

Boundless
FRONTIERS

SWISSTEK (CEYLON) PLC
Integrated Annual Report 2023/24



SWISSTEK (CEYLON) PLC



Boundless **FRONTIERS**

Over the years, Swisstek (Ceylon) PLC has successfully crafted its enduring presence with trust and expertise. As a progressive company, we have ventured beyond with ingenuity and dedication. Weaving the threads of innovation and resilience along with our relentless pursuit of excellence we set out to leave an indelible mark on the canvas of progress. With boundless frontiers stretching out before us we strive to journey on by transcending beyond to realise our potential.

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ABOUT THIS REPORT

Swisstek (Ceylon) PLC

Integrated Annual Report 2023/24



Swisstek (Ceylon) PLC's Seventh Integrated Annual Report themed "Boundless Frontiers" provides a balanced, transparent and integrated review of the performance of the Group. This report aims to provide an understanding of how the Group navigated through a challenging operating landscape amidst economic uncertainties whilst strategically managing its resources to deliver value to our stakeholders.

Scope and Boundary

This Annual Report covers the operations of Swisstek (Ceylon) PLC and its subsidiary Swisstek Aluminium Ltd and Swisstek Development Ltd (herein after referred to as the "Group") for the period 1st April 2023 to 31st March 2024 which is the Group's annual reporting cycle. Our Report focuses on aspects that are deemed to be material and relevant to the Group's operations and to our key stakeholders. The process for determining materiality is described on page 24 of this Report. The financial and non-financial information presented herein represents consolidated figures for the Company and its subsidiaries unless otherwise stated.

The shareholding, size and supply chain of the Group was relatively unchanged during the year under review and there were no significant changes to previously reported economic, social or environmental information.

Reporting frameworks

We have undertaken the responsibility to ensure that the data presented within this report is in line with the general principles governing the publication of annual

reports. We hope that the data presented herein supports accountability, maintains transparency, facilitates accessibility and is in an understandable format to all interested parties.

Reporting concepts

In general, we have undertaken to follow the below guiding principles to ensure the correctness and relevance of the compilation of data within this integrated report.

- Data related to strategic focus and future oriented goals and predicted data.
- Connectivity of information to stakeholder interest and industry performance.
- Stakeholder relationships.
- Materiality.
- Conciseness.
- Reliability and completeness of reported data.
- Consistency and comparability of data.

External Assurance

The Group has obtained an independent opinion on the Financial Statements from its External Auditors Messrs KPMG which is set out on page 72 of this report.

Forward looking statements

Our Report includes forward-looking statements, which discuss possible future financial positions and outcomes of the Group's operations. These statements, however, involve an element of risk and uncertainty. We will not be taking measures to update or revise these particular statements publicly in the event of a change of circumstances.

Statement of Directors Responsibility

Swisstek (Ceylon) PLC's Board of Directors are ultimately responsible for ensuring the integrity of this Report. We hereby confirm that this Report addresses all relevant material matters and fairly represents the Group's integrated performance and is prepared in accordance with the <IR> Framework. The Report is approved and authorized for publication.

Signed on behalf of the Board,


S H Amarasekera
Chairman


J A P M Jayasekera
Managing Director

Feedback

We are committed to consistently enhancing the readability and relevance of our reporting and we welcome your suggestions and comments on our Annual Report.

Please direct your feedback to:

General Manager (Finance)
Swisstek (Ceylon) PLC
215, Nawala Road, Narahenpita,
Colombo - 05.

Digital View



The Annual Report is available on our

official website,
www.swisstekceylon.com

Regulatory frameworks

Companies Act No.7 of 2007

Listing Rules of the Colombo Stock Exchange

Sri Lanka Accounting & Auditing Standards Act No. 15 of 2015 Sri Lanka

Financial Reporting Standards

Voluntarily adopted frameworks

<IR> Framework issued by the International Integrated Reporting Council

GRI Standards issued by the Global Reporting Initiative in 2020

Code of Best Practices on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka (2017)

ABOUT US

Swisstek (Ceylon) PLC is a part of the Lanka Walltiles Group, one of Sri Lanka's leading tile manufacturers. The Company owns an 87.38% stake in its subsidiary Swisstek Aluminium Ltd which has a strong presence in the aluminium extrusions market and manufactures a range of products including prefabricated windows under the Swisstek brand.

Swisstek (Ceylon) PLC is a leading supplier of tile grout and mortar in Sri Lanka. It is also Sri Lanka's pioneer wood flooring supplier, offering a range of solutions to the residential and commercial segments under the renowned SWISSPARKETT brand.

Since inception, innovation has been a hallmark of the company and together with our state-of-the-art technology, up to date knowledge and passion for performance have ensured continuous growth in the industry.

The Group's wide product range encompasses across construction solutions of fixing, finishing and beautification of living spaces.



OUR VISION

To be the leading manufacturer of Tile Grout, Tile Mortar and Decorative Pebbles in Sri Lanka whilst supplying wooden flooring to enhance the range of flooring products available through other group Companies.



OUR MISSION

The production and marketing of exceptional quality products at optimum affordability.

PRODUCTION FACILITIES

Swisstek (Ceylon) PLC Balummahara Factory Complex



Production focus
Mortar, Grout, Skim Coat

Production capacity
91,200 MT

Sold Quantity
44,400 MT

Swisstek Aluminium Ltd Dompe Factory Complex



Production focus
Aluminium extrusions

Production capacity
8,400 MT

Sold Quantity
4,221 MT

OUR CONTRIBUTION

People

Rs. 665 Mn
Payments to employees

Rs. 0.42 Mn
invested in training

86%
retention rate

Planet

1,415 MT of Aluminium Scrap/ Secondary billets used in our production process.

Development of environmentally friendly products.

Inculcating environmentally responsible practices down our supply chain.

Customers and suppliers

06 new products
launched during the year

3,000+ customer
touchpoints

550 suppliers

VALUE DISTRIBUTION

Employees - **49%**

Rs. 993 Mn
Salaries & other benefits

Government - **5%**

Rs. 107 Mn
As Taxes

Providers of Capital- **4%**

Rs. 95 Mn
Dividend declared

Lenders of Capital- **42%**

Rs. 856 Mn
As Interests

ABOUT US

Our Products

Finishing

Tile Adhesive



Swisstek Tile Adhesive is manufactured in accordance with international standards and the ISO 9001:2015 quality management system. Also, Swisstek tile adhesive is the only SLS certified product of its kind available in the Sri Lankan market. The company conducts frequent inspections in independent laboratories to maintain the premium standards of its output. Swisstek's Tile Adhesive can ideally be used for the installation of ceramic and porcelain tiles, granite, marble and other materials used on both walls and floors. The product is formulated with cement, ceramic fillers, polymer and a unique binding agent, all of which improve the product's resistance to water while increasing strength and longevity.

Skim Coat



Skim coat is a textured compound, used to smooth-out surfaces of walls prior to painting. Swisstek Skim Coat is certified good quality with international standards for both interior and exterior application. It's smooth texture, is a result of its water-based compound mixture, which is produced in the white colour, making it versatile for any surface and ideal to meet any expectations of the customers.

Grout & Grout Sealer



With 20 colours for the customer to choose from, Swisstek Tile Grout is ISO certified and is the only SLS Certified product of its kind available in the Sri Lankan market. The company adheres to the highest quality standards in its creation and conducts regular examinations within independent laboratories to verify that all guidelines are followed.

Swisstek Grout Sealer is a water-based penetrating coating liquid that was formulated to protect sanded and unsanded grout joints against moisture and stains. The customer is assured that the lines running in between tiles remain clean and crisp by properly applying this transparent solution along the grout lines.

Waterproofer



Swisstek Aqua Shield 2K Waterproofer, a top-of-the-line solution that guarantees to keep structures protected against water damage. Formulated with a cementitious base and expertly blended with graded aggregates and specially designed acrylic additives, Swisstek Aqua Shield 2K Waterproofer is a true testament to advanced waterproofing technology.

Swisstek Aqua Shield is perfect for safeguarding concrete slabs, rooftops, columns, retaining walls, bases, foundations, pile caps, swimming pools, water tanks, bathrooms and kitchens from the harmful effects of water exposure.

Finishing

Swisstek Aluminium



ALUMINIUM
FOR THE PERFECT FINISH

Swisstek Aluminium is one of the leading commercial and industrial Aluminium extrusion profile

manufacturers in Sri Lanka. Using breakthrough innovation and expert capabilities to meet international standards to produce sustainable and high-quality products for residential and architectural requirements.

Beautification

Decorative Pebbles



Swisstek Decorative Pebbles are used to add beauty and decorate aquariums or any other comfort space. These pebbles come in a diverse fashion of vibrant colour and picturesque beauty and available in five different colors of crystal white, black, ivory, grey and pink. These stones are designed to transform spaces into one that is elegant and has a pop of colour. These stones can be used for both interior and exterior and are of the highest quality in Sri Lanka.

Finishing

Silicon Sealant



Swisstek Silicone is designed to deliver exceptional results with its cutting-edge formula that offers unmatched sealing capabilities. Swisstek Silicone is created with the finest materials to provide higher tensile strength and excellent adhesion, which guarantees the surfaces are fully protected from any water leakages (100% waterproof). Swisstek Silicone is a non-acidic neutral silicone which is recommended for many surfaces and resistant to mold, yellowing or any surface discolorations.

Quick Flow



Swisstek Quick Flow is a cement-based levelling mortar that is used on concrete floors prior to the application of materials like carpet, vinyl, tiles and parquet. When combined with water, it can be used on concrete floors as a thin layer levelling and scraping mortar. It is a highly efficient product that is very simple to use. When cured, it offers a seamless, level ground for installing a multitude of floor coverings.

Swisstek Roof Master



Swisstek Roof Master is committed to offer contemporary solutions with proper Zinc Aluminum composition materials to the construction industry of Sri Lanka. The Roof Master product range includes roofing, cladding, purlins, gutters and other required accessories.

Steel products have gained fame for their superiority in the Sri Lankan market within a short period as it conforms to international standards. In this spectrum Zinc Aluminum compound becomes an effective protection layer on the steel base material to prevent penetration of corrosive factors.

Swiss Parkett



Transcending centuries of style, Swisstek wood flooring is the ultimate choice for a perfect finish to give a luxurious touch to your space. Customers may choose from a range of different options and clothe their home in elegance that speaks volumes of classic interior and supreme durability. Swisstek wood flooring is one of the highest quality flooring options available in Sri Lanka providing nothing but the best for your spaces. It is sustainable and eco-friendly introducing an era of class and signature style into customer homes.

Cleaning

Tile Cleaner



Swisstek heavy-dirt tile cleaner is formulated to maintain the natural beauty of tiled surface after installation.

It assures all types of tiles and even products such as marble are preserved in their almost original appearance by efficiently removing heavy dust and dirt.

KEY MILESTONES

1967

The Company was incorporated as Parquet (Ceylon) Ltd to manufacture mosaic flooring using offcuts of local Teak.

Entered into technical collaboration with Bauwerk AG of Switzerland and introduced the brand "SWISSPARKETT" to the local flooring market.

1987

Became the first Company in the region to introduce Rubberwood for flooring to the international market. (UK, USA, Germany, Netherlands, Switzerland, Spain, Greece, Australia, India, Pakistan, Norway, Belgium, Korea).

Became the first Company to obtain the Forest Stewardship Council Certificate (FSC).

Received the prestigious Presidential Export Award for Excellence in the Wood sector.

2003

Became a member of the Lanka Walltile Group of Companies.

2011

The Company name was changed from Parquet (Ceylon) PLC to Swisstek (Ceylon) PLC. The name of the subsidiary Ceykor Aluminium Industries Ltd was changed to Swisstek Aluminium Ltd.

"SWISSTEK" Brand name was introduced for Tile Mortar & Tile Grout and used for Decorative Pebbles, Skim Coat & Tile Cleaner products added to the range, subsequently. Imported wooden flooring continues to be marketed locally under the "SWISSPARKETT" Brand name. Aluminium products sold by the subsidiary are marketed under the "SWISSTEK ALUMINIUM" brand name.

2013

Vallibel One PLC became the Company's ultimate parent Company.

2020

Swisstek Aluminium signs contract with ETEM to sell its system in Sri Lanka.

Increase warehouse and logistic capacity.

Introduces new products QUICK FLOW and GROUT SEALER to the market together with ladders and Fabricated Doors.

2021

Strengthened e-commerce platform.

Swisstek was awarded the timber flooring project at Prime Grand Residencies, Ward Place, Colombo-07.

2024

Continue to hold the market leadership position in the Adhesive and grout market

Recognising Swisstek brand among the most loved product brands in Sri Lanka first time ever (LMD readers' most loved product brands 23/24)

Ventured into the export of mosaic flooring & block Parquet manufactured in local species Teak, Kumbuk & Panakka.

1972

Listed in the Colombo Stock Exchange.

1983

The main line of business was changed from the manufacture & sale of wooden flooring to the manufacture & sale of Tile Mortar and Tile Grout. The manufacture of wooden flooring was discontinued although imported wooden flooring continued to be sold locally.

2009

The Company acquired Ceykor Aluminium Industries Ltd. expanding its operations to include the manufacture & sale of Aluminium Extrusions.

2010

Was awarded the ISO 9001 certificate for manufacture of Tile Mortar, by the Sri Lanka Standards Institute.

Invested in a Rs. 170 Mn plant to increase the manufacture of Tile Mortar.

2015

Swisstek Aluminium obtained 'QUALICOAT' Certification - the Gold standard for Powder Coated Aluminium.

Swisstek timber flooring bags the biggest contract in Sri Lanka for timber flooring from the 'Waterfront' project.

2019

Swisstek Aluminium became the No. 1 Aluminium Extrusions supplier in Sri Lanka.

Swisstek (Ceylon) became the No. 1 Mortar supplier in Sri Lanka.

Swisstek (Ceylon) and Swisstek Aluminium recognised a Great Place to Work.

2022

Swisstek entered into Zinc Aluminium roofing products under new Sub brand - Swisstek Roof Master.

Expanded the product portfolio in to water proofing solutions with Cementous and silicone-based products.

2023








Our Value
CREATION STORY

By embracing innovation and fostering strong relationships with our stakeholders we are focused on creating enduring value.

PERFORMANCE HIGHLIGHTS 2023/24

		Group		Company	
		2023/24	2022/23	2023/24	2022/23
Financial Performance					
Revenue	Rs. Mn	10,079	8,970	2,873	3,741
Gross profit	Rs. Mn	1,884	2,215	750	925
Operating expenses	Rs. Mn	1,307	1,141	318	315
Operating profit	Rs. Mn	778	1,263	549	735
Pre-tax profit/(loss)	Rs. Mn	(77)	(779)	334	547
Taxation	Rs. Mn	35	(76)	106	180
Profit /(Loss) for the year	Rs. Mn	(113)	(703)	228	367
GP margin	%	19	25	26	25
OP margin	%	8	14	19	20
Net profit margin	%	(1)	(8)	8	10
Return on capital employed	%	13	47	20	31
Financial Position					
Total assets	Rs. Mn	11,081	10,911	4,053	3,920
Non-current assets	Rs. Mn	4,269	3,924	2,672	2,501
Current assets	Rs. Mn	6,812	6,987	1,381	1,419
Shareholders' funds	Rs. Mn	2,349	2,244	2,252	1,993
Borrowings	Rs. Mn	6,351	6,724	929	1,166
Gearing ratio	Times	0.71	0.74	0.29	0.37
Interest cover	Times	0.83	0.59	2.42	2.79
Current ratio	Times	1.33	0.85	1.02	0.92
Quick asset ratio	Times	0.52	0.29	0.68	0.57
Investor information					
Earnings/(Loss) per share	Rs.	(0.51)	(4.15)	1.67	2.68
Dividend per share	Rs.	0.70	2.00	0.70	2.00
Net Asset Value per share	Rs.	17.51	16.91	16.45	14.56
Market value per share at 31st March	Rs.	19.20	14.30	19.20	14.30
Market capitalisation as at 31st March	Rs. Mn	2,614	1,957	2,614	1,957
P/E ratio	Times	(38.35)	(3.40)	11.44	5.26

Non Financial Performance

			2023/24	2022/23
Human Capital 	Total employees	No.	600	481
	Payments to employees	Rs. Mn	665	512
	Employee retention rate	%	86	91
	Female representation	%	9	9
	New recruits	No.	207	75
	Investment in training	Rs. Mn	0.42	0.71
	Total training hours	Hours	4,902	2,419
	Average training hours/employee	Hours	8	5.0
	Workplace injuries	No.	24	18
	Union representation	%	43	39
Manufactured Capital 	Property, plant and equipment	Rs. Mn	3,977	3,580
	Investment in capex	Rs. Mn	143	401
	Production volume (Aluminium + Cement Based Products)	MT	48,176	63,224
Intellectual Capital 	R&D Investment	Rs. Mn	0.28	8
	New products launched	No.	6	10
	Average length of employee service	Years	10	8
Social and Relationship Capital 	Payments to suppliers	Rs. Mn	6,611	10,476
	Proportional spending to local suppliers	%	60	49
	CSR Beneficiaries	No.	400	350
	Investment in CSR	Rs. Mn	0.89	0.30
Natural capital 	Raw material Consumption	MT	39,358	50,189
	Energy consumption	GJ	59,094	53,322
	Energy intensity	GJ per unit	2.07	2.98
	Water consumption	M3	16,119	9,653
	Solid waste generation	MT	32	57

CHAIRMAN'S REVIEW



“ At Swisstek (Ceylon) PLC we remain steadfast in our commitment to support and deliver consistent value to our stakeholders. We focused on navigating through these challenging externalities with a strong belief that our operations, our products, along with our commitment to innovate and invest have a wider impact in the economy ”

Dear valued shareholder,

I welcome you to the 57th Annual General Meeting of Swisstek (Ceylon) PLC. I wish to present to you our seventh integrated Annual Report and the audited accounts as at 31st March 2024. Our Annual Report themed ‘Boundless Frontiers’ highlights the financial performance and the business performance in a challenging operating context.

The financial year 2023/24 was marked by unprecedented challenges which affected the construction industry significantly. The Group adapted to these challenging business externalities with agility and adaptability to deliver value to all stakeholders. The Group with its strong foundation built on its solid brand proposition has won the trust of our customers. The experiences gleaned from the series of challenges experienced over the last few years have enabled us to recognise our strengths and weaknesses to respond and align ourselves to a complex and dynamic business landscape.

NAVIGATING A CHALLENGING BUSINESS TERRAIN

In the aftermath of the pandemic, the world found itself grappling with a series of challenges. This was compounded by the resurgence of geopolitical tensions across the world which led to an increase in commodity prices. Tighter monetary policy

stances adopted by many economies to control inflationary conditions led to a downturn in economic activity which created an overall decline in global GDP levels.

Sri Lanka faced a series of economic upheavals having transitioned to a certain degree of normalcy in the aftermath of the severe financial crisis in 2022. The financial year 2023/24 commenced with high inflation levels exerting unprecedented pressure on household budgets. Price levels were elevated as inflation in 2022 reached a high of 73.7% in September 2022, declining thereafter in response to targeted monetary policy measures. Interest rates were on a decreasing trend but at high levels with AWNFDR at 21.07% and AWNLR at 23.70%. The monetary and fiscal policies were targeted to discourage consumption to stabilise the economy. The first quarter of the financial year recorded a negative economic growth. However, macro prudential measures implemented by the authorities contributed towards a more conducive environment for a moderate economic revival. During the second quarter the completion of the domestic debt optimisation helped reduce uncertainty from financial markets. Improved foreign exchange liquidity enabled the gradual easing of import restrictions. Inflation declined to single digits, reaching 1.53% by September 2023. Foreign exchange reserves were

strengthened with the increase of tourist arrivals. Foreign exchange inflows were further boosted by increased inflows from migrant worker remittances. Resultantly, during the quarter ending September 2023, the country recorded a positive GDP growth of 1.6 % after 6 quarters of negative growth, uplifting sentiments across consumers and businesses alike. The third quarter consolidated the positive trends wherein a positive GDP growth of 4.5% was recorded with all three sectors consolidating the progress made in the previous quarter. In this economic backdrop the construction industry remained flat with muted demand for products as new projects in the commercial arena were not commissioned due to high interest rates and negative business confidence levels.

SUSTAINING VALUE FOR STAKEHOLDERS

At Swisstek (Ceylon) PLC we remain steadfast in our commitment to support and deliver consistent value to our stakeholders. We focused on navigating through these challenging externalities with a strong belief that our operations, our products, along with our commitment to innovate and invest have a wider impact on the economy. The Group relied on customer trust and brand value which has been built over the years to build a stronger relationship with our customers and create value for our stakeholders.

We are cautiously optimistic of the pick up of the construction industry. Having completed several landmark construction projects in the last two years, we look forward to partnering and delivering quality the and finesse of Swisstek flooring solutions to projects of the same magnitude and scale.

We believe that as a leading manufacturer we have an onus of responsibility to partner with the nation for economic growth by generating jobs, delivering innovative products and providing effective and sustainable solutions for our customers. Despite the lack lustre construction activity, the Group was successful in responding to the emergent market dynamics swiftly with agility. The business operations have demonstrated significant resilience. During the year, the Group was successful in recording a modest revenue growth of 12% by reaching an overall top line revenue of Rs 10 Bn. The Group focused on cost optimisation strategies to minimise the inflationary effects and manage its costs. Despite these initiatives escalating expenses placed significant pressure on profitability margins. However we as a responsible player did not pass on these increases to our customers. The Group managed to reduce its operating loss significantly through carefully calibrated strategies, focusing on maintaining revenue levels, cost optimisation, working capital management and prudent funding. The Group's loss position was reduced to Rs. 113 Mn from Rs. 703 Mn recorded in the preceding year.

We continued to strengthen our internal processes in order to increase the efficiency and productivity of our business. Our people have shown remarkable courage during the year. Continuous

engagement and increased remuneration were two of our key human resource focus areas as we aimed to provide our fullest support to our staff who have been an immense source of strength for the organisation.

GOVERNANCE

The Board believes that governance should be a delicate balance between steadfast leadership and adaptive response requiring transparency, accountability and inclusivity to maintain trust and confidence. The Board devoted significant time to navigate uncertainty with agility and foresight, embracing flexibility in policies and strategies to address rapidly evolving circumstances. During the year we focused on effective risk management processes by setting in place proactive measures to anticipate and mitigate threats.

FOCUS ON ESG

In the aftermath of the challenges seen over the last three years, the Group has directed its attention towards the interests of its stakeholders who have been impacted negatively due to the economic downturn. We are focused on entrenching ESG into our core business strategy. We implemented several green initiatives at the factories to introduce environmentally friendly manufacturing processes. We reached out to the communities surrounding the factories with several CSR initiatives to ensure their wellbeing.

DIVIDENDS

For the year under review, the group paid an interim dividend of Rs. 0.50 per share for the current year, which was paid on 04th April 2024. A final dividend of Rs. 0.30 per share has been proposed to be approved by the shareholders at the next annual general meeting.

ALIGNING OUR GROWTH ASPIRATIONS

As the nation aligns itself towards economic revival, with the green shoots of economic recovery the construction industry seems to gather its momentum at a very slow pace. In this context our core strategy would be directed at exploring the potential of export markets. Presently, the

Group has made headway in Maldives by establishing its business presence.

We observe a slight pick up in construction sector activity and trust that it gathers momentum as the year progresses. Further the lifting of the import ban on tiles has opened up market opportunities for our core product tile mortar and grout. Therein, we hope to build our market presence of our core products of tile mortar and grout, by maximising our presence across our dealer network. We are cautiously optimistic of the pick up of the construction industry. Having completed several landmark construction projects in the last two years, we look forward to partnering and delivering quality and finesse of Swisstek flooring solutions to projects of the same magnitude and scale. We strongly believe that our diversified product portfolio across fixing, finishing and beautification will generate traction to create value.

Working capital management will be a key area of focus, and we will focus on further reducing finance costs. The Board continues to monitor performance and risks to mitigate and manage impacts with foresight.

A NOTE OF APPRECIATION

I take this opportunity to thank my fellow Board members for their insights and deliberations. I wish to commend the Swisstek (Ceylon) team led by the Managing Director for their dedication and commitment in traversing through a challenging business landscape.

I thank all our customers for their continued trust and our business partners for their contributions and look to strengthen our partnerships in the future. Finally, I thank our shareholders for their continued trust and confidence and look forward to delivering enhanced value in the year ahead.



S H Amarasekera
Chairman

30th May 2024

MANAGING DIRECTOR'S MESSAGE



“ During the year we strengthened our roofing sheet business operations by strengthening our marketing team. These initiatives showed encouraging results as we continue to compete and make headway in a very competitive roofing sheet market. ”

Dear Shareholder,

Business resilience and adaptability are two of the key attributes of success in times of uncertainty and volatility. Agility, adaptability and resilience helped Swisstek (Ceylon) PLC move ahead through unprecedented challenges, as the Group displayed its mettle by adapting to a subdued construction sector. Despite facing unprecedented obstacles, we have weathered the storm with the enduring trust of our Swisstek brand, strong manufacturing capabilities, robust distribution network, technology adoption and our committed team. Throughout this crisis, we have remained steadfast by adapting swiftly to dynamic circumstances, innovating with a diversified product suite and finding new ways to serve our customers. Our ability to pivot and embrace change has been essential to our survival whilst creating sustainable value for all stakeholders.

PERFORMANCE OF THE GROUP

The year 2023/24, preceded four consecutive years of severe hardship endured by our nation commencing with the April 2019 attacks, the pandemic and the economic crisis. However, the Group was able positioned to move ahead adapting to these dynamic business challenges due to its strong platform of strength. The construction industry faced a challenging year, experiencing a contraction with a decline in real terms at approximately 14.9%. The Purchasing Managers' Index (PMI) data reflected

subdued activity throughout the year as the index remained below 50, indicating a contraction in the construction industry . Lack of new projects being commissioned exacerbated the depressed construction sector.

