and information relating to General Meetings; i.e. upon a resolution being considered valid proxy votes, votes in favour, against and abstained for the resolutions, etc. are maintained by the Company Secretary.</i>	01st October 2023	<input checked="" type="checkbox"/>

Section	Principle, compliance and implementation	Effective date	Complied
9.4.2	<p>Communication and relations with shareholders and investors</p> <p>A policy regarding the communication with shareholders and investors will be established by the Company by 01st October 2024. The Company Secretary has been designated as the contact person for such corporate communication by the Company. Any significant/material issues raised by the shareholders/investors are communicated to all directors and addressed where necessary in a transparent manner. The company conducted its shareholder meetings through virtual or hybrid means by complying with the guidelines issued by the CSE.</p>	01st October 2024	<input checked="" type="checkbox"/>
9.5.1 & 9.5.2	<p>A Policy on governing matters relating to the Board of Directors should be established with specific requirements prescribed by the Exchange (a) to (j), and to disclose the level of compliance or non-compliance with reasons/remedial actions.</p> <p><i>Governance Framework adopted by the Company and the level of compliance with Rule 9.5.1 is provided in detail in the Corporate governance report. The Company is in progress of developing a policy on matters relating to the Board by 01st October 2024.</i></p>	01st October 2024	Moving towards compliance
9.6.1	<p>The Chairperson should be a Non-executive Director and the positions of Chairperson and CEO cannot be held by one person; unless a Senior Independent Director (SID) is appointed by the Listed entity.</p> <p><i>Mr. W.A.P. Perera, Chairman of the Board is a Non Executive Director. The positions of the Chairperson and the CEO are held by two individuals.</i></p> <p><i>Refer Board composition on page 45.</i></p>	01st October 2023	<input checked="" type="checkbox"/>
9.6.2 & 9.6.3	<p>The Market announcement with regard to the non-compliance with Rule 9.6.1 and the rationale for appointing the SID.</p> <p><i>Since both positions are held by two separate individuals, this provision is not applicable for the Company.</i></p>	01st October 2023	Not applicable
9.7.5	<p>(a) Statement on Directors and CEO satisfying Fit and Proper Assessment Criteria (b) Any non-compliance/s and remedial action taken</p> <p>Annual declarations were obtained as per the requirement of Rule 9.7.3. and the board members have complied with the relevant criteria. The said criteria was considered when recommending the re-election of directors retiring by rotation before the AGM.</p> <p><i>Refer Board profiles on pages 20 to 22.</i></p>	01st October 2023	<input checked="" type="checkbox"/>
9.8.1 & 9.8.2	<p>Minimum number of Directors on the Board should be 5 and the total minimum number of Independent Directors should 2 or 1/3 of the Board, whichever is higher</p> <p>The Board comprised of 9 Directors including 3 Independent Non-Executive Directors</p>	01st October 2024	<input checked="" type="checkbox"/>
9.8.3 & 9.8.5	<p>An annual declaration should be obtained by each Non-Executive Director as per the defined format and the criteria should be assessed by the Nomination Committee of the Company.</p> <p><i>Annual declarations were obtained as per the requirement and the Board has determined that Prof. A K W Jayawardena, Eng. B W N Rupasinghe and Mr. P E A B Perera are in fact independent, subject to the transitional provisions permitted by the Exchange up to 01.01.2025 for 9.1.4(1)(c)(v) and 9.1.4(3). The Company has established a process for determination of independence based on the requirements of this Rule.</i></p>	01st October 2023	<input checked="" type="checkbox"/>
9.9	<p>Alternate Director can be only appointed for a minimum period of one year under special circumstances and he/she should be of the same nature of Directorship</p> <p>There are no alternative Directors appointed by the Company.</p>	01st January 2024	Not applicable

Section	Principle, compliance and implementation	Effective date	Complied
9.10.4	Disclosures regarding; a) the Maximum number of Directorships its members shall be permitted to hold as set out in Rule 9.10.1 b) appointment of new directors as set out in Rule 9.10.2 c) change to the composition of the Board /subcommittees as set out in Rule 9.10.3 d) details of Directors profile as set out in Rule 9.10.4 <i>A director may serve on the boards of any number of companies/societies/bodies, including subsidiaries and affiliates of the company; however, in the case of listed firms, the number of director appointments may not exceed 20. The required market announcements were made with regard to the resignation of Ms. T. A. P. Weerasinghe and the appointment of Mr. G. Jayasena to the Board during the year. The profile of Board members are provided on pages 20 - 22. Please refer Board of Directors and subcommittee reports for the details regarding meeting attendance and other disclosures on page 46.</i>	01st October 2023	<input checked="" type="checkbox"/>
9.11.6	Disclosure requirements regarding the Nomination and Governance Committee under Rule 9.11.6 <i>The Nomination Committee is currently comprised of two Directors and the Company will comply with the requirement by 01st October 2024. Please refer Report of the Nomination Committee on page 62.</i>	01st October 2024	Moving towards compliance
9.12.8	Disclosure requirements regarding the Remuneration Committee under Rule 9.12.8 The Remuneration Committee is comprised of three Independent Non-Executive Directors and Prof. A K W Jayawardane is the Chairperson of the Committee. The Committee does not include any Executive Directors. <i>Please refer Report of the Remuneration Committee on page 60.</i>	01st October 2024	<input checked="" type="checkbox"/>
9.13.5	Disclosure requirements regarding the Audit Committee under Rule 9.13.8 The Audit Committee is comprised of three Independent Non-Executive Directors and Mr.P E A B Perera is the Chairperson of the Committee. Mr. Perera is an Associate member of The Certified Management Accountants of Sri Lanka and a passed finalist of the Chartered Institute of Management Accountants (CIMA) The Committee does not include any Executive Directors. <i>Please refer Report of the Audit Committee on pages 58 - 59.</i>	01st October 2024	<input checked="" type="checkbox"/>
9.14.2	Composition, functions and general requirements of the Related Party Transactions Review Committee <i>The RPTR Committee of the Company Consists of three Independant Non-executive Directors. Refer RPTR Committee report on page 61.</i>	01st April 2024	<input checked="" type="checkbox"/>
9.14.8(1)	Disclosure of non-recurrent Related Party Transactions exceeding 10% of the Equity or 5% of the Total Assets, whichever is lower (in the specified format) <i>Refer Note no 35 to the Financial Statements.</i>	01st October 2023	<input checked="" type="checkbox"/>
9.14.8(2)	Disclosure of recurrent Related Party Transactions exceeding 10% of the gross revenue/income (in the specified format) <i>Refer Note no 35 to the Financial Statements.</i>	01st October 2023	<input checked="" type="checkbox"/>
9.14.8(3)	Disclosure requirements regarding the Related Party Transaction Review Committee under Rule 9.14 <i>Please refer Report of the RPTR Committee on page 61.</i>	01st October 2023	<input checked="" type="checkbox"/>
9.14.8(4)	Affirmative declaration by the Board of Directors on compliance with RPT Rules or negative statement to that effect. <i>Please refer Report of the RPTR Committee on page 61 and Board of Directors report on pages 66 - 68.</i>	01st October 2023	<input checked="" type="checkbox"/>
9.16	Additional disclosures by Board of Directors under Rule 9.16 <i>The relevant declarations by the Board of Directors are included in their report on pages 66 to 68.</i>	01st October 2023	<input checked="" type="checkbox"/>

Risk management plays a vital role in identifying the specific risks pertaining to a Company thereby providing an avenue to address the potential risks in facilitating proactive and sustainable value creation. By implementing a strong risk management framework, a Company can effectively identify, analyze, and respond to risk factors, thereby mitigating future risks. Therefore, a robust risk management foundation will reinforce a Company's ability to confront challenges, both internal and external, thereby driving uninterrupted growth of the Company.

Risk Landscape in FY 2023/24

The risk environment during the financial year was mainly molded by the macroclimate at the time. Hence, the subdued performance of the economy during the first half of the year and the slow growth witnessed towards the second half of the year had an impact on our operations and performance. The contraction of the key economic sectors including the construction sector that is directly related to the electrical wire and cable industry as well as the other economic stressors such as high interest regime, commodity price hikes, inflationary pressure, supply conditions and tax increase all continue to weigh on the business environment during the period.

The construction sector in particular demonstrated a marked decline severely impacting on our performance. On the supply side, the high cost of raw materials due to exchange rate volatility, the increase in other input prices and substandard products of competitors continue to impact our operations. On the demand side, domestic demand witnessed a marked reduction due to pressure on the disposable income driven by unpredictability of the performance of key economic indicators. Likewise, the project market also witnessed a considerable reduction curtailing new investments into construction projects.




These factors contributed to the Company's risk profile necessitating timely internal controls and risk management to safeguard our operations against the impediments in ensuring strong performance during the year.

Approach To Risk Management

At Sierra Cables, risk management is considered an ongoing, forward-looking process that is steered by the Company's leadership and robust risk management framework that encompasses all levels of operations. The Board of Directors hold the ultimate responsibility of managing risks, communicating risk strategy and approving policies for effective risk management, while the Audit Committee reviews the comprehensive risk profile and receives quarterly reports on risk management, which includes individual company risk portfolios, sound internal control systems and other mitigation actions.

Strategic Business Units are held responsible for identifying, measuring, monitoring, managing and reporting risks giving due consideration to the business climate, competition, stakeholder concerns and the SBU's business goals.

Managing Risks

Board of Directors	
	Retains overall accountability for the governance of risk and effective risk management.
Board Audit Committee	
	Reviews the adequacy of the risk management framework by evaluating the risk management reports submitted by the respective department heads as well as from internal and external auditors.
Management	
	Each department head is responsible for identifying the key risks affecting the respective areas in the business that they handle and adopt appropriate risk mitigation measures with the approval of Executive Directors and CEO.

Internal audit plan is designed to identify key business risks and assess the effectiveness of measures designed to address those risks.

Any key risk identified by the External Auditors during the year's end is reported to the Board Audit Committee via the management letter.

Three Levels of Defense

Sierra Cables utilize the industry-standard three lines of defense model to articulate accountabilities and responsibilities for managing risk. This has been instrumental in embedding effective risk management throughout the organization.

1st line of defence: Management	2nd line of defence: Board Audit Committee	3rd line of defence: Board of Directors
<p>Each department head is responsible for identifying the key risks affecting the respective areas in the business that they handle and adopting appropriate risk mitigation measures with the approval of the Executive Directors and CEO.</p> <p>The internal audit plan is designed to identify key business risks and assess the effectiveness of measures designed to address those risks.</p> <p>Any key risk identified by the External Auditors at the year-end is reported to the Board Audit Committee via the management letter.</p>	<p>Reviews the adequacy of the risk management framework by evaluating the risk management reports submitted by the respective department heads as well as from internal and external auditors.</p>	<p>Retains overall accountability for the governance of risk and effective risk management.</p>

Risk Management Process

The Company has implemented a well-planned risk management process that involves risk identification, analysis, mitigation, implementation and monitoring, as well as review. These steps are given below;

Risk Identification	The purpose of risk identification is to find, recognise and describe risks that might help or prevent an organization from achieving its objectives.
Risk Analysis	The purpose of risk analysis is to comprehend the nature of risk and its characteristics, including, where appropriate, the level of risk. Risk analysis involves a detailed consideration of uncertainties, risk sources, consequences, likelihood, events, scenarios, controls and their effectiveness.
Risk Mitigation	Based on the risk analysis and the likelihood and impact of the risk, the decision is taken to either accept, minimize, avoid or transfer the risks.
Implementation and monitoring	Once the risk mitigation plans have been put in place, continuous monitoring is carried out to assess the effectiveness of the measures taken.
Review	Continuous review is performed in recognition of the evolving trends of the business and external environment, and the risk strategies and plans are updated accordingly to stay ahead of the changes and potential impacts.

Risk Register

The Company maintains a risk register, which is addressed quarterly with risk owners to support the above risk management process.

Risk Culture

The Company has also inculcated a culture of risk awareness amongst its employees, emphasizing the collective responsibility of employees in risk management. Risk management is considered the responsibility of all employees and not a separate and standalone process. Therefore, exposure to regular risk awareness training is considered a vital element in the training calendar of the organization.

Key Risks

Key risks	Risk Level	Impact	Response and mitigating action in 2023/24
Financial Risk	H	Escalating cable prices due to economic challenges may lead to decreased sales and revenue, affecting financial stability. Unpredictable currency fluctuations could further impact profitability. Higher lending rates can raise borrowing costs, affecting spending, investments, and financial stability.	Implement rigorous cost analysis and control measures. Explore natural hedging strategies such as matching to manage currency risk. Maintain foreign currency reserves. Maintain a proper combination of fixed and floating rates and Effective management of working capital
Market Risk	H	The decline in the local construction industry has caused reduced demand for construction-related products. This shift may result in excess production capacity and missed growth opportunities. Substandard products in the market can shrink domestic market share.	Diversify product portfolio to cater to different industries. Explore export markets. Strong brand loyalty by the contractors and retail customers
Customer Risk	M	Economic hardships may impact customers' purchasing power, affecting their ability to buy cables. Customer retention and loyalty might decline, leading to potential revenue loss.	Cultivate strong customer relationships. Provide flexible payment options. Adapt product offerings to suit changing needs. Enhance export market presence and place representatives at target locations.
Employee Risk	M	Migration of talented employees due to country situation could lead to a loss of critical skills and expertise. This might impact production quality, employee morale, and hinder innovation.	Implement employee retention strategies. Foster a supportive work environment. Identify training needs through skill gap analysis and provide ongoing as well as cross functional trainings to increase awareness of other department functions.
Inventory & Supply Chain Risk	M	Dependency on imported raw materials and poor inventory management could result in production delays, potentially leading to stockouts or increased holding costs.	Strengthen supply chain partnerships. Implement advanced inventory tracking and management systems.
Information Risk	M	Real time accurate information greatly impacts management decisions and a loss of sensitive information may lead to a loss of competitive advantage.	Regular system upgrades and implementing the ERP system inclusive of new functions. Improving cyber security to protect confidential information.

Composition and Meetings

The Audit Committee is a sub-committee of the Board of Directors of the Company and reports directly to the Board. As at 31st March 2024 the Committee comprised of the following Directors.

Name	Category	Meetings Attended
Mr. P.E.A.B. Perera (C)	INED	6/7
Prof. A.K.W. Jayawardane	INED	7/7
Eng. B.W.N. Rupasinghe	INED	7/7

(C)- Chairman

INED- Independent Non-Executive Director

Terms of Reference

The Group Audit Committee was established to assist the Board in fulfilling its oversight responsibility for the Group's financial reporting system, compliance with legal and regulatory requirements, internal control mechanism, risk management process, internal audit function and review of independence and performance of External Auditors with a view to safeguarding the interests of shareholders and all other stakeholders.

The Audit Committee Charter clearly defines the Terms of Reference, the composition and role and responsibilities of the Committee and is reviewed periodically to ensure that emerging trends in the business environment are adequately addressed within the Committee's functions.

Key Responsibilities of the Committee

- Exercising oversight in relation to compliance of published financial reports with the Companies Act No. 07 of 2007, CSE listing Rules, the SEC Act, other legal and regulatory requirements, reporting standards and governance standards.
- Review of controls in the preparation and presentation of the financial statements and ensuring the adequacy of disclosures in accordance with the Sri Lanka Accounting Standards.
- Monitoring and review of the adequacy and effectiveness of the Group's internal control system and risk management function and ensuring the Company's assets are properly safeguarded.
- Monitoring the internal audit function and carrying out discussions with the internal auditors regarding the audit Program, audit findings and following up on the issues presented.
- Assessing the independence and performance of the external auditors and making recommendations to the Board relating to the appointment, re-appointment and removal of the External Auditors.
- Defining the non-audit services to be obtained from the external auditors.
- Approving remuneration and terms of engagement of the External Auditors.
- Carrying out discussions in relation to the findings arising from the annual financial statements audit.
- Recommending to the Board the approval of the Annual Report and Audited Annual Financial Statements and Quarterly Reports.

Activities in 2023/24

Financial reporting

The Audit Committee reviews and recommends the Company's quarterly and annual financial statements to the Board for approval, prior to release, including the extent of compliance with Sri Lanka Accounting Standards (LKASs and SLFRSs) and the adequacy of disclosures required by other applicable laws, rules and guidelines. Accordingly, the Committee ensures that an effective of financial reporting system is in place providing reasonable assurance on the reliability and timeliness of the information provided to the stakeholders.

The Board obtained declarations from CEO and the group CFO that Company's interim and annual financial statements are prepared in conformity with applicable accounting standards, relevant laws and regulations and gives true and fair view of the financial position and performance, risk management and effectiveness of the internal controls.

Furthermore, discussions are carried out in consultation with the management on the accounting developments and tax regulations that are likely to affect the financial statements.

Internal Audit, Risk and Controls

The Committee reviews the Internal Audit plan at regular intervals and accommodates changes to suit the operating environment and business needs. Performance of the Internal Auditors and the resourcing requirements are also monitored and discussed. Monitoring of follow-up action is done to ensure audit findings are addressed in a timely manner.

The Committee also reviews the adequacy and effectiveness of internal controls and risk management methods in place highlighting any areas which require attention and makes recommendations to the Board.

Upon review of the processes established for identification, evaluation and management of operational risks faced by the Company during the year, the Committee is satisfied that an effective system of internal controls is in place to safeguard the Company's assets.

External Audit

Messrs. KPMG were appointed as the External Auditors of the Company and the Audit Committee is satisfied that the independence and objectivity of the External Auditors has not been adversely influenced by any event or service that could result in a conflict of interest. Due consideration has been given to the level of audit and non-audit fees received by the External Auditors.

The Committee also reviewed the arrangements made by the Auditors to maintain their independence and a confirmation has been received from the Auditors of their compliance with the independence guidance given in the Code of Ethics of the Institute of Chartered Accountants of Sri Lanka. On such declaration of independence, the Committee made a determination of the independence of auditors during the period under review.

The performance of the External Auditors has been discussed with the senior management of the Company and the Audit Committee has recommended to the Board that Messrs. KPMG, Chartered Accountants be re-appointed as External Auditors for the ensuing financial year, subject to approval by the shareholders at the Annual General Meeting.

Committee Effectiveness

The performance of the Committee is reviewed annually as part of the Board effectiveness review. The Committee completed its self-assessment for the year 2023/24, conducted by the Chairman and Committee Members and the review concluded that the Committee continues to operate effectively.



Mr. P.E.A.B. Perera
Chairman- Audit Committee

27th August 2024

Composition and Meetings

The Remuneration Committee is a sub-committee of the Board of Directors of the Company and reports directly to the Board. As at 31st March 2024 the Committee comprised of the following Directors;

Name	Category	Meetings Attended
Prof. A.K.W. Jayawardane (C)	INED	1/1
Mr. P.E.A.B. Perera	INED	1/1
Eng. B.W.N. Rupasinghe	INED	1/1

(C)- Chairman

INED- Independent Non-Executive Director

Terms of Reference

The committee's terms of reference outline the composition, role and responsibilities of the committee.

The objective of the Committee is to ensure that appropriate human resource policies and practices are adopted across the Group and a strong remuneration framework is in place to attract, retain and motivate high caliber Key Management Personnel (KMP) who contribute positively to achieving the Company's strategic goals.

Remuneration Policy

The remuneration policy of Sierra Cables PLC is designed to:

- Attract and retain high caliber individuals.
- Provide a competitive total compensation package including benefits.
- Ensure fair and equitable compensation.
- Be in line with the industry benchmarks and individual performance standards.
- Ensure compliance with the laws and regulations applicable in the country.

Key Responsibilities of the Committee

- Set the principles, parameters and governance framework of the Company's remuneration policy.
- Make recommendations to the Board regarding the Company's remuneration practices ensuring those are in line with the overall business strategy, objectives and long-term interests of the Company.
- Make recommendations to the Board regarding the remuneration of the Chairman, Executive Directors and Chief Executive Officer.
- Succession Planning for key positions of the Company.

Activities in 2023/24

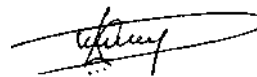
- Evaluated the Company Remuneration Policy against the current market trends and industrial norms.
- Evaluated the performance of the Executive Directors, Chief Executive Officer as well as the individual and collective performance of Directors and Senior Management.

- Reviewed, monitored and evaluated performance of Key Management Personnel as well as their development needs and succession planning.

Committee Effectiveness

The annual evaluation of the performance of the Committee was carried out by the Board and the Committee was deemed to be operating effectively.

The Committee will continue to assist the Board of Directors by strengthening and presenting the policies and systems aimed towards reinforcing the Human Capital resource in line with strategic business priorities and provide opportunities to the employees to enhance and acquire new skills and knowledge within the Company for their career progression.



Prof. A.K.W. Jayawardane
Chairman-Remuneration Committee

27th August 2024

Report of The Board Related Party Transactions Review Committee

Composition and Meetings

The Related Party Transactions Review Committee is a sub-committee of the Board of Directors of the Company and reports directly to the Board. As at 31st March 2024 the Committee comprised of the following Directors.

Name	Category	Meetings Attended
Eng. B.W.N. Rupasinghe (C)	INED	4/4
Mr. P.E.A.B. Perera	INED	3/4
Prof. A.K.W. Jayawardane	INED	4/4

(C)- Chairman

INED- Independent Non-Executive Director

Terms Of Reference

The Committee is governed by the mandate approved by the Board of Directors which encompasses the Committee's purpose, duties and responsibilities. The Committee assists the Board in fulfilling its oversight responsibilities pertaining to all aspects of related party transactions in line with the listing rules of the Colombo Stock Exchange and the Code of Best Practice on Related Party Transactions issued by the Institute of Chartered Accountants of Sri Lanka. In doing so, the Committee places emphasis on ensuring that procedures are in place to ensure that the Company does not engage in any transactions with related parties in a manner that would be more advantages to such parties and acts in the interest of the shareholders.

Key Responsibilities of The Committee

- Ensuring the effectiveness of the mechanisms implemented for documenting related party transactions in line with LKAS 24 and CSE listing rules.
- Establishing threshold values for each transaction and making recommendations on related party transactions which have to be pre-approved by the Board, those that require immediate market disclosure, those that require Shareholder approval and those which require disclosure in the Annual Report.
- To review in advance all proposed related party transactions of the Group either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such review, prior to the completion of the transaction.
- Obtain competent independent professional advice to assess all aspects of proposed related party transactions where necessary. Additionally, the Committee is authorised to access data and information pertaining to Related Parties as well as obtain clarifications from the Management & Auditors (External or Internal) on any associated matter.

Activities In 2023/24

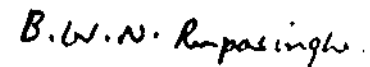
- The Committee reviewed all recurrent and non-recurrent related party transactions and their compliance and communicated their observations to the Board.
- A detailed disclosure of all the related party transactions including Recurrent and Non Recurrent related party transactions which are required to be disclosed under section
- 9.3.2 of the Listing Rules of the Colombo Stock Exchange has been made in Note 35 to the Financial Statements on pages (120 - 123).

Committee Effectiveness

The annual evaluation of the performance of the committee was carried out by the Board and the committee was deemed to be operating effectively. The Committee will continue to assist the Board of Directors by reviewing all related party transactions and ensuring that:

- They comply with Section 9.14 of the Listing Rules of the Colombo Stock Exchange.
- The Shareholder interests are safeguarded.
- They are carried out at arms-length on fair, transparent and commercial terms.

A declaration by the Board of Directors as an affirmative statement of compliance with the Listing rules pertaining to RPTs is given in the "Board of Directors on The Affairs of Sierra Cables PLC" report.



Eng. B.W.N. Rupasinghe

Chairman-Related Party Transactions Review Committee

27th August 2024

The Board Nomination Committee of the Company which is already in place will be renamed as the Nomination and Governance Committee by 01st October 2024, following the amendments to the Corporate Governance Rules by the Colombo Stock Exchange.

The Committee enforces adherence to the "Code of Best Practice on Corporate Governance 2017" provided by the Institute of Chartered Accountants of Sri Lanka and suggested best practices.

Composition of the Committee

The Committee is currently composed of the following Directors.

Director	Position
Mr. W.A.P. Perera (C)	NED (Chairman)
Prof. A.K.W. Jayawardane	INED (Member)

NED - Non - Executive Director

IND/NED - Independent Non-Executive Director

Terms of Reference (TOR) of the Committee

The TOR of the Committee sets out the scope, authority and matters pertaining to the committee meetings, etc.

Key Functions of the Committee

- Make recommendations to the Board on the appointment of new Directors as well as assessing whether the incumbent Directors are fit and proper for the re-election.
- Assessing the structure, composition, and skills of the Board and its committees to achieve the strategic demands of the Company. Such assessments will be considered when incumbent directors come up for re-election.
- Establish a transparent procedure to evaluate, select and appoint/re-appoint directors
- Periodic evaluation of the performance of the Board and Key Managerial Personnel (KMPs)
- Monitoring plans for senior management and overseeing Board succession.

Key Activities

- During the year under review, having assessed the fitness and propriety of the incumbent Directors, the Committee recommended the following Directors for re-election for the ensuing year under the provisions of Articles of Association of the Company;
 1. To re-elect Prof. A. K. W. Jayawardane, Ms. S.S. Kotakadeniya and Mr. P.E.A.B. Perera in terms of Article 91 of the Articles of Association of the Company.
 2. To re-appoint Mr. D.S. Panditha who is over 70 years of age as an Executive Director.
 3. To re-appoint Eng. B.W.N. Rupasinghe, who is over 70 years of age as a Director.



Mr. W. A. P. Perera


Chairman

Nominations and Governance Committee

27th August 2024

FINANCIAL STATEMENTS

- 64 - Statement of Directors' Responsibility
- 65 - Chief Executive Officer's and Group Chief Financial Officer's Responsibility Statement
- 66 - Annual Report of the Board of Directors on the Affairs of Sierra Cables PLC
- 69 - Independent Auditors' Report
- 73 - Income Statement
- 74 - Statements of Profit or Loss and Other Comprehensive Income
- 75 - Statement of Financial Position
- 77 - Consolidated Statement of Changes in Equity
- 78 - Company Statement of Changes in Equity
- 79 - Statement of Cash Flow
- 81 - Accounting Policies
- 94 - Notes to the Financial Statements

A person in a dark suit is walking away from the viewer, holding a teal umbrella. The background is a complex, low-poly geometric pattern in shades of orange, red, and yellow. In the foreground, there are several glowing, curved lines in white, yellow, and blue, suggesting a digital or network environment. The overall mood is futuristic and professional.

POWER
THROUGH
TO LIMITLESS
POSSIBILITY

The responsibility of the Directors in relation to the Financial Statements for the year ended 31st March 2024 which have been prepared and presented in conformity with the requirements of the Sri Lanka Accounting Standards, the Listing Rules of the Colombo Stock Exchange and the Companies Act No.7 of 2007, is set out in the following statement.

The responsibility of the Auditors in relation to the Financial Statements is set out in the Report of the Auditors on pages 69 to 72 of the Report. As per the provisions of the Companies Act No. 7 of 2007, the Directors are required to prepare Financial Statements, for each financial year and place before a General Meeting which comprise of:

- 1) An Income Statement, which presents a true and fair view of the profit and loss of the Company and its subsidiaries for the financial year;
- 2) A Statement of Financial Position, which presents a true and fair view of the state of affairs of the Company and its subsidiaries as at the end of the financial year;
- 3) A Statement of Changes in Equity which presents a true and fair view of the changes in the Company's and its subsidiaries retained earnings for the financial year;
- 4) A Statement of Cash Flow which presents a true and fair view of the flow of cash in and out of the business for the financial year

and which comply with the requirements of the Act.

The Directors are of the view that, in preparing these Financial Statements:

- The appropriate accounting policies have been selected and applied in a consistent manner. Material deviations, if any have been disclosed and explained;
- All applicable Accounting Standards, as relevant, have been followed;
- Judgements and estimates have been made which are reasonable and prudent.

The Directors are also of the view that the Company has adequate resources to continue in operation and have applied the going concern basis in preparing these Financial Statements.

Further, the Directors have a responsibility to ensure that the Company maintains sufficient accounting records to disclose, with reasonable accuracy the financial position of the Company and of the Group, also to reflect the transparency of transactions and to ensure that the Financial Statements presented comply with the requirements of the Companies Act.

The Directors are also responsible for taking reasonable steps to safeguard the Assets of the Company and that of the Group and in this regard to give proper consideration to the establishment of appropriate internal control systems with a view to preventing and detecting fraud and other irregularities.

The Directors are required to prepare the Financial Statements and to provide the Auditors with every opportunity to take whatever steps and undertake whatever inspections they may consider to be appropriate to enable them to give their Audit Opinion.

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

Compliance Report

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

The Board of Directors confirms that the Company, based on the information available, satisfies the Solvency test as and when required according to the Section 56 (2) of the Companies Act No 07 of 2007.

By order of the Board



Mr. W. A. P. Perera
Chairman/Non-Executive Director

27th August 2024

Chief Executive Officer's and Group Chief Financial Officer's Responsibility Statement

The Financial Statements of the Company are prepared in compliance with the following regulations;

- Sri Lanka Accounting Standards (SLFRS/LKAS) issued by The Institute of Chartered Accountants of Sri Lanka
- The Companies Act No. 07 of 2007
- Sri Lanka Accounting & Auditing Standards Act No.15 of 1995
- Code of Best Practice on Corporate Governance issued by CA Sri Lanka.

The Company has used the Accounting policies appropriately to prepare its Consolidated Financial Statements in a consistent manner except unless otherwise stated in the Notes accompanying the Financial Statements. No deviations from the prescribed Accounting Standards were reported in their adoption. The Audit committee of the Company has reviewed significant accounting policies and estimates that involved a high degree of judgement and complexity. The Comparative information has been provided whenever required to comply with the current presentation.

The Board and the Management hereby confirms that they are responsible for preparation and presentation of these financial statements which give a true and fair view of the financial performance and position of the Company. The relevant estimates and judgements were made on a prudent and reasonable basis. For this purpose, proper and adequate measures have been taken to adopt a system of internal controls and accounting records, which are reviewed and updated on a regular basis.

The Company continuously update its accounting controls to ensure prudence and completeness of the financial statements which ensures that the accounting records are free from error and omission. The existing internal controls are

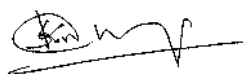
regularly reviewed and updated in order to ensure that it functions properly. All procedure manuals are updated whenever necessary and they are easily accessible to all the staff.

The Financial Statements of the Company and its subsidiaries for the financial year end of 31st March 2024 were audited by Messrs. KPMG, Chartered Accountants. Periodic internal audits have been conducted by the internal auditors of the Company to provide reasonable assurance that the Company has followed its established policies and procedures consistently. However, there are inherent limitations that should be recognised in weighing the assurances provided by any system of internal controls and accounting.

The internal and external auditors of the Company are invited to join the quarterly Audit Committee meetings as and when required to review the performance or to discuss on the audit procedures adopted. Major audit observations and issues regarding any internal controls are discussed with the management during the meetings. Both auditors have free and full access to the members of the Audit committee to discuss any matters of substance.



Mr. Harsha Jayatunga
Chief Executive Officer



Ms. S. S. Kotakadeniya
Group Chief Financial Officer

27th August 2024

Annual Report of The Board of Directors on The Affairs of Sierra Cables PLC

The Directors of Sierra Cables PLC (the Company) have the pleasure in submitting their Report together with the Audited Financial Statements of the Company and the Audited Consolidated Financial Statements of the Group for the year ended 31st March 2024.

Principal Activities

The principal activities of the Company are manufacturing, marketing and distribution of power cables.

Sierra Industries (Private) Limited, which was a fully owned subsidiary of Sierra Cables PLC and engaged in the manufacturing of uPVC and HDPE pipes and fittings which was amalgamated with parent company on 31st December 2023. Further, Sierra Cables East Africa Limited which is engaged sales of wire and cables in Kenya. The two associate Companies and the Joint Venture, Tea Leaf Resort (Private) Limited, T & G Lanka (Private) Limited and Cables PTE Limited are diversified into leisure sector and manufacturing of cables, respectively. The Company is in the process of expanding its business operations to Zambia and Maldives.

Review of Operations

A review of the Company's business and its performance during the financial year is contained in the Chairman's message on pages 12 to 14 and the Chief Executive Officer's report on pages 15 to 18 of the Annual Report, together with the Financial Statements which reflects the state of affairs of the Company.

Financial Statements

The completed financial statements of the Group has been duly certified by the person responsible for the preparation of the financial statements of the Company have been signed by two Directors on behalf of the Board of Directors and the Auditors confirm the Company is in compliance with the requirements of the Companies Act No. 07 of 2007. Details are given on pages 73 to 130.

Auditors' Report

The Auditors' Report on the Financial Statements is given on pages 69 to 72.

Financial Results

The Group made Profit After Taxation of Rs. 728 Mn during the year compared to Rs. 703 Mn in the previous year. The detailed results are given in the Income Statement on page 73.

Dividends

No dividends were made by the Company during the year under review.

Significant Accounting Policies

The significant accounting policies adopted in the preparation of the financial statements are given on pages 81 to 93 and changes to accounting policies made during the accounting period is described under Note 3 to the Financial Statements.

Property, Plant and Equipment

An analysis of the Property, Plant and Equipment of the Company is disclosed in Note 12 of the Financial Statements on pages 97 to 102.

Stated Capital

The stated Capital of the Company as at the date of this report is Rs. 894,565,898/- which consists of 537,512,430 ordinary voting shares. (2022/2023 - Rs. 894,565,898 which consists of 537,512,430 ordinary voting shares)

Reserves

The Group retained earnings and other reserves as at 31st March 2024 amounted to Rs. 4,135,809,305 as compared with Rs. 3,390,552,378 in the previous year.

Donations

Donations made by the Company during the year amounted to Rs. 2,976,247.

Capital Commitments

There were no material capital commitment as at the reporting period as disclosed in the Note 32 of the financial statements.

Provision For The Taxation

Provision for taxation of the Company is disclosed in Note 9 of the financial statements.

Statutory Payments

The Directors, to the best of their knowledge and belief, are satisfied that all statutory payments due to relevant authorities have been made by the Company.

Contingent Liabilities

There were no material contingent liabilities as at the reporting date which require adjustments to or disclosure in the financials Statements.

Post Balance Sheet Events

Post balance sheet events of the Company are disclosed in Note 33 of the financial statements.

Risk Management and Internal Control

The details of the significant risks identified by the Company and strategies and actions adopted in managing them are set out on pages 55 to 57.

The Board of Directors declare that they have conducted a review of the internal controls covering financial, operational and compliance controls and risk management through the Audit Committee.

The Enterprise Risk Management Division (ERM) periodically assesses procedures in relation to established guidelines for risk management and internal controls. The the Audit Committee receive the ERM findings and any flaws or vulnerabilities found are communicated with the pertinent operational staff to ensure that the gravity of the position is understood by all and to expedite remedial action. Decisions are followed up on in later Board or Committee meetings. For the year under review, the Directors affirm that they have received a reasonable guarantee of their effectiveness and successful adherence.

Going Concern

The Directors having made an assessment of the Company's operating conditions, financial position, risks and future prospects have a reasonable expectation that the Company has adequate resources to continue its operations as a going concern in the foreseeable future.

Directors Who Held Office During The Year

The Directors of the Company during the year were as follows.

1. Mr. W. A. P. Perera - Non- Executive Director/Chairman
2. Mr. D. S. Panditha - Executive Director
3. Mr. P. Weerasingha - Executive Director
4. Ms. S. S. Kotakadeniya - Non- Executive Director
5. Mr. P. E. A. B. Perera – Independent Non- Executive Director
6. Ms. T. A. P. Weerasinghe – Non- Executive Director (Resigned w.e.f.11th August 2023)
7. Prof. A. K. W. Jayawardane – Independent Non- Executive Director
8. Eng. B. W. N. Rupasinghe - Independent Non- Executive Director
9. Mr. D. S. K. Amarasekara – Non- Executive Director
10. Mr. Gunendra Jayasena - Non- Executive Director (Appointed w.e.f.29th August 2023)

Appointment of Directors

Mr. Gunendra Jayasena was appointed to the Board on 29th August 2023 as a Non- Executive Director.

Resignation of Directors

Ms. T. A. P. Weerasinghe Non-Executive Director resigned from the Board w.e.f. 11th August 2023.

Re-Election of Directors

1. Prof. A. K. W. Jayawardane as a Director, who retires by rotation in terms of Article 91 of the Articles of Association of the Company and being eligible, offers himself for re-election.
2. Ms. S. S. Kotakadeniya as a Director, who retires by rotation in terms of Article 91 of the Articles of Association of the Company and being eligible, offers herself for re-election.
3. Mr. P. E. A. B. Perera as a Director, who retires by rotation in terms of Article 91 of the Articles of Association of the Company and being eligible, offers himself for re-election.

4. Directors hereby recommend that Mr. D.S. Panditha and Eng. B. W. N. Rupasinghe, who vacate office in terms of Section 210 (2) (b) of the Companies Act, be re-appointed as Directors of the Company, in terms of Section 211 of the Companies Act No. 7 of 2007 for a period of one year or until the conclusion of the next Annual General Meeting whichever occurs first and it is hereby declared that the age limit of 70 years referred to in Section 210 of the Companies Act No. 7 of 2007 shall not apply to the said Directors.

Corporate Governance

The information called for by this item with respect to the practice followed by the Company is set out in the Corporate Governance Report on pages 43 to 54.

Through participation in various workshops / forums and updates from the Company Secretaries and the Management, the Board of Directors keeps abreast of laws, rules, regulations and changes thereto, particularly to Listing Rules and applicable capital market provisions .

To the best of the knowledge of the Directors, the Company has not engaged in any activity that contravenes any applicable law or regulation, and has been in compliance with all prudential requirements, regulations and laws. Furthermore, the directors confirm that there were no fines which are material imposed on the Company by any governmental or regulatory authority in the country.

The Company is fully compliant with the Listing Rules of the Colombo Stock Exchange, subject to transitional provisions applicable to the revised rules relating to Corporate Governance.

Board Committees

The Board established the following Committees for better monitoring and guidance of different aspect of operations and control;

Audit Committee

Mr. P. E. A. B. Perera – Chairman
Prof. A.K.W. Jayawardane - Member
Eng. B.W.N. Rupasinghe - Member

Remuneration Committee

Prof. A.K.W. Jayawardane - Chairman
Eng. B.W.N. Rupasinghe - Member
Mr. P. E. A. B. Perera - Member

Related Party Transactions Review Committee

Eng. B.W.N. Rupasinghe –Chairman
Mr. P. E. A. B. Perera – Member
Prof. A.K.W. Jayawardane - Member

Nominations Committee

Mr. W.A.P. Perera - Chairman
Prof. A.K.W. Jayawardane – Member

Related Party Transactions

In terms of Section 9.14 of the Listing Rules of the CSE, there were no any related party transactions that required shareholder approval or non-recurrent related party transactions that required immediate market disclosures during the year under review except those which were duly disclosed by way of market announcements via CSE website. The Directors declare that the Company has complied with Section 9.14 of the Listing Rules of the CSE.

Directors' Interest Register

The Company maintains an Interest Register in terms of the Companies Act No. 7 of 2007. The Directors have made declarations and disclosed their interests to the Board and those interests are recorded in the interests register as provided for in Section 192(2) of the Companies Act No. 7 of 2007.

Directors Remuneration and Other Benefits Of Directors

Directors' remuneration in respect of the Company for the financial year 2023/24 is given in Note 35 to the financial statements.

Directors' Interest in Shares

Name	No. of Shares as at 31st March 2024	No. of Shares as at 31st March 2023
Mr. W.A.P. Perera	598,078	598,078
Mr. D.S. Panditha	10,499,549	11,738,918
Mr. P. Weerasingha	60,000	60,000
Ms. S. S. Kotakadeniya	-	-
Ms. T.A.P Weerasinghe	-	-
Mr. D S K Amarasekara	-	-
Mr. P.E.A.B. Perera	-	-
Eng. B.W.N. Rupasinghe	-	-
Prof. A.K.W. Jayawardane	-	-
Mr. P.D.G Jayasena	1,000	1,000

Fit And Proper Assessment Of Directors

In accordance with Rule 9.7.4 of the Colombo Stock Exchange's Listing Rules, declarations were obtained from the directors attesting to their continuous satisfaction of the Listing Rules' fit and proper assessment criteria as of the declaration date and throughout the financial year under review.

Directors' Interest In Contracts

None of the Directors had a direct or indirect interest in any contracts or proposed contracts with the Company other than as disclosed in Note 35.2.1 on pages 122 to 123 of the financial statements. The Directors confirm that all material interests in contracts involving the Company have been disclosed to the Board and wherever any Director is materially interested in a contract or proposed contract with the Company, they would refrain from voting on such contracts.

Shareholders Information

The distribution and analysis of shareholding is given on page 131.

Public Shareholding

As at 31st of March 2024, the public shareholding was 42.07% (2023 – 41.84%) representing 226,132,791 shares (2023 - 224,894,422) held by a total of 20,396 public shareholders (2023-20,929).

Float Adjusted Market Capitalisation

The float adjusted market capitalization for the year ended 31st March 2024 was Rs. 2,690,964,603.68/-

The float adjusted market capitalization of the Company falls under Option-5 as per section 7.14.1 (a) of the Listing Rules of Colombo Stock Exchange and the Company has complied with the minimum public holding requirement applicable under the said option.

Annual General Meeting

The notice of the Annual General Meeting is on page 134.

Auditors

The Financial Statements for the year ended 31st March 2024 have been audited by Messrs. KPMG (Chartered Accountants) who offer themselves for reappointment. As far as the Directors are aware, the Auditors do not have any relationship (other than that of an Auditor) with the Company other than those disclosed above. The Auditors also do not have any interest in the Company. The Auditors Messrs. KPMG, Chartered Accountants were paid Rs. 2,525,000/- (2022/23 Rs. 2,196,000/-) as Audit fees by the Company. A resolution relating to their re-appointment and authorizing the Directors to determine their remuneration will be proposed at the Annual General Meeting.

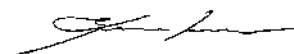
Annual Report

The Board of Directors approved the Consolidated Financial Statements on 27th August 2024. The appropriate number of copies of this report will be submitted to the Colombo Stock Exchange and to the Sri Lanka Accounting and Auditing Standards Monitoring Board within the stipulated time frame.

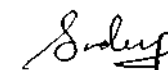
By Order of the Board,



Mr. W. A. P. Perera
Chairman / Non-Executive Director



Mr. D. S. Panditha
Executive Director



LOLC Corporate Services (Private) Limited
Secretaries

27th August 2024
Colombo



KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
P. O. Box 186,
Colombo 00300, Sri Lanka.

Tel +94 - 11 542 6426
Fax +94 - 11 244 5872
+94 - 11 244 6058
Internet www.kpmg.com/lk

To the Shareholders of Sierra Cables PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sierra Cables 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 March 31, 2024, and the income statement, statement of profit or loss and other 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 policies and other explanatory information as set out on pages 73 to 130 of the Annual Report.

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 of March 31, 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 for Professional Accountants issued by CA Sri Lanka (Code of Ethics), and we have

fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Carrying value of Inventories

Refer note 18 to the financial statements and the accounting policies in note 3.6 to the Financial Statements.

Risk Description

The Company and the Group recorded inventories of Rs. 2.3 Bn as at 31st March 2024 at lower of cost and net realizable value.

The Company and the Group have a significant amount of inventory and judgment is exercised with regard to categorisation of inventories as obsolete and/or slow-moving to be considered for provision/write off; estimates are then involved in arriving at the amount to be provided/ written off, against cost in respect of slow moving and obsolete inventories to arrive valuation based on lower of cost and net realizable value.

Our response

Our audit procedures included;

- Obtaining an understanding and assessing the design, implementation, and operating effectiveness of management's key controls over the inventory valuation and monitoring.
- Comparison of inventory levels, by product group, to sales data to corroborate whether slow-moving and obsolete inventories had been appropriately identified and challenge the categorisation as obsolete or slow moving.
- On a sample basis, physically verifying the inventories and challenging the inventory provisioning in line with our observations of potentially obsolete inventory.
- Performing roll-forward procedures to ensure the movements between the physical verification date and inventories as at reporting date is accurate.