The financial year commenced with heightened uncertainty as the Government of Sri Lanka was forced to take unprecedented measures. The conditions laid down in the IMF agreement and the manner in which Sri Lanka's economy and public finances were managed in the past necessitated a number of drastic tax increases in 2023. High inflation and steep hikes in utility costs, created a negative customer sentiment across all quarters of the financial year 2023/24. However, a pent up demand was witnessed for some of our products in December 2023 due to the impending increase in the Value Added Tax. This created a one – off increase in turnover levels. Declined demand for our flooring related products resulted in our manufacturing plants operating below the maximum capacity which created a decline in profitability levels. We expanded our product portfolio by introducing water proofing material and we increased our market share in the wall putty business. In a sluggish construction sector, the Group focused on maintaining its visibility across its broad product segments to maintain its business activities. We strived to entrench ourselves within the segments we operate by maintaining market share across our key business verticals.

During the latter part of the year, the lifting of the import ban on tiles ,opened up the tile market. This was an opportunity to make our presence within the dealer segment through aggressive marketing. This enabled us to build our revenue and utilise the excess manufacturing capacity. During the year we strengthened our roofing sheet business operations by strengthening our marketing team. These initiatives showed encouraging results as we continue to compete and make headway in a very competitive roofing sheet market.

During the year, the Group in its quest of market development strengthened its presence in Maldives by setting in place a full fledged marketing office. We believe that exploring the potential for our products beyond boundaries will be a core strategy for the future.

In this operating context, the Group posted a very modest revenue growth of Rs 10 Bn displaying an increase of 12% from the previous financial year. The inflationary conditions prevalent across the year, resulted in a steep escalation of cost of sales to Rs 8 Bn marking a significant increase of 21%. The Group ended the year with an operating profit of Rs778 Mn which reflects a 39% decline from Rs 1,263 Mn recorded in the preceding year. Profitability levels were affected by increased administration expenses and financial costs.

During the year, the Group in its quest of market development strengthened its presence in Maldives by setting in place a full fledged marketing office

The Group's total assets increased marginally to Rs 11 Bn. During the year we consciously managed our borrowing levels by optimising our working capital cycle through better management of receivables and inventory management. Total equity as at 31st March 2024 was Rs 2.3 Bn marking a marginal increase from the previous financial year. The reserves of the Group showed a significant increase of 39% to Rs 1 Bn from Rs 719 Mn in the previous financial year.

OUR PEOPLE OUR STRENGTH

The people are the backbone of our organisation, who are responsible to drive innovation, productivity and growth. During the year the Group faced a mass exodus due to migration and retaining our talent was a key priority. The Group recognising that economic activities were causing pressure on employees enhanced the salaries and remuneration of the employees above the industry norms to support the wellbeing of the people. We introduced several engagement activities to build a cohesive bond and develop camaraderie among the team members.

INTEGRATING ESG

The Group places significant emphasis on environmental conservation efforts, which are integral to its sustainability strategy. The Group initiated a tree-planting program which commenced with 100 trees in 2023 on a recently acquired land. We envisage to continue this project into 2024 with additional trees being planted. These actions not only contribute to the local ecosystem but also align with global environmental goals and enhance the group's green credentials. This commitment extends to ensuring all business expansions and operations which are committed to improving efficiency and reducing environmental impact. In 2023/2024, Swisstek implemented a new metering system across its main silica sand processing facilities. This allowed

for precise tracking and management of electricity consumption, facilitating more targeted energy-saving measures.

Additionally, the transition from diesel to gas across our manufacturing operations has helped us mitigate our environmental footprint by reducing carbon emissions. These initiatives are bolstered by an employee incentive program that rewards conservation efforts, embedding a culture of sustainability within the workforce.

Moreover, Swisstek has introduced upgraded dust extraction units to ensure complete recycling of production by-products such as cement and silica dust. This initiative supports a circular economy model, reducing raw material needs and waste production.

THE ROAD AHEAD

The Sri Lankan economy has shown signs of slow recovery, however, it is still not out of the woods. According to forecasts by the International Monetary Fund (IMF) the economy will reach the 2018 growth levels by 2027. The annual economic growth during this period will be low at 2-3%, which is an achievement we cannot be proud of. In this context, the construction industry will remain subdued during the next few years with unimpressive growth.

As a Group whose business is intrinsically linked to the construction industry, a depressed construction industry will not be conducive to our business growth. In order to turn around the economy and make significant headway policymakers will need to prioritise economic stability and enact meaningful reforms as the country still faces significant hurdles to overcome. Overall, the Sri Lankan construction industry in 2024 is in a critical stage. While there are some positive signs, significant challenges remain. The industry's future will depend on the effectiveness of government interventions and the overall health of the Sri Lankan economy. Therefore, it is imperative that the country takes proactive action to push economic growth through a complete overhaul of the system and a paradigm shift.

In order to progress, the Government needs to put in place well coordinated monetary and fiscal policies and implement growth-enhancing structural reforms to emerge from the current economic crisis. The country needs to move away from the

complacent attitude and push towards ambitious and tangible benchmarks of growth to generate greater revenue from exports and tourism. Sri Lanka was ranked 99 among 190 economies in the 'Ease of Doing Business Index' reflecting that the regulatory environment is not so conducive for starting and operating a local firm. It suggests that there are still significant hurdles to overcome to create a more favourable environment for entrepreneurs. We as a country need to have a greater clarity on international markets and the market dynamics on which large markets operate to position the country as a formidable exporter.

As the country sets its sights on economic revival it needs to push beyond conservative estimates and strategise towards ambitious targets in its economic indicators and projections for key business activities such as exports and tourism. The country needs to benchmark successful countries such as Maldives, Greece and Malaysia whose annual tourist arrivals are in par or equivalent to its populations. This clearly shows that estimated arrival of 2.5 Mn tourists for a population of 21 Mn is well below the potential of our country.

A NOTE OF THANKS

I take this opportunity to extend my sincere appreciation to the Chairman and the Board of Directors for their strategic wisdom in guiding the Group through a complex business terrain. I wish to thank our valued customers, suppliers, business partners and shareholders for the continued trust placed in the Group and the support extended to us.

I place my deep appreciation to the Swisstek (Ceylon) team who displayed their unstinted dedication and commitment. Together you have proven that no terrain is too tough to conquer and no challenge too daunting to overcome.

Here's to a new journey filled with new challenges, new triumphs and boundless frontiers together.



J A P M Jayasekera
Managing Director

30th May 2024

BOARD OF DIRECTORS



Mr. S H Amarasekera
Chairman/Independent Non-Executive Director

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

Mr. Amarasekera was admitted to the Bar in November 1987 and took oath as a President's Counsel in November 2012.

Mr. Amarasekera was appointed to the Board as an Independent Non-Executive Chairman on 01st September 2018.

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



Mr. J A P M Jayasekera
Managing Director

Mr. Mahendra Jayasekera is the Chairman of the Sri Lanka Cost and Management Accounting Standards Board. He has an honors degree in Business Administration from the University of Sri Jayewardenapura and is a fellow member of the Institute of Chartered Accountants of Sri Lanka. He holds a Master of Arts degree in Buddhist Studies (Distinction Pass) from the University of Kelaniya. He is the President of the Colombo Young Men's Buddhist Association.

He holds directorships in 16 other companies: Managing Director of Lanka Walltiles PLC, Lanka Ceramic PLC, Lanka Tiles PLC, M N Properties (Pvt) Ltd, M N L Properties (Pvt) Ltd, M N J Properties (Pvt) Limited, Swisstek Aluminium Limited, Swisstek Development Ltd, LTL Development Ltd, Swisstek Investment (Pvt) Ltd and LW Plantation Investment Ltd. Executive Director of Uni Dil Packaging Limited, Uni Dil Packaging Solutions Limited, Beyond Paradise Collection Limited and LWL Development (Pvt) Limited and Non-Executive Director of Lanka Swisstek (Pvt) Ltd.

In addition, he is the Chairman of Valley View Ceramics LLC and President / Secretary of Lankatiles USA Inc.



Mr. J K A Sirinatha
Non-Executive Director

Mr. J K Aravinda Sirinatha holds a Master's Degree in Business Administration, a Bachelor's Degree in Management and has also completed the Intermediate level exams held by the Institute of Chartered Accountants of Sri Lanka. He holds 25 years' experience in the fields of finance, Manufacturing, Supply Chain Management and Sales and Marketing.

He holds directorships in five other companies : Non-Executive Director of LB Managements Services (Private) Ltd, Delmege Freight Services (Private) Ltd and Delmege Air Services Ltd, Ever Paint and Chemical Industries (Private) Limited and Home Base Lanka (Pvt) Ltd.



Dr. Sivakumar Selliah
Independent Non-Executive Director

Dr. Selliah holds an MBBS degree and a Master's Degree (M.Phil) and has over two decades of diverse and extensive experience in serving on the Boards related to varied fields including Manufacturing, Healthcare, Insurance, Banking, Logistics, Packaging, Renewable Power, Plantation, Retail etc. He currently serves on the Boards of many Public listed and Private companies. Has extensive experience on serving on Board sub committees as Chairman or Member which include, Human Resource and Remuneration committee, Investment committee,

Strategic Planning committee, Related Party Transaction committee, Nomination and Governance committee, Audit committee, Risk Management committee etc.

Dr. Selliah serves on a non executive capacity in the following company Boards. Dr.Selliah is the Chairman of JAT Holdings PLC and serves as a Director of Commercial Bank of Ceylon PLC, Lanka Tiles PLC, Lanka Walltiles PLC, ACL Cables PLC, Arunodhaya Private Ltd, Arunodhaya Industries (Pvt) Ltd. He is the Deputy Chairman of Asiri Surgical Hospital PLC, Asiri Hospital Holdings PLC and Central Hospitals Private Ltd. He is also the Chairman of Cleanco Lanka (Private) Ltd and Vydexa Lanka Power Corporation (Pvt) Ltd and Andysel (Private) Ltd. He also is a director of Arunodhaya Investments (Pvt) Ltd. He has also served on many other Listed company Boards in the past.

Dr.Selliah has served as a Senior Lecturer in the Faculty of Medicine, University of Kelaniya for many years in the past and served on several committees. He has also been Head of the Department of Physiology for many years during this period at the Faculty. He has also served as a Member of the University Council at the University of Colombo in the past.



Mr. A M Weerasinghe
Non-Executive Director

Founder of Royal Ceramics Lanka PLC in 1990 and currently serving as the Director of this Company. A Gem Merchant by profession. Mr. Weerasinghe has been in the business field for more than 38 years involved in Real Estate, Construction, Transportation & Hospital Industry, and has been a Landed Proprietor.

He holds directorships in fourteen other companies : Executive Chairman of Rocell Bathware Limited, Executive Deputy Chairman of Royal Ceramics Lanka PLC, Non-Executive Chairman of Lanka Walltiles PLC, Lanka Tiles PLC, Lanka Ceramic PLC, Ever Paint and Chemical Industries (Private)

Limited, Singhe Hospitals PLC, Weerasinghe Property Development (Pvt) Ltd, Trade Huts (Pvt) Ltd, and Weerasinghe Gems (Pvt) Ltd, Non-Executive Director of Swisstek Aluminium Limited, Biscuits and Chocolate Company Ltd, Rocell Properties Limited and Royal Ceramics Distributors (Private) Ltd.



Mr. A S Mahendra
Independent Non-Executive Director

Mr. A S Mahendra is the Director - Group Marketing of Lanka Walltiles PLC and Lanka Tiles PLC both companies quoted on the Colombo Stock Exchange.

He has 36 years of working experience in the field of Sales and Marketing. He holds an MBA in Marketing from the University of Colombo and a Post Graduate Diploma from the Chartered Institute of Marketing. He is a Chartered Marketer and a Fellow Member of the Chartered Institute of Marketing – UK

He holds directorship in two other company: Non-Executive Director of Swisstek Aluminium Limited and Vallibel Plantation Management Ltd.



Mr. K. D. G. Gunaratne
Independent Non-Executive Director

Mr. Gunaratne studied at St. Thomas' College Mt. Lavinia and was a member of the Western Provincial Council during the period 1989 to 2009.

He holds directorships in ten other companies: Non-Executive Chairman of Lanka Hotel & Residencies (Pvt) Ltd, Independent Non-Executive Director of Lanka Ceramic PLC, Lanka Walltiles PLC, Dipped Products PLC, Hayleys PLC, Horana Plantations PLC, Regnis Lanka PLC, Singer Industries (Ceylon) PLC and Lanka Tiles PLC.



Mr. C U Weerawardena
Independent Non-Executive Director

Mr. Chethiya Umagiliya, Currently pursuing his Doctorate in Business Administration from University of Azteca, also holds a Masters in Business Administration (MBA) from the University of Suffolk in the United Kingdom. His professional qualifications are further strengthened by his membership in the Chartered Management Institute (UK) (MCMI), professional memberships in the Financial Management Association (FMA) and Chartered Professional Managers (FCPM). He is also a member of the Chartered Institute of Marketing (MCIM).

Mr. Umagiliya holds a multifaceted career, thriving in both corporate and entrepreneurial environments. Currently serving on the board of directors for multiple corporations, his entrepreneurial spirit is further evidenced by his success in building entities across various sectors including that of Gems and Real Estate.

He holds directorships in four other companies : Non-Executive Chairman of Uni Dil Packaging Limited and Uni Dil Packaging Solutions Limited, Independent Non-Executive Director of The Fortress Resorts PLC and Non-Executive Director of Swisstek Aluminium Limited.

SENIOR MANAGEMENT TEAM



Mr. J A P M Jayasekera
Managing Director



Mr. Shirley Mahendra
Director - Group Marketing



Mr. Daminda Perera
Chief Operating Officer



Mr. Dayal de Silva
General Manager - Timber Operations



Ms. Sajeewani Amarasinghe
General Manager - Finance



Ms. Wajira Nanayakkara
Deputy General Manager - Plant and Technical



Mr. Prasad Keerthirathne
Asst. General Manger - IT



Ms. Kaushalya Sudasinghe
Asst. General Manager - Sales



Mr. B A M Thilakasiri
Group Stores Manager



Mr. Anura Ratnayake
Group Business Development - Manager



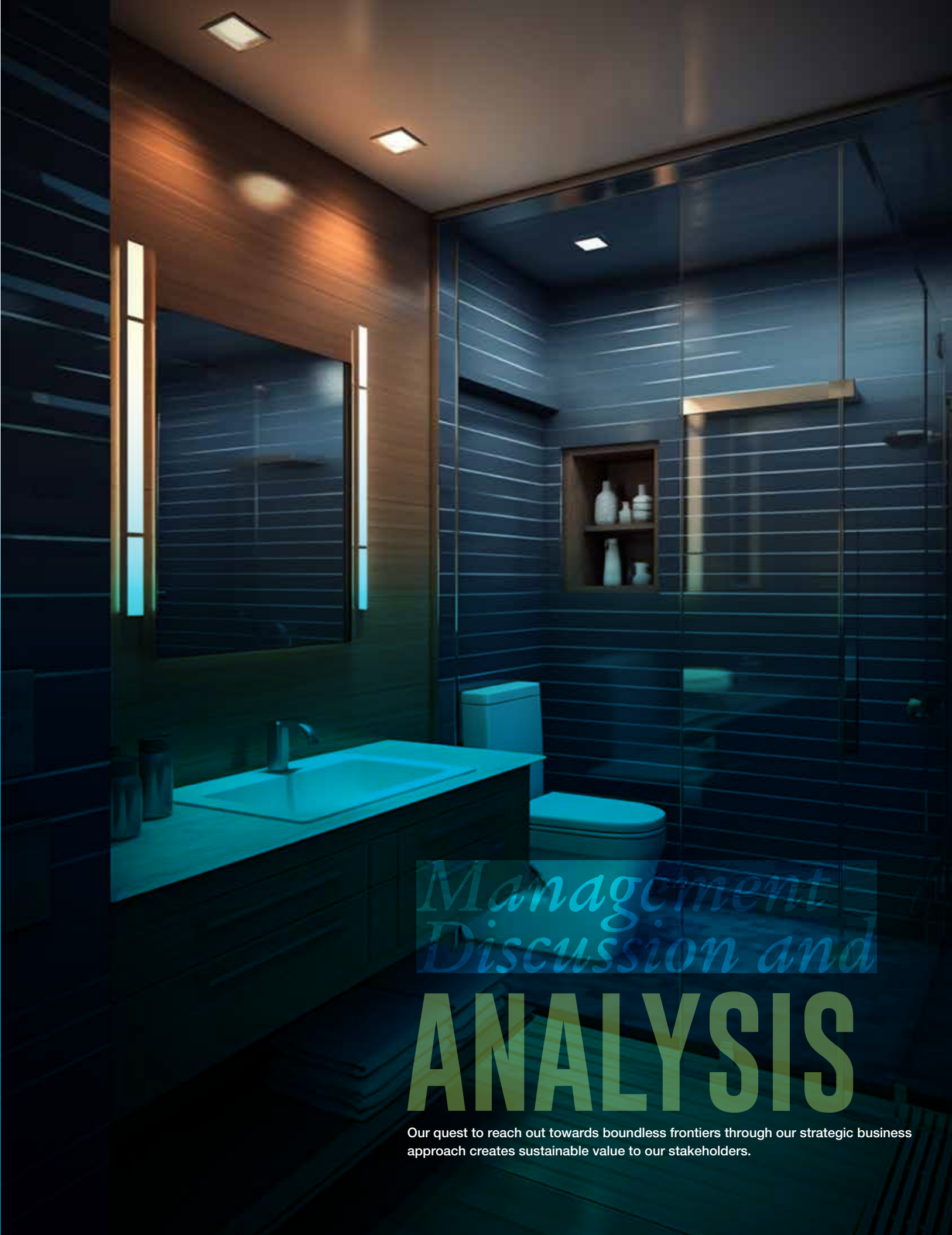
Mr. Athula Hewapathirana
Group Human Resource Manager



Mr. Kapila Ranatunga
Group Commercial Manager



Mr. Wijayananda Dissanayake
Manager - Sales and Marketing



*Management
Discussion and*
ANALYSIS

Our quest to reach out towards boundless frontiers through our strategic business approach creates sustainable value to our stakeholders.







STRATEGY

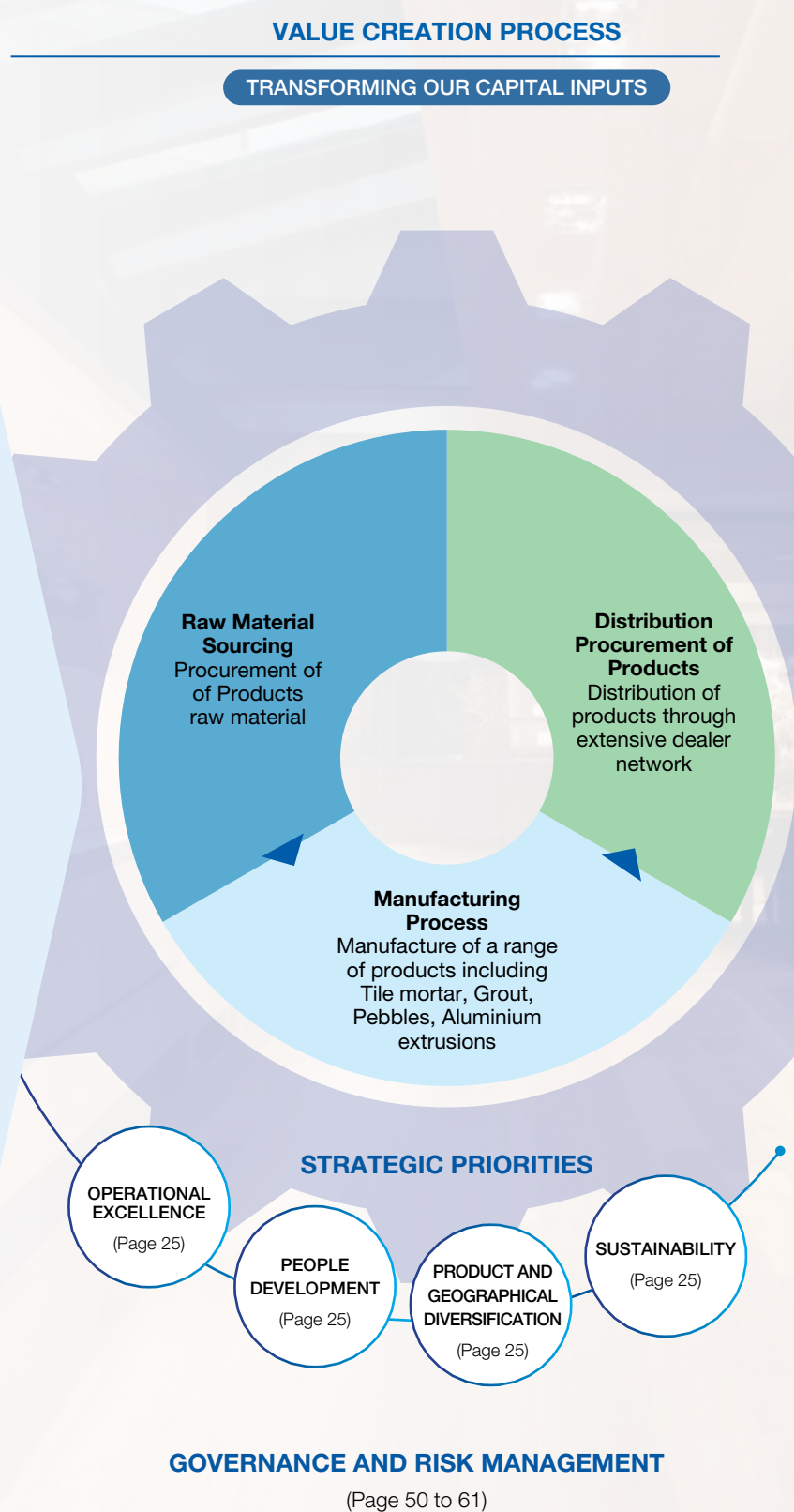
OUR VALUE CREATION MODEL

Our following value creation model depicts how we created sustainable value for our stakeholders by strategically leveraging our capital inputs.

VALUE DRIVERS

CAPITAL INPUTS

	<p>Financial Capital</p> <p>Shareholders funds Rs. 2,349 Mn</p> <p>Debt Rs. 6,351 Mn</p>
	<p>Manufactured Capital</p> <p>Manufacturing plants 3</p>
	<p>Human Capital</p> <p>Employees 600</p>
	<p>Social and Relationship Capital</p> <p>Supplier relationships: 550</p> <p>Distributors: 39</p> <p>Dealer outlets: 149</p> <p>Franchisees: 12</p>
	<p>Intellectual Capital</p> <p>Tacit knowledge systems, processes and standards</p> <p>R & D capabilities and brands</p>
	<p>Natural Capital</p> <p>Raw materials: 39,358 MT</p> <p>Water use: 16,119 m³</p> <p>Energy consumption: 59,094 GJ</p>



VALUE DELIVERED

OUTPUTS

Revenue
Rs. 10,079 Mn

Operating Profit (EBIT)
Rs. 778 Mn

Net Assets Per Share
Rs. 17.51

Dividend per share
Rs. 0.70

Payments to employees
Rs. 665 Mn

Investment in training and development
Rs. 0.42 Mn

Payments to suppliers
Rs. 6,611 Mn

Investments in community engagement
Rs. 0.30 Mn

Effluent discharge
18,465 m³

OUTCOMES



Shareholders

Sustainable returns
(Refer Financial capital on page 28)



Customers

**Innovative products
Increased customer convenience**
(Refer Social and Relationship Capital Report on page 38)



Employees

Opportunities for career progression and skill development in a dynamic environment
(Refer Human Capital Report on page 34)



Suppliers

Stronger partnerships
(Refer Social and Relationship Capital Report on page 38)



Community

Mutually beneficial relationships with the communities we operate in
(Refer Social and Relationship Capital Report on page 38)

CONTRIBUTION TO SDG's



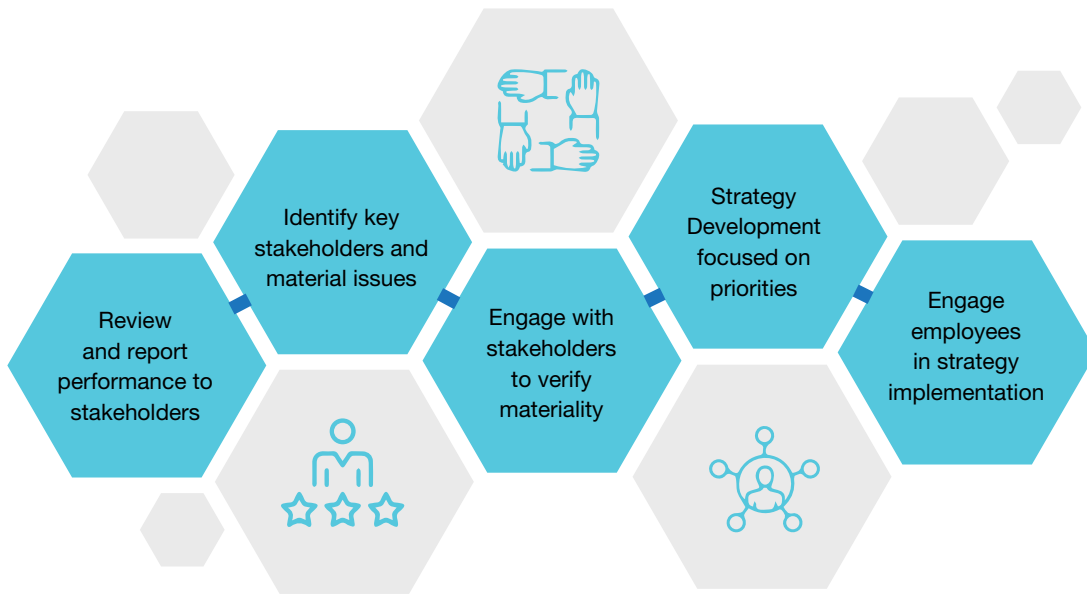
ENGAGING WITH OUR STAKEHOLDERS


We believe that our diverse stakeholders serve as a catalyst for innovation and progress. As we navigate an increasingly complex landscape, the value of stakeholder engagement emerges not merely as a strategic advantage but as an ethical imperative, guiding the journey towards sustainable growth and shared prosperity.




Therefore, we strive to maintain and build strong business relationships with our stakeholders to address their evolving needs. We rely on several formal and informal channels of communication to understand and address the needs of our stakeholders.

The constant feedback and communication we receive from our stakeholders serve as an important tool for us to collect data for materiality assessments to develop our strategies and to align our business in line with the expectations of our stakeholders.

STAKEHOLDER ENGAGEMENT PROCESS



Stakeholder Group	Engagement mechanisms	Key concerns addressed	Our response
SHAREHOLDERS AND INVESTORS 	<ul style="list-style-type: none"> ◆ AGM ◆ Annual Report and quarterly financial statements ◆ Announcements at the Colombo Stock Exchange ◆ Corporate website 	<ul style="list-style-type: none"> ◆ Our ongoing financial performance ◆ Business resilience ◆ Sustainability of business growth ◆ Corporate governance and risk management 	<ul style="list-style-type: none"> ◆ Committed to increasing revenue and enhancing profitability ◆ Prudent management of outflows ◆ Regular improvements to risk and governance practices in line with regulatory and compliance requirements
EMPLOYEES 	<ul style="list-style-type: none"> ◆ Annual performance appraisals ◆ Regularly conducted employee satisfaction surveys ◆ Multi-level staff meetings ◆ Recognition and award ceremonies. 	<ul style="list-style-type: none"> ◆ Health and safety ◆ Job security ◆ Attractive remuneration ◆ Opportunities for training and development ◆ Career progression and succession 	<ul style="list-style-type: none"> ◆ Annual increments and benefits in line with industry standards ◆ Employee development through specialised training programmes ◆ Engagement activities to build team spirit and camaraderie ◆ Non-discrimination policy ◆ Medical insurance

Stakeholder Group	Engagement mechanisms	Key concerns addressed	Our response
CUSTOMERS 	<ul style="list-style-type: none"> ◆ Customer satisfaction survey ◆ One-to-one engagement ◆ Customer hotline 	<ul style="list-style-type: none"> ◆ Product quality ◆ Value for money ◆ Accessibility and Supply reliability ◆ Product innovation ◆ Customer service 	<ul style="list-style-type: none"> ◆ New product formulations and developments catering to emerging needs of customers ◆ Consideration of customers' concerns on affordability in determining pricing ◆ Environmentally friendly products
BUSINESS PARTNERS 	<ul style="list-style-type: none"> ◆ Annual Reviews ◆ Conferences, industry forum ◆ Supplier site visits 	<ul style="list-style-type: none"> ◆ Sustainable business growth ◆ Product quality ◆ Availability of product ◆ Timely settlement of dues 	<ul style="list-style-type: none"> ◆ Ongoing and proactive communication ◆ Timely payments ◆ Prudent pricing policies
COMMUNITY 	<ul style="list-style-type: none"> ◆ Ongoing CSR projects ◆ Hotline to address community complaints 	<ul style="list-style-type: none"> ◆ Impact on environment from operations ◆ Responsible sourcing ◆ Community investment 	<ul style="list-style-type: none"> ◆ Researching and developing environmentally friendly products ◆ Increased the capacity of our dust extraction units to recycle 100% of the cement and silica dust. ◆ Strict adherence to standards specified by the Central Environmental Authority ◆ Extended help to families living in the areas surrounding the factory.

IDENTIFYING MATERIAL MATTERS

Materiality plays a vital role in financial reporting, risk management, and decision-making within a company. By understanding and properly addressing materiality, companies can enhance transparency, mitigate risks, and maintain credibility with investors and stakeholders. Our material topics address the aspects of the operation which have a significant economic, environmental and social impact or which substantially influence assessments and decisions of our stakeholders.

The material matters which have been identified during the year and the level of significance is depicted in the table below:

	Material topic	Corresponding GRI Topic
CRITICAL	Economic Performance	GRI 201 Economic Performance
	Raw Material Management	GRI 301 Materials
	Cost Management	GRI 302 Energy
	Supply Chain Management	GRI 204 Procurement Practices GRI 308 Supplier Environmental Assessment GRI 414 Supplier Social Assessment
	Employee Productivity	GRI 404 Training and Education
	Attraction and Retention of Employees	GRI 401 Employment
HIGH IMPACT	Employee Health and Safety	GRI 403: Occupational Health and Safety
	Product Development	GRI 416 Customer Health and Safety
	Employee Management and Labour Relations	GRI 402 Labour Management Relations GRI 406 Non-Discrimination GRI 407 Freedom of Association and Collective Bargaining
	Efficiency of distribution channels	GRI 417 Marketing and Labelling
SIGNIFICANT	Managing Environmental Impacts	GRI 303 Water and Effluents GRI 305 Emissions GRI 306 Waste
	Community Engagement	GRI 413 Local Communities
	Regulatory Compliance	GRI 307 Environmental Compliance GRI 419 Socio-Economic Compliance

OUR STRATEGY

Swisstek (Ceylon) PLC is recognised as a pivotal player in the construction industry of Sri Lanka. As the member of the Lanka Tiles Group we are considered a market leader in tile adhesives. Over the years, our business foundation has been strengthened by our focused strategies, which has helped us build and establish ourselves with a diversified and superior product range. This has elevated our competitive positioning. With the changes in the business environment, we are now pursuing new horizons of growth through our strategic pathway.

We aim to be the pioneers of new innovations and have built our own laboratory facilities for research and development to produce new products which are in line with our sustainability philosophy.

Strategy	Operational Excellence	Product and Geographical Diversification	People Development	Sustainable Operations
Key initiatives	<ul style="list-style-type: none"> New machinery purchased for the production of Skim Coat and Tile Mortar. Repaired and renovated factory and office buildings. Improvements to factory layout for maximum efficiency. Zero waste policy implemented with new avenues for recycling. 	<ul style="list-style-type: none"> Expanded distribution network. Development of new sustainable building materials. Introduction of 06 new products to our portfolio. 	<ul style="list-style-type: none"> Increased variable compensation benefits to cope with current situation. Training provided geared at mental wellness. 	<ul style="list-style-type: none"> Utilising waste material for product development. Expansion of green fence surrounding factory. Utilising sun drying methods to minimise energy consumption. Evaluating the suppliers raw material sourcing to prevent environmental impact.
Impact	<ul style="list-style-type: none"> Operating Profit : 778Mn ROCE: 13% Operating Margin : 8% 	<ul style="list-style-type: none"> Customer growth: 10%+ 	<ul style="list-style-type: none"> 86% retention ratio: Training hours per employee: 8 hrs Promotions: 15 	<ul style="list-style-type: none"> Investment in technology: 2Mn Investment in CSR: 0.89Mn
Challenges	<ul style="list-style-type: none"> Macro-economic instability High inflation Elevated interest rates Government policy changes 	<ul style="list-style-type: none"> - Lack of scalability of innovations due to decline in the sector. - Higher cost in distribution and dealerships bringing down tertiary stock level due to low market pull 	<ul style="list-style-type: none"> Higher turnover and retention 	<ul style="list-style-type: none"> Implications of climate change
Capitals impacted				
Stakeholders impacted				
Contribution to SDG				
Plans for 2024/25	<ul style="list-style-type: none"> - Improved sales & operational planning process to drive forecast accuracy and forecast bias - Selling operations and distributor order management on SFA (sales force automation) 	<ul style="list-style-type: none"> - Further, strengthen local distribution to improve reach - Explore opportunities in export markets in the African region 	<ul style="list-style-type: none"> - Provide foreign and local training to develop functional expertise - Drive inclusion and diversity with a new organisational vision, mission and values 	<ul style="list-style-type: none"> - Initiation of Green manufacturing - Implement energy efficient processes.

OPERATING ENVIRONMENT

GLOBAL CONTEXT

The year 2023 was marked by moderate global economic growth. Global growth levels increased moderately at 2.8% falling short of the historical average of 3.8%. This slowdown was primarily driven by rising interest rates, geopolitical tension and slow down in China's economy. Central banks around the world implemented tighter monetary policies to combat inflation, which dampened economic activity. The war in Ukraine and the tensions in Gaza disrupted supply chains, caused energy price hikes, and contributed to food insecurity, impacting global trade and investment.

Emerging Market and Developing Economies (EMDEs), while experiencing a modest decline in growth compared to 2022, fared better than advanced economies. This can be attributed to factors such as relatively strong domestic demand in some EMDEs and commodity price booms benefiting resource-rich countries.

Inflation remained a major concern throughout the year, though it peaked in the first half and showed signs of gradual decline towards the end. The International Monetary Fund (IMF) estimated global inflation to be around 6.9% in 2023, significantly higher than pre-pandemic levels.

LOCAL CONTEXT

Sri Lanka's economy was affected by the economic crisis of 2022.

Economic Growth: The trickle-down effects of the economic slowdown, social, political, and economic uncertainties and a shrinkage in aggregate demand due to high inflation, monetary tightening and fiscal tightening experienced in 2022 resulted in a contraction of the economy in the first two quarters of 2023. However, signs of gradual recovery were evident during the latter part of 2023 with all three key sectors recording growth in Q3 and Q4. However, the IMF estimates a 3.6% contraction of the economy for the 2023

due to the significant contraction reported in Q1 and Q2 of 2023.

Inflation: Inflation showed a sharp downward momentum from the highs witnessed in 2022 owing to the tight monetary policy, appreciation of the domestic currency and the downward adjustment of global commodity prices. Accordingly, the Headline inflation measured by the year-on-year change in the Colombo Consumer Price Index (CCPI) reached single digits in July 2023 after peaking at 69.8% in September 2022 to remain stable towards the end of the year. Headline inflation measured by the year-on-year change in the CCPI was recorded at 4.0% in December 2023 compared to 57.2% in December 2022. Headline inflation measured by the year-on-year change in the National Consumer Price Index (CCPI) was recorded at 65.0% in December 2023 compared to 4.2% in December 2022.

Exchange Rate: The foreign exchange liquidity crisis witnessed in 2022 eased in 2023 with the finalisation of the International Monetary Fund (IMF) Extended Fund Facility and increased inflows through workers' remittances and improved tourist earnings. Restrictions on imports also helped in preserving liquidity. On this backdrop, exchange rate stabilised, and The Sri Lankan Rupee appreciated against the USD during the year to record Rs. 324 by the end of 2023 compared to Rs. 363 by the end of 2022.

External Sector: The cumulative deficit in the trade account in 2023 narrowed to the lowest since 2010 to USD 4.9 Bn from USD 5.2 Bn in 2022. Earnings from merchandise exports declined by 9.1% YoY in 2023 which was mainly contributed by the decline in industrial exports led by garments. Meanwhile, expenditure on merchandise imports recorded a YoY decline of 8.1% in 2023 resulted due to restrictions on non-urgent imports, lower activities of the economy, lower spending capacity of the public due to tight monetary conditions.

Interest Rate: The Central Bank of Sri Lanka initiated easing of its monetary policy starting from June 2023 with the view of providing an impetus for the economy to rebound from the significant contraction of the economic activities witnessed in 2022 and easing pressures in the financial markets. Accordingly, market interest rates continue to decline significantly which was further contributed by the falling of risk premiums following the finalisation of the Domestic Debt Optimisation (DDO).

FUTURE OUTLOOK

The gradual improvement of the domestic economy shows positive signs towards recovery and revival. Economic growth is projected to improve from -3.6% in 2023 to 1.8% in 2024, supported by accommodative monetary conditions and the relaxation of import restrictions (Source: IMF)

Market interest rates are expected to continue to decline in line with easing of monetary policy initiatives taken to reduce overall market lending interest rates. Inflation is expected to remain in the single digit level. Ongoing developments in the regulatory landscape including proposed amendments to the Banking Act, CBSL's Bank recapitalisation plan and proposed improvements to Corporate Governance frameworks will create a positive environment for investment and growth. The stabilisation of market lending interest rates and increased confidence and business sentiments are expected to support a gradual expansion of credit to the private sector. Income levels and stabilisation of domestic inflation are expected to improve debt repayment capacities.

PERFORMANCE OF THE CONSTRUCTION SECTOR

The construction sector faced significant challenges in 2023, experiencing a contraction with a decline in real terms, ranging from -7.9% to -14.9% for the

year. The economic crisis, currency depreciation and increasing inflation levels were a major contributor whilst spending on infrastructure by the government also played a key role.

The Purchasing Managers' Index (PMI) for construction remained subdued throughout the year, reaching a low of 43.2 in July [5] and only inching towards the neutral threshold (50) by August [2]. This suggests a slowdown in activity and new orders.

Construction firms faced a lack of new projects, leading to increased competition for bids and even price undercutting. Some ongoing projects continued at a reduced pace, benefiting from a slight dip in material costs. Overall, 2023 was a difficult year for Sri Lanka's construction sector.

CONSTRUCTION SECTOR OUTLOOK

The outlook for Sri Lanka's construction sector in 2024 and beyond is mixed, with both positive and negative indicators. The Sri Lanka Purchasing Managers' Index (PMI) for Construction data for January 2024 showed a reading above 50 for the first time since early 2022, indicating an expansion in activity. This suggests new projects are becoming available and some suspended projects are restarting.

Sri Lanka has significant unmet needs in infrastructure development, which could drive construction activity in the coming years, with support from foreign investment. The government's ability to fund infrastructure projects remains constrained due to the ongoing economic crisis and limitations imposed by funding agencies.

Prices of imported construction materials remain high due to currency depreciation, impacting project feasibility. While lending rates have dropped, overall access to credit for construction projects might be limited.

The sector outlook is cautious optimism with a slow recovery in 2024. Early signs of renewed activity are present, but the sector's full rebound depends on overcoming challenges related to government spending, material costs and access to credit.

FINANCIAL CAPITAL

Financial capital is the lifeblood of the Group, enabling growth, innovation, resilience and prosperity. Its effective management and deployment are essential for long-term success and stability. Financial capital provides the necessary funds for investments to expand infrastructure and technology. These investments often lead to growth and increased wealth generation.



Highlights

- Improved top line revenue growth with an increase in Group revenue.
- Maintaining financial resilience amidst a series of converging challenges in the operating landscape in the backdrop of a stagnant construction sector.
- Significant reduction in finance costs and introduction of efficient working capital practices.
- Reduction of short-term borrowings and associated finance costs leading to an improvement in the Group's financial performance.

Overview

The Group posted a satisfactory performance during the FY 2023/24 despite economic, supply chain and import constraints that were faced during the year. These challenges created a significant contraction in economic activity. The construction industry remained sluggish due to large scale construction projects being halted and postponed due to escalating prices of construction material and economic uncertainty. The Group's revenue was impacted due to the declining demand for construction activities both in the domestic and commercial segments. High interest rates prevalent across the financial year of 2023/24 resulted in a sluggish demand for construction activities.

However, a notable improvement was witnessed in the last quarter of the financial year which yielded an increase in revenue. The Group completed several commercial development projects which helped bolster the revenue of the Group. The gradual lifting of import restrictions placed on tiles opened the market and created a pent-up demand for tile mortar and grout in the last quarter of the financial year, which helped enhance revenue and profitability levels to a certain degree.

In this operating context, the Group focused on maintaining its profitability margins by focusing on stringent cost optimisation strategies whilst improving its funding structure to reduce its dependency on bank borrowings.

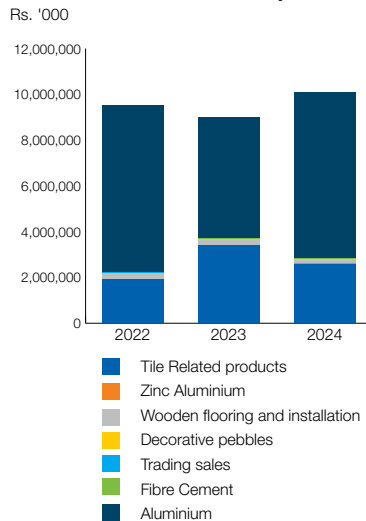


GOALS

- Improving financial performance, stability and resilience.
- Managing operating margins and maintaining healthy gross profit margins in a challenging operating context marked by significant increases in expenses.
- Optimising borrowing costs and maintaining a steady equilibrium by managing the borrowing structure of the Group whilst achieving the Group's overall short to medium term business objectives.

segments. Revenue from grout and mortar showed an encouraging increase with a 12% growth due to lifting of import restrictions which showed in influx of imported tiles necessitating the need for raw materials and ancillary products which had an upward demand creating increases sales on mortar and grout.

Revenue Growth and Composition



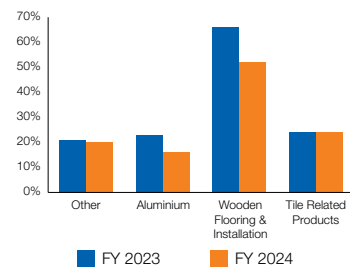
Cost of sales

The Group's cost structures were affected by a multitude of external factors which had a direct impact on the cost of sales. During the year a sharp increase in direct expenses triggered by inflationary conditions which contributed to a significant increase in direct expenses to Rs 8.194 Bn reflecting a steep increase of 21% from the previous financial year.

Gross profit

The gross profit of the Group witnessed a reduction to 18% from 24% in the previous financial year. The Group adopted a focused strategy on managing its direct costs and optimizing costs despite the challenges in the external environment.

Gross Margin by Segment



FINANCIAL PERFORMANCE

Revenue

Consolidated revenue recorded a notable growth of 12.35% to record Rs 10.078 Bn in FY 2023/24. The growth was supported by strong performances which was recorded in the last quarters of the financial year which reflected in an improvement in sales volumes across all product

FINANCIAL CAPITAL

Operating costs

The Group’s administration expenses saw a visible increase of 30% to Rs 455 Mn from Rs 351 Mn in the previous year. Significant increases in overheads such as electricity, fuel, factory building maintenance had a direct impact on overheads. During the year the Group increased the salaries and emoluments of its employees which also had a direct bearing on the increase in administration expense.

Finance expenses

The Group witnessed a significant decrease in finance expenses. The declining interest rates particularly in the last quarter and the reduction in borrowings contributed to this reduction of 228% wherein finance costs stand as Rs 935 Mn in the current financial year. Compared to Rs 2,141 Mn incurred in the previous year.

Net profit/loss

The Group ended the year with a net loss of Rs 113 Mn significantly improving the loss position from the previous financial year wherein a net loss of Rs 703 Mn was

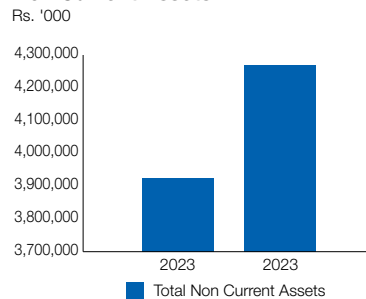
recorded. The Group’s focused financial strategies along with the significant reduction of finance expenses helped the Group to minimise its losses. The Group focused on managing the working capital cycle of the business with less stock holding while introducing efficient working capital strategies.

FINANCIAL POSITION

Total assets

The Group’s total asset base improved to Rs 11 Bn from RS 10.9 Bn recorded in the previous year due to the increase in the trade and other receivables. The Group was conscious of managing its stock and inventory levels given the sluggish demand for tile and mortar products.

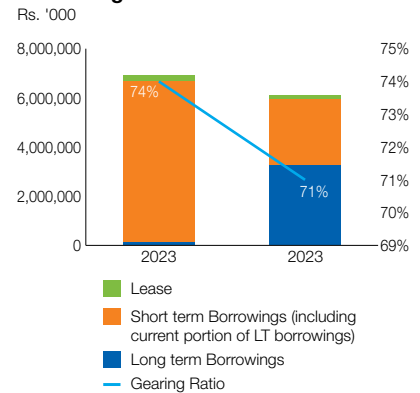
Non Current Assets



Total liabilities

The Group’s current liabilities showed a marked decrease due to the settlement of short term loan which was reduced to Rs 2.1 Bn.

Borrowings



Equity

Total equity as at 31st March 2024 was Rs 2.3 Bn marking a marginal increase from the previous financial year. The reserves of the Group showed a significant increase of 39% to Rs 1 Bn from Rs 719 Mn in the previous financial year. Share capital remained unchanged during the year.

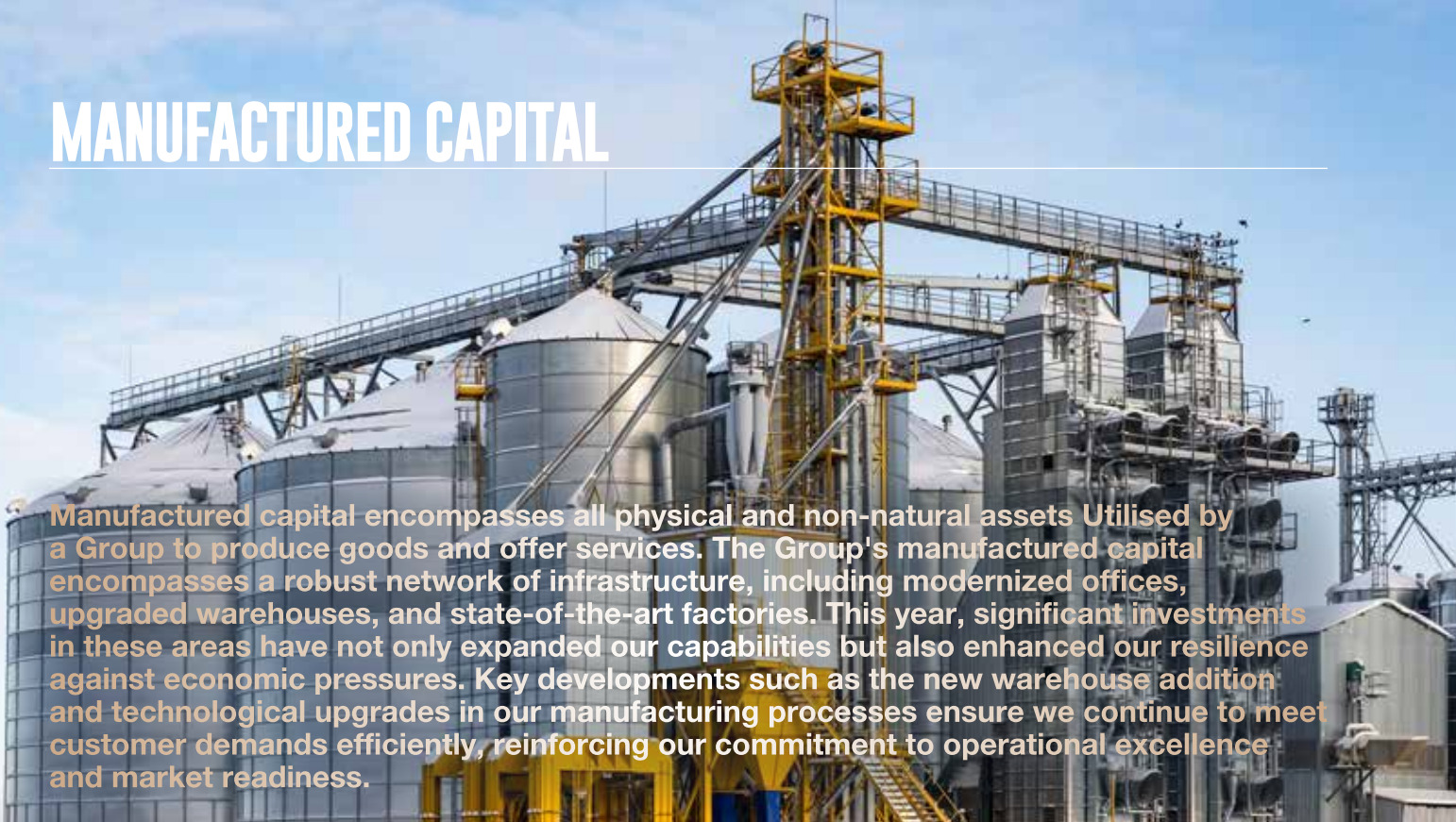
ROLE OF FINANCIAL CAPITAL IN VALUE CREATION

Financial capital is a key element of Swisstek (Ceylon) PLC’s value creation process. By maintaining strong and resilient financial performance the Group is committed to maintaining financial strength.

	<p>Investing in capital expenditure</p> <p>To drive business expansion activities to explore new business opportunities.</p>
	<p>Driving Innovation</p> <p>Collaboration with stakeholders, including customers and suppliers, fosters innovation by incorporating diverse perspectives into product development, leading to more competitive and relevant offerings.</p>
	<p>Maintaining smooth operations of the business</p> <p>Financial capital and steady working capital levels ensure that the business operations are managed without disruptions in a productive and efficient manner.</p>
	<p>Mitigating risks</p> <p>Sound financial capital helps the Group mitigate the direct and indirect risks associated with the business operations.</p>

By strategically leveraging our Financial Capital, Swisstek (Ceylon) PLC not only enhances its competitive edge but also secures a foundation for enduring value creation and corporate resilience. Our agile strategy aimed at creating value for stakeholders, streamlining processes and prudent financial acumen resulted in the Group maintaining its financial margins to deliver a resilient performance.

MANUFACTURED CAPITAL



Manufactured capital encompasses all physical and non-natural assets Utilised by a Group to produce goods and offer services. The Group's manufactured capital encompasses a robust network of infrastructure, including modernized offices, upgraded warehouses, and state-of-the-art factories. This year, significant investments in these areas have not only expanded our capabilities but also enhanced our resilience against economic pressures. Key developments such as the new warehouse addition and technological upgrades in our manufacturing processes ensure we continue to meet customer demands efficiently, reinforcing our commitment to operational excellence and market readiness.