KPMG, a Sri Lankan partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

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

T. J. S. Rajakarier FCA
W. K. D. C. Abeyrathne FCA
Ms. B.K.D.T.N. Rodrigo FCA
Ms. C.T.K.N. Perera ACA
R.W.M.O.W.D.B. Rathnadiwakara FCA

W. W. J. C. Perera FCA
G. A. U. Karunaratne FCA
R. H. Rajan FCA
A.M.R.P. Alahakoon ACA

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



Carrying value of Inventories	
Refer note 18 to the financial statements and the accounting policies in note 3.6 to the Financial Statements.	
Risk Description	Our response
<p>Given the level of judgments and estimates involved, this is considered to be a key audit matter.</p>	<ul style="list-style-type: none"> ● On a sample basis, assessing the realisations of inventories after the period end, in particular of clearance categories, and comparing these to the expected recoveries with the cost to identify any instances of NRV is lower than cost. ● Assessing whether the accounting policies had been consistently applied and the adequacy of the disclosures in respect of the judgment and estimation made in respect of inventory write-off.
Impairment of trade receivables	
Refer note 19 to the financial statements and the accounting policies in note 3.8.4 to the Financial Statements.	
Risk Description	Our response
<p>The Company and the Group recorded trade receivable balance (net of impairment) of Rs. 1.1 Bn as at 31st March 2024.</p> <p>The determination of impairment provision using the expected credit loss model is subject to a number of key parameters and assumptions, estimates of the probability of default, loss given default, macroeconomic forecasts, exposures at default and discount rate, adjustments for forward-looking information, and other adjustment factors.</p> <p>In particular, the determination of the impairment provision is heavily dependent on the external macro environment and the Company/Group's internal credit risk management strategy. Management judgment is involved in the selection of those parameters and the application of assumptions. Further recoverability of trade receivables remains one of the most significant judgment made by the management particularly in light of the prevailing uncertain and volatile macro- economic outlook in Sri Lanka as at the reporting date.</p> <p>We identified the impairment of trade receivables as a key audit matter because of the inherent uncertainty and management judgment involved and the materiality of the reported amounts for trade receivables (and impairment provision thereof).</p>	<p>Our audit procedures included;</p> <ul style="list-style-type: none"> ● Obtaining an understanding and assessing the design, implementation, and operating effectiveness of management's key internal controls over the approval, recording, and monitoring of trade receivables. ● Assessing the reliability of the expected credit loss model used by management in determining impairment provisions, including assessing the appropriateness of the key parameters and assumptions in the expected credit loss model, including the identification of probability of default, loss given default, exposure at default, discount rate, adjustments for forward-looking information and other management adjustments and assessing the reasonableness of key management judgement. ● Evaluating the model methodology and key assumptions by testing the completeness and accuracy of key inputs into models and assessed the appropriateness of other assumptions. We substantially tested the completeness and accuracy of key inputs into models and assessing the appropriateness of assumptions. ● Recalculating the amount of impairment for samples of trade receivables to verify the calculation accuracy of the impairment provision. ● Evaluating whether the disclosures on impairment of trade receivables meet the disclosure requirements of the prevailing accounting standards.



Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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 2599.

A handwritten signature in black ink, appearing to be 'K. M. M.', written over a light blue horizontal line.

Chartered Accountants

Colombo, Sri Lanka

27th August 2024

Income Statement

For the year ended 31st March	Note	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Revenue	5	8,150,443,782	7,069,360,002	8,085,771,731	6,987,336,922
Cost of Sales		(6,322,574,589)	(4,504,573,516)	(6,179,914,897)	(4,385,977,342)
Gross Profit		1,827,869,193	2,564,786,486	1,905,856,834	2,601,359,580
Other Income	6	99,769,568	37,290,715	111,384,449	29,506,658
Selling and Distribution Expenses		(142,921,311)	(319,215,356)	(116,019,567)	(295,531,038)
Administrative Expenses		(556,756,610)	(347,159,496)	(252,540,267)	(327,896,509)
Other Operating Expenses		-	(210,166,151)	-	(60,083,146)
Profit from Operations	7	1,227,960,840	1,725,536,198	1,648,681,449	1,947,355,545
Finance Income	8.1	92,969,393	52,368,765	92,114,568	60,375,900
Finance Cost	8.2	(502,197,351)	(926,645,818)	(471,933,710)	(840,284,842)
Net Finance Costs	8	(409,227,958)	(874,277,053)	(379,819,142)	(779,908,942)
Share of Profit of Equity-Accounted Investees, (Net of Tax)	16	104,219,380	87,231,621	-	-
Profit Before Taxation		922,952,262	938,490,766	1,268,862,307	1,167,446,603
Income Tax Expense	9	(195,224,045)	(235,138,439)	(195,224,045)	(214,407,835)
Profit for the Year		727,728,217	703,352,327	1,073,638,262	953,038,768
Profit/(Loss) Attributable to :					
Owners of the Company		764,722,463	707,411,449	1,073,638,262	953,038,768
Non - Controlling Interests		(36,994,246)	(4,059,121)	-	-
Profit for the Year		727,728,217	703,352,327	1,073,638,262	953,038,768
Basic Earnings Per Share	10	1.42	1.32	2.00	1.77

Figures in brackets indicate deductions.

The Financial Statements are to be read in conjunction with the related notes to these Financial Statements set out on pages 81 to 130 of the Annual Report.

Statements of Profit or Loss and Other Comprehensive Income

	Note	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Profit for the Year		727,728,217	703,352,327	1,073,638,262	953,038,768
Other Comprehensive Income					
Items that will not be Reclassified to Profit or Loss					
Deferred Tax Impact on Revaluation Reserve		-	(275,256,471)	-	(256,291,709)
Actuarial Gain/(Loss) on Defined Benefit Obligation	24	190,508	15,098,067	190,508	14,568,778
Deferred Tax Impact on Actuarial Gain/ (Loss)	25.3	(57,152)	(4,479,427)	(57,152)	(4,370,633)
Equity Investments at FVOCI - Net Change in Fair Value		12,212,663	182,161	12,212,663	182,161
Items that are or may be Reclassified to Profit or Loss					
Foreign Operations- Foreign Currency Translation Difference		(4,447,858)	74,901,549	-	-
Other Comprehensive Income for the Year, Net of Tax		7,898,161	(189,554,121)	12,346,019	(245,911,403)
Total Comprehensive Income for the Year		735,626,378	513,798,206	1,085,984,281	707,127,365
Total Comprehensive Income Attributable to :					
Owners of the Company		772,843,017	515,833,157	1,085,984,281	707,127,365
Non - Controlling Interests		(37,216,639)	(2,034,951)	-	-
Total Comprehensive Income for the Year		735,626,378	513,798,206	1,085,984,281	707,127,365

Figures in brackets indicate deductions.

The Financial Statements are to be read in conjunction with the related notes to these Financial Statements set out on pages 81 to 130 of the Annual Report.

Statement of Financial Position

Sierra Cables PLC
Annual Report 2023-24

75

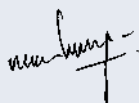
As at 31st March	Note	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
ASSETS					
Non-Current Assets					
Property, Plant & Equipment	12	2,569,460,629	2,719,004,672	2,736,597,387	2,253,829,341
Intangible Assets	13	5,950,000	47,738,492	5,950,000	-
Investments in Subsidiaries	15	-	-	-	89,876,892
Investment in Equity-Accounted Investees	16	207,852,172	131,985,788	31,610,163	31,610,163
Other Non-Current Assets	17	105,758,174	29,545,511	105,758,174	29,545,511
Total Non-Current Assets		2,889,020,975	2,928,274,463	2,879,915,724	2,404,861,907
Current Assets					
Inventories	18	2,316,836,578	2,289,819,575	2,316,836,578	1,962,123,881
Trade and Other Receivables	19	1,699,741,894	1,684,490,090	1,699,741,894	1,433,339,572
Amounts due from Related Companies	20	1,843,403,596	387,059,884	1,843,403,596	957,248,452
Short Term Investment	21	691,909	137,725,637	691,909	137,725,637
Cash and Cash Equivalents	22	215,327,120	264,094,509	211,508,137	243,972,970
Total Current Assets		6,076,001,097	4,763,189,695	6,072,182,114	4,734,410,512
Total Assets		8,965,022,072	7,691,464,158	8,952,097,838	7,139,272,419
EQUITY AND LIABILITIES					
Equity					
Stated Capital	23.1	894,565,898	894,565,898	894,565,898	894,565,898
Revaluation Reserve	23.2	1,333,893,935	1,333,893,935	1,178,018,232	1,178,018,232
Fair Value Reserve	23.3	30,099,826	17,887,163	30,099,826	17,887,163
Foreign Currency Translation Reserve	23.4	76,144,340	80,369,805	-	-
Retained Earnings		2,695,671,204	1,958,401,475	3,152,732,909	2,078,961,291
Merger Reserve		-	-	(237,775,033)	-
Total Equity Attributable to Equity Holders of the Company	15.4	5,030,375,203	4,285,118,276	5,017,641,832	4,169,432,584
Non-Controlling Interest		190,949	25,100,535	-	-
Total Equity		5,030,566,152	4,310,218,811	5,017,641,832	4,169,432,584
Non-Current Liabilities					
Retirement Benefit Obligations	24	89,470,580	80,893,996	89,470,580	79,402,004
Deferred Tax Liabilities	25	515,441,102	512,602,346	515,441,102	394,186,422
Term Loans Due After One Year	26	95,540,774	379,635,225	95,540,774	284,979,225
Total Non-Current Liabilities		700,452,456	973,131,567	700,452,456	758,567,651

As at 31st March	Note	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Current Liabilities					
Trade and Other Payables	28	519,609,296	528,021,033	519,609,382	456,414,713
Term Loans Due Within One Year	26	1,334,094,452	922,323,595	1,334,094,452	864,615,591
Amounts due to Related Companies	29	358,352,526	280,865,607	358,352,526	280,896,273
Import Demand Loans	30	897,620,054	349,016,655	897,620,054	349,016,655
Income Tax Payable		121,918,029	255,136,942	121,918,029	257,933,505
Bank Overdraft	22	2,409,107	72,749,948	2,409,107	2,395,447
Total Current Liabilities		3,234,003,464	2,408,113,780	3,234,003,550	2,211,272,184
Total Liabilities		3,934,455,920	3,381,245,347	3,934,456,006	2,969,839,835
Total Equity and Liabilities		8,965,022,072	7,691,464,158	8,952,097,838	7,139,272,419
Net Asset Value per Share		9.36	7.97	9.33	7.76

Figures in brackets indicate deductions.

The Financial Statements are to be read in conjunction with the related notes to these Financial Statements set out on pages 81 to 130 of the Annual Report.

It is certified that the Financial Statements have been prepared in compliance with the requirements of the Companies Act No 07 of 2007.



Mr. R.D.S Malinga
Finance Manager

The Board of Directors is responsible for the preparation and presentation of the Financial Statements.

Approved and signed for and on behalf of the Board of Directors.



Ms. S.S. Kotakadeniya
Director



Mr. D. S. Panditha
Director

27th August 2024
Colombo

Consolidated Statement of Changes in Equity

Sierra Cables PLC
Annual Report 2023-24

77

Group	Attributable to Owners of the Company						Non Controlling Interest	Total Equity
	Stated	Revaluation	Foreign Currency Translation	Fair Value	Retained	Total		
	Capital Rs.	Reserve Rs.	Reserve Rs.	Reserve Rs.	Earnings Rs.	Rs.		
Balance as at 1st April 2022	894,565,898	1,614,753,772	9,213,333	17,705,002	1,233,047,112	3,769,285,117	27,135,487	3,796,420,604
Profit / (Loss) for the Year	-	-	-	-	707,411,449	707,411,449	(4,059,121)	703,352,328
Other Comprehensive Income								
Equity Investments at FVOCI - Net Change in Fair Value	-	-	-	182,161	-	182,161	-	182,161
Actuarial Gain on Retirement Benefit Obligation, Net of Tax	-	-	-	-	15,048,949	15,048,949	49,118	15,098,067
Deferred Tax on Actuarial Gain	-	-	-	-	(4,469,331)	(4,469,331)	(10,096)	(4,479,427)
Deferred Tax impact on Revaluation Reserve due to Rate change	-	(273,496,541)	-	-	-	(273,496,541)	(1,759,930)	(275,256,471)
Net exchange Differences on Translation of Foreign Operations	-	-	71,156,472	-	-	71,156,472	3,745,077	74,901,549
Revaluation Reversal on Disposal Asset	-	(7,363,296)	-	-	7,363,296	-	-	-
Total Comprehensive Income for the Year	-	(280,859,837)	71,156,472	182,161	725,354,363	515,833,159	(2,034,952)	513,798,207
Balance as at 31st March 2023	894,565,898	1,333,893,935	80,369,805	17,887,163	1,958,401,475	4,285,118,276	25,100,535	4,310,218,811
Balance as at 01st April 2023	894,565,898	1,333,893,935	80,369,805	17,887,163	1,958,401,475	4,285,118,276	25,100,535	4,310,218,811
Profit for the Year	-	-	-	-	764,722,463	764,722,463	(36,994,246)	727,728,217
Other Comprehensive Income								
Equity Investments at FVOCI - Net Change in Fair Value	-	-	-	12,212,663	-	12,212,663	-	12,212,663
Actuarial Gain on Retirement Benefit Obligation, Net of Tax	-	-	-	-	190,508	190,508	-	190,508
Deferred Tax on Actuarial Gain	-	-	-	-	(57,152)	(57,152)	-	(57,152)
Net exchange Differences on Translation of Foreign Operations	-	-	(4,225,465)	-	-	(4,225,465)	(222,393)	(4,447,858)
Total Comprehensive Income for the Year	-	-	(4,225,465)	12,212,663	764,855,819	772,843,017	(37,216,639)	735,626,378
Transactions with owners of the Company								
Acquisition of Non Controlling Interest (Note 01)	-	-	-	-	(27,586,090)	(27,586,090)	12,307,053	(15,279,037)
Total Transactions with Owners of the Company	-	-	-	-	(27,586,090)	(27,586,090)	12,307,053	(15,279,037)
Balance as at 31st March 2024	894,565,898	1,333,893,935	76,144,340	30,099,826	2,695,671,204	5,030,375,203	190,949	5,030,566,152

Note 01

The company paid Rs. 15,279,037/- to acquire Minority Interest of Sierra Industries (Pvt) Ltd which has negative net assets of Rs. 12,307,053/-.

Figures in brackets indicate deductions.

The Financial Statements are to be read in conjunction with the related notes to these Financial Statements set out on pages 81 to 130 of the Annual Report.

Company Statement of Changes in Equity

Sierra Cables PLC
Annual Report 2023-24

78

Company	Stated Capital Rs.	Revaluation Reserve Rs.	Fair Value Reserve Rs.	Merger Reserve Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 1st April 2022	894,565,898	1,441,509,941	17,705,002	-	1,108,524,378	3,462,305,219
Profit for the Year	-	-	-	-	953,038,768	953,038,768
Other Comprehensive Income						
Equity Investments at FVOCI -						
Net Change in Fair Value	-	-	182,161	-	-	182,161
Actuarial Loss on Retirement	-	-	-	-	14,568,778	14,568,778
Benefit Obligation, Net of Tax	-	-	-	-	(4,370,633)	(4,370,633)
Deferred Tax on Actuarial Gain	-	-	-	-		
Deferred Tax Impact on						
Revaluation Reserve due to						
Rate Change	-	(256,291,709)	-	-	-	(256,291,709)
Revaluation Reversal on						
Disposal Asset	-	(7,200,000)	-	-	7,200,000	-
Total Comprehensive Income	-	(263,491,709)	182,161	-	970,436,913	707,127,365
for the Year						
Balance as at 31st March 2023	894,565,898	1,178,018,232	17,887,163	-	2,078,961,291	4,169,432,584
Balance as at 1st April 2023	894,565,898	1,178,018,232	17,887,163	-	2,078,961,291	4,169,432,584
Profit for the Year	-	-	-	-	1,073,638,262	1,073,638,262
Other Comprehensive Income						
Equity Investments at FVOCI -						
Net Change in Fair Value	-	-	12,212,663	-	-	12,212,663
Actuarial Gain on Retirement	-	-	-	-	190,508	190,508
Benefit Obligation	-	-	-	-	(57,152)	(57,152)
Deferred Tax on Actuarial Gain	-	-	-	-		
Total Comprehensive Income	-	-	12,212,663	-	1,073,771,618	1,085,984,281
for the Year						
Transactions with owners of						
the Company						
Amalgamation - Sierra						
Industries (Pvt) Ltd	-	-	-	(237,775,033)	-	(237,775,033)
Total Transactions with	-	-	-	(237,775,033)	-	(237,775,033)
Owners of the Company						
Balance as at 31st March 2024	894,565,898	1,178,018,232	30,099,826	(237,775,033)	3,152,732,909	5,017,641,832

Figures in brackets indicate deductions.

The Financial Statements are to be read in conjunction with the related notes to these Financial Statements set out on pages 81 to 130 of the Annual Report.

Statement of Cash Flow

	Note	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Cash Flow from Operating Activities					
Profit Before Tax		922,952,262	938,490,766	1,268,862,307	1,167,446,603
Adjustments for:					
Depreciation	12	179,686,386	180,310,390	139,459,505	135,369,242
Amortization of Intangible Asset	13	8,210,774	571,586	1,050,000	571,586
Reversal for Impairment of Trade Receivables	19	(115,137,728)	50,458,788	(119,138,350)	50,414,690
Loss on Disposal of Property, Plant and Equipment		-	10,531,917	-	2,836,555
Written Back of Creditors No Longer Payable	6	(12,526,492)	(7,784,057)	-	-
Share of Profit of Equity-Accounted Investees, (Net of Tax)		(104,219,380)	(87,231,621)	-	-
Loss on Recovery of Related Party Receivable		-	-	-	14,591,011
Written Off of Inventory		302,235,767	-	56,645,438	-
Written Off of Intangible Assets	13	40,577,718	-	-	-
Written Off of Other Receivables		2,712,081	-	-	-
Provision for Impairment of Inventories	18	(4,574,115)	(29,111,679)	-	(25,425,289)
Right of Use Asset - Depreciation	14	-	123,677	-	123,677
Provision for Impairment of Other Receivables	19	25,265,421	228,393,380	25,265,421	46,538,631
Provision for Employee Benefit Obligation	24	17,117,391	18,573,070	17,117,391	18,111,376
Net Foreign Exchange Gain/Loss		56,159,036	(152,022,647)	53,521,709	(237,256,080)
Interest Expenses	8.2	502,197,351	926,645,818	471,933,710	840,284,842
Interest Income	8.1	(69,792,223)	(51,647,213)	(69,716,765)	(51,141,608)
Dividend Income		(91,398)	(721,552)	(28,444,394)	(9,234,292)
Operating Profit Before Working Capital Changes		1,750,772,850	2,025,580,623	1,816,555,972	1,953,230,944
(Increase)/Decrease in Inventories		(324,678,655)	(276,314,380)	(411,358,135)	(150,529,274)
(Increase)/Decrease in Trade and Other Receivables		87,610,258	307,476,554	(22,611,058)	342,104,860
(Increase)/Decrease in Dues from Related Parties		(426,587,491)	(19,795,403)	(414,789,040)	(107,458,555)
Increase/(Decrease) in Trade and Other Payables		(93,087,644)	(651,847,829)	(40,471,275)	(940,981,801)
Increase/(Decrease) in Dues to Related Parties		71,473,743	279,621,675	56,606,141	280,865,607
Cash Generated from Operations		1,065,503,062	1,664,721,240	983,932,605	1,377,231,781
Interest Expense Paid	8	(429,469,215)	(752,899,395)	(399,205,574)	(666,538,419)
Income Tax Paid		(320,469,368)	(125,844,554)	(320,469,368)	(125,424,238)
Retirement Benefit Paid	24	(8,350,299)	(2,687,875)	(8,350,299)	(2,687,875)
Net Cash From/(Used In) Operating Activities		307,214,180	783,289,416	255,907,364	582,581,249

	Note	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Cash Flows from Investing Activities					
Interest Income Received		39,393,682	36,330,208	39,318,224	35,824,603
Dividend Received from Equity-Accounted Investees		25,433,402	8,512,740	25,433,402	8,512,740
Dividend Received from FVOCI Investment		87,893	702,729	87,893	702,729
Purchase of Property, Plant and Equipments	12	(30,142,343)	(110,001,245)	(30,142,343)	(77,613,754)
Proceeds from Disposal of Property, Plant and Equipment		-	45,000	-	-
Investment in Subsidiary		-	-	(15,279,037)	-
Investment in Available of Sale Investments		(40,000,000)	-	(40,000,000)	-
Acquisition of Non-Controlling Interes in Subsidiary		(15,279,037)	-	-	-
Loan Granted to Related Parties		(1,050,000,000)	-	(1,050,000,000)	-
Proceeds from / (Investment in) Commercial Paper		113,033,728	(137,725,637)	113,033,728	(137,725,637)
Recovery of Loan from Related Party		-	-	-	-
Net Cash From/(Used In) Investing Activities		(957,472,675)	(202,136,205)	(957,548,133)	(170,299,319)
Cash Flows from Financing Activities					
Proceed from Interest-Bearing Borrowings		4,416,494,940	3,884,529,908	4,416,494,940	3,812,329,408
Repayment of Interest-Bearing Borrowings		(3,740,215,135)	(4,350,582,298)	(3,696,934,131)	(4,093,281,289)
Repayment of Finance Lease Obligations	27	-	(360,782)	-	(360,783)
Net Cash Flows Generated From/(Used In) Financing Activities		676,279,805	(466,413,172)	719,560,809	(281,312,664)
Net Increase/ (Decrease) in Cash and Cash Equivalents					
Effect of Movement in Exchange Rates		(4,447,858)	74,901,549	-	-
Cash and Cash Equivalents at the Beginning of the Year		191,344,561	1,702,973	241,577,523	110,608,257
Cash and Cash Equivalents Acquired on Merger		-	-	(50,398,533)	-
Cash and Cash Equivalents at the End of the Year		212,918,013	191,344,561	209,099,030	241,577,523
Analysis of Cash & Cash Equivalents					
Cash in Hand and at Bank	22	215,327,120	264,094,509	211,508,137	243,972,970
Bank Overdraft	22	(2,409,107)	(72,749,948)	(2,409,107)	(2,395,447)
		212,918,013	191,344,561	209,099,030	241,577,523

Figures in brackets indicate deductions.

The Financial Statements are to be read in conjunction with the related notes to these Financial Statements set out on pages 81 to 130 of the Annual Report.

1. REPORTING ENTITY

1.1 Domicile and Legal Form

Sierra Cables 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 and principal place of business is located at 39/1A, Galwarusawa Road, Korathota, Kaduwela.

The consolidated Financial Statements of the Group as at and for the year ended 31st March 2024 comprise the Financial Statements of the Company and its subsidiaries (together referred as the "Group" individually as Group entities) and the Group's interest in equity accounted investees.

1.2 Principal activities and nature of operations

The principal activity of the Company is manufacture and sale of wires and cables. The principal activities of the Company's subsidiaries are as follows:

Sierra Industries (Private) Limited (Merged with Sierra Cables PLC on 31/12/2023) - Manufacturing all types of pipes and fittings

Sierra Cables East Africa Limited - Manufacture of power transmission cables.

T & G Lanka (Private) Limited - Manufacturing of Fiber Optical Cables, Electrical and Electronic Cables and sub-assemblies for Export

Cables PTE Limited - Manufacturing and Wholesale of Cables

Tea Leaf Resort Holdings (Private) Limited - Leisure Sector

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The consolidated Financial Statements of the Group and the separate Financial Statements of the Company, which

comprise the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows, and notes to the Financial Statements have been prepared in accordance with the Sri Lanka Accounting Standards (SLFRSs/LKASs) promulgated by the Institute of Chartered Accountants of Sri Lanka (ICASL) and comply with the requirement of Companies Act No. 07 of 2007.

2.2 Approval of financial statements by Directors

The Financial Statements of the Group and the Company for the year ended 31st March 2024 were approved and authorised for issue by the Board of Directors on 27th August 2024.

2.3 Basis of Measurement

The Financial Statements of the Group and the Company have been prepared on the historical cost basis, except for the following material items in the statement of financial position.