Production Facilities



Warehouses



Showrooms

Swisstek Aluminium



Manufacturing Plant 1



Warehouses 2



Showroom 1

Swisstek Ceylon



Manufacturing Plant 2



Warehouses 4



Showroom for Tile Sales 1

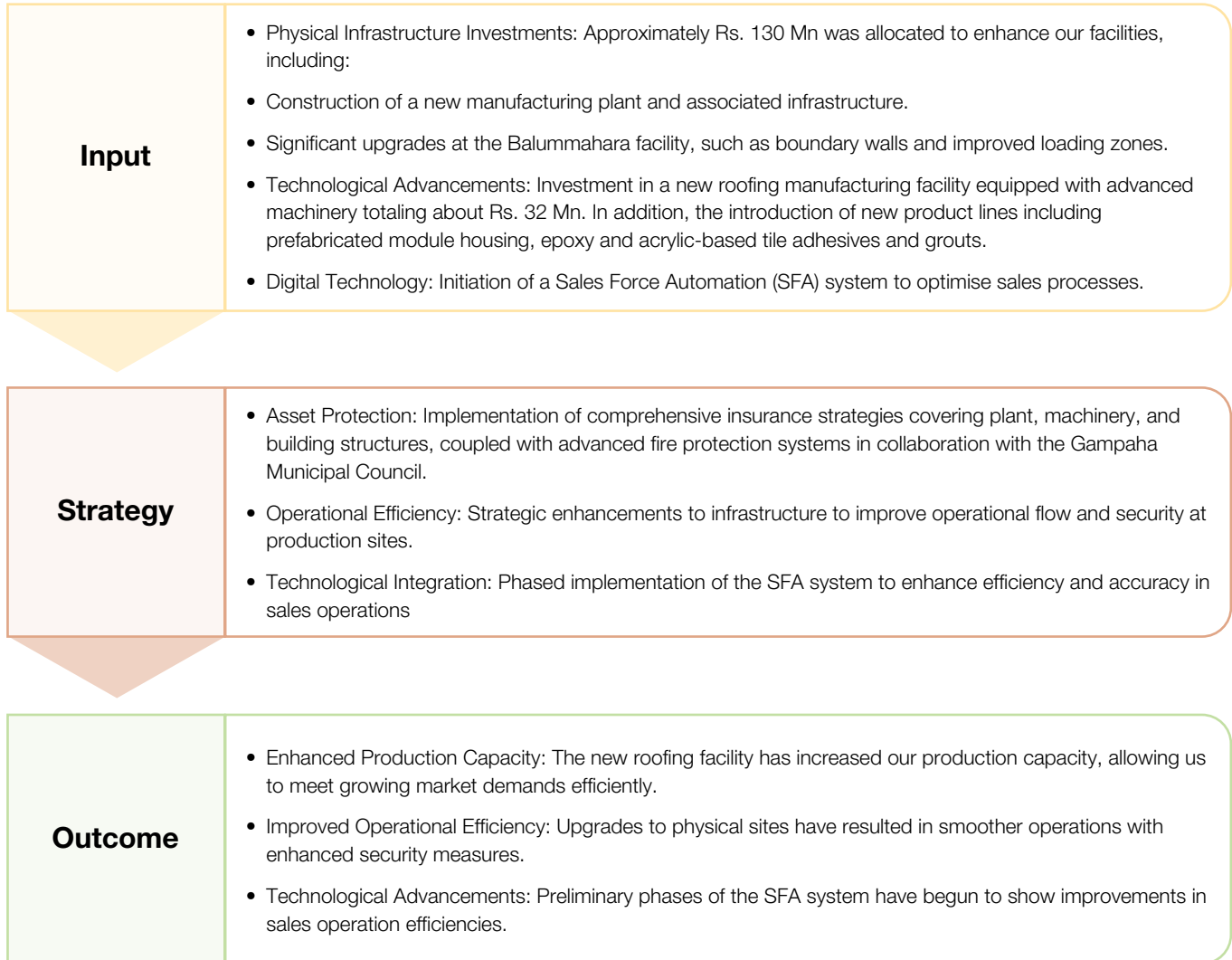
Highlights

- Infrastructure: Invested Rs. 130 Mn in facility enhancements, including a new logistics-optimised manufacturing plant.
- Facility Upgrades: Improved operational efficiency and security at the Balumamahara facility with new constructions.
- Production Expansion: Added a Rs. 32 Mn roofing facility, increasing capacity with top-tier machinery.
- Product Innovation: Introduced eco-friendly tile adhesives and grouts, meeting rising sustainability demands.
- Sustainability: Advanced commitment to eco-friendly building practices and products.

Overview

In the fiscal year 2023/2024, the Group significantly bolstered its manufactured capital by investing approximately LKR 130 Mn in enhancing its infrastructure, including the construction of a new warehouse and major upgrades at the Balumamahara facility. Additionally, a strategic investment of about Rs. 32 Mn in a new roofing manufacturing facility equipped with state-of-the-art machinery notably increased production capacities, underlining the Group's commitment to technological advancement and operational efficiency in the construction and manufacturing sectors.

MANUFACTURED CAPITAL



ROLE OF MANUFACTURED CAPITAL IN VALUE CREATION

Manufactured capital plays a crucial role in the Group's ability to create and sustain value. Here are the key aspects of how manufactured capital contributes to the group's success:



Enhanced Production Efficiency

Investments in state-of-the-art machinery and facility upgrades lead to more efficient production processes, reducing waste and lowering costs while increasing output.



Quality Improvement

Improvement in laboratory testing facilities and advancement of equipment enable the Group to produce higher quality products, which meet and exceed customer expectations, thereby enhancing brand reputation and customer loyalty.



Capacity Expansion

The addition of new facilities, like the roofing manufacturing facility, expands the Group capacity to meet growing market demands, enabling the Group to capitalise on new business opportunities.



Operational Resilience

Upgraded infrastructure and modernized equipment ensure operational continuity and resilience, minimising downtime and maintaining productivity even in challenging conditions.



Innovation Enablement

By continually investing in the latest technologies and facilities, the Group fosters an environment conducive to innovation, allowing for the development of new products and processes that can generate additional revenue streams. This includes the introduction of new product lines such as epoxy and acrylic-based tile adhesives and grouts, which cater to evolving market needs and preferences.



Regulatory Compliance and Sustainability

Modern facilities and equipment help the Group comply with environmental regulations and embrace sustainable practices, reducing environmental impact and enhancing corporate responsibility.

HUMAN CAPITAL

Human capital represents the collective skills, knowledge, and experience possessed by an organisation's workforce, viewed as a valuable asset contributing to economic output and organisational success. At Swisstek (Ceylon) PLC, human capital is integral to our operations, particularly as we navigate economic challenges and venture into new markets like roofing sheet manufacturing. Effective management of human capital enables us to enhance productivity, foster innovation, and maintain a competitive edge, underscoring its critical role in our strategic and operational framework.



Highlights

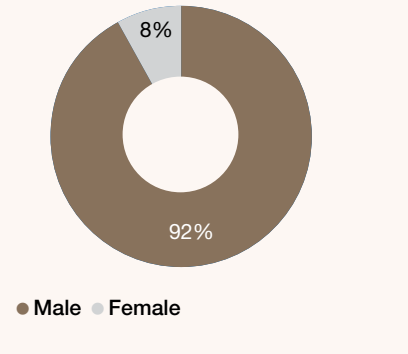
- Reduced a high 14% turnover rate by enhancing salary and promotion structures and integrating contracted employees.
- Launched extensive incentive schemes and focused on online training to boost personal and professional growth.
- Advanced digital transformation efforts, particularly in security, to reduce costs and enhance operational efficiency.
- Enforced strict health and safety protocols, particularly in manufacturing settings, ensuring a safe working environment.
- Implementing HR policies and strengthened team collaboration to ensure quality and performance.
- Expanded training offerings to include mental health support and spiritual management, enhancing workforce resilience and engagement.

Overview

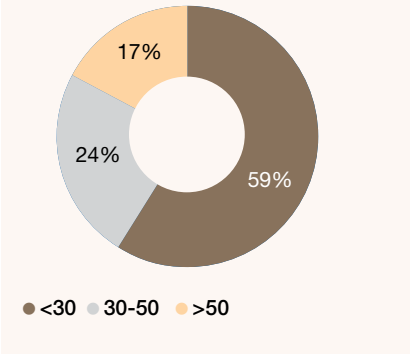
In the face of significant economic constraints, Swisstek (Ceylon) PLC encountered a challenging year with an average turnover rate of 14%, a figure alarmingly high and indicative of broader national economic issues, rather than internal Group problems. These challenges stemmed largely from national financial difficulties, including inadequate payment structures and high developer taxes, which strained our workforce, particularly in meeting their family obligations. Recognising these challenges, we embarked on a strategic overhaul of our human capital management to mitigate turnover and enhance employee engagement.

At Swisstek (Ceylon) PLC, our approach to human capital management in the past year has been focused on addressing high turnover rates and enhancing workforce stability through improved compensation structures and expanded contractual employment. To boost employee satisfaction and productivity, we've implemented comprehensive incentive schemes and enriched our training programs with a focus on both professional skills and mental health support. Our digital transformation initiatives are streamlining operations and reducing costs, while our commitment to rigorous health and safety standards ensures a secure working environment. By updating our HR policies and fostering stronger team collaboration, we are setting a foundation for sustained quality and performance across the organisation.

Turnover by Gender

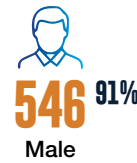


Turnover by Age



Employees By Gender

Gender	Permanent	Contract
Male	416	130
Female	49	5
TOTAL	465	135



Input

- A concerning 14% turnover rate highlighted issues with job satisfaction and retention, largely due to external economic factors.
- Employees faced difficulties with inadequate compensation and high taxes, impacting their financial stability.
- There was a clear need to enhance engagement and loyalty through improved incentives and development opportunities.
- Challenges in recruitment, training, and retention strategies highlighted the need for strategic overhauls.
- Existing safety protocols required updates to meet changing workplace standards and ensure employee well-being.
- HR policies and practices needed updates to comply with industry standards and regulations, ensuring effective human capital management.

Strategy

- Revised salary scales and promotion strategies to better align with market conditions and employee expectations.
- Increased use of manpower contracts to stabilize the workforce and reduce turnover in critical operational areas.
- Implemented targeted incentive schemes across various operational areas to boost productivity and engagement.
- Expanded training programs to include online learning, mental health support, and spiritual management.
- Advanced digital upgrades for security and operational efficiency.
- Strengthened health and safety protocols to ensure a safe working environment.
- Update HR policies and improved inter-departmental collaboration to maintain high standards of quality and performance.

Outcome

- Decreased turnover rate, enhancing workforce stability.
- Higher employee satisfaction and productivity through better compensation, incentives, and training.
- Reduced operational costs and improved efficiencies through digital solutions.
- Improved employee safety and mental wellbeing, contributing to a healthier workplace.
- Strengthened organisational policies leading to better performance management and employee relations.



GOALS

Reduce Turnover Rates: Aim to significantly lower the current 14% turnover rate by enhancing compensation, benefits, and employee engagement strategies.

Enhance Employee Compensation: Adjust and improve salary structures and benefits to better meet the financial needs and expectations of employees.

Boost Employee Engagement: Implement comprehensive incentive and recognition programs tailored to various job roles to increase job satisfaction and productivity.

Strengthen Training Programs: Develop and expand training initiatives, including online learning platforms and mental health support, to foster personal and professional growth.

Improve Operational Efficiency: Leverage digital transformation tools to streamline operations, reduce costs, and improve security.

Enhance Health and Safety Standards: Update and reinforce health and safety protocols to ensure a safe working environment across all facilities.

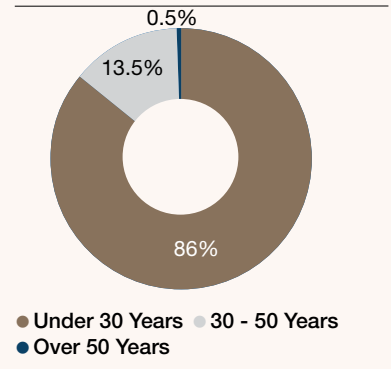
Update HR Policies: Revise and enhance HR policies to ensure compliance with legal standards and better alignment with organisational goals and employee needs.

STRATEGIC HUMAN CAPITAL MANAGEMENT

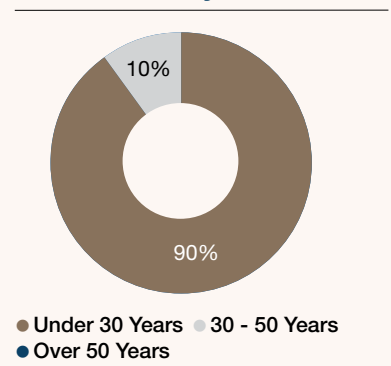
We revisited and refined our recruitment and remuneration strategies to better align with our employees' needs and the market reality. Our approach included:

- ◆ **Recruitment and Retention:** We improved our recruitment processes and introduced a new structure for salary scales and promotions, focusing on both monetary and non-monetary benefits to better cater to employee needs.
- ◆ **Salary and Promotions:** Salaries were adjusted upwards to retain and motivate our current staff, with promotions awarded based on competency, which includes a combination of skills and qualifications.
- ◆ **Contractual Staffing:** To address the high turnover among operator-level employees, we increased our reliance on manpower contracts, employing 45 additional personnel for non-core functions, thereby stabilising our workforce.

New Recruits by Age



New Recruits by Gender



WORKFORCE COMPOSITION AND ENGAGEMENT

Our permanent staff consists of 465 individuals, supplemented by 135 fixed-term contracts, summing up to 600 in-house employees. Our operational strategy focuses not only on financial compensation but also on fostering a deep engagement with our employees through:

- ◆ **Incentive Schemes:** We introduced various incentive programs encompassing production, attendance, sales, and specific operations like forklift handling. These incentives are aimed at boosting productivity and ensuring consistent employee presence.
- ◆ **Special Allowances and Benefits:** We maintain a trade qualification allowance and other qualification-based remunerations, which are integrated into the basic salary package, encouraging continuous professional development.

TRAINING AND DEVELOPMENT

Post-COVID, our focus has shifted towards online training via our Learning Management System (LMS), allowing employees to enhance their soft skills at their convenience. We've also incorporated socialised events into our training framework, like International Women's Day celebrations, which double as training sessions on work-life balance.

8.17

Average training hours per employee

RS.420,000

Total investment in training and development

4,902

Total training hours



FUTURE DIRECTIONS IN HUMAN CAPITAL

- ◆ **Spiritual and Life Management Training:** Recognising the high living costs and its impact on our employees, we plan to introduce training that balances personal and organisational life, particularly for our production staff.
- ◆ **Digital Transformation:** We are exploring digital solutions to enhance security and reduce costs, such as implementing surveillance systems that decrease the need for extensive security personnel.
- ◆ **Collaboration and Quality Control:** Regular reviews and collaborative meetings between our sales and production teams ensure high standards in both product quality and customer service, reflecting our commitment to maintaining the integrity of the LankaTile brand.

HEALTH, SAFETY, AND WELFARE

At Swisstek (Ceylon) PLC, we uphold strict health and safety protocols, particularly in our factory environments, and provide comprehensive welfare benefits, including company uniforms, insurance, and safety equipment. Our grievance handling mechanism ensures that any employee concerns are addressed promptly and effectively.

WORK RELATED INJURIES AND FATALITIES



Key cause of injuries

- ◆ Exposure to toxic material/dust
- ◆ Falling
- ◆ Equipment malfunction during handling



POLICY DEVELOPMENT AND DIVERSITY

Currently, Swisstek is refining its HR policies across seven core areas, aiming to finalise a comprehensive document that will guide our future initiatives. Although we are a predominantly male organisation, our ongoing policy development will seek to address diversity and inclusion more comprehensively.

ROLE OF HUMAN CAPITAL IN VALUE CREATION

Human capital plays a pivotal role in driving Swisstek's value creation by leveraging employee talents and skills to achieve strategic objectives and enhance competitiveness.

- ◆ **Innovation and Productivity:** Employees' skills and creativity directly contribute to product innovation and operational productivity, essential for maintaining market competitiveness.
- ◆ **Quality and Efficiency:** Well-trained and motivated employees improve process efficiencies and product quality, reducing waste and increasing customer satisfaction.
- ◆ **Employee Retention:** By fostering a supportive and rewarding work environment, Swisstek enhances employee loyalty and reduces turnover, stabilising the workforce.
- ◆ **Adaptability and Resilience:** A skilled and engaged workforce adapts more effectively to market changes and challenges, sustaining the group through economic fluctuations.
- ◆ **Brand Reputation:** Employees who are aligned with Group values and committed to quality work enhance Swisstek's brand reputation, attracting both customers and potential talent.
- ◆ **Strategic Alignment:** Human capital aligns with corporate strategies through effective talent management practices, ensuring that all levels of the organisation are working towards common goals.

SOCIAL AND RELATIONSHIP CAPITAL

Social and Relationship Capital encompasses the collective value derived from Swisstek (Ceylon) PLC's nurturing relationships and network with employees, suppliers, Group's, and the wider community. These relationships significantly impact our company's reputation and operational success, fostering trust, collaboration, and loyalty.



Highlights

- Launched a new manufacturing plant, expanding job opportunities and enhancing employee welfare amidst economic challenges.
- Rolled out innovative work-life balance and spiritual management programs; intensified local CSR efforts.
- Advanced sustainable sourcing and introduced new products tailored to diverse customer needs.
- Improved communication and collaboration with stakeholders, boosting community ties.
- Increased brand development efforts and implemented rigorous supplier evaluations for a sustainable supply chain.

Overview

In the 2023/2024 fiscal year, Swisstek (Ceylon) PLC made significant strides in enhancing our Social and Relationship Capital. We focused on expanding operational capabilities with the launch of a new manufacturing plant, which not only increased our production capacity but also created numerous job opportunities, aligning with our commitment to employee welfare and economic stability. Innovative training programs emphasising work-life balance and spiritual growth further exemplified our dedication to employee development. Our persistent efforts in sustainability were marked by advancements in eco-friendly product sourcing and development, meeting the evolving needs of our diverse customer base. Strengthened communications and collaborations with all stakeholders reinforced our community ties, while strategic brand development and meticulous supply chain management solidified our market presence and operational integrity. These initiatives collectively fostered a robust framework for sustainable growth and enhanced stakeholder value.

Input	<ul style="list-style-type: none"> • Operational Capacity: Launched a new roofing sheet manufacturing plant to enhance production capabilities and create job opportunities. • Employee Welfare Programs: Implemented comprehensive healthcare and enhanced welfare measures, especially crucial during economic uncertainties. • Training Initiatives: Introduced innovative training programs focused on work-life balance and spiritual management, catering to employee personal and professional development. • Sustainable Practices: Advanced the use of environmentally friendly materials and processes in product development to meet sustainability goals.
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Strategy	<ul style="list-style-type: none"> • Employee Engagement and Support: Prioritised holistic employee support programs to maintain and improve workforce morale and productivity. • Product Development and Innovation: Continuously innovated with new products designed to meet the specific needs of various customer segments, enhancing customer satisfaction and market reach. • Stakeholder Communication: Strengthened communication channels and collaboration projects with stakeholders to enhance relationship capital and community engagement. • Brand and Market Positioning: Invested in targeted marketing initiatives and brand development strategies to elevate brand recognition and customer loyalty.
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Outcome	<ul style="list-style-type: none"> • Employment and Production Growth: The new manufacturing facility significantly increased production output and local employment, contributing to regional economic stability. • Employee Satisfaction and Retention: Enhanced training and welfare programs led to higher employee satisfaction and retention rates. • Market Expansion and Customer Loyalty: Successfully introduced new sustainable products, expanding market share and solidifying customer loyalty through improved product offerings and reliability. • Enhanced Stakeholder Relationships: Achieved stronger community ties and stakeholder trust through effective engagement strategies and responsible business practices.
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GOALS		
Sustainability Leadership	Nationwide Coverage	Customer Service Excellence
<p>Aim to achieve top-tier rankings in sustainability by 2025, demonstrating leadership in environmental stewardship within the industry.</p>	<p>Expand the dealer network to ensure comprehensive national availability of our products, enhancing access for all customer segments.</p>	<p>Maintain and enhance a zero-complaint customer service framework, ensuring every customer interaction is positive and resolutions are swift and satisfactory.</p>

SOCIAL AND RELATIONSHIP CAPITAL

GOALS

Innovation and Market Adaptation

Launch a range of new eco-friendly products annually, staying ahead of market demands and regulatory requirements for sustainable construction materials.

Employee Development and Welfare

Continue to develop and implement innovative employee welfare and development programs that promote a healthy work-life balance and career growth.

Strengthen Supplier Relationships

Further develop our supply chain strategies to include more local and sustainable suppliers, ensuring our procurement practices support both business and environmental objectives.

Community Engagement and CSR

Deepen our community engagement and expand CSR initiatives, focusing on educational and economic development projects that benefit local communities directly.

LEADING WITH RESPONSIBLE PRODUCT STEWARDSHIP

Our dedication to product stewardship is unwavering, guided by the leadership of our new R&D Manager who ensures all Swisstek products not only meet but exceed environmental and safety standards. This approach underlines our commitment to reducing ecological impact while maintaining product excellence, setting new industry benchmarks for sustainability and quality.

STRATEGIC MARKETING INITIATIVES FOR MARKET IMPACT

Through targeted and well-crafted marketing campaigns, Swisstek effectively communicates the superior quality and safety of our products. Our marketing strategies are meticulously designed to ensure compliance with all regulatory standards and to enhance consumer awareness and brand loyalty through clear, informative, and engaging content.

CULTIVATING SUSTAINABLE SUPPLIER RELATIONSHIPS

We maintain a robust supplier management system that emphasises sustainability and quality. By conducting thorough evaluations and fostering long-term partnerships, Swisstek ensures a supply chain that is not only efficient but also aligns with our ethical and environmental values. This strategic approach supports our commitment to sustainability and operational excellence.

ENHANCING COMMUNITY WELL-BEING THROUGH ACTIVE ENGAGEMENT

Swisstek is deeply committed to uplifting the communities around us. Our enhanced CSR initiatives focus on creating significant impacts through educational support and local economic development. These efforts are integral to our corporate ethos and reflect our dedication to contributing positively to society.

ROLE OF SOCIAL AND RELATIONSHIP CAPITAL IN VALUE CREATION

Social and Relationship Capital plays a pivotal role in Swisstek (Ceylon) PLC’s value creation process. By cultivating strong relationships and fostering robust social networks, we ensure sustainable growth and long-term success.



Enhancing Brand Reputation

Our ongoing engagement and communication with stakeholders build trust and loyalty, which are critical for maintaining a positive brand image and reputation.



Increasing Market Accessibility

Through strong relationships with distributors and partners, we expand our market reach and accessibility, ensuring that our products are available nationwide.



Driving Innovation

Collaboration with stakeholders, including customers and suppliers, fosters innovation by incorporating diverse perspectives into product development, leading to more competitive and relevant offerings.



Improving Operational Efficiency

Effective supplier relationships and a motivated workforce streamline operations, reduce costs, and improve productivity.



Mitigating Risks

Strong relationships provide better insights into market trends and potential risks, enabling more effective risk management strategies.



Supporting Sustainability Goals

Collaborative efforts with local communities and stakeholders help us achieve our sustainability objectives, enhancing environmental and corporate governance.



Building Customer Loyalty

Fostering strong customer relationships leads to higher customer retention, repeat business, and increased customer lifetime value.

By strategically leveraging our Social and Relationship Capital, Swisstek (Ceylon) PLC not only enhances its competitive edge but also secures a foundation for enduring value creation and corporate resilience.

INTELLECTUAL CAPITAL

Intellectual capital represents the intangible assets of Swisstek (Ceylon) PLC that are pivotal to our competitive advantage. This encompasses the knowledge, skills, brand equity, and processes that collectively contribute to our market leadership and innovation in the construction and finishing materials industry.



Highlights

- Enhanced brand recognition through aggressive marketing campaigns including TV, radio, press, and social media.
- Strengthened quality control with the appointment of a dedicated R&D Manager.
- Launch of environmentally friendly products, aligning with global sustainability trends.

Overview

In the fiscal year 2023/2024, Swisstek (Ceylon) PLC has effectively harnessed and enhanced its intellectual capital to solidify and extend its leadership within the construction materials sector. This period has seen us amplify our efforts in brand development through robust marketing strategies spanning television, radio, press, and an intensified presence on social media platforms, leading to significantly increased brand visibility and engagement. Additionally, the strategic appointment of a dedicated R&D Manager has fortified our commitment to innovation, particularly in the development of sustainable and environmentally friendly products, ensuring that we stay at the forefront of industry trends and consumer demands. These initiatives are part of a broader strategy aimed at not just maintaining but elevating our market share and operational efficiencies, setting a new benchmark for excellence in our industry.

Input	<ul style="list-style-type: none"> • Comprehensive Marketing Investments: Enhanced investments in diverse marketing channels including TV, radio, press, and a dynamic social media strategy to increase brand visibility and customer engagement across multiple demographics. • Leadership in Innovation and quality development: Appointment of an R&D Manager to spearhead our research and development efforts, focusing on the creation of sustainable and eco-friendly products, which align with global environmental standards. • Employee Development Programs: Implementation of advanced training programs tailored to the current needs of our workforce, supported by a robust Learning Management System (LMS) to monitor and optimise the impact of our training initiatives.
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Strategy	<ul style="list-style-type: none"> • Digital Marketing and Customer Engagement: Expanding our digital footprint through targeted social media campaigns, search engine optimization, and personalised content, aiming to boost online engagement and brand loyalty. • Product Innovation and Quality Assurance: Strengthening our R&D initiatives to ensure continuous development of high-quality, innovative products that meet evolving market needs. Emphasis on quality control processes to maintain superior product standards. • Sustainability Initiatives: Integrating sustainability into the core of our product development and business operations, aiming to not only comply with but lead in environmental and sustainability standards within the industry.
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Outcome	<ul style="list-style-type: none"> • Market Position and Share: Enhanced market position evidenced by increased brand recognition and expanded market share in new segments, particularly in eco-friendly products. • Customer Retention and Satisfaction: Improved customer satisfaction scores and retention rates, reflecting the success of our new marketing strategies and product offerings. • Environmental Impact and Compliance: Successful launch of sustainable products contributing to a reduced environmental footprint, aligning with global standards and local regulations. This also includes positive feedback from regulatory bodies and environmental groups.
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GOALS		
Expand Sustainable Product Lines	Increase Market Penetration	Brand Development and Recognition
<p>To enhance our product portfolio by launching a series of new environmentally friendly products that meet both the needs of the modern consumer and the stringent demands of global sustainability standards.</p>	<p>To further extend our market reach across the island, aiming for a leading position in every major market segment by increasing our distribution channels and enhancing brand visibility through targeted marketing campaigns.</p>	<p>To continue developing our brand's reputation as a top choice for quality and innovation in the construction materials industry. This includes strengthening our brand identity through consistent, high-impact marketing and customer engagement strategies.</p>

INTELLECTUAL CAPITAL

GOALS

Enhance Customer Experience and Engagement

To implement cutting-edge digital tools and customer relationship management strategies to improve customer service, personalise interactions, and increase overall customer satisfaction and loyalty.