- Fair value through other comprehensive income financial assets are measured at fair value;
- Defined benefit obligations is carried at the present value of the defined benefit.
- Land, buildings and motor vehicles are measured at cost at the time of acquisition and subsequently at revalued amounts, which are the fair values at the date of revaluation
- Recognition and measurement of provisions and contingencies; key assumptions about the likelihood and magnitude of an outflow of resources.

2.4 Going concern

The Directors have made an assessment of the Group's ability to continue as a going concern, and being satisfied that it has the resources to continue in business for the foreseeable future, confirm that they do not intend either to liquidate or to cease operations of any business in the Group.

The Group's performance improved substantially during the financial year. This also validates the effectiveness of the strategies taken by the Group especially via streamlining of business processes and stringent control of costs.

The Directors have also assessed the prevailing macroeconomic conditions in the country and the impact on the operations of the Group companies when determining the basis of preparing the financial statements for the year ended 31st March 2024.

2.5 Reporting date

The Financial Statements of all Companies in the group are prepared for a common financial year, which ends on 31st March except for Sierra Cables East Africa Limited, T & G Lanka (Private) Limited and Cables PTE Ltd whose financial year ends on 31st December and 30th June respectively.

2.6 Functional and Presentation Currency

The Financial Statements are presented in Sri Lankan Rupees, which is the Group's functional currency. All financial information presented in Sri Lankan Rupees has been rounded to the nearest rupee, unless stated otherwise.

2.7 Use of Estimates and Judgments

The preparation of Financial Statements in conformity with Sri Lanka Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

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

Information about critical estimates and judgments in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Statements is provided in the following notes.

Judgements and Assumptions

- Equity accounted investees - whether the Group has significant influence over an investee.
- Measurement of defined benefit obligation: key actuarial assumptions
- Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised
- Impairment on trade receivable- Measurement of ECL allowance for trade receivables and amounts due from related parties classified as amortised cost: key assumptions in determining the weighted average loss rate.
- PPE Valuation & Useful life Assessment

2.8 Fair Value

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

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

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

Level 3 : inputs for the asset or liability that are not based on observable market data (unobservable inputs) If inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Fair values have been determined for measurement and disclosure purposes based on the following methods. Where applicable further information about the assumptions made in determining fair value is disclosed in the notes specific to that asset or liability.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability Or
- 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 Group.

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 Group uses valuation techniques 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.

3. MATERIAL ACCOUNTING POLICIES

Changes in material accounting policies

Material accounting policy information

The Group also adopted Disclosure of Accounting Policies (Amendments to LKAS 1 and IFRS Practice Statement 2) from 1 April 2023. Although the amendments result in changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity- specific accounting policy information that users need to understand the other information in the financial statements.

3.1 Basis of consolidation

3.1.1 Business combinations and Goodwill

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

As required by SLFRS 3 - Business Combinations and amendments to the SLFRS 3, when the Group acquires a business, it assesses the financial assets and liabilities assumed under classifications or designations on the basis of the contractual terms, economic conditions, its operating or accounting policies and other pertinent conditions that exists as at the acquisition date. The Group applies Definition of a Business (Amendments to SLFRS 3) to business combinations whose acquisition dates are on or after 1 January 2020 in assessing whether it had acquired a business or a group of assets.

The Group measures goodwill at the acquisition date, as excess of the aggregate of the fair value of the consideration transferred; the recognised amount of any non-controlling interests in the acquiree; the fair value of the pre-existing interest in the acquiree if the business combination is achieved in stages; and the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed; measured at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not re-measured and settlement is accounted within equity, or else subsequent changes in the fair value of the contingent consideration is recognised in the income statement.

The goodwill arising on acquisition of subsidiaries is presented as an intangible asset. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually as at 31st March or when circumstances indicate that the carrying value of the goodwill may be impaired. For the purpose of impairment testing, from the acquisition date, goodwill acquired in a business combination is 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.

If the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity acquired exceed the cost of the acquisition of the entity, the surplus, which is a gain on bargain purchase is recognised immediately in the consolidated income statement.

Where goodwill has been allocated to 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.

3.1.2 Non-controlling interests

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary.

No adjustments are made to goodwill and no gain or loss is recognised in profit or loss.

3.1.3 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Financial Statements of subsidiaries

are included in the consolidated Financial Statements from the date that control commences until the date that control ceases.

3.1.4 Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, any non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as equity-accounted investee or as a fair value through other comprehensive income financial asset depending on the level of influence retained.

3.1.5 Interest in equity-accounted investees

The Group's interest in equity-accounted investees comprise interest in associates and a joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint venture are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated Financial Statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

3.1.6 Intra-group transactions

Pricing policies of all intra-group sales are identical to those adopted for normal trading transactions, which are at market prices.

3.1.7 Transactions eliminated on consolidation

Intra group balances and transactions, and any unrealised income and expenses arising from intra group transactions, are eliminated in preparing the consolidated Financial Statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee.

Unrealised losses are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

3.1.8 Amalgamation of business with a common control combination

In its consolidated financial statements, the acquirer is permitted, but not required to re-present its comparatives and adjust its current reporting period before the date of the transaction as if the combination had occurred before start of the earliest period presented.

As per the company's accounting policies, amalgamation of two entities under common control is accounted by adding assets and liabilities as at the amalgamated date to the controlling entity and directly recognising the excess in the Statement of Changes in Equity as amalgamated reserve. No restatement is done to the comparative financials and controlling entity's current year statements of financial position will carry both entities assets and liabilities

3.2 Foreign currency**3.2.1 Foreign currency transactions**

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are re-translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within finance cost.

However, foreign currency differences arising from the translation of the following items are recognised in other comprehensive income.

- An investment in equity securities designated as at FVOCI.
- A financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective, and
- Qualifying cash flow hedges to the extent the hedges are effective.

3.2.2 Foreign operations

The results and financial position of overseas operations that have functional currency different from the Group's presentation currency are translated into the Group's presentation currency as follows:

Assets and liabilities, including goodwill and fair value adjustments arising on acquisition, are translated at the rates of exchange ruling as at the Reporting date.

Income and expenses are translated at the average exchange rate for the period.

The exchange differences arising on translation for consolidation are recognised in other comprehensive income and accumulated in the foreign currency translation reserve (Translation Reserve), which is a separate component of equity, except to the extent that the translation difference is allocated to the NCI.

When a foreign operation is disposed of such that the control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

If the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, then the relevant proportion of the cumulative amount of the translation reserve is reattributed to NCI.

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.

3.3 Property, Plant and Equipment**3.3.1 Recognition and measurement**

All items of property, plant and equipment are initially recorded at cost. Where items of property, plant and equipment are subsequently revalued, the entire class of such assets is revalued. Revaluations are made with sufficient regularity to ensure

that their carrying amounts do not differ materially from their fair values at the reporting date.

Subsequent to the initial recognition of the asset at cost, the revalued property, plant and equipment are carried at revalued amounts less accumulated depreciation thereon and accumulated impairment losses. The Group applies revaluation model to land, building, Motor Vehicles and cost model to the remaining assets under property, plant and equipment which are stated at historical cost less accumulated depreciation less accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprise its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. The cost of self-constructed assets includes the cost of materials, direct labour, any other costs directly attributable to bringing the asset to the working condition for its intended use and capitalised borrowing costs. This also includes cost of dismantling and removing the items and restoring in the site on which they are located. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

3.3.2 Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future

economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised.

The costs of the day to day servicing of property, plant and equipment are recognised in profit or loss as incurred.

3.3.3 De-recognition

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses on derecognition are recognised within other income in profit or loss.

3.3.4 Depreciation

Items of property, plant and equipment are depreciated on a straight-line basis in profit or loss over the estimated useful lives of each Component. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated. Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

Asset Category	Useful Life (Years)	Depreciation Rate (%)
Building	20-25	5-4
Plant and Machinery	10-20	10-5
Factory Equipment	5	20
Furniture Fittings	5	20
Motor Vehicles	5	20
Offices and Computer Equipment	5	20

Depreciation of an asset begins when it is available for use where as depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognised.

Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

3.3.5 Revaluation policy

The Group's land, buildings and motor vehicles are revalued with sufficient regularity once in three years. The revaluation surplus is accounted in the revaluation reserve.

3.3.6 Reclassification to investment property

When the use of property changes from owner occupied to investment property, the property is remeasured to fair value and reclassified accordingly. Any gain arising on this remeasurement is recognized in profit or loss to the extent that it reverse a previous impairment loss on the specific property, with any remaining gain recognised OCI and presented in the revaluation reserve.

Any loss is recognised in profit or loss. However, to the extent that an amount is included in the revaluation surplus for that property, the loss is recognized in OCI and reduced the revaluation surplus within equity.

3.4 Intangible Assets and Goodwill**3.4.1 Intangible assets**

An intangible asset is recognised if it is probable that economic benefits are attributable to the assets will flow to the Group and cost of the assets can be measured reliably and carried at cost less accumulated amortisation and accumulated impairment losses.

3.4.1.1 Goodwill

Goodwill that arises on the acquisition of subsidiaries is presented with intangible assets. For the measurement of goodwill at initial recognition, see Note 3.1.1.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and any impairment loss is allocated to the carrying amount of the equity accounted investee as a whole.

Goodwill is tested for impairment annually as at 31st March or when circumstances indicate that the carrying value of the

goodwill may be impaired. For the purpose of impairment testing, from the acquisition date, goodwill acquired in a business combination is 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.

3.4.1.2 Computer software

All computer software cost incurred, which are not an integral part of the related hardware, which can be clearly identified, reliably measured and its probable that they will lead to future economic benefits, are included in the Statement of Financial Position under the category of intangible assets.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation

Intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives from the date that they are available for use. The estimated useful lives for the current and comparative years are as follows:

Asset Category	Useful Life (Years)	Depreciation Rate (%)
Computer Software	05	20

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.5 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

3.5.1 Group as a lessee

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

3.5.1.1 Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The Group's Right-of-use assets are included in Note 14 to the Financial Statements.

3.5.1.2 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 included in Note 27 to the Financial Statements.

3.5.1.3 Short-Term leases and leases of low value assets

The Group 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 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.

3.6 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sales.

The costs incurred in bringing inventories to its present location and condition, are accounted for as follows:

Raw materials

At actual cost, on Weighted Average basis
Finished goods and work-in-progress

Finished goods and work-in-progress

At actual cost, on Weighted Average for
work in progress and finished goods

3.7 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an assets or cash generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in the statement of comprehensive income. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to CGU (if any) and then to reduce the carrying amounts of other assets in the CGU (group of CGUs) on pro rata basis. An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the

extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.8 Financial instruments

3.8.1 Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

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

3.8.2 Classification and subsequent measurement

Financial assets on initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI - debt investment; FVOCI- equity investment; or FVTPL.

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

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

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Financial assets - Business model assessment

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities, or expected cash outflows or realising cash flows through the sale of the assets.
- how the performance of the portfolio is evaluated and reported to the Group's management.
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.
- how managers of the business are compensated - e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for his purpose, consistent with the Group's continuing recognition of the assets.

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

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

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

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

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

Financial assets-Subsequent measurement and gains and losses

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3.8.3 Derecognition

3.8.3.1 Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

3.8.3.2 Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

3.8.4 Impairment

The Group recognises loss allowances for ECLs on:

- financial assets measured at amortised cost;

The Group measures loss allowances at an amount equal to lifetime ECL, except for following, which are measured at 12 months ECLs;

- debt securities and that are determined to have low credit risk at the reporting date
- other debt securities and bank charges for which credit risk (i.e the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

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

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

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

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

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

Measurement of ECLs

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

ECL are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

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

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

Significant financial difficulty of the borrower or issuer;

A breach of contract such as a default or being more than 90 days past due;

The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise

It is probable that the borrower will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECL in the statement of financial position

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

Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

3.8.5 Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the Group in the management of its short-term commitments.

3.8.6 Derivative Financial Instruments

The Group holds derivative financial instruments to mitigate its foreign currency risk exposures. Derivatives are initially measured at fair value. Subsequent to the initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

3.9 Stated capital

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transactions is accounted for in accordance with LKAS 12.

3.10 Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value.

The retirement benefit obligation of the Group is based on the actuarial valuation using Projected Unit Credit (PUC) methods as recommended by Sri Lanka Accounting Standard (LKAS 19) Employee Benefits. The calculation is performed by Independent Actuary using the projected unit credit method.

The assumptions based on which the results of the actuarial valuation was determined, are included in Note 24.2 to the Financial Statements.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gain or losses on the settlement of a defined plan when the settlement occurs.

The Group recognises all actuarial gains and losses arising from the defined benefits plans immediately in the other comprehensive income. The liability is disclosed under Non-current liabilities in the Statement of Financial Position and not externally funded.

However, as per the Payment of Gratuity Act No. 12 of 1983 the liability to an employee arises only on completion of 5 years of continued service.

Defined Contribution Plans - Employees' Provident

Fund and Employee Trust Fund

All employees who are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund Contributions are covered by relevant contributions funds in line with the relevant statutes. Employer's contributions to the defined contribution plans are recognised as an expense in profit or loss when incurred.

3.11 Provisions

A provision is recognised if, as a result of a past event the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefit will be required to settle the obligation.

3.12 Revenue from contracts with customers

The Group's generates revenue through sales.

A. Performance obligation and revenue recognition Policies

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over good to a customer.

The "effective interest rate" is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit - impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to the initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income to the gross basis.

The following table provide information about the nature and timing of the satisfaction of performance obligations in contract with customers, including significant payment terms, and the related revenue recognition policies.

Type of products	Nature and timing of satisfaction of performance	Revenue Recognition under SLFRS 15
Electric Wires, Cables and PVC Pipe & Fitting	Customers obtain control of goods when the goods are delivered to and have been accepted at their premises. Invoices are at the point in time. Invoices are usually payable within 30-60	Revenue is recognised when the goods are delivered and have been accepted by customers at their premises.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue and associated costs incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable net of trade discounts and sales taxes.

3.13 Operating Expenses

All expenses incurred in day to day operations of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to the statement of comprehensive income in arriving at the profit for the year. Provision has also been made for impairment of financial assets, slow moving inventories, all known liabilities and depreciation on property, plant and equipment.

3.14 Borrowing Costs

Borrowing costs directly attributable to acquisition, construction or production of assets that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that Group incurs in connection with the borrowing of funds.

3.15 Net Finance Income/(Expenses)

The Group's finance income and finance costs include:

- interest income.
- interest expense.
- dividend income.
- the foreign currency gain or loss on financial assets and financial liabilities.

Interest income or expense is recognised using the effective interest method.

3.16 Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in OCI.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income tax, and therefore accounted for them under LKAS 37 "Provisions, Contingent Liabilities and contingent Assets".

3.16.1 Current tax

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

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

3.16.2 Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for;

temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which can be used. Future taxable profits are determined based on the relevant taxable temporary differences. If the amount of taxable temporary difference is insufficient to recognise the deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such deductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date and reflects uncertainty related to income taxes, if any. Deferred tax assets and liabilities are offset only if certain criteria are met.

3.17 Related party transactions

Disclosure has been made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial and operating policies/decisions of the other, irrespective of whether a price is being charged or not.

The relevant details are disclosed in the respective notes to the Financial Statements.

3.18 The statement of cash flows

Interest received and dividends received are classified as investing cash flows, while dividend paid and interest paid, is classified as financing cash flows for the purpose of presentation of statement of cash flows which has been prepared using the 'Indirect Method'.

3.19 Earnings Per Share (EPS)

Basic Earning Per Share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the number of shares outstanding at the reporting date.

3.20 Events occurring after the reporting period

Events after the reporting period are those events favourable and unfavourable that occur between the end of the reporting period and the date when the Financial Statements are authorised for issue.

The materiality of the events occurring after the reporting period is considered and appropriate adjustments to or disclosures are made in the Financial Statements, where necessary.

04. AMENDMENTS TO ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

A number of new standards are effective for annual periods beginning after 01st April 2024 and earlier application is permitted.

The Institute of Chartered Accountants of Sri Lanka has issued a number of new amendments to Sri Lanka Accounting Standards (SLFRSs/ LKASs) that are effective for annual periods beginning after the current financial year. Accordingly, the Group has not early adopted them in preparing these financial statements. The following amended standards are not expected to have a significant impact on the Group's financial statement.

Classification of liabilities as current or non-current and Non-current liabilities with covenants (Amendments to LKAS 1)

The amendments aims to clarify the requirements on determining whether a liability is current or non-current, and require new disclosures for non-current liabilities that are subject to future covenant. The amendments apply for annual reporting period beginning on or after 1 January 2024.

The amendments in classification of liabilities as current or non-current (Amendments to LKAS 01) affect only the presentation of liabilities in the statement of financial position not the amount or timing of recognition of any asset, liability, income or expenses or the information that entities disclose about those item.

**Supplier finance arrangements
(Amendments to LKAS 7 and SLFRS 7)**

The amendments introduce new disclosures relating to supplier finance arrangements that assist users of the financial statements to assess the effects of these arrangements on an entity's liabilities and cash flows and on an entity's exposure to liquidity risk. The amendments apply for annual reports beginning on or after 1 January 2024.

**Lease liability in a sale and leaseback
(Amendments to SLFRS 16)**

The amendment is intended to improve the requirements for sale and leaseback transactions in SLFRS 16. It does not change the accounting for leases unrelated to sale and leaseback transactions. The amendment applies retrospectively to annual reporting periods beginning on or after 1 January 2024.

Lack of exchangeability (Amendment to LKAS 21)

The amendments clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. The amendments apply to annual reporting periods beginning on or after 1 January 2025.

General requirements for disclosure of sustainability-related financial information (SLFRS S1) and Climate-related disclosures (SLFRS S2)

In June 2023 the International Sustainability Standards Board (ISSB) released its first two sustainability disclosure standards, IFRS S1 and IFRS S2. During the year, CA Sri Lanka issued the localised standards based on these IFRSs designated as SLFRS S1 SLFRS S2. These standards will become effective for the Group from 1 April 2025. No financial impact is expected on the Group except for additional disclosures.

5 Revenue

	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Local Sales	7,403,614,216	6,195,755,648	7,346,070,540	6,113,732,568
Export Sales	746,829,566	873,604,354	739,701,191	873,604,354
	8,150,443,782	7,069,360,002	8,085,771,731	6,987,336,922

6 Other Income

Dividend Income from Associates Companies	-	-	28,352,996	-
Written Back of Creditors No Longer Payable	12,526,492	7,784,057	-	-
Miscellaneous Income	2,091,933	-	2,091,933	-
Scrap Sales	42,242,248	6,795,048	38,030,625	6,795,048
Income on Solar Power Generation	42,908,895	22,711,610	42,908,895	22,711,610
	99,769,568	37,290,715	111,384,449	29,506,658

7 Profit from Operations

Profit from Operations is stated after charging/(Crediting) all the expenses/(Income) including following:

	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Directors' Fees and Emoluments	21,400,000	28,100,000	21,400,000	28,100,000
Auditors' Remuneration - Audit	2,802,475	2,473,475	2,525,000	2,196,000
- Audit Related Services	300,000	275,000	300,000	275,000
Depreciation and Amortization	187,897,160	181,005,653	140,509,505	136,064,505
Provision/(Reversal) for Impairment of Inventories	(4,574,115)	(29,111,679)	-	(25,425,289)
Written Off of Inventories	302,235,767	-	56,645,438	-
Written Off of Intangible Assets	40,577,718	-	-	-
Provision/(Reversal) for Impairment of Related Party Receivable- Non Trade	-	-	(6,013,176)	(110,768,096)
Provision/(Reversal) for Impairment of Related Party Receivable- Trade	-	-	-	(45,213,147)
Loss on Recovery of Related Party Receivable	-	-	-	14,591,011
Provision for Impairment of Other Receivables	25,265,421	228,393,380	25,265,421	46,538,631
Provision/(Reversal) for Impairment of Trade Receivables	(115,137,728)	50,458,788	(119,138,350)	50,414,690
Bad debt Written Off	77,000,424	95,473,561	77,000,424	65,439,413
Donations	2,976,247	408,390	2,976,247	408,390
Personnel Costs				
Salaries, Wages and Related Costs	248,547,232	241,381,686	242,042,964	234,877,418
Defined Contribution Plan Cost	26,898,770	27,233,048	26,131,178	26,465,456
Defined Benefit Plan Cost (Note 24)	17,843,757	18,573,070	17,843,757	18,111,376

8 Net Finance Costs

	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
8.1 Finance Income				
Interest Income	69,792,223	51,647,213	69,716,765	51,141,608
Dividend Income from Quoted Investments	91,398	721,552	91,398	9,234,292
Net Exchange Gain	23,085,772	-	22,306,405	-
	92,969,393	52,368,765	92,114,568	60,375,900
8.2 Finance Costs				
Interest on - Overdraft	15,547,916	48,511,980	5,130,574	30,570,159
- Import Demand Loans	179,733,788	239,140,409	179,733,788	217,666,496
- Bank Loans	306,915,647	377,334,885	287,069,348	328,325,664
Net Exchange Loss	-	261,658,544	-	263,722,523
	502,197,351	926,645,818	471,933,710	840,284,842
Net Finance Costs	409,227,958	874,277,053	379,819,142	779,908,942
9 Income Tax Expense				
Income Tax on Profit for the Year (Note 9.1)	239,573,116	264,932,283	239,573,116	264,932,283
(Over)/under provision in respect of previous year	(47,130,675)	31,316,948	(47,130,675)	51,204,522
Deferred Tax (Reversal) (Note 25.3)	2,781,604	(61,110,792)	2,781,604	(101,728,970)
	195,224,045	235,138,439	195,224,045	214,407,835
9.1 Reconciliation Between Accounting Profit/(Loss) and Tax Expense				
Profit/(Loss) Before Tax	922,952,262	938,490,766	1,268,862,307	1,167,446,603
Share of Loss/(Profit) of Equity-Accounted Investees	(104,219,380)	(87,231,621)	-	-
Consolidation Adjustment	57,459,096	262,279,089	-	-
	876,191,978	1,113,538,234	1,268,862,307	1,167,446,603
Non Business Income	(143,960,394)	(89,882,558)	(143,161,987)	(89,882,558)
Aggregate Disallowable Expenses	127,657,854	57,436,915	44,984,532	7,949,502
Aggregate Allowable expenses	(99,012,278)	(102,446,415)	(103,586,394)	(59,879,947)
Tax Exempted Income	-	(500,479)	-	-
Aggregate Tax Losses from Business	306,221,298	47,988,382	-	-
Taxable Profit from Business	1,067,098,458	1,026,134,079	1,067,098,458	1,025,633,600
Income from Other Sources	113,570,832	87,521,016	113,570,832	87,521,016
Total Statutory Income	1,180,669,290	1,113,655,095	1,180,669,290	1,113,154,616
Tax Loss Claimed (Note No 9.2)	(382,092,237)	(500,479)	(382,092,237)	-
Taxable Income	798,577,053	1,113,154,616	798,577,053	1,113,154,616
Income Tax				
Tax on Business Income @ 14%	-	11,802,103	-	11,802,103
Tax on Business Income @ 15%	-	3,074	-	3,074
Tax on Business Income @ 18%	-	80,766,172	-	80,766,172
Tax on Business Income @ 24%	-	6,715,179	-	6,715,179
Tax on Business Income @ 30%	239,573,116	165,645,755	239,573,116	165,645,755
	239,573,116	264,932,283	239,573,116	264,932,283

9 Income Tax Expense (Continued)**9.2 Accumulated Tax Losses**

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Balance as at 1st April	523,839,414	449,438,344	-	-
Amalgamation - Sierra Industries (Pvt) Ltd	-	-	382,092,237	-
Tax Loss Claimed	(382,092,237)	(500,479)	(382,092,237)	-
Exchange Difference	(4,447,858)	74,901,549	-	-
Balance as at 31st March	137,299,319	523,839,414	-	-

Sierra Cables PLC

The Company has used the new tax rate introduced in the Inland Revenue (Amendment) Act No. 45 of 2022 certified on 19 December 2022, (with retrospective effect from 01 October 2022) for income taxation. Income tax rates of, 18% for manufacturing business profits, 14% for export profits and 24% for other income have been used for the first six months and a standard rate of 30% has been used for profits of all segments for the second six months for the year of assessment 2022/23. Accordingly, tax liability of the Company was calculated and accounted for at 30% for the year of assessment 2023/24.