Strengthen Employee Wellbeing and Development

To commit to the continuous professional growth and wellbeing of our employees through more focused people-oriented training programs. These programs aim to manage workplace stress and enhance job satisfaction, promoting a healthier, more productive workplace.

Community and Environmental Responsibility

To significantly increase our involvement in community and environmental initiatives, including reforestation projects and support for local communities affected by our operations, thereby strengthening our commitment to social responsibility.

Swisstek (Ceylon) PLC	Swisstek Aluminium Ltd.
ISO 9001:2008 for tile mortar and tile grout	QUALICOAT Certification
ISO 9001:2015 for tile mortar, tile grout and skim coat.	ISO 9000 Certification
SLS Certification for Swisstek Tile adhesives and grout range.	ISO 9001:2015 Certification
	SLS1410:2011 Certification

IT, finance, marketing, engineering, and HR. Further cementing our reputation as an employer of choice, the entire Swisstek group has been honored with the 'Great Place to Work' award, which celebrates our 'People first' culture and our efforts to ensure employee satisfaction and engagement. These awards not only celebrate our current achievements but also inspire our continued pursuit of excellence in all facets of our business.

KNOWLEDGE AND SKILLS

Swisstek places immense value on the continual growth and development of our employees' skills. With heavy investments in Learning Management Systems (LMS) and tailored training programs, we ensure our team is equipped with the latest industry knowledge and competencies, enabling them to excel in their roles and adapt to evolving market demands.

RESEARCH AND DEVELOPMENT

The establishment of a dedicated R&D department, led by our newly appointed R&D Manager, has significantly accelerated our capability to innovate. This strategic move has fostered the development of cutting-edge, environmentally friendly products that meet both current and anticipated market needs, thereby ensuring continued relevance and leadership in the market.

GROUP SYNERGIES

The synergy between Swisstek's diverse brands and sectors has strengthened our market position, enabling a unified

approach to quality and innovation. This collaborative environment has not only enhanced our operational efficiencies but also bolstered our reputation as a quality leader in the industry.

AWARDS

Swisstek (Ceylon) PLC has been Recognised with several prestigious awards, reflecting our commitment to excellence across various dimensions of our operations. Notably, Swisstek Aluminium has received the GREEN SL Certification from the Green Building Council of Sri Lanka (GBCSL), underscoring our dedication to sustainable manufacturing practices. This accolade is a testament to our innovative approaches in producing a range of aluminum extrusion products that prioritize environmental friendliness. Additionally, our exemplary management practices have earned Swisstek Aluminium a spot among the CPM's Top 10 Companies with 'Best Management Practices' for 2022. This recognition was awarded under the theme 'Back to Business in the New Normal', highlighting our all-around excellence in

Our Brands



FOR THE PERFECT FINISH



ALUMINIUM

FOR THE PERFECT FINISH



INSPIRED BY DESIGN



SOLID WOOD FLOORING



ROOF MASTER

ROLE OF INTELLECTUAL CAPITAL IN VALUE CREATION

At Swisstek (Ceylon) PLC, intellectual capital is a cornerstone of our value creation strategy, enabling us to innovate, enhance brand equity, optimise our operations, and drive sustainable growth.



Enhancing Innovation

Intellectual capital fuels our ability to innovate, resulting in the development of cutting-edge, sustainable products that meet evolving customer needs and regulatory standards.



Brand Equity Building

Through strategic marketing and robust brand management, intellectual capital helps in significantly enhancing the visibility and strength of our brands, positioning us as leaders in the market.



Operational Excellence

Leveraging the skills and knowledge of our workforce, we streamline operations, improve efficiency, and reduce waste, leading to cost savings and improved profitability.



Customer Relationships

Intellectual capital allows us to better understand and connect with our customers, delivering tailored solutions and exceptional service that enhance customer satisfaction and loyalty.



Employee Performance and Satisfaction

By investing in training and development, we not only improve the competence and productivity of our employees but also their job satisfaction, which in turn reduces turnover and fosters a more committed workforce.



Sustainability and Compliance

Our focus on developing knowledge and expertise in sustainability ensures that our business practices not only comply with environmental regulations but also appeal to a growing segment of eco-conscious consumers.



Strategic Decision Making

Intellectual capital aids in informed decision-making at all levels of the organisation, enabling us to anticipate market trends, adapt to changes, and seize new opportunities effectively.

This approach underscores how Swisstek (Ceylon) PLC Utilises its intellectual capital to create value, driving not just financial success but also contributing to a sustainable and resilient business model.

NATURAL CAPITAL

Natural capital refers to the world's stocks of natural assets which include geology, soil, air, water, and all living things. It is from these resources that humans derive a wide array of services that make human life possible. The concept of natural capital is crucial in business contexts, as it encapsulates the environmental inputs and interactions that directly or indirectly contribute to the economic output and sustainability of an organisation. Swisstek (Ceylon) PLC recognises the importance of efficiently managing natural capital to ensure sustainable business practices and to reduce environmental footprints.



Highlights

- Implementation of a separate meter system for silica sand processing to optimise electricity use.
- Transition plans from diesel to gas to reduce carbon emissions.
- Installation of upgraded dust extraction units enabling 100% recycling of cement and silica dust.
- Environmental conservation and tree planting initiatives.
- Launch of environmentally friendly products into the market.

Overview

In the fiscal year 2023/2024, Swisstek (Ceylon) PLC has significantly enhanced its management of natural capital, underlining a strong commitment to sustainability and operational excellence. The Group has strategically focused on optimizing resource use, particularly in energy consumption, while minimising its environmental footprint. Notable initiatives include the introduction of a separate metering system for better energy management in production facilities and a transition from diesel to gas to reduce carbon emissions. These efforts are complemented by incentives that encourage energy conservation among employees, further strengthening the Group's sustainable practices.

Moreover, Swisstek has advanced its waste management processes by upgrading dust extraction units to ensure complete recycling of production by-products like cement and silica dust. This initiative supports a circular economy model, reducing raw material needs and waste production. Concurrently, the Group's environmental conservation efforts include a significant tree planting program and the implementation of water recirculation systems in its operations, showcasing its holistic approach to natural capital management. These comprehensive measures not only reduce costs but also enhance Swisstek's reputation as a leader in sustainability within its industry.

ENERGY MANAGEMENT

The energy used by our production activities are phase electricity and fuel (diesel). Energy consumption for the year consisted of 6,492,438 Kwh of Electricity and 117,376 Liters of Diesel.

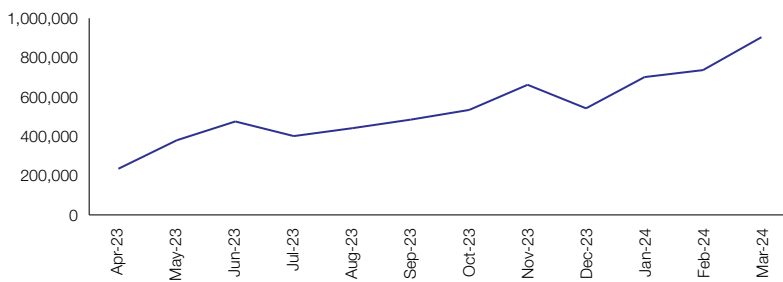
59,094 GJ

Energy Consumption

Energy management remains a pivotal area for Swisstek, reflecting the Group's dedication to improving efficiency and reducing environmental impact. In 2023/2024, Swisstek implemented a new metering system across its main silica sand processing facilities. This allowed for precise tracking and management of electricity consumption, facilitating more targeted energy-saving measures. Additionally, the transition from diesel to gas in various operations demonstrated a proactive approach to minimising carbon emissions. These initiatives are bolstered by an employee incentive program that rewards conservation efforts, embedding a culture of sustainability within the workforce.

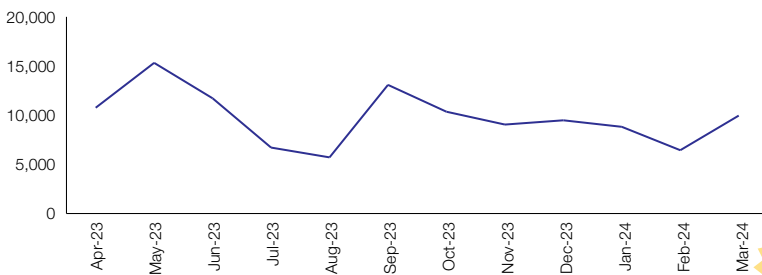
Electricity Usage

(Liters)

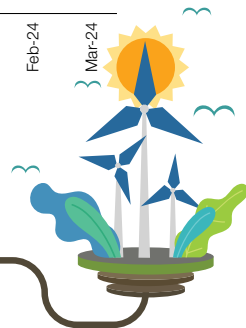


Diesel Usage

(Liters)



		TCo2
Emissions	305-1 Direct (Scope 1) GHG emission	3,233
	Energy Indirect (Scope 2) GHG emission	3,523
	Energy Indirect (Scope 2) GHG emission	373



WASTE MANAGEMENT

Swisstek has taken significant strides in waste management by enhancing its recycling capabilities and minimising landfill waste. The installation of advanced dust extraction units has enabled the Group to capture and recycle 100% of the silica and cement dust generated during manufacturing processes. This not only helps in conserving resources but also prevents environmental degradation. Furthermore, the Group has developed innovative uses for waste polythene, turning it into useful products, thereby supporting a circular economy and reducing environmental impact from waste disposal.

Waste type	Waste Qty
Cement Dust	20 MT
Silica Dust	

Category	2023/24	TSPM Standard	2022/23	TSPM Standard
D1-D2	100	450	33	450
D3-D4	32	450	67	450

D1 Crushing plant 2
 D2 & D3 External boundary area
 D 4 Crushing plant 1

WATER MANAGEMENT

Although water is not extensively used in Swisstek's primary processes, the group emphasises the importance of efficient water management. Initiatives have been introduced to reduce water consumption and enhance recycling efforts. For instance, water recirculation systems are employed to reuse water in multiple phases of production, thus conserving this vital resource and reducing the operational costs associated with water use. These measures demonstrate Swisstek's commitment to responsible water usage and its role in promoting sustainability.

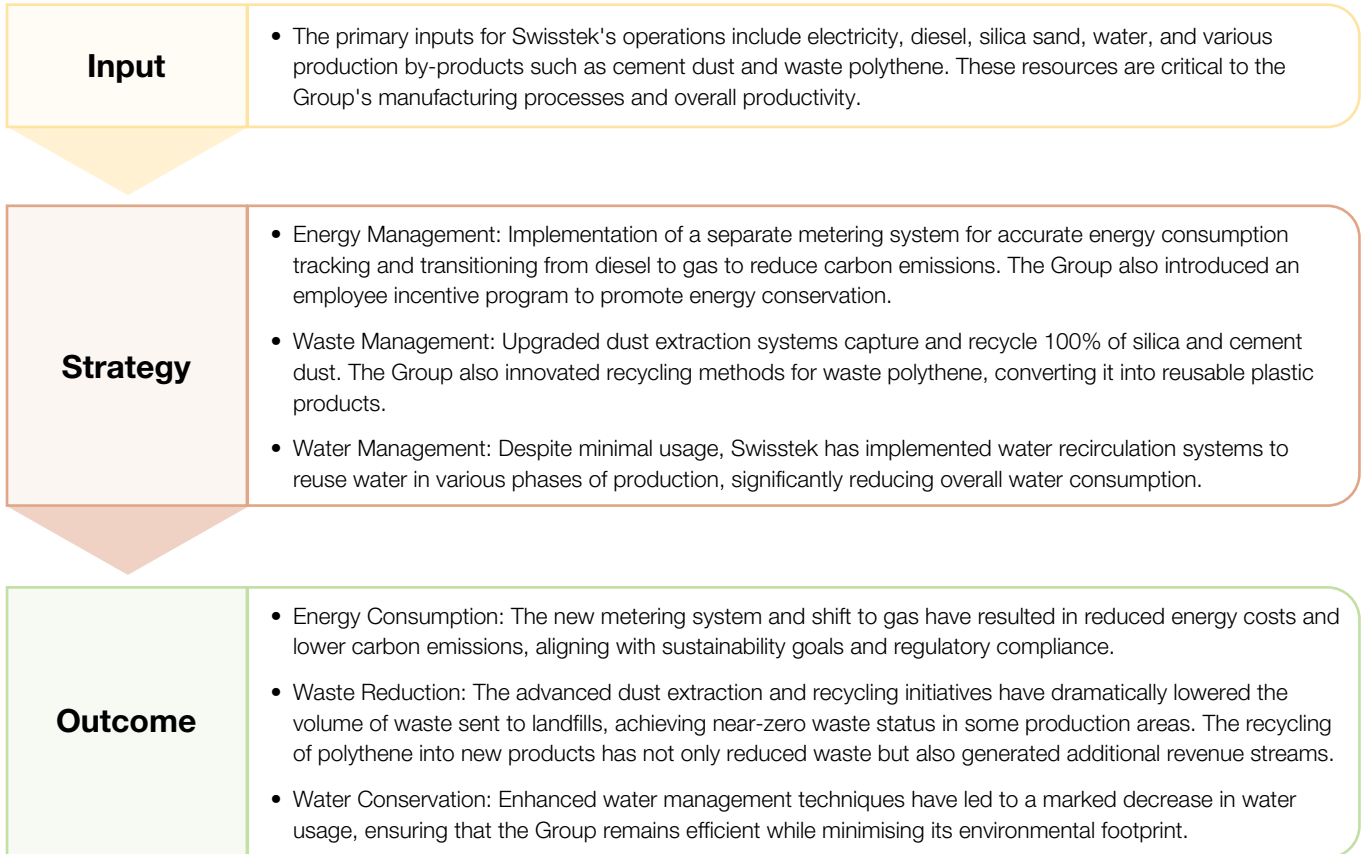
WATER WITHDRAWAL BY SOURCE

Ground Water	9,869,000 (Liters)
Municipal Water	487,068 (Liters)

ENVIRONMENTAL CONSERVATION

Swisstek is actively engaged in environmental conservation efforts, which are integral to its sustainability strategy. The Group has a strong focus on biodiversity enhancement and carbon offsetting, initiating a tree-planting program that started with 100 trees in 2023 on a recently acquired land, and will continue with more plantings in 2024. These actions not only contribute to the local ecosystem but also align with global environmental goals and enhance the Group's green credentials. This commitment extends to ensuring all business expansions and operations adhere to strict environmental standards, reinforcing its dedication to natural capital preservation.

NATURAL CAPITAL



Swisstek (Ceylon) PLC strategically manages its natural capital to foster sustainable growth and enhance corporate value. This approach not only optimises resource utilization but also aligns with global sustainability trends, creating a robust foundation for long-term success.



Operational Efficiency and Cost Reduction

Efficient management of natural resources like energy and water directly reduces operational costs. Implementing energy-efficient technologies and optimizing resource use lowers expenditures on utilities and raw materials.



Enhanced Brand Reputation and Market Competitiveness

Commitment to sustainable practices improves Swisstek's corporate image, making its products more attractive to environmentally conscious consumers and increasing its competitiveness in the market.



Risk Management and Regulatory Compliance

By proactively managing natural capital, Swisstek mitigates risks associated with regulatory fines, sanctions, and the evolving legal landscape regarding environmental impact, ensuring compliance with both local and international standards.



Innovation and Market Expansion

By recycling waste materials and introducing eco-friendly products, Swisstek fosters innovation within its operations. This not only opens up new markets but also meets the growing consumer demand for sustainable products.



Employee Engagement and Corporate Culture

Initiatives that involve employees in energy conservation and recycling contribute to a culture of sustainability, increasing employee satisfaction and retention through active participation in corporate social responsibility (CSR) activities.



Long-Term Viability and Resilience

Sustainable management of natural resources ensures long-term business viability and resilience to environmental changes and resource scarcity, securing Swisstek's future in a competitive industry.



Strategic Decision Making

Intellectual capital aids in informed decision-making at all levels of the organisation, enabling us to anticipate market trends, adapt to changes, and seize new opportunities effectively.

CORPORATE GOVERNANCE

The challenges in the business landscape have underscored the importance of resilience and adaptability. As a listed corporate entity, we strongly believe that corporate governance is a guiding force which enables us to navigate through these challenges. The Group considers its Corporate Governance framework as the system of rules, practices and processes that direct and manage the business and dealings of the Group in delivering long term value to its stakeholders. The Group remains committed to maintaining the highest standards of ethical practices to ensure compliance with all statutory and regulatory requirements to ensure business accountability while safeguarding the business through prudent risk management strategies.

The Group's Corporate Governance framework is established on clearly laid out procedures and ethical business practices that consist of internal and external standards. These standards have enabled us to sustain long-standing relationships with all our stakeholders earning respect and loyalty thereby ensuring the long-term resilience of our business entity.

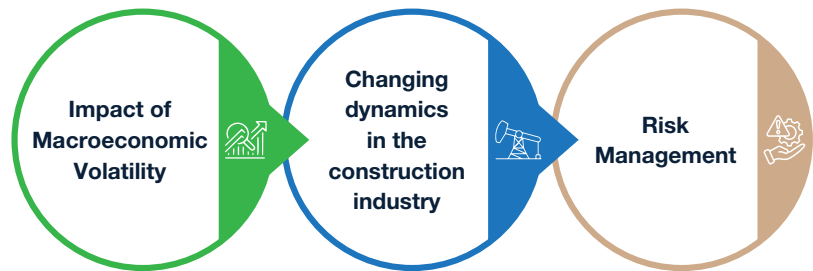
This report explains our compliance with relevant mandatory provisions of the Companies Act No. 7 of 2007, Listing Rules of the Colombo Stock Exchange (CSE), the Securities and Exchange Commission (SEC) Act and the voluntary adoption of best practices as set out by the Code of Best Practice on Corporate Governance (2017) issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka). The Group is in the process of being fully compliant with the revised Section 9 of the CSE Listing Rules on Corporate Governance as per the transitional provisions contained therein. New Code of Best Practice on Corporate Governance issued in December 2023 by the Institute of Chartered Accountants of Sri Lanka will be adopted in 2024.

Corporate Governance plays a pivotal role to retain trust of the stakeholders, hence the Group complies with these mandatory and voluntary regulatory governance requirements in a regular and timely manner and achieves compliance through adopting a control and monitoring framework. This framework assesses the Corporate Governance structure and the level of adherence to specific provisions by both internal and external benchmarks

and by the Board of Directors and specific Board sub-committees. Moreover, Board sub-committees are entrusted with certain functions of the Board to examine and enhance the accountability of several areas which necessitate great expertise and awareness. The Board subcommittees which plays a vital role in the Group's governance structure is headed by a designated Directors authorised to act on behalf of the Group's Board in carrying out the duties and responsibilities of the sub-committees.

BOARD FOCUS AREAS

The macroeconomic challenges faced by the country in 2023/24 and its consequences and ensuring supply chain maintenance, as well as charting the path towards the future by seizing emerging opportunities.



GOVERNANCE FRAMEWORK AND STRUCTURE

The Board of Directors hold the primary responsibility in ensuring that Swisstek Group applies sound corporate governance principles, safeguards its reputation and balances conflicting stakeholder needs when driving its strategic aspirations.

Internal mechanisms	External mechanisms
Articles of Association	Companies Act No 7 of 2007
Board and Sub-Committee Charters	Listing requirements of the Colombo Stock Exchange
Comprehensive suite of policies and procedures	Code of Best Practice on Corporate Governance 2017 issues by CA Sri Lanka
Risk Management	Integrated Reporting Framework of the International Integrated Reporting Committee
	GRI Standards published by the Global Reporting Initiative

The Board delegates functions warranting greater attention to the Remuneration Committee and is assisted in the discharge of duties by the Audit Committee and Related Party Transactions Review Committee of the Parent Group, Lanka Walltiles PLC. Daily management of Swisstek Group and implementation of the Group’s strategic plan has been delegated to the Managing Director who leads the Executive management. Regular reporting on key matters enables effective oversight by the Board.

COMPETENT LEADERSHIP

Board composition: The Board comprises of 8 Directors, half of whom are determined independent.

Board Composition

Independent Directors including Chairman



Non - Independent Non - Executive Directors



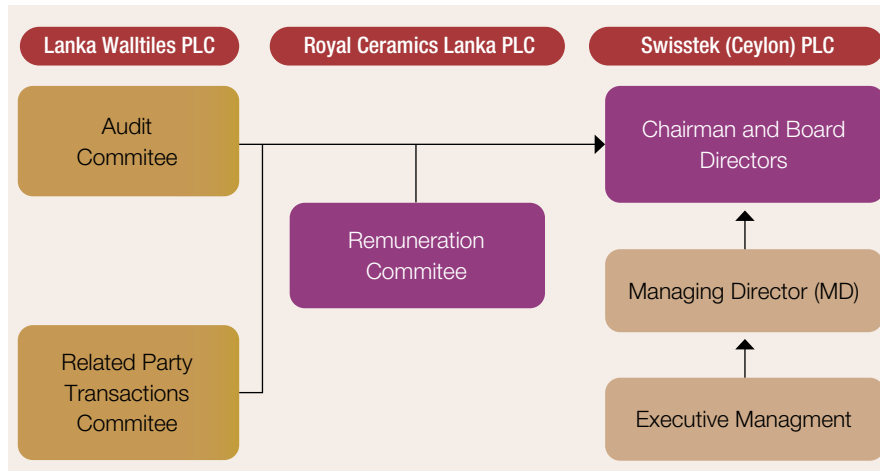
Executive



SKILLS AND EXPERIENCE OF THE BOARD

The Board brings in a wealth of diverse experience in the fields of management, business administration, finance, economics, marketing and human resources. All Directors possess the skills, expertise and knowledge complemented with a high sense of integrity and independent judgement. Further details of their qualifications and experience are provided under the Board Profiles section of the Annual Report

GOVERNANCE STRUCTURE



DIRECTOR INDEPENDENCE

Definition
Independence is determined against criteria as set out in the Listing Rules of the Colombo Stock Exchange.
Assessment
Independent assessment of directors is conducted annually by the Board, based on annual declaration and other information submitted by Non Executive Directors.
Outcome
<p>The Board has determined that,</p> <ul style="list-style-type: none"> ◆ Mr. S H Amarasekera, ◆ DR. S Selliah, ◆ Mr. K D G Gunaratne, ◆ Mr. C U Weerawardena <p>are Independent Directors as per the criteria for independence set out in the Listing Rules, based on the declarations submitted by the said Directors.</p> <p>In determining the Directors’ independence, the Board has taken into consideration that the period of service as a Board member exceeding nine years rendered by Dr S Selliah and the directorships held by the said Dr S Selliah and Mr K D G Gunaratne in Lanka Walltiles PLC and Lanka Tiles PLC, which have significant shareholdings in the Company, and the directorships held by Mr S H Amarasekera in Royal Ceramics Lanka PLC which is the holding company of Lanka Walltiles PLC which in turn is the parent of the entity and Vallibel One PLC which is the ultimate parent, do not compromise the independence and objectivity in discharging their functions as Independent Directors, also considering that all of them are Independent Directors on the said Boards. Accordingly, the Board is of the opinion that Dr. S Selliah, Mr K D G Gunaratne and Mr S H Amarasekera shall nevertheless be ‘independent’ as per the Listing Rules.</p>

BOARD RESPONSIBILITIES

The Board determines overall strategy and provides oversight for the implementation of the same. The Board also provides ethical and effective leadership to the organisation and bears ultimate responsibility for the performance of the Group. Key responsibilities are summarized alongside.

The Directors and Key Management Personnel are indemnified by the Group in respect of liabilities incurred as a result of their office, in terms of Section 218 of the Companies Act.

CORPORATE GOVERNANCE

KEY RESPONSIBILITIES OF THE BOARD OF DIRECTORS

- Provide strategic direction
- Monitor implementation of strategy
- Set corporate values and promote ethical behaviour
- Establish systems of risk management, internal control and compliance
- Be responsive to the needs of society
- Meet shareholders, employees and other stakeholders' obligations, balancing their interests in a fair manner
- Present a balanced and understandable assessment of the Group's position and prospects
- Safeguard assets and ensure legitimate use
- Ensure succession planning and the continued ability of Swisstek (Ceylon) PLC to operate without any disruption

BOARD SUB-COMMITTEES

Board Sub-Committee	Areas of Oversight	Composition	Further Information
Audit Committee	<ul style="list-style-type: none"> • Financial Reporting • Internal Controls • Internal Audit • External Audit 	The Audit Committee of parent company Lanka Walltiles PLC acts as the Audit Committee of Swisstek (Ceylon) PLC, in compliance with section 7.10.6 of the Listing Rules of the Colombo Stock Exchange.	Report of the Audit Committee on page 69
Remuneration Committee	<ul style="list-style-type: none"> • Remuneration policy for Directors and Key Management Personnel • Remuneration structure • Performance evaluation • Succession planning 	The Remuneration Committee of the Royal Ceramics Lanka PLC acts as the Remuneration Committee of Swisstek (Ceylon) PLC, in compliance with Sect 7.10.5 of the Listing Rules of the Colombo Stock Exchange.	Report of the Remuneration Committee on page 68
Related Party Transactions Review Committee	Review of related party transactions	The Related Party Transactions Review Committee of parent company Lanka Walltiles PLC acts as the Related Party Transactions Review Committee of Swisstek (Ceylon) PLC, in compliance with section 9.14.2 (2) of the listing rules of the Colombo Stock Exchange.	Report of the Related Party Transactions Review Committee on page 70

ROLES OF CHAIRMAN AND MD

The role of Chairman is separate from that of the Managing Director (MD). The role of the Chairman and MD are segregated to ensure that no one individual has unfettered powers in the decision-making process. The Chairman leads the Board, preserving good corporate governance. The MD is an Executive Director appointed by the Board and is accountable for implementation of the strategic plan and driving performance.

Chairman’s Responsibilities include

- Setting the ethical tone for the Board and organisation
- Setting the Board’s agendas, in consultation with the Company Secretary and the MD.
- Building and maintaining stakeholder trust and confidence;
- Ensuring effective participation of all Board members during Board meetings.
- Facilitating and encouraging discussions amongst all Directors of matters set before the Board and ensuring a balance of power is maintained within the Board.
- Monitoring the effectiveness of the Board.

MD’s Responsibilities include

- Appointing the executive management team, and assessing their performance;
- Developing organisation strategy for consideration and approval by the Board;
- Developing and recommending to the Board Organisation’s budget supporting long-term strategy;
- Monitoring and reporting to the Board on organisation performance
- Establishing an organisational structure appropriate for the execution of strategy;
- Ensuring a culture based on organisation’s values

COMPANY SECRETARY

Secretarial services to the Board are provided by P W Corporate Secretarial (Pvt) Ltd. The Secretaries and Management keep the Board informed of new laws and revisions, regulations and requirements coming into effect which are relevant to them as individual Directors and collectively to the Board. All Directors have access to the advice and services of the Company Secretaries.

The Company Secretaries are responsible for ensuring all Board meetings are conducted properly and that all Directors receive the necessary information prior to meetings so that the Board could review Key Performance Indicators (KPIs). Within 14 days following the meeting, the corporate secretary drafts the minutes and distributes them to the Board of Directors. Furthermore, the Company Secretaries also guide the Board in the proper implementation of good governance practices. The Board is brought up to date on the latest financial position of the Group by the General Manager (Finance).

Matters Reserved for Board:

- Approval of Financial Statement
- Approval of Budget Major acquisitions, disposals and merges
- Major capital investments Board appointments and removals
- Remunerations of auditors and recommendations for appointment or

removal of auditors.

APPOINTMENT, RE-ELECTION AND RESIGNATION

Pursuant to the Articles of Association of the Company, one third of the Directors will retire from office each year and are eligible for re-election. New Directors and Directors eligible for re-election, are appointed by the shareholders at the Annual General Meeting, based on recommendations made by the Board. The Board, assesses the combined knowledge and skills of the Board and the strategic input required when evaluating nominees.

A Director appointed by the Board to fill a casual vacancy during the year, will be proposed for election by the shareholders at the next AGM.

RE-ELECTIONS DURING FY 2022/23

Dr. S Selliah who retired in terms of Article No.103 and 104 of the Articles of Association was re-elected as a director at the Annual General Meeting held on 30th June 2023.

Mr. A M Weerasinghe who retired in terms of Article No.103 and 104 of the Articles of Association was re-elected as a director at the Annual General Meeting held on 30th June 2023.

Appointments and resignations of Directors are communicated to the CSE and shareholders through press releases. Notification of appointments includes a brief resume of the director.

MEETINGS & MINUTES

Board meetings are held on a regular basis where Audit Committee and Related Party Transactions Review Committee meetings meanwhile are held on a quarterly basis, with the flexibility to arrange ad-hoc meetings to supplement these when required. The Chairman holds informal meetings with Non-Executive Directors as and when required.

Chairman sets the Board agenda, assisted by the Company Secretaries and MD. Agenda and Board papers are circulated 7 days prior to the meeting, allowing members sufficient time to review the documents.

Resolutions concerning business matters may be passed by circulation, within regulations. However, if a single Director deems it necessary that such resolution must be decided at a Board meeting not by circulation, the Chairman shall put the resolution to be decided in a meeting.

Minutes are circulated to Directors and formally approved at the subsequent Board meeting. Directors’ concerns regarding matters which are not resolved unanimously are recorded in the minutes.

CORPORATE GOVERNANCE

Board Minutes

The Company Secretaries prepare the Board minutes and in the event of a matter not being unanimously adopted at a Board meeting, the concerns expressed in such situations are recorded in the minutes. Minutes of the Board meetings are circulated to all Directors and adopted at subsequent Board meetings. Actions are made in response to unresolved issues.

Attendance at Meetings

Meeting attendance is one of the factors which determines the Board’s effectiveness. The Board met Ten (10) times over the past year to evaluate the overall strategic development of the Group. The Chairman summons board meetings at regular intervals and as and when necessary. The Chairman also facilitates the effective contribution of all Board members to discuss routine and nonroutine matters while ensuring that the Board operates effectively in keeping with the interests of the shareholders. Further, Board always dedicates a sufficient time period and effort to discuss matters of the Board and company to ensure that duties and responsibilities are effectively discharged.

Directors	Status	Board	Audit	Related Party Transactions Review	Remuneration Committee
Mr. S H Amarasekera (Director of Royal Ceramics Lanka PLC)	INED	06/10	-	-	01/01*
Mr. J A P M Jayasekera	ED	10/10	-	-	-
Mr. J A K Sirinatha	NED	08/10	-	-	-
Dr. S Selliah	INED	08/10	04/04	04/04	-
Mr. A M Weerasinghe	NED	10/10	-	-	-
Mr. A S Mahendra	NED	09/10	-	-	-
Mr. K D G Gunaratne	INED	08/10	-	-	-
Mr. C U Weerawardena	INED	09/10	-	-	-
Mr. J D N Kekulawela (Parent company Board member)	INED	-	04/04	04/04	-
Mr. T G Thoradeniya (Parent company Board member)	NED	-	00/04	00/04	-
Mr. R N Asirwatham (Director of Royal Ceramics Lanka PLC)	INED	-	-	-	01/01
Mr. L N De S Wijeyeratne (Director of Royal Ceramics Lanka PLC)	INED	-	-	-	01/01

* as Chairman of the Remuneration Committee of Royal Ceramics Lanka PLC

OTHER BUSINESS COMMITMENTS / RELATED PARTY TRANSACTIONS / CONFLICTS OF INTERESTS

Directors declare their business interests at appointment and annually thereafter. Details are maintained in a Register by the Company Secretary and tabled at the next Board meeting. The Register is available for inspection in terms of the Companies Act. Key appointments of the directors are included in their profiles on page 16.

Board members are required to refrain from matters of self-interest and to bring independent judgement to the decision-making process.

The Related Party Transactions Review Committee (RPTRC) of the Parent Company, Lanka Walltiles PLC functions as the RPTRC of Swisstek and considers all transactions that require approval, in line with the Group’s Related Party Transactions Policy and in compliance with

regulations. Related party transactions are disclosed in Note 31.2 to the Financial Statements on page 124. Refer RPTRC report on page 70.

The Board is aware of other commitments of its directors and is satisfied that all directors allocate sufficient time to enable them to discharge their duties and responsibilities.

INDUCTION AND TRAINING FOR DIRECTORS

The induction process for directors includes an orientation pack with all relevant external and internal regulation documents and a tour of the factory premises upon appointment and ongoing training opportunities to further their knowledge and expertise. Directors also undertake training and professional development in their personal capacity to support them to carry out their duties as Directors.

BOARD ACCESS TO INFORMATION AND RESOURCES

Regular presentations by the MD and Executive Management on relevant matters ensure that the Board is regularly updated of developments impacting Swisstek. Directors also have unrestricted access to management and organisation information, as well as the resources required to discharge their duties and responsibilities effectively. Access to independent professional advice, co-ordinated through the Company Secretaries, is available to Directors at the company expense.

BOARD APPRAISAL

An evaluation of Board effectiveness is conducted annually. The annual Board appraisal is led by the Board Chairman and administered by the Company Secretaries. Directors assess their collective performance against key drivers of effectiveness including achievement

of corporate objectives, implementation of strategy, risk management, internal controls, compliance with laws and balancing stakeholder requirements. Collated results are made available to the Remuneration Committee who make recommendations to the Board on areas for improvement.

BOARD APPRAISAL CRITERIA

- Achievement of corporate objectives
- Implementation of strategy
- Risk management,
- Internal controls,
- Compliance with laws
- Balancing stakeholder requirements

APPRAISAL OF MD

Performance of MD is evaluated annually by the Board. Performance is assessed against short, medium and long-term objectives of Swisstek which are agreed with the MD at the beginning of the year. Performance is reviewed at the end of the financial year taking into account the operating environment and remuneration is revised based on performance.

RESPONSIBLE AND FAIR REMUNERATION

Remuneration Policy

The Group Remuneration Policy aims to attract, retain and motivate high quality

employees while meeting regulatory requirements and market expectations.

Remuneration Committee (RC) is responsible for making recommendations to the Board regarding the remuneration of the Executive Director, Non-Executive Directors (including Independent Directors) and Key Management Personnel (KMP) within agreed terms of reference and in accordance with the remuneration policy.

Level and Make Up of Remuneration

Remuneration of Executive Directors and KMP comprises two components, fixed remuneration and variable remuneration consisting of an annual performance bonus that is dependent on corporate and individual performance. Remuneration of Non-executive and Independent Directors is fixed, reviewed annually and determined based on market practices.

The aggregate remuneration paid to Directors in for FY 2023/24 is Rs. 14 Mn.

ACCOUNTABILITY

The Board is accountable for Swisstek Group’s activities and for presenting a fair, balanced and understandable assessment of the Group’s position and prospects to stakeholders. The Board ensures accountability to stakeholders through various means as explained below.

Code of Business Conduct and Ethics	Swisstek is bound by the Code of Business Conduct and Ethics developed by Lanka Walltiles PLC (Parent Company) for the Group and is committed to conducting its business operations with honesty, integrity and with respect to the rights and interests of all stakeholders. The Code of Conduct applies to all Directors and employees. The Board is not aware of any material violations of any of the provisions of the Code by any Director or employee of Swisstek.
Compliance	Directors are conscious of their duty to comply with relevant laws, regulations, internal controls and approved policies. Swisstek is compliant with all relevant legal and statutory requirements.

CORPORATE GOVERNANCE

<p>Risk Management and Internal control</p>	<p>The Board is responsible for formulating and implementing effective risk management and internal control systems to safeguard shareholder interests and the assets of the Group. These systems cover all controls, including financial, operational and compliance and are monitored and regularly reviewed for effectiveness by the Board. The Lanka Walltiles Group Audit Committee is supported by the Internal Audit function, in the discharge of these duties. The internal audit function has been outsourced to M/s. BDO Partners. The Committee reviews the monthly internal audit reports submitted concerning the adequacy and effectiveness of the risk management and internal control systems in place.</p>
<p>Financial and business reporting</p>	<p>A balanced and understandable assessment of Swisstek Group's financial position, performance and prospects is presented by the Board through the Company Annual Report. Interim Quarterly Reports have also been published on a timely basis. All statutory requirements have been complied with and the reports have been reviewed and recommended by the Audit Committee and approved by the Board of Directors, prior to publication.</p> <p>Apart from the Annual Report, the following reports set out further information required by the Code:</p> <ul style="list-style-type: none"> • The Directors' Report on page 62 • The Statement of Directors' Responsibility on page 66 • Report of the Auditors on page 72
<p>External Auditor</p>	<p>The External auditor provides reasonable assurance that the financial statements are free from material misstatements and prepared according to an accounting framework. The Auditors submit a statement annually confirming their independence in relation to the external audit.</p> <p>The Lanka Walltiles Group Audit Committee makes recommendations to the Board for the appointment, re-appointment or removal of the External Auditor subject to the provision of the Companies Act and in-line with professional & ethical standards. The Committee monitors and reviews the External Auditor's independence, objectivity and the effectiveness of the audit process considering relevant professional and regulatory requirements.</p> <p>In assignment of non-audit services to External Auditors, the Committee ensures that the external auditor has the necessary skills and experience for the assignment and ascertains that independence and objectivity of the External Auditor in carrying out his duties and responsibilities will not be impaired.</p>

SHAREHOLDERS RELATIONS

Communication with shareholders

The Group encourages effective communication with shareholders who are engaged through multiple channels of communication, including the AGM (detailed below), Annual Report, Interim Financial Statements, press releases, social media platforms and announcements to the CSE. The Board remains committed to ensuring fair disclosure of information, with emphasis on the integrity, timeliness and relevance of the information provided.

Shareholders also have the opportunity to ask questions, comment or make suggestions to the Board through the Company Secretaries whose contact details are provided on inner back cover of this Report.

Constructive use of Annual General Meeting (AGM)

The AGM is the main mechanism for the Board to interact with shareholders and provides an opportunity for shareholders' views to be heard. All Shareholders are encouraged to participate at the AGMs and exercise their voting rights. Notice of the AGM, the Annual Report and Accounts and any other resolution together with the corresponding information that may be set before the shareholders at the AGM, are circulated to shareholders a minimum 15 days prior to the AGM allowing for all the shareholders to attend the AGM. A separate resolution for each item of business, ensures shareholders vote on each issue, separately. Voting procedures at the AGM are circulated to the shareholders in advance.

The Chairman, Board members and External Auditors are present at the AGM and available to answer any queries.

ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG)

Provision of Information to Investors

The Group has included the environmental, social and governance factors in its business models and provided sufficient information on the Annual Report. Refer to page 132 to 139 for GRI Content Index.

The Environment

The Group adopts an integrated approach that mitigates environmental threats and improves best practices in the Company's engagements to fulfil its obligation towards the environment. Such best practices include pollution prevention, sustainable resource use, protection of the environment and biodiversity and restoration of natural resources.

Social Factors

The Group adopts an integrated approach to build a strong relationship with the community and strives towards sustainable development.

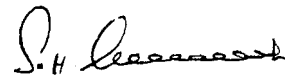
Governance

The Group established a governance structure to support its ability to create value and manage risks on all pertinent aspects of ESG. Refer to Corporate Governance on page 50 and Enterprise Risk Management on page 58 in this Annual Report.

STATEMENT OF COMPLIANCE

From the above-mentioned details, it can be concluded that the Company is fully compliant with the requirements of the Code of Best Practice on Corporate Governance issued jointly by the Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission of Sri Lanka in 2017 and the Corporate Governance Rules of Colombo Stock Exchange. Further, the Board confirms that all statutory payments due to the Government, other regulatory institutions and employees, have been made on time.

Therefore the Board concludes and declares that the Company is fully compliant with the Corporate Governance Codes of the Institute of Chartered Accountants of Sri Lanka, Securities and Exchange Commission and Corporate Governance Rules of Colombo Stock Exchange has in place a robust Corporate Governance Framework to govern the business.



S H Amarasekara
Chairman



J A P M Jayasekara
Managing Director

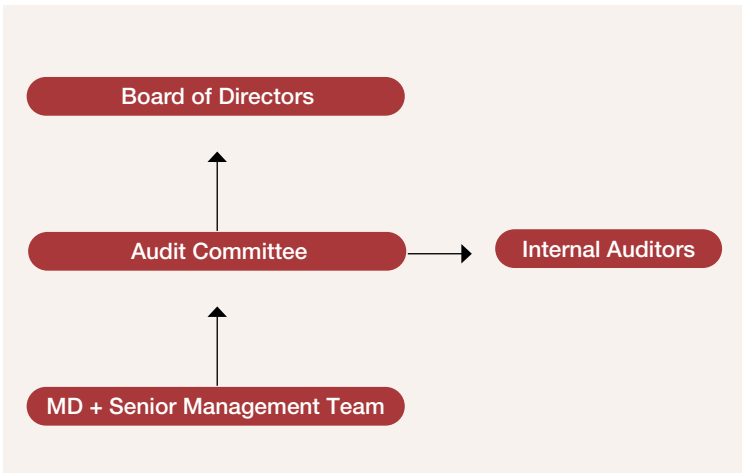
30th May 2024

RISK MANAGEMENT

Risk management in challenging times is crucial for the survival of an organisation. The Group managed to successfully navigate through uncertainty and mitigate potential threats to its operations, reputation and financial stability by maintaining its focus on the emerging risks by taking proactive and timely action.

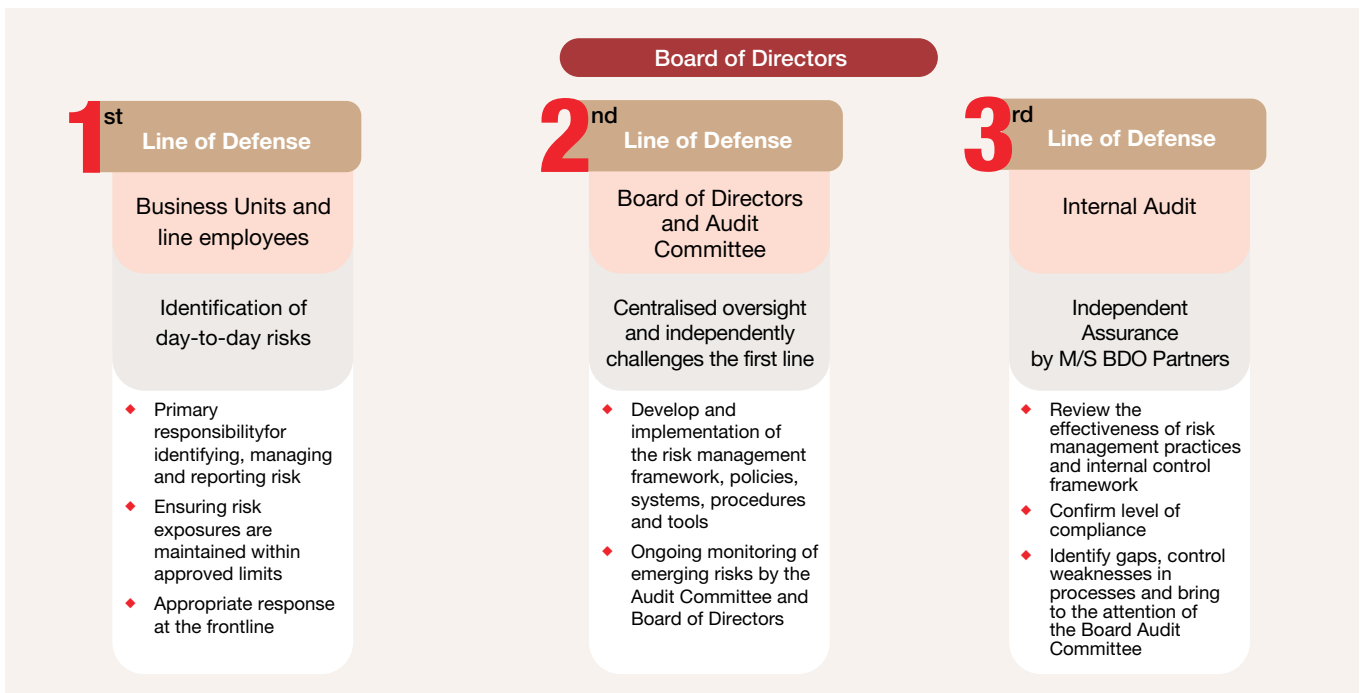
RISK GOVERNANCE FRAMEWORK

In a complex and dynamic operating environment, assessing and mitigating potential risks are integral to business continuity and long-term success. The Board of Directors as the apex body holds ultimate responsibility for managing the Group’s risks in an efficient and effective manner while the (Lanka Walltiles Group) Audit Committee assists the Board in the discharge of duties and has oversight responsibility for matters relating to risk and internal control. The Internal Audit function carried out by M/s. BDO Partners, supports the Audit Committee in performing its assurance role through regular reviews and recommendations on the robustness of the internal control systems in place. The Senior Management provides regular reports to the Board to ensure that potential threats are identified, measured, monitored and managed.



OUR APPROACH TO RISK MANAGEMENT

Risks and opportunities often go hand in hand and taking calculated risk an integral part of our business. We consider ourselves as ‘risk aware’ with a risk management process which involves the systematic identification, evaluation and mitigation of risks that have the potential to impact our strategic objectives, service delivery and assets. Risk cannot be fully eliminated and the systems and procedures that we have established allow the risks we face to be identified and understood so they can be better managed in order to reduce the potential impact and likelihood. The Group’s approach to risk management is aligned to its parent entity and is based on the globally accepted three-lines of defence model which drives accountability of risk identification and management across the organisation.



KEY RISKS IDENTIFIED IN 2023/24

The Group’s risk landscape changed dramatically during the year with significant challenges in the operating environment. The Group responded to these changed with agility in order to maintain the business growth.

The list of key risks faced by the Group is as follows along with the impact, the likelihood and link to strategy.

<p>Macro-economic vulnerabilities</p>	<p>H</p>	<p>Link to strategy: Operational Excellence</p>
<p>A volatile local and global economic environment poses uncertainty for market-driven variables. The Sri Lankan economy displayed significant challenges with a negative growth which affected the construction industry which was stagnant. Structural reforms and increased taxation reduced disposable income of households.</p>	<p>Impact</p> <ul style="list-style-type: none"> ◆ Adverse impact on profits due to higher finance costs ◆ Escalation of costs of the Group’s imported raw materials with the sharp depreciation of the rupee and rising inflation, thereby pressurizing profit margins ◆ Lower disposable income, adversely affecting residential and commercial construction activity and reflecting in a decline in demand for Swisstek products. 	<p>Mitigation</p> <ul style="list-style-type: none"> ◆ Monitoring economic trends and outlook on an ongoing basis, giving due consideration when formulating Strategic Corporate plans. ◆ Pursuit of growth opportunities in exports markets, where possible to allow a natural hedge. ◆ Placing forward exchange rate contracts. ◆ Product diversification through development of a range of value-added products ◆ Timely price revisions in consideration of demand dynamics
<p>Shortage of foreign currency liquidity</p>	<p>M</p>	<p>Link to strategy: Operational Excellence</p>
<p>A volatile local and global economic environment poses uncertainty for market-driven variables. The Sri Lankan economy displayed significant challenges with a negative growth which affected the construction industry which was stagnant. Structural reforms and increased taxation reduced disposable income of households.</p>	<p>Impact</p> <ul style="list-style-type: none"> ◆ Supply chain disruptions impacting the group’s production 	<p>Mitigation</p> <ul style="list-style-type: none"> ◆ Increasing reliance on recycled aluminium which is sourced locally ◆ Proactive engagement with banks in opening letters of credit and facilitating imports
<p>Global aluminium prices</p>	<p>H</p>	<p>Link to strategy: Operational Excellence</p>
<p>The fluctuations in the price of aluminium can have a significant impact on the profitability of our business.</p>	<p>Impact</p> <ul style="list-style-type: none"> ◆ Given the intense competition in the aluminium profile industry, we are challenged to pass on cost escalations to customers. Therefore, increases in aluminium prices result in price pressure. 	<p>Mitigation</p> <ul style="list-style-type: none"> ◆ Continued monitoring of global prices trends and effectively managing working capital cycles to reduce implications on profit margins.

<p>Competition</p>	<p>H</p>	<p>Link to strategy: Operational Excellence</p>
<p>Intensified competition due to oversupply of (aluminium) and competition from cheaper alternatives (tile related products). However, restrictions on the imports of tiles and aluminium products, have augured well for local manufacturers such as ourselves offering opportunities for growth.</p>	<p>Impact</p> <ul style="list-style-type: none"> ◆ Pressure on volumes and margins through price competition. 	<p>Mitigation</p> <ul style="list-style-type: none"> ◆ Development of a range of value-added products which command a higher margin ◆ Leverage on the network of Group companies to pursue increased penetration ◆ Build presence through expansion of distribution channels to increase accessibility to market. ◆ Pursuit of growth opportunities in exports markets through new customers acquisitions and increased penetration
<p>Human resource risk</p>	<p>H</p>	<p>Link to strategy: Operational Excellence</p>
<p>The mass exodus of skilled workers continues to impact employee retention and turnover.</p>	<p>Impact</p> <ul style="list-style-type: none"> ◆ Loss of skilled workers impact our productivity and efficiency. ◆ Difficulties in attracting new skilled labour 	<p>Mitigation</p> <ul style="list-style-type: none"> ◆ Offering competitive remuneration and benefits ◆ Promoting a positive work culture ◆ Building team cohesiveness
<p>Innovation</p>	<p>M</p>	<p>Link to strategy: Operational Excellence</p>
<p>Ability to innovate and create value added products that appeal to consumer trends</p>	<p>Impact</p> <ul style="list-style-type: none"> ◆ Evolving customer demands and the market is a risk that may impact our profitability 	<p>Mitigation</p> <ul style="list-style-type: none"> ◆ Retain qualified and experienced talent to operate R&D center ◆ Enhancement of employee product knowledge and R&D skills through training and increased exposure
<p>Product quality</p>	<p>L</p>	<p>Link to strategy: Operational Excellence</p>
<p>Maintain consistent and high product quality</p>	<p>Impact</p> <ul style="list-style-type: none"> ◆ Decline in product quality will impact reputation, profitability and growth 	<p>Mitigation</p> <ul style="list-style-type: none"> ◆ Conform to certifications ◆ Stringent product testing at own laboratories ◆ Quality control processes throughout the value chain ◆ Monitoring of customer complaints and taking remedial action promptly

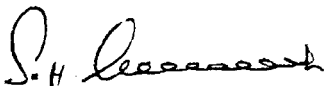
Machine breakdowns	L	Link to strategy: Operational Excellence	
Breakdowns in machinery and equipment could lead to disruptions in production	Impact		Mitigation
	<ul style="list-style-type: none"> ◆ Affects continuity of operations and profitability 		<ul style="list-style-type: none"> ◆ All plant and machinery is purchased from reliable suppliers with warranty periods ◆ Regular maintenance of plant and machinery

Climate change implications	M	Link to strategy: Operational Excellence	
Climate change and failure to address these dynamics can impact the business particularly with natural disasters and erratic weather conditions affecting sectors across the economy.	Impact		Mitigation
	<ul style="list-style-type: none"> ◆ Natural resource depletion is a risk faced all over the world which can eventually impact our immediate environment as well operations. 		<ul style="list-style-type: none"> ◆ Driving environmentally friendly, sustainable initiatives ◆ Use of recycled aluminium ◆ Recycling of waste material and promoting a circular economy

H High
 M Moderate
 L Low

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL ADEQUACY

The Board confirms that an effective risk management and internal control framework and an ongoing process is in place to minimise all potential risks and its probability of impact to the Group and its business. The Board also confirms all risks were reviewed using internal and external parties and were deliberated upon by the Board and whether necessary corrective actions were taken. The Board assures the reliability of financial statements presented herein has been done in according with applicable accounting standards and regulatory requirements and training in to account all risk factors. The Board declares that it has not found any significant risks that may impact



S H Amarasekera
Chairman



J A P M Jayasekera
Managing Director

30th May 2024

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

The Directors of Swisstek (Ceylon) PLC have pleasure in presenting their Annual Report together with the Audited Financial Statements of the Company for the year ended 31st March 2024

This Annual Report of the Board on the affairs of the Company contains the information required in terms of the Companies Act No. 07 of 2007, the Listing Rules of the Colombo Stock Exchange and is guided by recommended best practices.