Sierra Industries (Private) Limited

The Company has used the new tax rate introduced in the Inland Revenue (Amendment) Act No. 45 of 2022 certified on 19 December 2022, (with retrospective effect from 01 October 2022) for income taxation. Income tax rates of, 18% for manufacturing business profits, 14% for export profits and 24% for other income have been used for the first six months and a standard rate of 30% has been used for profits of all segments for the second six months for the year of assessment 2022/23. Accordingly, tax liability of the Company was calculated and accounted for at 30% for the year of assessment 2023/24.

Sierra Cables East Africa Limited

Based on the prevailing legislation on income tax effective in Kingdom of Kenya, profit from operation together with other profits and income taxable at rate of 30%.

10 Basic Earning Per Share

Basic Earnings Per Share is calculated based on the Profit after taxation attributable to the Ordinary Shareholders divided by the Weighted Average Number of Ordinary Shares outstanding during the year.

	Group		Company	
	2024	2023	2024	2023
Profits Attributable to Ordinary Shareholders (Rs.)	764,722,463	707,411,449	1,073,638,262	953,038,768
Weighted Average Number of Ordinary Shares	537,512,430	537,512,430	537,512,430	537,512,430
Basic Earnings Per Share (Rs.)	1.42	1.32	2.00	1.77

10.1 Diluted Earnings per Share

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

11 Dividend per Share

	Group		Company	
	2024	2023	2024	2023
Dividend for the Year (Rs.)	-	-	-	-
Number of Ordinary Shares	537,512,430	537,512,430	537,512,430	537,512,430
Dividend per Share (Rs.)	-	-	-	-

12 Property, Plant and Equipment

	Land	Buildings	Plant and Machinery	Motor Vehicle	Furniture and Fittings	Factory Equipment	Office & Computer Equipment	Capital Work in Progress	Total 2024
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Company									
Cost / Valuation									
Balance as at 1st April	823,337,000	1,016,447,776	664,663,371	57,501,215	5,149,261	242,820,910	40,704,813	301,593,347	3,152,217,693
Amalgamation - Sierra Industries (Pvt) Ltd	234,170,000	209,801,338	313,952,781	360,000	280,692	31,771,712	839,574	846,515	792,022,612
Additions	-	1,649,500	587,575	-	324,159	19,851,952	3,893,973	3,835,184	30,142,343
Transfers during the year			131,153,066					(131,153,066)	-
Balance as at 31st March	1,057,507,000	1,227,898,614	1,110,356,793	57,861,215	5,754,112	294,444,574	45,438,360	175,121,980	3,974,382,648
Depreciation									
Balance as at 1st April	-	239,770,930	421,217,357	31,604,530	5,120,509	165,836,342	34,838,684	-	898,388,352
Amalgamation - Sierra Industries (Pvt) Ltd		26,540,417	146,983,571	360,000	280,692	24,977,202	795,522		199,937,404
Charge for the Year	-	53,979,972	37,557,847	10,238,095	82,228	35,175,754	2,425,609	-	139,459,505
Balance as at 31st March	-	320,291,319	605,758,775	42,202,625	5,483,429	225,989,298	38,059,815	-	1,237,785,261
Net Book Value									
Balance as at 31st March 2023	823,337,000	776,676,846	243,446,014	25,896,685	28,752	76,984,568	5,866,129	301,593,347	2,253,829,341
Balance as at 31st March 2024	1,057,507,000	907,607,295	504,598,018	15,658,590	270,683	68,455,276	7,378,545	175,121,980	2,736,597,387

Assets pledged as security against the long term and short term borrowings have been disclosed in Note 34 to the Financial Statements.

12 Property, Plant and Equipment (Continued)

	Land	Buildings	Plant and Machinery	Motor Vehicle	Furniture and Fittings	Factory Equipment	Office & Computer Equipment	Capital Work in Progress	Total 2024
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Group Cost / Valuation									
Balance as at 1st April	1,057,507,001	1,236,635,590	1,227,627,287	64,151,054	5,646,827	266,503,473	43,790,634	25,425,510	3,927,287,376
Additions	-	1,649,500	587,575	-	324,159	19,851,952	3,893,973	3,835,184	30,142,343
Balance as at 31st March	1,057,507,001	1,238,285,090	1,228,214,862	64,151,054	5,970,986	286,355,425	47,684,607	29,260,694	3,957,429,719
Depreciation									
Balance as at 1st April	-	269,285,394	670,537,910	38,098,365	5,618,075	187,003,575	37,739,385	-	1,208,282,704
Charge for the Year	-	61,392,399	67,221,810	10,394,097	82,228	38,154,997	2,440,855	-	179,686,386
Balance as at 31st March	-	330,677,793	737,759,720	48,492,462	5,700,303	225,158,572	40,180,240	-	1,387,969,090
Net Book Value									
Balance as at 31st March 2023	1,057,507,001	967,350,196	557,089,377	26,052,689	28,752	79,499,898	6,051,249	25,425,510	2,719,004,672
Balance as at 31st March 2024	1,057,507,001	907,607,297	490,455,142	15,658,592	270,683	61,196,853	7,504,367	29,260,694	2,569,460,629

Assets pledged as security against the long term and short term borrowings have been disclosed in Note 34 to the Financial Statements.

12 Property, Plant and Equipment (Continued)

As at 31st March 2023	Land	Buildings	Plant and Machinery	Motor Vehicle	Furniture and Fittings	Factory Equipment	Office & Computer Equipment	Capital Work in Progress	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Company									
Balance as at 1st April	806,982,000	1,005,288,863	616,415,284	71,451,215	5,149,261	219,525,406	39,631,313	48,770,597	2,813,213,939
Additions	16,355,000	-	30,065,190	-	-	6,391,117	1,073,500	299,068,947	352,953,754
Transfers during the year	-	11,158,913	18,182,897	-	-	16,904,387	-	(46,246,197)	-
Disposals				(13,950,000)					(13,950,000)
Balance as at 31st March	823,337,000	1,016,447,776	664,663,371	57,501,215	5,149,261	242,820,910	40,704,813	301,593,347	3,152,217,693
Depreciation									
Balance as at 1st April	-	190,086,112	384,014,550	29,775,760	5,055,864	133,110,923	32,089,346	-	774,132,555
Charge for the Year		49,684,818	37,202,807	12,942,215	64,645	32,725,419	2,749,338	-	135,369,242
Disposal	-	-	-	(11,113,445)	-	-	-	-	(11,113,445)
Balance as at 31st March	-	239,770,930	421,217,357	31,604,530	5,120,509	165,836,342	34,838,684	-	898,388,352
Net Book Value									
Balance as at 31st March 2022	806,982,000	815,202,751	232,400,734	41,675,455	93,397	86,414,483	7,541,967	48,770,597	2,039,081,384
Balance as at 31st March 2023	823,337,000	776,676,846	243,446,014	25,896,685	28,752	76,984,568	5,866,129	301,593,347	2,253,829,341

Assets pledged as security against the long term and short term borrowings have been disclosed in Note 34 to the Financial Statements.

12 Property, Plant and Equipment (Continued)

As at 31st March 2023	Land	Buildings	Plant and Machinery	Motor Vehicle	Furniture and Fittings	Factory Equipment	Office & Computer Equipment	Capital Work in Progress	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Group									
Cost / Valuation									
Balance as at 1st April	1,041,152,001	1,148,702,797	1,179,379,200	79,618,529	7,141,520	235,423,340	43,534,599	109,098,043	3,844,050,029
Additions	16,355,000	152,810	30,065,190	-	-	14,175,746	1,073,500	48,178,999	110,001,245
Transfers	-	96,764,248	18,182,897	-	-	16,904,387	-	(131,851,532)	-
Disposals	-	(8,984,265)	-	(15,467,475)	(1,494,693)	-	(817,465)	-	(26,763,898)
Balance as at 31st March	1,057,507,001	1,236,635,590	1,227,627,287	64,151,054	5,646,827	266,503,473	43,790,634	25,425,510	3,927,287,376
Depreciation									
Balance as at 1st April	-	215,969,929	597,784,512	37,421,570	6,845,171	150,759,662	35,378,451	-	1,044,159,295
Charge for the Year	-	55,280,773	72,753,398	13,195,215	67,425	36,243,913	2,769,666	-	180,310,390
Disposal	-	(1,965,308)	-	(12,518,420)	(1,294,521)	-	(408,732)	-	(16,186,981)
Balance as at 31st March	-	269,285,394	670,537,910	38,098,365	5,618,075	187,003,575	37,739,385	-	1,208,282,704
Net Book Value									
Balance as at 31st March 2022	1,041,152,001	932,732,868	581,594,688	42,196,959	296,349	84,663,678	8,156,148	109,098,043	2,799,890,734
Balance as at 31st March 2023	1,057,507,001	967,350,196	557,089,377	26,052,689	28,752	79,499,898	6,051,249	25,425,510	2,719,004,672

Assets pledged as security against the long term and short term borrowings have been disclosed in Note 34 to the Financial Statements.

12.1 Fully-Depreciated Assets

The initial cost of fully-depreciated Property, Plant and Equipment which are still in use as at Reporting Date are as follows:

As at 31st March,	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Machinery	149,723,192	149,257,104	149,723,192	149,257,104
Furniture and Fittings	5,388,865	4,998,224	5,388,865	4,971,545
Factory Equipment	112,403,872	95,511,691	112,403,872	84,524,306
Office & Computer Equipment	32,715,545	29,088,291	32,715,545	28,350,366
Motor Vehicle	1,917,859	-	1,917,859	-
	302,149,333	278,855,310	302,149,333	267,103,321

12.2 Details of Property Plant and Equipment of the Group Stated at Valuation are Indicated below:

In compliance with the accounting policy, land and building owned by group companies are revalued by independent professional valuers at least once in every three years unless there is an indication of a significant change in the market rates. Details of the revalued land and buildings given below. Tax impact on revaluation of land is given in note 25 to the financial statements.

Property Location	Method of Valuation	Effective date of valuation	Estimated price per perch	Estimated price per square foot	No of Buildings	Valuer	Land Extent (Acres)	Carrying Value of Revalued Assets as at 31st March 2024 if carried at Historical Cost Rs.	Carrying Value of Revalued Assets as at 31st March 2024 Rs
Land, buildings at Sierra Cables PLC Galwarusa Road, Korathota (within the limits of kaduwela Pradeshiya Sabha)	Market Approach	01st January 2022	LKR 600,000	LKR 250 - LKR 8,000	15	Mr. W.M. Chandrasena. Bsc.Est.Mgt & Val. Chartered Valuation Surveyor	8.4061	120,453,658	1,620,751,014
Land, building at Sierra Industries (Pvt) Ltd Galwarusa Road, Korathota (within the limits of kaduwela Pradeshiya Sabha)	Market Approach	01st January 2022	LKR 500,000	LKR 3,500 - LKR 6,500	1	Mr. W.M. Chandrasena. Bsc.Est.Mgt & Val. Chartered Valuation Surveyor	2.749	151,256,985	308,091,406
Land, building at Sierra Industries (Pvt) Ltd Kananvila Village, Horana (within the limits of Horana Pradeshiya Sabha)	Market Approach	01st January 2022	LKR 250,000	LKR 4,500	2	Mr. W.M. Chandrasena. Bsc.Est.Mgt & Val. Chartered Valuation Surveyor	0.35625	27,159,200	36,271,875
								27,159,200	36,271,875

Sierra Industries (Pvt) Ltd was merged with Sierra Cables PLC on 31st December 2023 and property owned by Sierra Industries (Pvt) Ltd currently is being transferred under the name of Sierra Cables PLC.

Motor Vehicle	Method of Valuation	Effective date of valuation	No of Vehicles	Valuer	Carrying Value of Revalued Assets as at 31st March 2024 if carried at Historical Cost Rs.	Carrying Value of Revalued Assets as at 31st March 2024 Rs.
Motor Vehicle of Sierra Cables PLC	Market Approach	01st January 2022	7	Mr. Nishantha Jayakodi AMIAE (SL)	-	15,658,590
					-	15,658,590

The Group has determined that the fair value of lands, buildings and motor vehicles can be categories under Level 03 of fair value hierarchy. Market approach method uses prices and other relevant information generated by market transactions involving identical or comparable assets.

12.3 The carrying amount of revalued assets that would have been included in the Financial Statements, had the assets been carried at Cost less Accumulated Depreciation is as follows;

	As at 31st March 2024 Rs.	As at 31st March 2023 Rs.
At Cost	298,869,843	309,377,589
At Valuation	1,980,772,885	1,970,429,816
	Carrying Value of Revalued Assets as at 31st March 2024 if carried at Historical Cost	Carrying Value of Revalued Assets as at 31st March 2024
	Rs.	Rs.
Sierra Cables PLC		
Land	163,730,305	1,057,507,000
Building	135,139,538	907,607,295
Motor Vehicle	-	15,658,590
Total	298,869,843	1,980,772,885

12.4 Capital work-in-progress represents the amount of expenditure recognised under property plant and equipment during the construction of the Building and machinery worth of Rs. 161.6 Mn brought back from Kenya which is yet to be installed.

12.5 The exchange difference has arisen as a result of the translation of property, plant and equipment of foreign Subsidiaries which are accounted for in foreign currencies and translated to the reporting currency at the balance sheet date.

12.6 On re-assessment of the fair value of the Group's assets, it has been identified that there is no impairment of property plant and equipment which requires provision in the financial statements.

13 Intangible Assets

	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Cost				
Balance as at 1st April	71,013,935	23,275,443	23,275,443	23,275,443
Written off	(47,738,492)	-	-	-
Additions	7,000,000	47,738,492	7,000,000	-
Amalgamation - Sierra Industries (Pvt) Ltd	-	-	210,293	-
Balance as at 31st March	30,275,443	71,013,935	30,485,736	23,275,443
Amortization Charge				
Balance as at 1st April	23,275,443	22,703,857	23,275,443	22,703,857
Written off	(7,160,774)	-	-	-
Charge for the year	8,210,774	571,586	1,050,000	571,586
Amalgamation - Sierra Industries (Pvt) Ltd	-	-	210,293	-
Balance as at 31st March	24,325,443	23,275,443	24,535,736	23,275,443
Carrying Value as at 31st March	5,950,000	47,738,492	5,950,000	-

Net amount of Rs.40,577,718/- relating to the development cost of HDPE pipes which were recognized as Intangible assets has been written off during the year.

Intangible assets represents the cost of Computer Software acquired by the Company. The initial cost of fully-amortised intangible assets which are still in use as at Reporting Date was Rs. 23,485,734/- (2022/23- 23,275,441/-)

14 Right of Use Assets

14.1 Gross carrying amount

	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
At Cost				
As at beginning of the year	-	123,677	-	123,677
Charge for the Year	-	(123,677)	-	(123,677)
At the end of the year	-	-	-	-
Net Book Value				
Right-Of-Use Assets	-	-	-	-
14.2 Amounts recognised in profit or loss:				
Depreciation expense of Right-Of-Use assets	-	(123,677)	-	(123,677)
	-	(123,677)	-	(123,677)

15 Investments in Subsidiaries

	Company	
	2024	2023
	Rs.	Rs.
Sierra Cables East Africa Limited (Note 15.1)	182,735,166	182,735,166
Sierra Industries(Private) Limited (Note No 15.2)	-	265,216,310
	182,735,166	447,951,476
Provision for Impairment of Subsidiaries (Note 15.2.1)	(182,735,166)	(358,074,584)
	-	89,876,892
15.1 Sierra Cables East Africa Limited		
Balance as at 1st April	182,735,166	182,735,166
Investment made During the Year	-	-
Balance as at 31st March	182,735,166	182,735,166

	Company	
	2024	2023
	Rs.	Rs.
15.2 Sierra Industries(Private) Limited		
Balance as at 1st April	265,216,310	265,216,310
Investment made During the Year	15,279,037	-
Amalgamation - Sierra Industries (Pvt) Ltd	(280,495,347)	-
Balance as at 31st March	-	265,216,310

15.2.1 Provision for Impairment of Investment in Subsidiaries

The Company has made a provision for impairment of Rs. 182,735,166/- on the investment in subsidiaries as at 31st March 2024 due to the adverse business environment in which the subsidiary companies are operated. This has resulted by continuous operating losses and negative operating cash flows in subsidiary company and net assets attributable to the parent company has been considered as the recoverable amount for the calculation of the provision for impairment as at the each reporting date. The breakup of the impairment provision is as follows;

	Company	
	2024	2023
	Rs.	Rs.
Sierra Industries (Private) Limited	-	175,339,418
Sierra Cables East Africa Limited	182,735,166	182,735,166
	182,735,166	358,074,584

	2024 Rs. Sierra Cables East Africa Limited
15.3 Investment Information of Subsidiaries	
Number of shares	11,400
Holding	95%
Cost of the Investment	182,735,166

15.4 Non-Controlling Interest (NCI) in Subsidiary

As at 31st March	Sierra Industries (Private) Limited	Sierra Cables East Africa Limited	
	2023	2024	2023
NCI Percentage (%)	9.28%	5%	5%
Total Assets	1,250,485,798	3,818,983	19,355,638
Total Liabilities	(990,434,576)	-	-
Net Assets	260,051,222	3,818,983	19,355,638
Carrying Amount of NCI	24,132,753	190,949	967,782
Profit/(Loss) for the period	(74,638,973)	(11,088,797)	57,347,523
Other Comprehensive Income	(18,544,267)	(4,447,858)	74,901,549
Total Other Comprehensive expenses for the period	(93,183,240)	(15,536,655)	132,249,072
Total Comprehensive Income /(Loss) allocated to NCI	(8,647,405)	(776,833)	6,612,454
Cash Flows from Operating Activities	245,874,574	(11,088,797)	45,281,753
Cash Flows from Investing Activities	(31,842,011)	56,418	-
Cash Flows from Financing Activities	(165,148,400)	-	(32,387,642)
Net Increase/ (Decrease) in Cash and Cash Equivalents	48,884,163	(11,032,379)	12,894,111

15.5 Amalgamation of Sierra Industries (Private) Limited with Sierra Cables PLC

The Board of Directors of Sierra Cables PLC at its meeting held on 09th November 2023 approved the amalgamation with its subsidiary Sierra Industries (Private) Limited with Sierra Cables PLC (The Company). The resolution pertaining to the acquiring Minority Interest was approved by the Board of Directors by circular resolution dated on 23rd November 2023. In accordance with Section 244(i)(a) of the Companies Act No 7 of 2007, Sierra Industries (Private) Limited was amalgamated with Sierra Cables PLC on the 31st December 2023, confirmation of which was received via the Certificate of Amalgamation issued by the Registrar of Companies dated 31st December 2023. As a result, the values in the books of Sierra Industries (Private) Limited and the Company were amalgamated and the investment in the subsidiary of Rs. 280,495,347/- recorded in the Company was set off against the equity of Sierra Industries (Private) Limited on the 31st December 2023. The Amalgamation of Sierra Industries (Private) Limited with Sierra Cables PLC was recognised as a Common Control Combination and as per the company's accounting policies amalgamated entity's assets and liabilities added to the consolidated financial statements and amalgamation reserve directly recognised in the statement of changes in equity.

Effect of Amalgamation - Consolidated Financial Statements

There is no impact on the Consolidated Financial Statements since Sierra Industries (Private) Limited was a fully owned subsidiary of Sierra Cables PLC and continued to be consolidated with Sierra Cables PLC up to the date of amalgamation.

Effect of Amalgamation - Separate Financial Statements of Sierra Cables PLC

The Statement of Financial Position in the separate Financial Statements of Sierra Cables PLC as at 31 March 2024 include the assets and liabilities of the amalgamated entity Sierra Industries (Private) Limited, as the Company was amalgamated during the year under review. However, the comparative Statement of Financial Position of Sierra Cables PLC as at 31 March 2023 excludes the assets and liabilities of the amalgamated entity Sierra Industries (Private) Limited.

The following are the effect of amalgamation of Sierra Industries (Private) Limited on the Statement of Financial Position in the separate Financial Statements of Sierra Cables PLC on the date of amalgamation - 31st December 2023.