GENERAL

Swisstek (Ceylon) PLC is a public limited liability company which was incorporated under the Companies Ordinance No.51 of 1938 as a public company on 12th day of July 1967. Pursuant to the requirements of the new Companies Act No. 7 of 2007, the Company was re-registered on 6th June 2008 and bears registration number PQ155.

Principal activities of the Company and review of performance during the year

The main activity of Swisstek (Ceylon) PLC, is the manufacture and sale of Tile Grout, Mortar and Skim Coat and start new production plant to produce Zink Aluminium products. The Chairman’s Review describes the Company’s affairs and mentions important events, which took place during the year under review.

Principal activities of the subsidiaries are given in Note 3.1 to the Financial Statements on page 83.

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

Financial Statements

The Financial Statements of the Company duly signed by two Directors on behalf of the Board and the Auditors are given on page 76 to 80.

Summarized Financial Results

	GROUP		COMPANY	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Year ended 31st March				
Revenue	10,078,519	8,970,024	2,872,648	3,741,282
Profit/(Loss) for the year	(112,651)	(702,689)	228,400	367,022

Independent Auditors’ Report

The Report of the Independent Auditors on the Financial Statements of the Company is given on page 72 to 75.

Accounting Policies

The Accounting Policies adopted by the Company in the preparation of the Financial Statements are given on page 81 to 96 which are consistent with those of the previous period.

Directors

The names of the Directors who held office as at the end of the accounting period are given below and their brief profiles appear on page 16 to 17.

Executive Director

Mr. J A P M Jayasekera - Managing Director

Non - Executive Directors

Mr. A M Weerasinghe
Mr. J K A Sirinatha
Mr. A S Mahendra

Independent Non-Executive Directors

Mr. S H Amarasekera - Chairman
Dr. S Selliah
Mr. K D G Gunaratne
Mr. C U Weerawardena
Mr. J K A Sirinatha and Mr. A S Mahendra retire by rotation at the Annual General Meeting in terms of Articles 103 and 104 of the Articles of Association and being eligible are recommended by the Directors for re-election.

Fit and Proper Assessment of Directors

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

Additional disclosures pertaining to Directors

- (i) Material Business relationships
None of the Directors or close family members have any material business relationships with other Directors of the Company
- (ii) Other directorships held by the Directors

Other directorships held by Directors are disclosed on page 16 and 17.

Directors of Subsidiary Companies

Swisstek Aluminium Limited

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

Swisstek Development Ltd

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

Swisstek Investments (Pvt) Ltd

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

Interests Register

The Company maintains an Interests Register in terms of the Companies Act, No. 7 of 2007, which is deemed to form part and parcel of this Annual Report and available for inspection upon request.

All related party transactions which encompasses the transactions of Directors who were directly or indirectly interested in a contract or a related party transaction with the Company during the accounting period are recorded in the Interests Register in due compliance with the applicable rules and regulations of the relevant Regulatory Authorities.

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

The relevant interests of Directors in the shares of the Company as at 31st March 2024 as recorded in the Interests Register are given in this Report under Directors' shareholding.

Directors' Remuneration

The Directors' remuneration is disclosed in Note 31.3 to the Financial Statements on page 125.

Directors' Interests in Contracts

The Directors' interests in contracts are included with the related party disclosures in Note 31 to the Financial Statements.

The Company carried out transactions in the ordinary course of its business at commercial rates with related entities.

Directors' Responsibility for Financial Reporting

The Directors are responsible for the preparation of Financial Statements of the Company to reflect a true and fair view of the state of its affairs. The Directors are of the view that these financial statements have been prepared in conformity with requirements of the Sri Lanka Accounting Standards, the Companies Act No.7 of 2007 and the Listing Rules of the Colombo Stock Exchange.

Independent Auditors Company

Messrs KPMG, Chartered Accountants served as the Auditors during the year under review. Based on the written representations made by the Auditors, they do not have any interest in the Company other than as Auditors and Tax Consultants.

The Audit fee payable to the Auditors for the year under review is Rs. 810,750/- (2023- Rs. 705,000/-)

A fee of Rs. 265,800/- (2023 Rs. 241,625/-) is also payable to the Auditors for tax compliance services provided during the year.

The Auditors have expressed their willingness to continue in office. The Audit Committee at a meeting held on on 22nd May 2024 recommended that they be re-appointed as Auditors. A resolution to re-appoint the Auditors and to authorise the Directors to determine their remuneration will be proposed at the Annual General Meeting.

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

Group

The audits of subsidiary companies are handled by firms of Chartered Accountants in Sri Lanka or their respective countries of incorporation. Details of payments to such audit firms on account of audit fees and for permitted non audit services, are set out in Note 10 to the Financial Statements on page 99

Stated Capital

The Stated Capital of the Company is Rs. 368,256,000/- represented by 136,860,000 Shares (2023 - Rs. 368,256,000/- represented by 136,860,000 shares). There were no changes in the Stated Capital of the Company during the year.

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

Directors' Shareholding

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

Directors	Shareholding as at 31/03/2024	Shareholding as at 31/03/2023
Mr. S H Amarasekera	-	-
Mr. J A P M Jayasekera	135,000	75,000
Dr. S Selliah	-	-
Mr. A M Weerasinghe	263,142	263,142
Mr. J K A Sirinatha	-	-
Mr. A S Mahendra	-	-
Mr. K D G Gunaratne	-	-
Mr. C U Weerawardena	-	-

Major Shareholders, Distribution Schedule and other information

Information on the twenty five largest shareholders of the Company, distribution schedule of the number of shareholders, percentage of shares held by the public, market values per share as per the Listing Rules of the Colombo Stock Exchange are given on page 127 to 128 under Investor Information.

Reserves

The movement of reserves during the year are given under the Statement of Changes in Equity on page 78 (Statement of Changes in Equity).

Property, Plant and Equipment

The book value of property, plant and equipment as at the balance sheet date amounted to Rs. 2,183 Mn (2023- Rs. 1,955 Mn)

The extents, locations, valuations and the number of buildings of the Company's land holdings are given below:

Location	No. of buildings	Land in Extent (perches)	Valuation Rs. '000
Factory Complex, Belummahara, Belummahara, Imbulgoda	19	984.50	1,014,022
No:334/5, Colombo Road, Belummahara, Imbulgoda	-	20.00	12,831
No: 288/26, Colombo Road, Belummahara, Imbulgoda	-	81.60	59,131
No: 177/6, New Kandy Rd., Weliveriya	1	85	133,286
Land at Belummahara	8	0.95	814
Warehouse-Nedungamuwa, Ratupaswela	-	2,446.00	549,824
	28	3,618.05	1,769,908

The movement of fixed assets during the year is given in Note 13 to the financial statements.

Details and movements of property, plant and equipment are given under Note 13 to the Financial Statements on page 101 to 106.

Capital Expenditure

The total capital expenditure during the year amounted to Rs. 79 Mn compared to Rs. 251 Mn incurred in the previous year. Details of movement in property, plant and equipment and capital work-in-progress are given under Note 13.1 to the financial statements.

Donations

During the year, neither the Company nor any of its subsidiaries made any donations.

Dividends

An interim dividend of Cents 50 per share for the year ended 31st March 2024 was declared on 1st March 2024 and paid to the shareholders in accordance with the timelines set out in the Listing Rules.

The Directors recommend a final dividend of Cents 30 per share for the year under review subject to obtaining a certificate of solvency from the auditors and approval by the shareholders at the forthcoming Annual General Meeting.

Corporate Governance

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

The Corporate Governance Statement on page 50 to 57 explains the measures adopted by the Company during the year.

The Board of Directors confirms that the Company has complied with Section 7.10 of the Listing Rules / effective from 1st October 2023, Section 9 of the Listing Rules (as applicable), subject to the transitional provisions contained therein.

The Directors further declare that the Company has complied with the Listing Rules of the Colombo Stock Exchange pertaining to Related Party Transactions during the Financial Year ended 31st March 2024.

The Audit Committee and the Related Party Transactions Review Committee of Lanka Walltiles PLC and the Remuneration Committee of Royal Ceramics Lanka PLC function as the Sub Committees of the Company. These Committees comprise Directors who possess the requisite qualifications and experience, and the composition of the said Committees is as follows.

Audit Committee

Mr. J D N Kekulawala - Independent Non-Executive Director - Chairman

Dr. S Selliah - Independent Non-Executive Director

Mr. T G Thoradeniya - Non-Executive Director

Related Party Transactions Review Committee

Dr. S Selliah - Independent Non-Executive Director - Chairman

Mr. J D N Kekulawala - Independent Non-Executive Director

Mr. T G Thoradeniya - Non-Executive Director

Remuneration Committee

Mr. S H Amarasekera - Independent Non-Executive Director - Chairman

Mr. R N Asirwatham - Independent Non-Executive Director

Mr. L N de S Wijeyeratne - Independent Non-Executive Director

Events Occurring After the Reporting Date

As disclosed in Note 35 to the financial statements there are no other material events as at the date of the auditor’s report which require adjustment to or disclosure in the financial statements

Going Concern

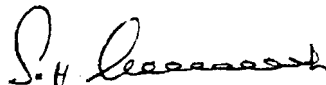
The Board of Directors have made an assessment of the Group’s ability to continue as a going concern. The Financial Statements have been prepared on the going concern basis because the Board of Directors have assessed the sources of funding available and growth plans. In assessing the appropriateness of the use of going concern basis of accounting in the preparation of financial statements.

Annual General Meeting

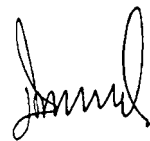
The Notice of the Fifty Seventh (57th) Annual General Meeting appears on page 142.

By Order of the Board

Swisstek (Ceylon) PLC



S H Amarasekera
Chairman



J A P M Jayasekera
Managing Director



P W Corporate Secretarial (Pvt) Ltd
Secretaries

30th May 2024
Colombo

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are required by the Companies Act No. 7 of 2007 to prepare Financial Statements for each financial year, which give a true and fair view of the statement and affairs of the Company as at the end of the financial year and the income and expenditure of the Company for the financial year.

The Directors are also responsible to ensure that the Financial Statements comply with any regulations made under the Companies Act which specified the form and content of Financial Statements and any other requirement which apply to the Company's Financial Statements under any other law.

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

The Directors are responsible for ensuring that the Company keeps sufficient accounting records which disclose the financial position of the Company with reasonable accuracy and enable them to ensure that the financial statements have been prepared and presented as aforesaid. They are also responsible for taking measures to safeguard the assets of the Company and in that context to have proper regard to the establishment of appropriate systems of internal control with a view to prevention and detection of fraud and other irregularities.

The Directors' continue to adopt the going-concern basis in preparing the financial statements. The Directors' are making inquiries and reviews of the Company's business plan for the Financial Year 2023/24 including cash flows and borrowing facilities and consider the Company has adequate resources to continue in operation.

By Order of the Board
Swisstek (Ceylon) PLC



P W Corporate Secretarial (Pvt) Ltd
Secretaries

30th May 2024

CHIEF EXECUTIVE OFFICER’S AND CHIEF FINANCIAL OFFICER’S RESPONSIBILITY STATEMENT

The financial statements are prepared in compliance with the Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka and the requirements of the Companies Act No. 7 of 2007 and any other applicable statutes to the extent applicable to the Company. There are no departures from the prescribed accounting standards in their adoption. The accounting policies used in the preparation of the financial statements are appropriate and are consistently applied, except where otherwise stated in the notes accompanying the financial statements.

The Board of Directors and the management of your Company accept responsibility for the integrity and objectivity of these financial statements. The estimates and judgments relating to the financial statements were made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company’s state of affairs. To ensure this, the Company has taken proper and sufficient care in installing a system of internal control and accounting records, for safeguarding assets and for preventing and detecting frauds as well as other irregularities, which is reviewed, evaluated and updated on an ongoing basis.

Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed. However, there are inherent limitations that should be recognised in weighing the assurances provided by any system of internal controls and accounting.

The financial statements were audited by M/s. KPMG, Chartered Accountants. The independency of the external auditor has been assessed by the Audit Committee and the Board and have been determined as independent.

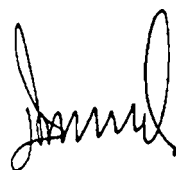
The Audit Committee of your Company meets periodically with the internal auditors and the external auditors to review the manner in which these auditors are performing their responsibilities and to discuss auditing, internal control and financial reporting issues. To ensure complete independence, the external auditors and the internal auditors have full and free access to the members of the Audit Committee to discuss any matter of substance.

It is also declared and confirmed that the Company has complied with and ensured compliance by the auditors with the guidelines for the audit of Listed Companies.

It is also confirmed that the Company is compliant to the Code of Best Practice in Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka and the Code of Best Practice on Related Party Transactions issued by the Securities and Exchange Commission of Sri Lanka.



S U Amarasinghe
General Manager (Finance)



J A P M Jayasekera
Managing Director

30th May 2024

REMUNERATION COMMITTEE REPORT

ROLE OF THE REMUNERATION COMMITTEE

The Remuneration Committee is a sub - committee of Royal Ceramics Lanka PLC Board, to which it is accountable. The Committee evaluates the performance of the respective Group Company Boards, its Chief Executive Officers, Key Management Personal and executive staff against the set objectives and goals, and determines the remuneration policy of the Group Company for all levels of employees. The Committee supports and advises the Board on remuneration and remuneration related matters and makes decisions under delegated authority with a view to aligning the interests of employees and shareholders.

COMPOSITION OF THE REMUNERATION COMMITTEE

The Remuneration Committee comprises of the following three independent non-executive Directors of Royal Ceramics Lanka PLC

Mr. S H Amarasekera	Chairman
Mr. R N Asirwatham	Committee Member - Independent Non-Executive
Mr. L N De S Wijeyeratne	Committee Member - Independent Non-Executive

The Managing Director attends the Committee meeting by invitation. The Company Secretary is the secretary of the Remuneration Committee.

The above Committee members possess vast experience in the fields of Business Management, Human Resources Management, Labour Relations and Labour Law. Hence the Committee has adequate expertise in remuneration policy and business management to deliberate and propose necessary changes and improvements to meet the roles and responsibility of the Committee.

MEETINGS

The Remuneration Committee met once for the year. The attendance of the members at the meeting is as follows.

Mr. S H Amarasekera	1/1
Mr. R N Asirwatham	1/1
Mr. L N De S Wijeyeratne	1/1

FUNCTIONS PERFORMED BY THE REMUNERATION COMMITTEE

- Evaluating and recommending the remuneration payable to the Board, Managing Director and the Key Management Personal of the Company to the Board to make the final determination. Based on that, the aggregate remuneration paid to Executive and Non-Executive Directors for the last financial year is given on Page 125 of the Annual Report under key management remuneration.
- Ensuring that the Board complies with the Companies Act in relation to Directors remunerations, especially the requirements of section 216. And it also ensures that employees are adequately compensated based on their performance and contribution for the period under review and future potential.
- Constructing a specific remuneration policy and remuneration framework that enables the Company to attract and retain a high quality and representative staff in its operations and do this inter alia with reference to appropriate market rates where these are relevant and benchmarking specific categories where required.

- Ensuring internal equity and fairness in and between the various pay categories and building incentives in the cost of employment structure to encourage and reward excellent performance, on objectively defined criteria.
- Ensuring that staff costs are within the budget set by the Board and are sustainable over time.

CONCLUSION

The Committee is satisfied that it has performed the responsibilities that were delegated to it by the Board for the year under review and the necessary objectives were achieved for the year under review.



S H Amarasekera

Chairman - Remuneration Committee

30th May 2024

AUDIT COMMITTEE REPORT

ROLE OF THE AUDIT COMMITTEE

The Audit Committee is a Sub-Committee of the Board, to which it is accountable. The function of the Audit Committee is defined in the Audit Committee Charter. Primarily it is to assist the Board in its oversight of the integrity of the Financial Statements of the Company, to assess the adequacy of the risk management framework of the Company, assess the independence and the performance of the Company’s external audit function and internal audit functions and review compliance of the Company with legal and regulatory requirements.

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee comprised of the following three Non-Executive Directors of Lanka Walltiles PLC.

Mr. J D N Kekulawala	Chairman - Independent Non-Executive
Dr. S Selliah	Committee Member - Independent Non-Executive
Mr. T G Thoradeniya	Committee Member- Non-Executive

The Managing Director and the General Manager – Finance attend the meetings at the invitation of the Audit Committee. The Company Secretary functions as the Secretary to the Audit Committee. Representatives of the Company, external auditors and internal auditors also attend Audit Committee meetings by invitation.

The Audit Committee has the required expertise in finance, law and business management to deliberate Audit Committee matters and recommend necessary action to be taken.

MEETINGS

The Audit Committee met 04 times during the year. The attendance of the members at the meeting is as follows.

Mr. J D N Kekulawala	4/4
Dr. S Selliah	4/4
Mr. T G Thoradeniya	0/4


FUNCTIONS PERFORMED BY THE AUDIT COMMITTEE

- a. The Committee reviewed the provisional financial statements that were published for financial year 2023/24 and the audited financial statements of financial year 2023/24. It reviewed the preparation, presentation and adequacy of disclosures in the financial statements of the Company, in accordance with Sri Lanka Accounting Standards. It also reviewed the Company’s compliance with financial reporting requirements, information requirements of the Companies Act and other relevant financial reporting related regulations and requirements.
- b. The Committee reviewed the internal audit reports. The internal audit function is carried out by M/s. BDO Partners. The Internal audits are done on a process based audit framework to improve process performance and control.
- c. The Committee reviewed the external auditors’ report and management letter for the last year. All recommendations proposed by the external auditors were discussed with the senior partner and recommendations proposed were duly carried out by the Management. In addition the Audit Committee reviewed external auditors and the engagement partner’s relationships with the Company, and assessed that the external auditors are independent.
- d. The Non-Audit Services provided by the External Auditor were also reviewed and the Committee was of the view that such services did not impair with their independence and were not within the category of services identified as restricted under the guidelines for listed companies on Audit and Audit Committees issued by the Securities and Exchange Commission of Sri Lanka.

- e. The Audit Committee in conjunction with the Managing Director of the Company reviewed the Company’s disclosure controls and procedures and internal control over financial reporting.
- f. The Audit Committee reviewed the Company’s framework and practices with respect to risk assessment and risk management, including discussing with Management of the Company’s major financial risk exposures and the steps that have been taken to monitor and control such exposures.
- g. The Audit Committee reviewed the Company’s arrangement for the confidential receipt, retention and treatment of complaints alleging fraud, received from any sources and pertaining to accounting, internal controls or other such matters and assured the confidentiality to whistle-blowing employees. It also reviewed the Company’s procedures for detecting and preventing fraud and bribery and receiving reports on non-compliance and reviewed the procedure for receiving and dealing with “Non-Compliance with Laws and Regulations (NOCLAR) referred by Professional Accountants.
- h. Performed other activities related to this Charter as requested by the Board of Directors. Oversaw special investigations as needed. Reviewed and assessed the adequacy of the committee Charter annually and requested board approval for proposed changes, and ensured appropriate disclosure as may be required by law or regulations.

CONCLUSION

The Audit Committee is satisfied that the Company’s accounting policies, independence of the auditors and risk management policies are adequate for its operations. The Audit Committee has also accomplished responsibilities and functions that are delegated to it by the Board and outlined in the Charter.



J D N Kekulawala
Chairman - Audit Committee

30th May 2024

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

The Related Party Transactions Review Committee (RPTRC) of the Company was formed by the Board in January 2016 in accordance with Section 9 of the Listing Rules of the Colombo Stock Exchange to ensure compliance with those Rules facilitating independent review, approval and oversight of Related Party Transactions of the Company.

PURPOSE OF THE COMMITTEE

The purpose of the RPTRC of the Company is to conduct an independent review approval and oversight of related party transactions of Swisstek (Ceylon) PLC and to ensure that the Company complies with the rules set out in the Listing Rules. The primary objectives of the said rules are to ensure that the interests of the shareholders as a whole are taken into account when entering into related party transactions and to prevent Directors, Key Management Personnel or substantial shareholders from taking advantage of their positions. To exercise this purpose the Committee has adopted the related party transaction Policy which contains the Company’s Policy governing the review, approval and oversight of related party transactions.

RESPONSIBILITIES OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

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

- a) Ensure that the Company complies with the rules set out in the Listing Rules
- b) Subject to the exceptions given in the Listing Rules, review in advance all proposed related party transactions
- c) Perform other activities related to the Charter as requested by the Board
- d) Have meetings every fiscal quarter and report to the Board on the Committee’s activities
- e) Share information with the Audit Committee as necessary and appropriate, to permit the Audit Committee to carry out its statutory, regulatory and other responsibilities with regard to related party transactions.
- f) Review the Charter and Policy at least annually and recommend amendments to the Charter and Policy to the Board as and when determined to be appropriate by the Committee.

COMPOSITION OF THE COMMITTEE

The Related Party Transactions Review Committee comprises of the following Directors of the Parent Company Lanka Walltiles PLC who is the parent Company of Swisstek (Ceylon) PLC.

Dr. S Selliah	Chairman - Independent Non-Executive
Mr. J D N Kekulawala	Independent Non- Executive
Mr. T G Thoradeniya	Non- Executive

The Managing Director and the General Manager (Finance) attend meetings by invitation and the Company Secretary functions as the Secretary to the Committee.

The Committee members possess vast experience in business management and financial expertise to perform the duty of the Committee successfully.

MEETINGS

The Committee held four meetings during the year one in each quarter. The attendance of the members at the meeting as follows;

Dr. S Selliah	4/4
Mr. J D N Kekulawala	4/4
Mr. T G Thoradeniya	0/4

The minutes of the Committee meeting were tabled at Board meeting, for the review of the Board.

REVIEW OF RELATED PARTY TRANSACTIONS

The Committee reviewed all related party transactions of the Company for the financial year 2023/24. In terms of Rule 9.3.2 of the Listing Rules of the Colombo Stock Exchange on related party transactions there were no none-recurrent related party transactions entered into during the course of the financial year with an aggregate value that exceeded the lower of 10% of the equity or 5% of the assets. There were no recurrent related party transactions carried out during the financial year ended 31st March 2024, the aggregate value of which exceeded 10% of the revenue.

In the opinion of the Committee, the terms of these transactions were not more favourable to the related parties than those generally available to the public. The details of related party transactions entered into during the year are given in Note 31.2 to the Financial Statements, on page 124 of this Annual Report.

DECLARATION

A declaration by the Board of Directors on compliance with the rules pertaining to Related Party Transactions appears on the report of the Board of Directors on page 62 of this Annual Report.



Dr. S Selliah

Chairman - Related Party Transactions Review Committee

30th May 2024



Financial

STATEMENTS

Responding with agility to complexities in the operating landscape we have achieved a resilient performance.

INDEPENDENT AUDITOR'S REPORT



KPMG
(Chartered Accountants)
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TO THE SHAREHOLDERS OF SWISSTEK (CEYLON) PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Swisstek (Ceylon) 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 31st March 2024, and the statement of profit and 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.

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 as at 31st March 2024, and of their financial performance and their 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Company financial statements and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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C. P. Jayatilake 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)



1. Fair value of Land and Building	
Risk Description	Our Response
<p>As described accounting policies in note 3.4, note 13 and note 3.6 and note 16 to the financial statements. As at the reporting date 31 March 2024, Land and Building carried at fair value, classified as Property, Plant and Equipment and Investment Properties amounted to Rs. 2,858 Mn. (the Company Rs. 1,770 Mn.) and Rs. 202 Mn. respectively.</p> <p>The fair value of these properties were determined by professional external valuers engaged by the management.</p> <p>The valuation of the properties requires the application of significant judgment and estimation in the selection of the appropriate valuation methodology to be used and in estimating the key assumptions applied. These key assumptions include market comparable used, taking into consideration for differences such as location, size and tenure. A change in the key assumptions will have an significant impact on the fair value of these properties.</p>	<p>Our audit procedures included.</p> <ul style="list-style-type: none"> Assessing the objectivity, independence, competence and qualifications of the external Valuer. With the assistance of our own KPMG valuation specialists assessing the key assumptions applied and conclusions made in deriving the fair value of the property and comparing the same with evidence of current market values. In addition to that, we have assessed the valuation methodologies with reference to recognized industry standards. Assessing the adequacy of the disclosures in the financial statements, including the description and appropriateness of the inherent degree of subjectivity and key assumptions in the estimates.
2. Carrying Value of Inventories	
<p>As described in Note 3.7 (Accounting policies) and Note 17 to the financial statement , the Group and Company recorded the carrying value of inventories amounting to Rs. 4,158 Mn and Rs. 464 Mn. respectively as at 31 March 2024.</p> <p>The Group and the Company has significant levels of inventory and judgment is exercised with regard to categorization of stock as obsolete and/or slow moving to be considered for provision; estimates are then involved in arriving at provisions against cost in respect of slow moving and obsolete inventories to arrive at valuation based on lower of cost and net realizable value.</p> <p>Given the level of judgments and estimates involved this is considered to be a key audit risk.</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 the key internal controls, management has established in arriving at criteria used for provision computations and to ensure the accuracy of the impairment provision. Assessing the adequacy of inventory provisions held for slow moving and/or obsolete inventory by recalculating items included within the provision to ensure the accuracy of provision. Assessing whether the Group policies had been consistently applied and the adequacy of the Group's disclosures in respect of the Judgment and estimates made in respect of inventory provisioning. Attending stock counts as at the year-end. In addition, assessing the effectiveness of the physical count controls in operation at count location to identify damaged stocks, and expired stocks that are written off in a timely manner to assess the existence of inventory.