15.5.1 Effect of Amalgamation on 31st December 2023

As at 31st December 2023	Sierra Cables PLC	Sierra Industries (Pvt) Ltd	Effect on Amalgamation	As restated Amalgamating with Sierra Industries (Pvt) Ltd
ASSETS				
Non Current Assets				
Property Plant & Equipment	2,178,481,475	592,085,208	-	2,770,566,683
Intangible Assets	6,300,000	-	-	6,300,000
Investments in Subsidiaries	105,155,929	-	(105,155,929)	-
Investments in Associates	31,610,163	-	-	31,610,163
Financial Investments - Available for Sale	69,664,884	-	-	69,664,884
Total Non Current Assets	2,391,212,451	592,085,208	(105,155,929)	2,878,141,730
Current Assets				
Inventories	1,926,737,617	-	-	1,926,737,617
Trade & Other Receivable	2,019,112,846	128,788,681	-	2,147,901,527
Income Tax Receivable	-	2,796,563	-	2,796,563
Amounts due from Related Companies	1,128,618,827	23,827,937	(590,034,014)	562,412,750
Short Term Investment	608,210	-	-	608,210
Cash in Hand & at Bank	515,846,548	7,945,500	-	523,792,048
Total Current Assets	5,590,924,048	163,358,681	(590,034,014)	5,164,248,715
TOTAL ASSETS	7,982,136,499	755,443,889	(695,189,943)	8,042,390,445
EQUITY AND LIABILITIES				
Share Capital & Reserves				
Share Capital	894,565,898	304,216,320	(304,216,320)	894,565,898
Accumulated Profit	2,861,092,271	(219,240,327)	219,240,327	2,861,092,271
During the year Loss/Profit	-	(392,670,329)	392,670,329	-
Fair Value Reserve	18,006,536	-	-	18,006,536
Revaluation Reserve	1,178,018,232	175,075,232	(175,075,232)	1,178,018,232
Merger Reserve	-	-	(237,775,033)	(237,775,033)
Total Equity	4,951,682,937	(132,619,104)	(105,155,929)	4,713,907,904
Non Current Liabilities				
Retirement Benefit Obligations	83,468,917	1,491,992	-	84,960,909
Deferred Taxation	394,186,423	118,415,924	-	512,602,347
Long Term Loans	38,815,774	56,725,000	-	95,540,774
Total Non Current Liabilities	516,471,114	176,632,916	-	693,104,030
Current Liabilities				
Trade & Other Payables	419,440,087	10,694,030	-	430,134,117
Current Portion of Long -Term Loans	416,018,075	52,358,000	-	468,376,075
Amounts due to Related Companies	338,381,564	590,034,014	(590,034,014)	338,381,564
Import Demand Loan	1,029,332,007	-	-	1,029,332,007
Income Tax Payable	308,406,788	-	-	308,406,788
Bank Overdraft	2,403,927	58,344,033	-	60,747,960
Total Current Liabilities	2,513,982,448	711,430,077	(590,034,014)	2,635,378,511
Total Liabilities	3,030,453,562	888,062,993	(590,034,014)	3,328,482,541
TOTAL LIABILITIES	7,982,136,499	755,443,889	(695,189,943)	8,042,390,445

Since the amalgamation happened within the Group, there is no recognition of Goodwill upon the merger, the excess was recognised in the Statement of Changes in Equity.

15.5.2 Effect of Amalgamation in Statement of Changes in Equity

	Rs.
Transfer of net assets (on date of amalgamation) of Sierra Industries (Pvt) Ltd	(132,619,104)
Set-off of Net investment by Sierra Cables PLC	(105,155,929)
Balance transferred to Amalgamation Reserve	(237,775,033)

16 Equity - Accounted investees

	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Interest in Joint Venture (Note 16.1)	99,991,976	31,328,748	28,310,163	28,310,163
Interest in Associates (Note 16.2)	107,860,196	100,657,040	3,300,000	3,300,000
	207,852,172	131,985,788	31,610,163	31,610,163

16.1 Joint Venture

Cables PTE Limited is a joint venture in which the company has joint control and a 30% ownership interest. The Company is principally engaged in the manufacturing of industrial and commercial cable products.

The company classified its interest in Cables PTE Limited as a joint venture. Cables PTE Limited has a financial reporting period ended 30th June as per their reporting requirements.

	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Cost of the Investment	28,310,163	28,310,163	28,310,163	28,310,163
Share of Profit/(Loss) for the Year (Net of Tax)	68,663,228	20,114,524	-	-
Accumulated Share of Profit/ (Loss)	3,018,585	(17,095,939)	-	-
Net Asset Value of Associate as at 31 March	99,991,976	31,328,748	28,310,163	28,310,163

16.1.1 Summarised Financial information of Joint Venture

	Cables PTE Limited	
	2024	2023
Percentage Ownership Interest	30%	30%
Revenue	1,852,246,125	1,440,901,118
Net Profit	228,877,428	67,048,413
Company Profit Share	68,663,228	20,114,524
Non- Current Assets	882,749,820	1,048,511,900
Current Assets	1,011,613,438	1,069,386,687
Non- Current Liabilities	743,848,899	912,109,872
Current Liabilities	667,026,022	919,701,300
Elimination of the Share Advance	163,248,000	179,184,000
Net Assets (100%)	483,488,337	106,903,415
Group Share of Net Assets (30%)	145,046,501	32,071,025
Exchange Gain/Loss	(45,054,525)	(742,277)
Carrying Amount of Investment in Joint Venture	99,991,976	31,328,748

16.2 Associates

	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Tea Leaf Resort Holdings (Private) Limited (Note 16.2.2)	-	-	2,500,000	2,500,000
T & G Lanka (Private) Limited (Note 16.2.2)	107,860,196	100,657,040	3,300,000	3,300,000
	107,860,196	100,657,040	5,800,000	5,800,000
Provision for Impairment of Investment in Associate (Note 16.2.1)	-	-	(2,500,000)	(2,500,000)
	107,860,196	100,657,040	3,300,000	3,300,000
16.2.1 Provision for Impairment of Investment in Associates				
Tea Leaf Resort Holdings (Private) Limited	-	-	(2,500,000)	(2,500,000)
	-	-	(2,500,000)	(2,500,000)

16.2.2 Net Assets Value of Associates

	2024 Rs.	2023 Rs.
Tea Leaf Resort Holdings (Private) Limited		
Cost of the Investment	2,500,000	2,500,000
Share of Profit for the Year (Net of Tax)	-	-
Accumulated Share of Profit/ (Loss)	(2,500,000)	(2,500,000)
Net Asset Value of Associate as at 31 March	-	-
T & G Lanka (Private)Limited		
Cost of the Investment	3,300,000	3,300,000
Share of Profit for the Year (Net of Tax) (Note 16.2.3)	35,556,152	67,117,097
Accumulated Share of Profit/ (Loss)	97,357,040	38,752,683
Dividend Received for 2021/22	-	(3,532,439)
Dividend Received for 2024/25	(8,889,038)	-
Dividend Received for Current year	(19,463,958)	(4,980,301)
Net Asset Value of Associate as at 31 March	107,860,196	100,657,040

16.2.3 Summarized Financial Information of Associates

	Tea Leaf Resort Holdings (Private) Limited As at 31st March		T & G Lanka (Private) Limited As at 31st December	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Percentage Ownership Interest	49.9%	49.9%	22%	22%
Revenue	-	-	704,167,839	502,133,722
Profit/(Loss) for the Year	(50,729)	(51,229)	161,187,887	304,264,175
Non-Current Assets	-	-	144,273,947	155,505,135
Current Assets	2,217,686	2,261,735	536,703,574	592,808,032
Non-Current Liabilities	-	-	4,674,550	3,076,625
Current Liabilities	7,136,540	7,129,740	131,026,050	272,910,897
Net Assets (100%)	(4,918,854)	(4,868,005)	545,276,921	472,325,645
Group Share of Net Assets	-	-	120,281,674	104,189,481
Net Asset Value of Associate as at 31 March	-	-	107,860,196	100,657,040
Dividend Received for Year 2021/22	-	-	3,532,441	3,532,441
Dividend Received for Year 2024/25	-	-	8,889,037	-
	-	-	120,281,674	104,189,481
Carrying Amount of Investment In Associates	-	-	107,860,196	100,657,040
Share of Profit for the Year (Net of Tax)	(25,314)	(25,568)	35,556,152	67,117,097

17 Other Assets - Non-Current

17.1 Equity Securities - At FVOCI

	Group/ Company 2024		Group/ Company 2023	
	No of Ordinary Shares/Units	Fair Value Rs.	No of Ordinary Shares/Units	Fair Value Rs.
National Development Bank PLC	25,608	1,741,344	25,608	1,149,799
Richard Pieris Exports PLC	10,359	4,537,242	10,359	5,775,143
ACL Cables PLC	3,040	255,664	3,040	250,192
DFCC Bank PLC	11,896	904,096	11,602	509,328
Chevron Lubricants PLC	3,678	396,305	3,678	336,905
Kelani Cables PLC	200	56,000	200	53,750
NDB Aviva Growth Fund Investment in Units	2,199,836	27,277,960	2,199,836	21,470,394
NDB Aviva Growth Fund Investment in Units	1,422,860	46,589,563		-
		81,758,174		29,545,511
17.2 Investment in Fixed Deposit				
Sampath Bank PLC		24,000,000		-
		24,000,000		-
Total Other Financial Assets		105,758,174		29,545,511

The Group designated the investments shown above as equity securities at FVOCI because these equity securities represent investments that the Group intends to hold for the long term for strategic purposes. No strategic investments were disposed during 2023/24, and there were no transfer of any cumulative gain or loss within equity relating to these investments.

18 Inventories

	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Raw Materials	959,333,463	943,506,594	959,333,463	794,864,090
Work in Progress	364,023,391	358,274,056	364,023,391	326,988,868
Finished Goods	747,550,713	948,743,565	747,550,713	797,306,191
Packing Materials	25,728,191	9,444,242	25,728,191	8,678,612
Engineering Items	68,755,770	42,650,758	68,755,770	42,511,645
Goods in Transit	159,670,575	-	159,670,575	-
	2,325,062,103	2,302,619,215	2,325,062,103	1,970,349,406
Less: Provision for obsolete Inventories (Note 18.1)	(8,225,525)	(12,799,640)	(8,225,525)	(8,225,525)
	2,316,836,578	2,289,819,575	2,316,836,578	1,962,123,881

Inventory amount of Rs. 56 Mn. In Sierra Cables PLC and amount of Rs. 245 Mn in Sierra Industries (Pvt) Ltd have been written off during the Financial year 2024.

18.1 Provision for Obsolete Inventories

Balance as at 1st April	12,799,640	41,911,319	8,225,525	33,650,814
Provision Reversal During the Year	(4,574,115)	(29,111,679)	-	(25,425,289)
Balance as at 31st March	8,225,525	12,799,640	8,225,525	8,225,525

Inventories pledged as security against the long term and short term borrowings have been disclosed in Note 34 to the Financial Statements.

19 Trade and Other Receivables

	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
As at 31st March				
Trade Receivables	1,256,465,500	1,435,168,151	1,256,465,500	1,262,058,057
Less: Provision for Impairment (Note 19.1)	(128,717,773)	(320,855,925)	(128,717,773)	(284,839,464)
	1,127,747,727	1,114,312,226	1,127,747,727	977,218,593
VAT Receivable	326,412,925	295,146,798	326,412,925	211,617,211
NBT Receivable	2,885,136	5,597,217	2,885,136	2,885,136
Deposits, Prepayments and Advances	386,740,561	360,397,666	386,740,561	360,397,666
Other Receivables	-	209,669,966	-	-
	716,038,622	870,811,647	716,038,622	574,900,013
Provision for Impairment (Note 19.2)	(144,044,455)	(300,633,783)	(144,044,455)	(118,779,034)
	571,994,167	570,177,864	571,994,167	456,120,979
Total Trade and Other Receivables	1,699,741,894	1,684,490,090	1,699,741,894	1,433,339,572

Trade receivables pledged as security against the long term and short term borrowings have been disclosed in Note 34 to the Financial Statements.

19.1 Provision for Impairment of Trade Receivables

	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
As at 31st March				
Balance as at 1st April	320,855,925	365,870,698	284,839,464	299,864,187
Amalgamation - Sierra Industries (Pvt) Ltd	-	-	40,017,083	-
Provision/ (Reversal) made during the year	(115,137,728)	50,458,788	(119,138,350)	50,414,690
Receivable written off against Provision*	(77,000,424)	(95,473,561)	(77,000,424)	(65,439,413)
Balance as at 31st March	128,717,773	320,855,925	128,717,773	284,839,464

* Trade receivables with the contractual amount of Rs. 77 Mn. written off during 2024 are still subject to enforcement activity

19.2 Provision for Impairment of Other Receivables

Balance as at 1st April	300,633,783	72,240,403	118,779,034	72,240,403
Provision written off	(181,854,749)	-	-	-
Provision made during the year **	25,265,421	228,393,380	25,265,421	46,538,631
Balance as at 31st March	144,044,455	300,633,783	144,044,455	118,779,034

** Above Rs. 228 Mn of the Group provision in the previous financial year includes impairment made against the receivable of Sierra Cables East Africa Limited amounting to 181.8 Mn and it was written off against the provision in the current Financial year.

20 Amounts Due from Related Companies

	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Non trading				
Sierra Industries (Private) Limited	-	-	-	576,033,538
Tea Leaf Holding (Private) Limited	2,500,000	2,500,000	2,500,000	2,500,000
Cables PTE Limited	33,013,461	32,953,461	33,013,461	32,953,461
Iconic Trust (Private) Limited	82,570,009	58,742,072	82,570,009	58,742,072
L O L C Holdings PLC (Note 20.1)	1,052,862,712	-	1,052,862,712	-
Provision for Non Trading Receivables (Note 20.2)	(6,430,180)	(6,430,180)	(6,430,180)	(12,443,356)
Total	1,164,516,002	87,765,353	1,164,516,002	657,785,715
Trading				
Sierra Global Network (Private) Limited	363,051	720,804	363,051	720,804
Sierra Construction Limited	1,876,429	10,502,777	1,876,429	10,502,777
Sierra Development (Private) Limited	-	615,221	-	615,221
Sierra Industries (Private) Limited	-	-	-	168,206
Brown & Company PLC	437,063,289	45,210,854	437,063,289	45,210,854
Browns Engineering and Construction (Private) Limited	867,772	8,550,986	867,772	8,550,986
NPH Investment (Private) Limited	241,235,659	236,212,495	241,235,659	236,212,495
	681,406,200	301,813,137	681,406,200	301,981,343
Provision for related party trade receivable (Note 20.3)	(2,518,606)	(2,518,606)	(2,518,606)	(2,518,606)
Total	1,843,403,596	387,059,884	1,843,403,596	957,248,452

20.1 Loan given to LOLC Holdings PLC

This includes a Loan given to LOLC Holdings PLC amounting to Rs. 1,050,000,000/- and the interest accrued amounting to Rs. 2,862,712/- as at 31st March 2024.

Repayment Terms & Conditions

- Interest Rate -Monthly AWPLR+6%
- Interest shall be paid at Monthly
- The Capital payment shall be paid on Demand.

	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
20.2 Provision for Non Trading Receivables				
Balance as at 1st April	6,430,180	6,430,180	12,443,356	123,211,452
Provision / (Reversal) during the year	-	-	(6,013,176)	(110,768,096)
Balance as at 31st March	6,430,180	6,430,180	6,430,180	12,443,356
20.3 Provision for related party trade receivable				
Balance as at 1st April	2,518,606	2,518,606	2,518,606	47,731,753
Provision / (Reversal) during the year	-	-	-	(45,213,147)
Balance as at 31st March	2,518,606	2,518,606	2,518,606	2,518,606

Net related party receivable from Sierra Cables East Africa Limited (Trading & Non Trading) amounting to Rs. 289,931,011/- (Gross Receivable Rs. 445,912,254/- less Provision Rs.155,981,243/-) were set off against the Machine value which were brought back to Sri Lanka in the Previous Financial year.

21 Short Term Investment

	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Short Term Investment	691,909	137,725,637	691,909	137,725,637
	691,909	137,725,637	691,909	137,725,637

*Short Term Investments includes investment in Short Term Bank Deposit.

22 Cash and Cash Equivalents

	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Favourable Balances				
Cash in Hand	3,202,562	4,268,203	3,202,562	3,968,749
Cash in Bank	212,124,558	259,826,306	208,305,575	240,004,221
Cash and Cash Equivalents in the Statement of Financial Position	215,327,120	264,094,509	211,508,137	243,972,970
Unfavorable Balances				
Bank Overdrafts Repayable on Demand and Used for Cash Management Purpose	(2,409,107)	(72,749,948)	(2,409,107)	(2,395,447)
Cash and Cash Equivalents for the Purpose of Statement of Cash Flows	212,918,013	191,344,561	209,099,030	241,577,523

23 Capital And Reserves**23.1 Share Capital**

	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
537,512,430 Ordinary Shares	894,565,898	894,565,898	894,565,898	894,565,898
	894,565,898	894,565,898	894,565,898	894,565,898

All ordinary shares rank equally with regard to the Company's residual assets.

Holders of ordinary shares are entitled to dividends as declared from time to time are entitled to one vote per share at general meetings.

23.2 Revaluation Reserve

The revaluation reserve relates to the revaluation of property, plant and equipment.

23.3 Fair Value Reserves

The fair value reserve comprises of the cumulative net change in the fair value of equity securities designated at FVOCI.

23.4 Foreign Currency Transaction Reserve

The transaction reserve comprises all foreign currency differences arising from the translation of the Financial Statements of foreign operations.

24 Retirement Benefit Obligations

	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Balance as at 1st April	80,893,996	80,106,867	79,402,004	78,547,281
Amalgamation - Sierra Industries (Pvt) Ltd	-	-	1,491,992	-
Current Service Cost	5,818,612	6,558,689	5,818,612	6,329,285
Gratuity payments made for those employees who transferred out	(726,366)	-	(726,366)	-
Interest Cost	12,025,145	12,014,382	12,025,145	11,782,091
Actuarial (Gain) / Loss	(190,508)	(15,098,067)	(190,508)	(14,568,778)
Benefits Paid by the Plan	(8,350,299)	(2,687,875)	(8,350,299)	(2,687,875)
Balance as at 31st March	89,470,580	80,893,996	89,470,580	79,402,004

24.1 The total amount charged to Statement of Comprehensive Income in respect of Retirement Benefit Obligations made up as follows;

Current Service Cost	5,818,612	6,558,688	5,818,612	6,329,285
Interest Cost	12,025,145	12,014,382	12,025,145	11,782,091
Recognized in Income Statement	17,843,757	18,573,070	17,843,757	18,111,376

Actuarial (Gains) / Losses arising from;

Financial Assumptions	9,368,000	(3,550,076)	9,368,000	(3,020,787)
Demographic Assumptions	690,721	607,230	690,721	607,230
Experience Adjustment	(10,249,229)	(12,155,221)	(10,249,229)	(12,155,221)
Expense recognised in Other Comprehensive Income	(190,508)	(15,098,067)	(190,508)	(14,568,778)

24.2 LKAS 19 requires the use of actuarial techniques to make a reliable estimate of the amount of retirement benefits that employees have earned in return for their service in the current and prior periods and discount that benefit using projected unit credit method in order to determine the present value of the retirement benefit obligation and the current service cost. This requires an entity to determine how much benefit is attributable to the current and prior periods and to make estimates about demographic variables and financial variables that will influence the cost of the benefit.

An Actuarial Valuation of the Retirement Benefit Obligation of the Company was carried out as at 31st March 2024, by Messers M. Poopalanathan, a firm of Professional Actuaries. The valuation was carried out as per the "Projected Unit Credit" (PUC) method.

The following key assumptions were made in arriving at the above figure.	Group/ Company	
	2024	2023
Expected Annual Average Salary Increment	11.0%	11.5%
Discount Rate	11.0%	15.0%
Retirement Age	60 Years	60 Years
Mortality	A 1967/70 Mortality Table issued by the Institute of Actuaries, London	
Staff Turnover Rate	21% for age up to 54 and thereafter zero.	
Weighted Average Duration of Defined Benefit Obligation (Years)	4	

Discount rate

LKAS 19 requires the risk discount rate to be based on the market yield of high quality Corporate bonds (AA and above) of similar duration to the liability.

Due to the lack of long term high quality bonds available in the Sri Lankan market, discount rate is determined by examining short and medium term government and corporate bonds. For the purpose of this valuation, the Company has considered discount rate of 11%. A rate of discount of 15% has been used at the previous valuation.

Assumptions regarding valuation of the retirement benefits based on published statistics. The discount rate has been changed compared to previous year, in order to reflect the current market conditions.

24.3 Sensitivity Analysis - Salary Escalation Rate/Discount Rate

The calculation of the Retirement Benefit Obligations is sensitive to the assumptions set out above. The following table summarizes how the impact on the defined benefit obligation at the end of the reporting period would have increased (decreased) as a result of a change in the respective assumptions by one percent.

	Group		Company	
	Retirement Benefit Obligation		Retirement Benefit Obligation	
	One percentage point increase	One percentage point decrease	One percentage point increase	One percentage point decrease
	Rs.	Rs.	Rs.	Rs.
Effect on the Discounting Rate	(2,983,332)	3,227,319	(2,983,332)	3,227,319
Effect on the Salary Escalation Rate	3,618,070	(3,404,633)	3,618,070	(3,404,633)

25 Deferred Tax Liability

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Balance as at 1st April	512,602,346	293,977,241	394,186,422	235,253,051
Amalgamation - Sierra Industries (Pvt) Ltd (Reversal)/Provision (Note 25.3)	-	-	118,415,924	-
	2,838,756	218,625,105	2,838,756	158,933,371
Balance as at 31st March	515,441,102	512,602,346	515,441,102	394,186,422

The effective tax rate which were applied by the Company and its subsidiaries are as follows.

	2024	2023
Sierra Cables PLC	30%	30%

25.1 The Deferred Tax Liability is attributable to the followings

Company

As at 31st March	2024		2023	
	Temporary Difference Rs.	Tax Effect Rs.	Temporary Difference Rs.	Tax Effect Rs.
On Property, Plant and Equipment	19,987,000	5,996,100	(17,148,756)	(5,144,627)
On Retirement Benefit Obligations	(89,470,580)	(26,841,175)	(79,402,004)	(23,820,602)
On Revaluation of Land & Building	1,856,134,766	556,840,430	1,649,562,581	494,868,774
On Other Provisions - Inventory	-	-	(8,225,525)	(2,467,658)
- Debtor	(68,514,178)	(20,554,253)	(230,831,550)	(69,249,465)
	1,718,137,008	515,441,102	1,313,954,746	394,186,422

Group

As at 31st March	2024		2023	
	Temporary Difference Rs.	Tax Effect Rs.	Temporary Difference Rs.	Tax Effect Rs.
On Property, Plant and Equipment	19,987,000	5,996,100	213,081,374	63,924,412
On Retirement Benefit Obligations	(89,470,580)	(26,841,175)	(80,893,996)	(24,268,201)
On Revaluation of Land & Building	1,856,134,766	556,840,430	1,856,134,766	556,840,430
On Other Provisions - Inventory	-	-	(14,997,260)	(3,839,893)
- Debtor	(68,514,178)	(20,554,253)	(264,650,388)	(80,054,402)
	1,718,137,008	515,441,102	1,708,674,496	512,602,346

25.2 Deferred Tax Assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Group can use the benefit therefrom.

	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Tax Losses Note 9.2	137,299,319	523,839,414	-	-

25.3 Deferred Tax Liabilities – (Reversal)/Provision

	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Origination/(Reversal) of Temporary Differences				
<i>Recognized in the Statement of Profit or Loss</i>				
Origination/(Reversal) of Temporary Differences	2,781,604	(61,110,792)	2,781,604	(101,728,970)
	2,781,604	(61,110,792)	2,781,604	(101,728,970)
<i>Recognized in the Statement of Other comprehensive Income</i>				
Origination/(Reversal) of Temporary Differences	57,152	279,735,897	57,152	260,662,341
	57,152	279,735,897	57,152	260,662,341
	2,838,756	218,625,105	2,838,756	158,933,371

26 Long Term Loans

	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Balance as at 1st April	1,301,958,820	434,635,386	1,149,594,816	230,223,273
Amalgamation - Sierra Industries (Pvt) Ltd	-	-	109,083,000	-
Loans Obtained	1,050,000,000	999,993,567	1,050,000,000	999,993,567
Repayments	(922,323,594)	(132,670,133)	(879,042,590)	(80,622,024)
Balance as at 31st March	1,429,635,226	1,301,958,820	1,429,635,226	1,149,594,816
Term Loans due within One year	1,334,094,452	922,323,595	1,334,094,452	864,615,591
Term Loans due after One year	95,540,774	379,635,225	95,540,774	284,979,225
	1,429,635,226	1,301,958,820	1,429,635,226	1,149,594,816

27 Lease liabilities

	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
As at beginning of the year	-	360,782	-	360,782
Lease Rental Payments for the Year	-	(360,782)	-	(360,782)
Balance as at 31st March,	-	-	-	-

27.1 Maturity analysis of undiscounted contractual lease payments are as follows;

Less than one year	-	-	-	-
	-	-	-	-

27.2 Amounts recognised in profit or loss:

Depreciation expense of Right-Of-Use Assets	-	(123,677)	-	(123,677)
	-	(123,677)	-	(123,677)

27.3 Amounts recognised in statement of cash flows on SLFRS 16 - Leases

Lease repayment	-	360,782	-	360,782
	-	360,782	-	360,782

28 Trade and Other Payables

	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Trade Creditors	325,926,054	163,225,993	325,926,140	92,396,321
Other Payables	193,683,242	364,795,040	193,683,242	364,018,392
	519,609,296	528,021,033	519,609,382	456,414,713

29 Amounts due to Related Companies

	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Trading				
Sierra Industries (Private) Limited	-	-	-	30,666
Iconic Trust (Private) Limited	7,592,814	2,944,975	7,592,814	2,944,975
Browns Investments PLC	110,943	-	110,943	-
Term Loan				
Browns Investments PLC*	350,648,769	277,920,632	350,648,769	277,920,632
	358,352,526	280,865,607	358,352,526	280,896,273

* Interest rate of 30% per Annum will be applied for Term Loan from Browns Investments PLC

30 Import Demand Loan

Balance as at 1st April	349,016,655	1,682,392,479	349,016,655	1,549,340,079
Loans Obtained	3,366,494,940	2,884,536,341	3,366,494,940	2,812,335,841
Repayments	(2,817,891,541)	(4,217,912,165)	(2,817,891,541)	(4,012,659,265)
Balance as at 31st March	897,620,054	349,016,655	897,620,054	349,016,655

31 Contingent Liabilities

The following contingent liabilities exist as at the reporting date on account of the corporate guarantees given by the Company as at 31st March 2024.

Guarantees Provided on Behalf of the Subsidiary

Sierra Industries (Private) Limited

Rs.71,593,420

This Retention Money Guarantee has been provided to China Machinery Engineering Corporation on behalf of the subsidiary company for supply & delivery of PVC pipes, fittings and special components.

There are no material contingent liabilities outstanding as at the reporting date other than as disclosed above which require adjustments to or disclosures in the Financial Statements.

32 Commitments

There were no material Capital Commitments as at the reporting date.

There is no any material issues pertaining to employees and industrial relations of the entity for the financial year ended 31st March 2024.

33 Events Occurring After the Reporting Period

No circumstances have arisen since the reporting date, which would require adjustments to or disclosure in the financial statements.

34 Assets Pledged as Security and Repayment Terms

The following assets have been pledged as securities against the long term and short term borrowings that have been disclosed in Notes 26, and 30 to the Financial Statement respectively.

Name of the Bank	Facility Obtained	Facility Amount	Rate of Interest	Amount Outstanding as at the end of the year	Securities Pledges
Commercial Bank of Ceylon PLC					
	(1) Overdraft Facility	Rs.40 Mn	AWPLR+2.25% p.a	Nil	01)A Primary Bond for Rs.550 Mn and A Secondary Mortgage Bond for Rs.500 Mn executed over the land and buildings,Plant and Machinery and equipment.
	(2) Import Loan Facility	Rs.1.5 Billion	AWPLR+2.25% p.a	Rs.606,492,103	02)Primary Mortgage Bond for Rs.490 Mn executed over stocks & trade receivables.
Bank of Ceylon					
	(1) Overdraft Facility	Rs.25 Mn	AWPLR+2% p.a	Nil	Overdraft Agreement
	(2) Hypothecation Loan	Rs.750 Mn	AWPLR+2% p.a	Nil	Hypothecation over stocks intrade,raw material and working progress
	(3) Term Loan Facility-One off	Rs.200 Mn	5.5% P.a	Rs.24,242,397	Letter of Indemnity of the company
Cargills Bank Limited					
	(1) Overdraft Facility (Sub Limit of Facility No 02)	Rs.25 Mn	AWPLR+1.5% p.a	Nil	N/A
	(2) Import Loan Facility	Rs.200 Mn	AWPLR+1.5% p.a	Nil	N/A
	(3) Short Term Loan Facility (Sub Limit of Facility No 02)	Rs.100 Mn	AWPLR+2.5% p.a	Nil	
DFCC Bank					
	(1) Overdraft Facility	Rs.50 Mn	AWPLR+1.75% p.a	Nil	A Primary mortgage Bond for Rs.120 Mn and further Mortgage Bond for Rs.180 Mn executed over Book Debts and Stocks
	(2) Import Loan Facility	Rs.450 Mn	AWPLR+1.5% p.a	Rs. 29,901,670	02)A primary mortgage for Rs.50 Mn over land depicted in plan no 4457
	(3) Revolving Short Term Loan (Sub Limit of Facility No 02)	Rs.250 Mn	AWPLR+2.5% p.a	Nil	03) Promissory Note for Rs.100 Mn and Rs.150 Mn
	(4) Term Loan Facility	Rs.80Mn	AWPLR+1.75% p.a	Rs.44,736,830	A primary mortgage over movable assets (Solar PV system and Inverter)
HNB					
	(1) Overdraft Facility	Rs.50 Mn	AWPLR+1.75%	Nil	Demand promissory note for Rs.400 Mn
	(2) Import Loan Facility	Rs.350 Mn	AWPLR+1.25%	Rs.133,593,813	Mortgage bond for Rs.400 Mn over Book Debts ad Stocks
Standard Chartered Bank					
	(1) Import Loan Facility	Rs.300 Mn	AWPLR+1%	Nil	Further mortgage for Rs.300 Mn over Book Debts and Stocks

Name of the Bank	Facility Obtained	Facility Amount	Rate of Interest	Amount Outstanding as at the end of the year	Securities Pledges
Sampath Bank PLC					
	(1) Overdraft Facility	Rs.50 Mn	AWPLR+1.5% p.a	Nil	Overdraft agreement for Rs.50 Mn
	(2) Import Loan Facility	Rs.300 Mn	AWPLR+1.5% p.a	Rs.127,632,416	Short Term Import Loan agreement for Rs.300 Mn
	(3) Short Term Loan Facility (Sub Limit of Facility No 02)	Rs.200 Mn	AWPLR+1.5% p.a	Nil	Short Term Loan agreement for Rs.200 Mn Hypothecation Bond for Rs.350 Mn over Book Debts and Stocks
	(1) Overdraft Facility	Rs.60 Mn	AWPLR+2% P.a	Nil	Overdraft agreement for Rs.60 Mn
	(2) Import Loan Facility	Rs.150 Mn	AWPLR+2% P.a	Nil	Short Term Import loan agreement for Rs.150 Mn
	(3) Term Loan Facility	Rs.92 Mn	AWPLR+1.75% P.a	Rs.8,456,000	Primary Mortgage bond for Rs.85 Mn and Additional mortgage bond for Rs.83.6 Mn over property situated at Korathota,Kaduwela
	(4) Term Loan Facility	Rs.85Mn	AWPLR+1.75% P.a	Rs.26,200,000	
	(5) Term Loan Facility	Rs.90 Mn	AWPLR+1.75% P.a	Rs.60,000,000	Loan agreement for Rs.90 Mn
	(6) Short Term Loan Facility (Sub Limit of Facility No 02)	Rs.50 Mn	AWPLR+2% P.a	Nil	Short term loan agreement for Rs.50 Mn Hypothecation bond for Rs.160 Mn and additional bond for Rs.50 Mn over stock and book debts. Corporate guarantee of Sierra Cables PLC for Rs.300 Mn
Agora Securities Pvt Ltd -Arranger					
HNB-Trustee	Asset Receivable Backed Facility	Rs.999,993,567	Based on Face Value	Rs.216,000,000	Mortgage bond for Rs.591,134,475 over selected Book Debts Mortgage bond for Rs.1,194,146,078 over selected Book Debts
Capital One Partners Pvt Ltd -Arranger					
HNB-Trustee	Asset Receivable Backed Facility	Rs.400 Mn	Based on Face Value	Rs.400 Mn	Mortgage bond for Rs.1,314,456,367 over selected Book Debts
JB Financial Pvt Ltd -Arranger					
	Commercial Paper	Rs.300 Mn	Based on Face Value	Rs.300 Mn	N/A
Agora Securities Pvt Ltd -Arranger					
	Commercial Paper	Rs.150 Mn	Based on Face Value	Rs.150 Mn	N/A
	Commercial Paper	Rs.130 Mn	Based on Face Value	Rs.130 Mn	N/A
	Commercial Paper	Rs.70 Mn	Based on Face Value	Rs.70 Mn	N/A

35 Related Party Disclosure

The Company carried out transactions in the ordinary course of the business on an arm's length basis at commercial rates with parties who are defined as Related Parties as per the Sri Lanka Accounting Standard - LKAS 24 'Related Party Disclosures', except for the transactions that the Key Management Personnel (KMP) have availed under schemes uniformly applicable to all staff at concessionary rates.

Non-recurrent related party transactions

There were no non-recurrent related party transactions which in aggregated value exceeded 10% of the equity 5% of the total assets which is lower of the company as per 31st March 2024 audited financial statement, which required additional disclosures in the 2023/24 Annual report under Colombo Stock Exchange listing Rules 9.3.2 and Code of Best Practice on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities Exchange Commission Act.

Recurrent related party transactions

There were no recurrent related party transactions which in aggregate value exceeded 10% of the consolidated revenue of the Group as per 31 March 2024 audited financial statements, except for the transactions mentioned in the below table, which required additional disclosures in the 2023/24 Annual Report under Colombo Stock Exchange listing Rules 9.3.2 and Code of Best Practice on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities Exchange Commission Act.

Name of the Related Party	Relationship	Nature of the Transaction(s)	Aggregate Value of Related party Transaction(s) entered into during the financial year	Aggregate Value of Related party Transaction(s) as a % of Gross Revenue / Income	Terms and Conditions of the Related party Transaction(s)
LOLC Holdings PLC	Related Company	Short term Investment	1,050,000,000	12.90%	Interest Rate - Monthly AWPLR+6% Interest shall be paid Monthly
Brown & Co PLC	Related Company	Sale of Goods	1,143,678,151	14.05%	2 Months Credit

35.1 Transactions with Related Parties

(i) Companies within the Group engage in trading transactions under normal commercial terms and conditions

Name of the Company	Nature of the Transactions	Transaction Value		Balance Outstanding as at 31st March	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Transactions with Subsidiary Companies					
Sierra Industries (Private) Limited (Merged with Sierra Cables PLC on 31/12/2023)	Amount Paid for Administration Expenses	(354,146)	6,478,608	-	576,033,538
	Payment for capital Expenses	3,988,935	(4,422,700)		
	Funds Transfers / settlements	16,378,863	63,495,600		
	Amount Paid for Imports of Sierra Industries	-	4,381,799		
	Transfer due to Merger	(596,047,190)			
	Purchase of Goods	-	-	-	(30,666)
	Settlement of Purchase Invoices	30,666	-		
	Settlement of Debtor Outstanding	(168,206)	-	-	168,206

Name of the Company	Nature of the Transactions	Transaction Value		Balance Outstanding as at 31st March	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Sierra Cables East Africa Limited	Fund transfers	-	141,180,052	-	-
	Amount Paid for Operation Expenses	-	3,835,475	-	-
	Transfer to Disposal Account	-	(255,783,623)	-	-
	Exchange Difference	-	17,729,845	-	-
	Transfer to Disposal Account	-	(190,128,631)	-	-
	Transfer of Machinery (Net Book Value)	-	132,211,499	-	-
Transactions with Associate Companies					
Cables PTE Limited	Funds Transfers / settlements	60,000	61,500	33,013,461	32,953,461
Tea Leaf Holding (Private) Limited		-	-	2,500,000	2,500,000
Transactions with Other Related Companies					
Iconic Trust (Private) Limited	Transfer from Sierra Group	-	58,742,072	82,570,009	58,742,072
	Transfer from Sierra Industries (Pvt) Ltd	23,827,937			
	Professional Fee and Charges	(4,647,839)	(2,944,975)	(7,592,814)	(2,944,975)
L O L C Holdings PLC	Loan granted	1,050,000,000		1,052,862,712	-
	Interest Income	2,862,712			
NPH Investment (Pvt) Ltd	Sale of Goods	2,661,662		241,235,659	236,212,495
	Settlement of Invoices	(2,706,527)			
	Interest Income	23,143,258			
	Unrealized Exchange Loss	(18,075,229)			
Brown & Company PLC	Sale of Goods	1,143,678,150	15,522,283	437,063,289	45,210,854
	Settlement of Invoice	(751,825,715)	(17,250,962)		
Browns Engineering and Construction (Private) Limited	Sale of Goods	11,218,286	21,203,690	867,772	8,550,986
	Settlement of Invoice	(18,901,500)	(14,400,822)		
Browns Investments PLC	Short Term Loan	-	(277,920,632)	(350,648,769)	(277,920,632)
	Loan Interest	(72,728,137)			

Name of the Company	Nature of the Transactions	Transaction Value		Balance Outstanding as at 31st March	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
	Investment in Commercial Paper	-	137,725,637	-	137,725,637
	Interest Income	17,293,620			
	WHT on Interest	(1,221,329)			
	Proceeds from Settlement Commercial Paper	(154,266,517)			
Sierra Construction Limited	Sale of Goods	5,369,582	21,473,647	1,876,429	10,502,777
	Settlement of Invoices	(13,995,930)	(11,278,753)		
	Transferred to Iconic Trust (Private) Limited	-	(49,788,154)		
Sierra Electrical Engineering (Private) Limited	Transferred to Iconic Trust (Private) Limited	-	(616,785)	-	-
Sierra Global Networks (Private) Limited	Sale of Goods	2,711,851	8,947,406	-	-
	Settlement of Invoices	(3,069,604)	(9,977,430)	363,051	720,804
Sierra Technology Holdings (Private) Limited (Previously Known as Sierra Information Technologies (Private) Limited)	Transferred to Iconic Trust (Private) Limited	-	(7,542,499)	-	-
Sierra Development (Private) Limited	Settlement	(615,221)	-	-	615,221
Mayleen Kenya Limited	Settlement	-	1,243,932	-	-

35.2 Key Management Personnel (KMP)

Key Management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Group. Accordingly the Directors of the Company (including Executive and Non Executive Directors) have been classified as Key Management Personnel of the Company, Group.

35.2.1 Transactions with Key Management Personnel

(i) Loans to Directors

No loans have been given to the Directors of the Company.

(ii) Key Management Personnel Compensation

As at 31st March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Directors' Fees	10,600,000	9,500,000	10,600,000	9,500,000
Short Term Employee Benefits	10,800,000	18,600,000	10,800,000	18,600,000
	21,400,000	28,100,000	21,400,000	28,100,000

(iii) Other Transactions With Key Management Personnel

The names of Directors of Sierra Cables PLC and their share holdings are given on page 68. There were no other transactions with key management personnel other than those disclosed in Note 35 to the Financial Statement.

36 Going Concern

36.1 Sierra East Africa (Private) Limited

The Company recorded a Loss of Rs. 11,088,797/- during the year ended 31st December 2023 (2022 – Profit of Rs. 57,347,523/-) and as that date, the Current Assets exceeded Current Liabilities by Rs. 3,818,983/- (Current Assets exceeded Current Liabilities by Rs. 19,355,638/-).

37 Financial Risk Management

37.1 Introduction and Overview

The Group has exposure to the following risks from its use of financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risks, and the Group's management of capital.

Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

i. Credit Risk

Credit risk is the risk of financial loss to the Group if a customer fails to meet its contractual obligations, and this principally arises from the Group's receivables from customers.

Exposure to Credit Risk

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

As at 31st March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Trade Receivables	1,256,465,500	1,435,168,151	1,256,465,500	1,262,058,057
Amounts due from Related Companies	1,852,352,382	396,008,670	1,852,352,382	972,210,414
Short Term Investment	691,909	137,725,637	691,909	137,725,637
Balances with Banks	212,124,558	259,826,306	208,305,575	240,004,221
	3,321,634,349	2,228,728,764	3,317,815,366	2,611,998,329

Trade Receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The management has established a credit policy under which each new customer is analysed individually for credit worthiness before the group standard payment and delivery terms offered.

The requirement for an impairment is analysed at each reporting date on an individual basis for major customers. Additionally, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The aging of trade receivables at the reporting date was as follows:

As at 31st March 2024	Group		Company	
	Amount Outstanding Rs.	Provision Rs.	Amount Outstanding Rs.	Provision Rs.
Past due 0-60 days	678,096,548	3,525,259	678,096,548	3,525,259
Past due 61-90 days	255,011,860	2,210,738	255,011,860	2,210,738
Past due 90-120 days	117,311,976	4,423,101	117,311,976	4,423,101
Past due 121-150 days	77,205,903	2,225,305	77,205,903	2,225,305
Past due 151-180 days	77,183,371	4,685,738	77,183,371	4,685,738
Past due 181-210 days	9,967,443	1,034,441	9,967,443	1,034,441
Past due 211-240 days	52,217,961	8,685,636	52,217,961	8,685,636
Past due 241-270 days	-	-	-	-
Past due 271-300 days	-	-	-	-
Past due 301-330 days	148,113	44,376	148,113	44,376
Past due 331-360 days	26,578,904	11,600,904	26,578,904	11,600,904
Past due Over 360 days	88,649,445	90,282,275	88,649,445	90,282,275
Total	1,382,371,524	128,717,773	1,382,371,524	128,717,773

	Group		Company	
	Amount		Amount	
	Outstanding	Provision	Outstanding	Provision
As at 31st March 2023	Rs.	Rs.	Rs.	Rs.
Past due 0-60 days	781,943,718	35,556,854	772,446,511	33,574,878
Past due 61-90 days	39,122,765	4,874,009	37,756,546	4,589,810
Past due 90-120 days	50,759,346	8,257,284	50,712,496	8,247,538
Past due 121-150 days	85,033,356	27,054,621	84,181,690	26,877,457
Past due 151-180 days	85,929,422	6,372,263	85,077,964	6,195,146
Past due 181-210 days	10,936,781	3,279,571	10,936,781	3,279,571
Past due 211-240 days	9,618,877	4,700,305	9,618,877	4,700,305
Past due 241-270 days	12,450,564	6,756,792	8,233,587	5,879,583
Past due 271-300 days	9,865,389	6,919,326	9,865,389	6,919,326
Past due 301-330 days	17,923,583	4,927,080	11,948,970	3,684,251
Past due 331-360 days	950,176	562,529	950,176	562,529
Past due Over 360 days	330,634,174	211,595,293	180,329,070	180,329,070
Total	1,435,168,151	320,855,925	1,262,058,057	284,839,464

The maximum exposure to credit risk for trade and other receivables is the carrying amounts at the end of the reporting period, and it is analysed by geographic regions as follows,

As at 31st March	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Local Debtors	1,345,661,754	1,212,314,593	1,345,661,754	1,042,902,606
Foreign Debtors	36,709,770	222,853,558	36,709,770	219,155,451
	1,382,371,524	1,435,168,151	1,382,371,524	1,262,058,057
Provision for Impairment	(128,717,773)	(320,855,925)	(128,717,773)	(284,839,464)
	1,253,653,751	1,114,312,226	1,253,653,751	977,218,593

The Group has a number of bank deposits, these deposits have been placed in several banks (A+ or Above) in order to minimise the credit risk in accordance with the policy directions provided by the Board. In order to further minimise the credit risk, the Group exposure and credit rating of banks are regularly monitored and diversified investment portfolio is maintained. In the event of any weakening of credit metrics of a bank the Group may decide to liquidate its investments and move to an institution with a higher credit rating.

37 Financial Risk Management (Continued)**ii. Liquidity Risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Group	Carrying Amount	Within 1 year	Between 1-2 years	Between 2-5 years	More than 5 years	Total
		Rs.	Rs.	Rs.	Rs.	Rs.
As at 31st March 2024						
Non- Derivative Financial Liabilities						
Trade and Other Payables	519,609,296	519,609,296	-	-	-	519,609,296
Amounts due to Related Companies	358,352,526	7,703,757	350,648,769	-	-	358,352,526
Borrowings - Term Loans	1,429,635,230	1,424,700,451	63,692,716	62,557,795	37,555,246	1,588,506,208
Borrowings - Import Loans	897,620,054	897,620,054	-	-	-	897,620,054
Bank Overdraft	2,409,107	2,409,107	-	-	-	2,409,107
As at 31st March 2023						
Non- Derivative Financial Liabilities						
Trade and Other Payables	528,021,033	528,021,033	-	-	-	528,021,033
Amounts due to Related Companies	280,865,607	2,944,975	277,920,632	-	-	280,865,607
Borrowings - Term Loans	1,301,958,820	593,136,293	319,688,081	63,692,716	100,113,041	1,076,630,131
Borrowings - Import Loans	349,016,655	349,016,655	-	-	-	349,016,655
Bank Overdraft	72,749,948	72,749,948	-	-	-	72,749,948
Company						
As at 31st March 2024						
Non- Derivative Financial Liabilities						
Trade and Other Payables	519,609,382	519,609,382	-	-	-	519,609,382
Amounts due to Related Companies	358,241,583	7,703,757	350,648,769	-	-	358,352,526
Borrowings - Term Loans	1,429,635,230	1,424,700,451	63,692,716	62,557,795	37,555,246	1,588,506,208
Borrowings - Import Loans	897,620,054	897,620,054	-	-	-	897,620,054
Bank Overdraft	2,409,107	2,409,107	-	-	-	2,409,107
As at 31st March 2023						
Non- Derivative Financial Liabilities						
Trade and Other Payables	456,414,713	456,414,713	-	-	-	456,414,713
Amounts due to Related Companies	280,896,273	2,975,641	277,920,632	-	-	280,896,273
Borrowings - Term Loans	1,149,594,816	593,136,293	319,688,081	63,692,716	100,113,041	1,076,630,131
Borrowings - Import Loans	349,016,655	349,016,655	-	-	-	349,016,655
Bank Overdraft	2,395,447	2,395,447	-	-	-	2,395,447

iii. Market Risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices, foreign exchange rates- will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

(a) Currency Risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than Sri Lankan Rupees. The foreign currencies in which these transactions primarily denominated are United States Dollars (USD) and Euro.

Exposure to Currency Risk

The summarised quantitative data about the Group's exposure to currency risk as reported to the Management of the Group based on its risk management policy was as follows:

	Group		Company	
	2024 USD	2023 USD	2024 USD	2023 USD
As at 31st March				
Trade Receivables	115,450	622,062	115,450	611,739
Trade Payables	(1,805)	(130,857)	(1,805)	(5,370)
Net Statement of Financial Position Exposure	113,645	491,205	113,645	606,369

Exposure to Currency Risk

As at 31st March	2024 USD	2023 USD
Trade Payables - Foreign Creditors	1,805	130,857
Gross Statement of Financial Position Exposure	1,805	130,857

The following significant exchange rates were applicable during the year

As at 31st March	Average Rate		Reporting Date Spot Rate	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
USD	317.97	358.25	301.18	292.00

Sensitivity Analysis

A strengthening of the Rs, as indicated below, against the USD at 31st March 2024 would have increased/(decreased) the Equity and Profit or Loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

	Strengthening Profit or Loss Rs.	Weakening Profit or Loss Rs.
31st March 2024 USD (15% Movement)	81,545	(81,545)
31st March 2023 USD (15% Movement)	5,731,550	(5,731,550)

(b) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument fluctuate because of changes in market interest rates. The Groups exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligation. The Group utilises various financial instruments to manage exposures to interest rate risks.

At the reporting date, the Group's interest-bearing financial instruments were as follows:

As at 31st March	Carrying Amount	
	2024 Rs.	2023 Rs.
Variable Rate Instruments		
<i>Financial Liabilities</i>		
Long Term Loans	1,429,635,226	1,301,958,820
Import Demand Loans	897,620,054	349,016,655
Bank Overdrafts	2,409,107	72,749,948
	2,329,664,387	1,723,725,423

37 Financial Risk Management (Continued)

(b) Interest Rate risk (Continued)

Cash Flow Sensitivity Analysis for Variable Rate Instruments

The Group is exposed to changes in market interest rates through bank borrowings at variable interest rates.

	Profit or Loss	
	100 bp Increase Rs.	100 bp Decrease Rs.
31st March 2024		
Variable Rate Instruments	(23,296,644)	23,296,644
Cash Flow Sensitivity (Net)	(23,296,644)	23,296,644

37.2 Capital Management

The Board's policy is to maintain a strong capital base so as to maintain share holder, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital and level of dividends to ordinary shareholders.

The Group's Net Debt to adjusted Equity ratio at the end of the reporting period was as follows:

As at 31st March	Group		Company	
	2024 Rs	2023 Rs	2024 Rs	2023 Rs
Total Liabilities	3,934,455,920	3,381,245,347	3,934,456,006	2,969,839,835
Less: Cash and Cash Equivalents Favourable	(215,327,120)	(264,094,509)	(211,508,137)	(243,972,970)
Net Debt	3,719,128,800	3,117,150,838	3,722,947,869	2,725,866,865
Total Equity	5,030,566,152	4,310,218,811	5,017,641,832	4,169,432,584
Net Debt to Equity Ratio	74%	72%	74%	65%

There were no changes in the Group's approach to Capital Management during the year and the Group is not subject to externally imposed capital requirements.

38 Fair Value Measurement

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1 : Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2 : Valuation techniques based on observable inputs.

Level 3 - Valuation techniques using significant unobservable inputs

38.1 Financial Instruments carried at Fair Value and Valuation Bases

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorized.

As at 31st March 2024

	Company			Total Rs
	Level 1 Rs	Level 2 Rs	Level 3 Rs	
Fair Value through OCI	81,758,174	-	-	81,758,174
	81,758,174	-	-	81,758,174

As at 31st March 2023

	Company			Total Rs
	Level 1 Rs	Level 2 Rs	Level 3 Rs	
Fair Value through OCI	29,545,511	-	-	29,545,511
	29,545,511	-	-	29,545,511

38.2 Fair Value of Financial Instruments carried at Amortized Cost

The following table summarizes the carrying amounts and the Group's estimate of fair values of those financial assets and liabilities not presented on the Group's Statement of Financial Position at fair value.

	2024	
	Carrying Amount Rs	Fair Value Rs
Assets		
Cash and Cash Equivalents	215,327,120	215,327,120
Trade Receivables	1,127,747,727	1,127,747,727
Short Term Investment	691,909	691,909
Amounts due from Related Companies	1,843,403,596	1,843,403,596
Liabilities		
Trade Payables	325,926,054	325,926,054
Interest Bearing Borrowings	2,327,255,280	2,327,255,280
Amounts due to Related Companies	358,352,526	358,352,526
Bank Overdraft	2,409,107	2,409,107

Cash and Cash Equivalents

The carrying amount of the cash and cash equivalents and balances with banks approximate the fair value as these are short term in nature.

Trade and Other Receivables

Trade and other receivables are expected to be settled within one year from the reporting date and hence the discounting impact would be immaterial. Therefore carrying amount approximate the fair value as at the reporting date.

Tax recoverable, deposits and prepayments, prepayments to suppliers and advances amounting to Rs. 716,038,622/- (2023 - Rs. 574,900,013/-) have been excluded as they are not financial assets.

Trade and Other Payables

Trade and other payables are expected to be settled within one year from the reporting date and hence the discounting impact would be immaterial. Therefore carrying amount approximate the fair value as at the reporting date.

Interest Bearing Borrowings

Long term borrowings are repriced either monthly, quarterly or semi annually in line with the changes in the market rates. Hence carrying value of these borrowings approximate the fair value. Other borrowings are short term in nature and hence carrying value approximate the fair value.

38.3 Categorization of Financial Assets and Liabilities as at the Reporting Date

Group -2024	Classification				Fair Value		
	Amortized Cost Rs.	FVTPL Rs.	FVOCI Rs.	Other Financial Liabilities Rs.	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.
Financial Assets							
Trade Receivables	1,127,747,727	-	-	-	-	-	-
Amount due from Related Parties	1,843,403,596	-	-	-	-	-	-
Other Financial Assets	-	-	81,758,174	-	-	81,758,174	-
Cash and Cash Equipments	215,327,120	-	-	-	-	-	-
Financial Liabilities							
Trade Payables	-	-	-	325,926,054	-	-	-
Borrowings	-	-	-	2,327,255,280	-	-	-
Amounts due to Related Companies	-	-	-	358,352,526	-	-	-
Bank Overdraft	-	-	-	2,409,107	-	-	-
38.3 Categorization of Financial Assets and Liabilities as at the Reporting Date							
Group -2023	Classification				Fair Value		
	Amortized Cost Rs.	FVTPL Rs.	FVOCI Rs.	Other Financial Liabilities Rs.	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.
Financial Assets							
Trade Receivables	1,114,312,226	-	-	-	-	-	-
Amount due from Related Parties	387,059,884	-	-	-	-	-	-
Other Financial Assets	-	-	29,545,511	-	-	29,545,511	-
Cash and Cash Equipments	264,094,509	-	-	-	-	-	-
Financial Liabilities							
Trade Payables	-	-	-	163,225,993	-	-	-
Borrowings	-	-	-	1,650,975,475	-	-	-
Amounts due to Related Companies	-	-	-	280,865,607	-	-	-
Bank Overdraft	-	-	-	72,749,948	-	-	-
Leases	-	-	-	-	-	-	-

Distribution of Shareholders as at 31st March 2024

Shareholding	As at 31st March 2024			As at 31st March 2023		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
From -To						
1-1000	13,760	11,998,650	2.23	13,933	12,144,463	2.26
1,001-10,000	5,940	13,612,390	2.53	6,212	14,645,705	2.72
10,001-100,000	614	18,737,266	3.49	696	21,460,630	3.99
100,001-1,000,000	75	22,090,672	4.11	80	23,101,380	4.30
1,000,001-10,000,000	14	471,073,452	87.64	14	466,160,252	86.73
Total	20,403	537,512,430	100.00	20,935	537,512,430	100.00

Composition of Shareholders	As at 31st March 2024			As at 31st March 2023		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
Resident	20,364	531,262,237	98.84	20,895	532,818,847	99.13
Non-Resident	39	6,250,193	1.16	40	4,693,583	0.87
Total	20,403	537,512,430	100.00	20,935	537,512,430	100.00
Individual	20,169	70,058,028	13.03	20,682	72,480,782	13.48
Institutional	234	467,454,402	86.97	253	465,031,648	86.52
Total	20,403	537,512,430	100.00	20,935	537,512,430	100.00

Share Price	As at 31st March 2024 (Rs)	As at 31st March 2023 (Rs)
High	13.10	14.80
Low	9.40	5.20
Last Traded	11.90	12.00

Top 20 Shareholders No. Name		As at 31st March 2024		As at 31st March 2023	
		Shareholding	%	Shareholding	%
1	Iconic Trust (Private) Limited	156,866,167	29.18	156,866,167	29.18
2	Sierra Holdings (Pvt) Limited	143,354,345	26.67	143,354,345	26.67
3	Hatton National Bank PLC/Almas Holdings (Private) Limited	62,185,484	11.57	56,400,478	10.49
4	Hatton National Bank PLC/Almas Capital (Private) Limited	54,591,396	10.16	55,627,905	10.35
5	Almas Holdings (Private) Limited	17,301,241	3.22	11,704,194	2.18
6	Amana Bank PLC/Almas Holdings (Pvt) Ltd	11,236,527	2.09	11,160,000	2.08
7	Mr. D. S. Panditha	10,499,549	1.95	11,738,918	2.18
8	Tranz Dominion, L.L.C.	3,600,000	0.67	3,600,000	0.67
9	Hatton National Bank PLC/Mr. Ravindra Erle Rambukwelle	2,342,000	0.44	2,157,000	0.40
10	Employees Trust Fund Board	2,294,368	0.43	2,294,368	0.43
11	Mr. D. K. A. K. Weerathunga (Deceased)	1,976,874	0.37	1,976,874	0.37
12	Mrs. F. R. Buhardeen	1,846,811	0.34	673,565	0.13
13	Merchant Bank of Sri Lanka & Finance PLC/ R. G. Senevirathne and A. Senavirathne	1,728,690	0.32	2,053,600	0.38
14	Corona T Stores (Private) Limited	1,250,000	0.23	1,250,000	0.23
15	Dr. C. C. James	1,000,000	0.19	1,000,000	0.19
16	Commercial Bank of Ceylon PLC/W. Jinadasa	976,403	0.18	5,976,403	1.11
17	Mr. D. M. P. De Zoysa	975,000	0.18	975,000	0.18
18	Mr. M. H. Kaleel	948,745	0.18	-	-
19	Hatton National Bank PLC/ Mr. Dinesh Nagendra Sellamuttu	842,199	0.16	842,199	0.16
20	Union Investments (Private) Limited	821,500	0.15	821,500	0.15

Ten Year Summary - Group

For the year ended 31 March	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Operating Results										
Turnover	3,482,533,154	3,036,010,858	4,044,449,473	4,069,119,607	4,699,675,203	5,563,252,957	5,498,555,123	8,257,835,280	7,069,360,002	8,150,443,782
Gross Profit	741,951,185	630,701,896	878,893,414	570,545,593	579,954,537	946,681,164	880,957,894	1,544,135,340	2,564,786,486	1,827,869,193
Profit From Operations	474,971,589	377,663,501	498,862,100	169,031,973	302,240,663	473,118,590	495,404,118	1,078,940,198	1,725,536,198	1,227,960,840
Profit Before Associate Company's Share of Profit	359,185,690	273,134,238	346,794,764	(11,975,586)	27,513,370	255,970,660	322,561,981	562,946,915	851,259,145	818,732,882
Profit After Tax	250,223,630	191,013,313	265,459,538	(38,725,906)	12,396,169	228,758,686	319,961,155	471,680,985	703,352,327	727,728,217
As at 31 March										
Assets										
Property Plant & Equipment	1,251,329,990	1,223,660,989	1,114,052,321	1,494,627,990	1,440,230,560	1,464,116,282	1,942,237,593	2,799,890,735	2,719,004,672	2,569,460,629
Other Non Current Asset	48,289,459	48,772,074	39,622,551	106,629,108	45,469,381	46,135,786	66,676,972	83,306,697	209,269,791	319,560,346
Current Assets	1,793,251,861	1,987,568,805	3,262,364,862	3,418,897,764	3,819,142,501	3,387,938,408	4,641,080,288	5,187,457,912	4,763,189,695	6,076,001,097
Total Asset	3,092,871,310	3,260,001,867	4,416,039,734	5,020,154,863	5,304,842,442	4,898,190,476	6,649,994,853	8,070,655,345	7,691,464,158	8,965,022,072
Liabilities										
Long Term Debt	188,532,384	142,263,090	71,484,209	97,601,618	61,585,178	113,244,086	142,094,560	301,965,249	379,635,225	95,540,774
Other Non Current Liabilities	162,580,867	217,033,415	201,002,005	304,376,702	273,262,392	263,240,870	269,535,698	374,084,107	593,496,342	604,911,682
Short Term Debt	35,393,566	72,104,387	98,056,157	238,221,924	276,052,246	186,423,083	132,699,932	324,537,052	72,749,948	2,409,107
Other Current Liabilities	1,245,180,730	1,285,901,220	2,359,206,714	2,548,651,323	2,897,005,339	2,313,300,813	3,387,220,329	3,273,648,327	2,335,363,832	3,231,594,357
Shareholders' Funds										
Share Capital	894,565,898	894,565,898	894,565,898	894,565,898	894,565,898	894,565,898	894,565,898	894,565,898	894,565,898	894,565,898
Reserves	555,812,147	644,158,268	786,971,222	928,280,433	892,087,895	1,117,937,088	1,810,974,781	2,874,719,220	3,390,552,378	4,135,809,305
Minority Interest	10,805,720	3,975,590	(1,842,470)	8,393,965	10,283,494	9,478,637	12,903,655	27,135,487	25,100,535	190,949
Ratios										
Total Assets/Equity	2.12	2.11	2.63	2.74	2.95	2.42	2.45	2.13	1.78	1.78
Turnover/Assets	1.13	0.93	0.92	0.81	0.89	1.14	0.83	1.02	0.92	0.91
Net Margin(%)	7.19	6.29	6.56	(0.95)	0.26	4.11	5.82	5.71	9.95	8.93
Return on Equity(%)	18.10	12.41	16.13	(1.51)	0.75	11.82	11.94	12.35	16.32	15.20
Return on Assets(%)	8.09	5.86	6.01	(0.77)	0.23	4.67	4.81	5.84	9.14	8.12
Share Information										
Earnings per Share	0.49	0.36	0.50	(0.05)	0.02	0.43	0.60	0.87	1.32	1.42
Price Earnings Ratio	8.19	8.16	6.23	(43.10)	64.24	4.92	9.48	7.85	9.12	8.36
Net Assets Per share	2.70	2.86	3.12	3.39	3.39	3.74	5.05	7.01	7.97	9.36

SIERRA CABLES PLC - REG NO. PQ166

NOTICE IS HEREBY GIVEN THAT THE 21ST ANNUAL GENERAL MEETING of the Company will be held on 26th September 2024 at 12.00 p.m. as an on-line audio-visual meeting with arrangements for the on-line meeting platform made at LOLC Holdings PLC, No.100/1, Sri Jayawardenapura Mawatha, Rajagiriya.

The business to be brought before the meeting will be:

1. To receive and consider the Report of the Directors and Statement of Accounts of the Company for the Financial Year ended 31st March 2024 with the Auditors' Report thereon.
2. To re-elect Prof. A.K.W. Jayawardena as a Director, who retires by rotation in terms of Article 91 of the Articles of Association of the Company.
3. To re-elect Ms. V.G.S.S. Kotakadeniya as a Director, who retires by rotation in terms of Article 91 of the Articles of Association of the Company.
4. To re-elect Mr. P.E.A.B. Perera as a Director, who retires by rotation in terms of Article 91 of the Articles of Association of the Company.
5. To re-appoint Mr. D.S. Panditha as a Director. A Notice has been received from a shareholder in terms of Section 211 of the Companies Act No. 7 of 2007 of the intention to propose the following Resolution as an Ordinary Resolution:

RESOLUTION

"That Mr. D.S. Panditha who has reached the age of 72 years on 14th July 2024 be and is hereby re-appointed as a Director of the Company for a period of one year or until the conclusion of the next Annual General Meeting whichever occurs first and it is hereby declared that the age limit of 70 years referred to in Section 210 of the Companies Act No. 7 of 2007 shall not apply to the said Director"

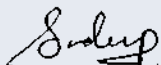
6. To re-appoint Mr. B.W.N. Rupasinghe as a Director. A Notice has been received from a shareholder in terms of Section 211 of the Companies Act No. 7 of 2007 of the intention to propose the following Resolution as an Ordinary Resolution:

RESOLUTION

"That Mr. B.W.N. Rupasinghe who has reached the age of 71 years on 13th January 2024 be and is hereby re-appointed as a Director of the Company for a period of one year or until the conclusion of the next Annual General Meeting whichever occurs first and it is hereby declared that the age limit of 70 years referred to in Section 210 of the Companies Act No. 7 of 2007 shall not apply to the said Director"

7. To re-appoint M/s KPMG, Chartered Accountants as the auditors for the ensuing financial year at a remuneration to be fixed by the Directors.
8. To approve in terms of Companies (Donations) Act No. 26 of 1951 the making of donations by the Directors as determined by them for the current Financial Year and until the next Annual General Meeting of the Company.

By order of the Board



L O L C Corporate Services (Private) Limited
Secretaries

30th August 2024
Colombo

I/ We of
..... being a member/
members of the above named Company hereby appoint;
of whom failing

- | | |
|------------------------------|----------------|
| Mr. W. A. P. Perera | or failing him |
| Mr. D. S. Panditha | or failing him |
| Mr. P. Weerasingha | or failing him |
| Ms. V. G. S. S. Kotakadeniya | or failing her |
| Mr. D. S. K. Amarasekara | or failing him |
| Mr. P. D. Gunendra Jayasena | or failing him |
| Prof. A. K. W. Jayawardena | or failing him |
| Eng. B. W. N. Rupasinghe | or failing him |
| Mr. P. E. A. B. Perera | |

as my/our proxy to represent me/us and vote on my/our behalf at the Twenty First Annual General Meeting of the Company to be held as an online meeting on 26th September 2024 at 12.00 p.m. and at any adjournment thereof and at every poll which may be taken in consequence of the aforesaid Meeting.

Please indicate your preference by placing an "x" against the resolution.

	For	Against
1. To re-elect Prof. A. K. W. Jayawardena as a Director, who retires by rotation in terms of Article 91 of the Articles of Association of the Company	<input type="checkbox"/>	<input type="checkbox"/>
2. To re-elect Ms. G. V. S. S. Kotakadeniya as a Director, who retires by rotation in terms of Article 91 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-elect Mr. P. E. A. B. Perera as a Director, who retires by rotation in terms of Article 91 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
4. To re-appoint Mr. D. S. Panditha as a Director.	<input type="checkbox"/>	<input type="checkbox"/>
5. To re-appoint Eng. B. W. N. Rupasinghe as a Director.	<input type="checkbox"/>	<input type="checkbox"/>
6. To re-appoint M/s KPMG Chartered Accountants, as the External Auditors of the Company for the ensuing financial year at a remuneration to be fixed by the Directors.	<input type="checkbox"/>	<input type="checkbox"/>
7. To authorize Directors to make donations.	<input type="checkbox"/>	<input type="checkbox"/>

dated this day of Two Thousand and Twenty Four.

.....
Signature of Shareholder/s

Please provide the following details:

Shareholder's NIC No. :

No. of Shares Held :

Proxy Holder's NIC No. :

(If not a Director of the Company)

(Please delete inappropriate words and refer overleaf for instructions)

Notes:

- 1 Please return the completed Form of Proxy after filling in legibly your full name and address, signing on the space provided and filling in the date of signature.
- 2 The Proxy shall:
 - a) in the case of an individual, be under the hand of the shareholder or his or her attorney, and if signed by an attorney, a notarially certified copy of the Power of Attorney should be attached to the completed Form Proxy if it has not already been registered with the Company.
 - b) if the shareholder is a company or a corporation, be either under its common seal or under the hand of an officer or attorney authorized by such organization in that behalf in accordance with its Articles of Association or Constitution.
- 3 Please indicate with an 'X' how the proxy should vote on each Resolution. If no indication is given, the proxy shall exercise his/her discretion and vote as he/she thinks fit.
- 4 The completed Form of Proxy should be deposited at LOLC Corporate Services (Private) Limited, Secretaries to Sierra Cables PLC, 4th Floor, No. 34, Sir Mohamed Macan Markar Mawatha, Colombo 03, or scanned and emailed to corporateservices@lolc.com with the email subject titled "SIERRA AGM PROXY" not less than 48 hours before the time appointed for the holding of the Meeting.

Corporate Information

NAME OF THE COMPANY

Sierra Cables PLC

COMPANY RE-REGISTRATION NO.

PQ 166 (Under Companies Act No.07 of 2007)

REGISTERED OFFICE

No. 39/1A, Galvarusa Road, Korathota, Kaduwela.

STOCK EXCHANGE LISTING

The ordinary shares of the Company are listed with the Colombo Stock Exchange of Sri Lanka on 22nd November 2005

PRINCIPAL ACTIVITIES AND NATURE OF OPERATIONS

The principal activity of the company is manufacturing, marketing and distribution of power cables.

COMPANY SECRETARIES

L O L C Corporate Services (Private) Limited
No. 100/1, Sri Jayawardenapura Mawatha, Rajagiriya
Tel: +94 115 063 000
Fax: +94 112 865 602
Email: corporateservices@lolc.com

AUDITORS

KPMG (Chartered Accountants)
32 A, Sir Mohamed Macan Marker Mawatha,
P.O. Box 186, Colombo 03.
Tel: 011 5426426
Fax: 011 2445872
E-mail: frt@kpmg.lk

SUBSIDIARY COMPANIES

Sierra Industries (Private) Limited (*Amalgamated with SCPLC w.e.f. 31st December 2023*)
Sierra Cables East Africa Limited, Kenya

EQUITY-ACCOUNTED INVESTEEES

T & G Lanka (Private) Limited - Associate
The Tea Leaf Resort Holding (Pvt) Ltd - Associate
Cables PTE Limited, Fiji - Joint Venture

BANKERS

Commercial Bank of Ceylon PLC
Sampath Bank PLC
Bank of Ceylon
People's Bank
DFCC Bank
Cargills Bank Limited
Hatton National Bank
Standard Chartered Bank
Habib Bank Limited
Bank of China

DOMICILE AND LEGAL FORM

Sierra Cables PLC is a Limited Liability Company incorporated and domiciled in Sri Lanka.

Tel: 011 4412000-4
Fax: 011 2770291, 011 4412573
E-mail: info@sierracables.com



Sierra Cables PLC

No. 39/1A, Galvarusa Road, Korathota, Kaduwela.

Tel: 011 4412000-4 | Fax: 011 2770291, 011 4412573

E-mail: info@sierracables.com | Web: www.sierracables.com