INDEPENDENT AUDITOR’S REPORT



3. Recoverability of Trade Receivable

As described in Note 3.8 (accounting policies) and Note 18 to the financial statement, the Group and Company recorded Trade receivable amounting to Rs. 1,872 Mn. and Rs. 538 Mn respectively as at 31 March 2024.

The Group and the Company has significant levels of trade receivable and judgment is exercised with regard to calculation of the Impairment provision requires a significant level of judgment as it sells products to a wide customer base.

The recoverability of trade receivables is dependent on the credit worthiness of customers and their ability to settle the amounts due.

Given the level of judgments and estimates involved this is considered to be a key audit risk.

Our audit procedures included.

- Obtaining an understanding and assessing the design, implementation and operating effectiveness of management key internal control over the credit control and approval processes.
- Testing the adequacy of the provisions for impairment recorded against trade receivable balances, based on ‘Expected Credit loss’ model as per ‘SLFRS 09’, as well as the reasonability of the model methodology.
- Assessing whether the Group’s policies had been consistently applied and the adequacy of the Group’s disclosures in respect of Credit risk.

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 statement and our auditor’s report there on.

Our opinion on the financial statements does not cover the other information and we will 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 identified above when it becomes available 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 2618.

CHARTERED ACCOUNTANTS
Colombo, Sri Lanka

30th May 2024

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st March,		GROUP		COMPANY	
		2024	2023	2024	2023
	Note	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Revenue	6	10,078,519	8,970,024	2,872,648	3,741,282
Cost of sales		(8,194,400)	(6,754,901)	(2,122,911)	(2,816,587)
Gross profit		1,884,119	2,215,123	749,737	924,695
Other income	7	200,543	189,079	117,505	124,340
Administrative expenses		(455,345)	(351,255)	(121,784)	(117,697)
Selling and distribution expenses		(840,002)	(776,647)	(191,054)	(195,381)
Other expenses	8	(11,282)	(13,093)	(4,931)	(1,432)
Results from operating activities		778,033	1,263,207	549,473	734,525
Finance income	9.1	79,845	99,013	11,673	76,547
Finance cost	9.2	(935,333)	(2,141,143)	(227,178)	(263,720)
Net Finance cost		(855,488)	(2,042,130)	(215,505)	(187,173)
Profit/(Loss) before tax	10	(77,455)	(778,923)	333,968	547,352
Income tax (expense)/benefit	11	(35,196)	76,234	(105,568)	(180,330)
Profit/(Loss) for the year		(112,651)	(702,689)	228,400	367,022
Other comprehensive income/(expense)					
Items that will not be reclassified to profit or loss					
Gain on revaluation of land and buildings	13	404,000	-	188,018	-
Actuarial gain/(loss) of retirement benefit obligation	24.2	(16,587)	12,131	(7,027)	162
Deferred tax on other comprehensive income	11.1	(95,581)	(3,688)	(54,297)	(49)
Effect of change in tax rates	11.1	-	(77,045)	-	(77,529)
Other comprehensive income/(expense) for the period		291,832	(68,602)	126,694	(77,416)
Total comprehensive income/(expense) for the period		179,181	(771,291)	355,094	289,606
Profit/(Loss) Attributable to:					
Equity holders of parent		(69,837)	(567,831)	228,400	367,022
Non controlling interest		(42,814)	(134,858)	-	-
Profit/(Loss) for the year		(112,651)	(702,689)	228,400	367,022
Total comprehensive income/(expense) attributable to:					
Equity holders of parent		201,155	(637,545)	355,094	289,606
Non controlling interest		(21,974)	(133,746)	-	-
Total comprehensive income/(expense) for the year		179,181	(771,291)	355,094	289,606
Basic earnings/(loss) per share	12	(0.51)	(4.15)	1.67	2.68

The notes on Page 81 to 126 are an integral part of the financial statements.

Figures in brackets indicate deductions

STATEMENT OF FINANCIAL POSITION

As at 31st March,	Note	GROUP		COMPANY	
		2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Assets					
Property, plant and equipment	13	3,977,359	3,580,497	2,182,971	1,955,108
Capital work-in-progress	13.1	359	33,794	360	31,744
Intangible assets	13.2	32,411	26,323	149	244
Investment in subsidiary	14	-	-	286,988	286,988
Unquoted Equity Shares	15	56,667	56,667	-	-
Investment property	16	202,000	226,735	202,000	226,735
Non current assets		4,268,796	3,924,016	2,672,468	2,500,819
Inventories	17	4,158,185	4,594,619	463,791	539,615
Trade and other receivables	18	2,120,422	1,793,908	548,204	576,778
Contract assets	19.1	30,033	32,343	30,033	32,343
Amounts due from related parties	20	48,409	7,155	61,689	7,155
Cash and cash equivalents	21.1	455,367	559,431	277,103	263,351
Current assets		6,812,416	6,987,456	1,380,820	1,419,242
Total assets		11,081,212	10,911,472	4,053,288	3,920,061
Equity					
Stated capital	22	368,256	368,256	368,256	368,256
Reserves	23	1,002,005	719,412	748,707	617,094
Retained earnings		978,954	1,156,195	1,135,002	1,007,323
Equity attributable to equity holders of the company		2,349,215	2,243,863	2,251,965	1,992,673
Non controlling interest		48,958	70,931	-	-
Total equity		2,398,173	2,314,794	2,251,965	1,992,673
Liabilities					
Retirement benefits Obligation	24	78,621	49,002	23,955	12,870
Lease liability	25.4	12,391	16,270	-	-
Deferred tax liability	11.2	239,272	215,578	424,441	362,411
Loans and borrowings	25.2	3,248,823	119,132	-	17,413
Non current liabilities		3,579,107	399,982	448,396	392,694
Trade and other payables	26	1,792,720	1,333,428	362,522	328,081
Contract liabilities	19.2	-	-	-	-
Loans & borrowings	25.1	518,471	109,715	17,413	28,395
Short term loans	27	2,190,838	5,783,092	682,829	837,866
Amounts due to related parties	28	169,383	247,354	8,343	34,233
Lease liability	25.4	3,454	5,306	-	-
Tax payable		51,722	26,992	53,285	23,763
Bank overdrafts	21.2	377,344	690,809	228,535	282,356
Current liabilities		5,103,932	8,196,696	1,352,927	1,534,694
Total liabilities		8,683,039	8,596,678	1,801,323	1,927,388
Total equity and liabilities		11,081,212	10,911,472	4,053,288	3,920,061

The notes on Page 81 to 126 are an integral part of the financial statements.

Figures in brackets indicate deductions

It is certified that the financial statements have been prepared in compliance with the requirements of Companies Act No.7 of 2007.



S U Amarasinghe

General Manager - Finance

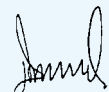
The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Approved for and on behalf of the Board of Directors :



S H Amarasekera

Chairman



J A P M Jayasekara

Managing Director

30th May 2024

Colombo

STATEMENT OF CHANGES IN EQUITY

GROUP

For the year ended 31st March	Stated capital Rs.'000	Revaluation reserve Rs.'000	Capital redemption reserve Rs.'000	General reserve Rs.'000	Retained earnings Rs.'000	Total Rs.'000	Non- controlling interest Rs.'000	Total equity Rs.'000
Balance as at 31 March 2022	368,256	776,978	121	19,842	1,989,932	3,155,129	204,677	3,359,805
Profit/(loss) for the year	-	-	-	-	(567,831)	(567,831)	(134,858)	(702,689)
Other comprehensive income/ (expense)								
- Defined benefit plan actuarial gains/(losses)	-	-	-	-	10,620	10,620	1,510	12,131
- Deferred tax on other comprehensive income	-	(77,529)	-	-	(2,806)	(80,335)	(398)	(80,733)
	-	(77,529)	-	-	7,814	(68,167)	1,112	(68,602)
Transactions with owners of the Company								
- Dividend paid (Note 22.1)	-	-	-	-	(273,720)	(273,720)	-	(273,720)
Balance as at 31 March 2023	368,256	699,449	121	19,842	1,156,195	2,243,863	70,931	2,314,794
Profit/(loss) for the year	-	-	-	-	(69,837)	(69,837)	(42,814)	(112,651)
Other comprehensive income/ (expense)								
- Defined benefit plan actuarial gains/(losses)	-	-	-	-	(15,381)	(15,381)	(1,206)	(16,587)
- Gain on revaluation of land and buildings	-	376,743	-	-	-	376,743	27,257	404,000
- Deferred tax on other comprehensive income	-	(94,150)	-	-	3,779	(90,371)	(5,210)	(95,581)
	-	282,593	-	-	(11,602)	270,991	20,841	291,832
Transactions with owners of the Company								
- Dividend paid (Note 22.1)	-	-	-	-	(95,802)	(95,802)	-	(95,802)
Balance as at 31 March 2024	368,256	982,042	121	19,842	978,954	2,349,215	48,958	2,398,173

The notes on Page 81 to 126 are an integral part of the financial statements.

Figures in brackets indicate deductions

COMPANY

For the year ended 31st March

	Stated capital Rs.'000	Revaluation reserve Rs.'000	Capital redemption reserve Rs.'000	General reserve Rs.'000	Retained earnings Rs.'000	Total equity Rs.'000
Balance as at 31 March 2022	368,256	674,660	121	19,842	913,908	1,976,787
- Profit for the year	-	-	-	-	367,022	367,022
Other comprehensive income/(expense)						
- Defined benefit plan actuarial gains/(losses)	-	-	-	-	162	162
- Deferred tax on other comprehensive income	-	(77,529)	-	-	(49)	(77,578)
	-	(77,529)	-	-	113	(77,416)
Transactions with owners of the Company						
- Dividend paid (Note 22.1)	-	-	-	-	(273,720)	(273,720)
Balance as at 31 March 2023	368,256	597,131	121	19,842	1,007,323	1,992,673
- Profit for the year	-	-	-	-	228,400	228,400
Other comprehensive income/(expense)						
- Defined benefit plan actuarial gains/(losses)	-	-	-	-	(7,027)	(7,027)
- Gain on revaluation of land and buildings	-	188,018	-	-	-	188,018
- Deferred tax on other comprehensive income	-	(56,405)	-	-	2,108	(54,297)
	-	131,613	-	-	(4,919)	126,694
Transactions with owners of the Company						
- Dividend paid (Note 22.1)	-	-	-	-	(95,802)	(95,802)
Balance as at 31 March 2024	368,256	728,744	121	19,842	1,135,002	2,251,965

The notes on Page 81 to 126 are an integral part of the financial statements.

Figures in brackets indicate deductions

STATEMENT OF CASH FLOWS

For the year ended 31st March		GROUP		COMPANY	
		2024	2023	2024	2023
	Notes	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Profit/(Loss) before taxation		(77,455)	(778,923)	333,968	547,352
Adjustments For;					
Depreciation of Property Plant and Equipment	13	203,210	188,285	72,697	61,392
Amortization of Intangible Assets	13.2	6,562	4,072	95	271
Inventory write off	8	1,739	314	1,739	314
Inventory provision	17.1	8,217	11,969	3,192	864
Interest income	9.1	(35,716)	(41,504)	(11,673)	(19,038)
Provision on retirement benefit obligation	24.1	16,863	15,971	4,376	3,266
Interest expense	9.2	914,952	1,655,340	206,797	263,720
Gain on sale of property, plant & equipment	7	(21,803)	-	-	-
Gain on revaluation of investment property	16	(7,533)	(14,750)	(7,533)	(14,750)
Provision/(Reversal) for impairment of trade receivables	18	(3,802)	810	(5,127)	254
Exchange gain/(loss)	9.2	(27,919)	(61,808)	16,210	(61,808)
Changes in;					
Trade and other payables		791,522	(1,049,352)	43,431	(21,127)
Amounts due to related parties		(77,971)	206,676	(25,890)	32,555
Inventories		426,478	(1,764,934)	70,893	(284,796)
Trade and other receivables		(340,355)	1,763,333	16,058	(18,088)
Amounts due from related parties		(41,254)	(2,365)	(54,535)	57,978
Contract Asset	19.1	2,310	(3,000)	2,310	(3,000)
Contract Liability	19.2	-	(3,836)	-	(3,836)
Cash generated from/(used in) operating activities		1,738,046	126,296	667,009	541,525
Interest paid		(1,198,579)	(1,363,546)	(214,356)	(241,283)
Income tax paid		82,353	(236,043)	(68,314)	(165,781)
Gratuity payment	24	(3,831)	(3,890)	(318)	(1,187)
Net cash generated from/(used in) operating activities		453,283	(1,477,183)	(384,021)	133,274
Cash flows from investing activities					
Acquisition of property, plant and equipment	13	(129,664)	(367,602)	(47,669)	(233,082)
Addition to Construction Work In Progress	13.1	-	(24,279)	-	(24,279)
Addition to intangible assets	13.2	(12,650)	(5,646)	-	-
Construction of investment property	16	(1,217)	-	(1,217)	-
Proceeds on disposal of property, plant & equipment		22,315	-	-	-
Investment in Subsidiary		-	-	-	(57,204)
Net cash generated from/(used in) investing activities		(121,216)	(397,527)	(48,886)	(314,565)
Cash flows from financing activities					
Dividend paid		(95,802)	(238,711)	(95,802)	(238,711)
Interest income	9.1	35,716	41,504	11,673	19,038
Loan Obtained		9,167,822	9,575,736	1,811,501	1,992,989
Repayment of lease	25.4	(8,773)	(6,835)	-	-
Repayment of borrowings		(9,221,629)	(7,726,805)	(1,994,933)	(1,881,660)
Net cash generated from/(used in) financing activities		(122,666)	1,644,889	(267,562)	(108,344)
Net increase/(decrease) in cash and cash equivalents		209,401	(227,067)	67,573	(289,635)
Cash & cash equivalents at the beginning of the year		(131,378)	95,689	(19,005)	270,630
Cash & cash equivalents at the end of the year		78,023	(131,378)	48,568	(19,005)

The notes on Page 81 to 126 are an integral part of the financial statements.

Figures in brackets indicate deductions

NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

Swisstek (Ceylon) PLC (the “Company”) is a public limited liability Company incorporated and domiciled in Sri Lanka. The ordinary shares of the Company is listed on the Colombo Stock Exchange of Sri Lanka. The address of the Company’s registered office is No.215, Nawala Road, Narahenpita, Colombo 05.

The Consolidated Financial Statements of Swisstek (Ceylon) PLC as at and for the year ended 31st March 2024 encompass the Company and its subsidiaries (together referred to as the “Group”).

Descriptions of the nature of the operations and principal activities of the Company, and its Subsidiaries are given on note 3.1.

Lanka Walltiles PLC is the immediate parent of Swisstek (Ceylon) PLC and the ultimate parent is Vallibel One PLC.

The financial statements of all Companies in the Group are prepared for a common financial year, which ends on 31 March.

2. BASIS OF PREPERATION

2.1 Statement of compliance

The Consolidated Financial Statements of the Group and the separate Financial Statements of the Companies have been prepared and presented in accordance with the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995, which requires compliance with Sri Lanka Accounting Standards (SLFRS’s and LKAS’s) issued by the Institute of Chartered Accountants of Sri Lanka (ICASL), and with the requirements of the Companies Act No. 7 of 2007.

The Board of Directors is responsible for the preparation and presentation of the Financial Statements of the Group and its Subsidiaries as per provisions of

Companies Act No. 07 of 2007 and the Sri Lanka Accounting Standards (SLFRSs/LKASs).

The Board of Directors acknowledges this responsibility as set out in the ‘Statement of Directors’ Responsibility for Financial Statements’, ‘Annual Report of the Board of Directors’ and in the statement appearing with the Statement of Financial Position of this Annual Report.

The financial statements were authorized for issue by the directors on 30th May 2024.

2.2 Basis of measurement

The Financial Statements have been prepared on the historical cost basis except for the following:

- Fair Value through Other Comprehensive Income (FVOCI) financial assets are measured at fair value.
- The liability for defined benefit obligation is actuarially valued and recognized at the present value of the defined benefit obligation.
- Land and building measured at cost at the time of acquisition and subsequently at revaluation.
- Investment property is measured at fair value.

2.3 Functional and presentation currency

The Consolidated Financial Statements are presented in Sri Lankan Rupees (LKR), which is the Group’s functional currency. All financial information presented in Sri Lankan Rupees have been given to the nearest thousand, unless stated otherwise.

2.4 Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with SLFRSs 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 recognized in the period in which the estimates are revised and in any future periods affected.

In particular, Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the Financial Statements are described in the following notes:

- Note 11.2 – Deferred tax
- Note 13 – Property Plant and Equipment
- Note 24– Retirement benefits obligation
- Note 16 – Investment Property
- Note 18 – Impairment of Trade Receivables
- Note 6 – Revenue Recognition

2.5 Measurement of Fair Value

A number of the Group’s accounting policies and disclosures require the measurement of fair values, for both financial and non- financial assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS

SLFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transactions between market participants at the measurement date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transactions between market participants at the measurement date which takes into account a market participants 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.

A Fair value measurement requires an entity to determine all the following;

1. The particular asset or liability that is the subject of the measurement
2. For a non-Financial asset, the valuation premise that is appropriate for the measurement (Consistently with its highest and best use).
3. The principal (or most advantageous) market for the asset or liability.
4. The valuation technique(s) appropriate for the measurement, considering the availability of data with which to develop inputs that represent the assumptions that market participants would use when pricing the asset or liability and the level of the fair value hierarchy within which the inputs are categorized.

Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable

market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement in both cases is the same to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions (i.e. an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability).

When a price for an identical asset or liability is not observable, an entity measures fair value using another valuation technique that maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Because fair value is a market-based measurement, it is measured using the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk. As a result, an entity's intention to hold an asset or to settle or otherwise fulfill a liability is not relevant when measuring fair value.

When an asset is acquired or a liability is assumed in an exchange transaction for that asset or liability, the transaction price is the price paid to acquire the asset or received to assume the liability (an entry price). In contrast, the fair value of the asset or liability is the price that would be received to sell the asset or paid to transfer the liability (an exit price).

2.5.1 Determination of fair values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumption and other risks affecting the specific instrument.

- Level 1 - Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e.as prices) or indirectly (i.e. derived from prices); and
- Level 3 - Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

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

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

2.6 Materiality and aggregation

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

2.7 Going Concern

The management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future and confirms that they do not intend either to liquidate or to cease operations of the Group. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the Financial Statements of the Group continue to be prepared on a going concern basis.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all the periods presented in these Consolidated Financial Statements and have been applied consistently by the Group, unless otherwise stated.

In addition, the Group adopted Disclosure of Accounting Policies (Amendments to LKAS 1 and SLFRS Practice Statement 2) from 1 January 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. Although the amendments did not result in any changes to the accounting policies themselves.

3.1 Basis of Consolidation

The consolidated financial statements (referred to as the "Group") Comprise the financial

statements of the Company and its subsidiaries prepared in terms of Sri Lanka Accounting Standard (SLFRS-10) Consolidated Financial Statement and share of profit or loss.

Swisstek Aluminium Limited manufactures and sells aluminium extrusions and allied products through a network of dealers and distributors.

Swisstek Development Ltd is operates as a property holding company known for its strategic investments and development projects.

Subsidiaries are disclosed in note 14 to the consolidated financial statements.

3.1.1 Business Combination

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 per the requirements of Sri Lanka Accounting Standard (SLFRS 3) - Business Combinations 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 exist at the acquisition date as at the acquisition date, which is the date on which control is transferred to the Group. Control exists when the Group has the power, directly or indirectly to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are

currently exercisable and other contractual arrangements.

The Group measures goodwill at the acquisition date as the fair value of the consideration transferred plus the recognized amount of any non-controlling interests in the acquire plus if the business combination achieved in stages, the fair value of the pre-existing interest in the acquire less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of 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.

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. Otherwise, subsequent changes in the fair value of the contingent consideration are 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. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

NOTES TO THE FINANCIAL STATEMENTS

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 Subsidiaries

Subsidiaries are entities controlled by the group. The group controls an entity when it is exposed to, or has rights 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 on which control commences until the date on which control ceases.

3.1.3 Non- controlling interest

Non-controlling interests are measured at their proportionate share of acquirer's identifiable net assets at the date of acquisition. Changes in the group interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

3.1.4 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra- group transactions, are eliminated in preparing the consolidated financial statements.

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 are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognized in statement of profit or loss and other comprehensive income. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

3.3 Financial instruments

(a) Recognition and initial measurement

Trade receivables 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.

(b) Classification and subsequent measurement

Financial assets

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 designated 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 of outstanding.

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.

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.

Derecognition 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

Financial assets - Subsequent measurement and gains and losses

Financial assets at amortised

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.

NOTES TO THE FINANCIAL STATEMENTS

either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

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.

(c) Impairment policy

(i) Non-derivative financial assets Financial instruments and contract assets

The Group recognises loss allowances for Expected Credit Losses (ECLs) on:

- Financial assets measured at amortised cost;
- Debt investments measured at FVOCI; and
- Contract assets.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and

- Other debt securities and bank balances 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 is always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the 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 45 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 Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 135 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

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

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

Credit-impaired financial assets

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 135 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 reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

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

Write-off

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

Non-financial assets

The carrying amounts of the Group's non-financial assets 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. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit 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. For the purpose of 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 groups of assets (the "cash-generating unit").

The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An

impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.4 Property, plant & equipment

3.4.1 Recognition and measurement

Items of property, plant & equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Land and buildings are stated at fair value.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that asset.

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.

A revaluation of land and building is done when there is a substantial difference between the fair value and the carrying amount of the land, and is undertaken by professionally qualified valuers every 3 years.

Increases in the carrying amount on revaluation are credited to the revaluation reserve in shareholders' equity. Decreases

NOTES TO THE FINANCIAL STATEMENTS

that offset previous increases of the same individual asset are charged against revaluation reserve directly in equity. All other decreases are expensed in profit and loss.

3.4.2 Subsequent costs

The cost of replacing part of an item of property, plant & equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant & equipment are recognized in profit and loss as incurred.

3.4.3 Derecognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within "other income" in profit or loss.

When replacement costs are recognized in the carrying amount of an item of property, plant and equipment, the remaining carrying amount of the replaced part is derecognized. Major inspection costs are capitalized. At each such capitalization, the remaining carrying amount of the previous cost of inspections is derecognized.

3.4.4 Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost/

valuation, less its residual value. Fully depreciated property, plant and equipment are retained in the financial statements until such time when they are no longer in use. Depreciation is recognized in profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant & equipment. Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized. Leased assets are depreciated over the shorter of the lease term and the useful lives of equivalent owned assets unless it is reasonably certain that the Group will have ownership by the end of the lease term. Land is not depreciated.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. The estimated useful lives for the current and comparative periods are as follows. Estimates in respect of certain item of property, plant and equipment were revised with effect from 1 April 2014.

The estimated useful lives for the assets are as follows.

Description of the asset	Estimated useful lifetime
Buildings	5 to 50 years
Plant & machinery	5 to 20 years
Factory Electrification	5 to 20 years
Furniture & fittings	5-10 years
Motor vehicles	5 years
Office Equipment	4 - 5 years
Road way	25 years
Tools & Equipment	2 - 5 years

3.4.5 Intangible assets

An intangible asset is an identifiable non monetary asset without physical substance held for use in the production or supply of goods or services, or for administrative purpose.

An intangible asset is recognized if it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably in accordance with LKAS 38 -"Intangible Assets". Accordingly, these assets are stated at cost less accumulated amortization and accumulated impairment losses in the statement of financial position.

3.4.5.1 Computer Software

Computer software are amortised over their estimated useful economic life on a straight-line basis. They are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The estimated useful lives for the current and comparative periods is 5 years.

Amortization methods, useful lives and residual values are reviewed at each reporting date.

De-recognition

An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposal.

3.5 Leases

Recognition and initial measurement (As a lessee)

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right

to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in SLFRS 16.

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

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over

the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

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

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional

renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

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

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

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a

NOTES TO THE FINANCIAL STATEMENTS

straight-line basis over the lease term.

3.6 Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment property is initially measured at cost and subsequently at fair value with any change therein recognized in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for its intended use, and capitalized borrowing cost.

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified as investment property on transfer. Any gain arising on this remeasurement is recognized in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognized in other comprehensive income and presented in the revaluation reserve in equity. Any loss is recognized in other comprehensive income and presented in the revaluation reserve in equity to the extent that an amount had previously been included in the revaluation reserve relating to the specific property, with any remaining loss

recognized immediately in profit or loss.

3.7 Inventories

Inventories are measured at the lower of cost and net realisable value, after making the due allowances for obsolete and slow moving items. Net realizable value is the price at which inventories can be sold in the ordinary course of business less than estimated cost of completion and the estimated cost necessary to make the sale.

The cost of inventory is determined on the basis of weighted average. In the case of manufactured products, cost includes direct expenditure and appropriate proportion of fixed production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and selling expenses.

3.8 Trade and other receivables

Trade and other receivables are stated at their estimated realisable amounts.

3.9 Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances. Bank overdrafts that are repayable on demand and form an integral part of the cash management are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

3.10 Liabilities and Provisions

Liabilities classified as current liabilities on the Statement of financial position are those which fall due for payment on demand or within one year from the reporting date. Non-current

liabilities are those balances that fall due for payment later than one year from the reporting date.

All known liabilities have been accounted for in preparing the financial statements.

3.10.1 Provisions

A provision is recognized 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 benefits will be required to settle the obligation. Provisions are determined by discounting expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risk specific to the liability. Unwinding of discount is recognized as finance cost.

3.10.2 Employee benefits

3.10.2.1 Defined benefit plan

Defined Benefit Plan is a post-employment benefit plan other than Defined Contribution Plan. The liability recognized in the statement of financial position in respect of Defined Benefit Plan is the present value of the defined benefit obligation at the statement of financial position date. The defined benefit obligation is calculated annually by independent actuaries, using projected unit credit method, as recommended by LKAS 19, "Employee Benefits". The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates that apply to the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability. The

assumptions based on which the results of the actuarial valuation were determined are included in the note 24 to the Financial Statements. This liability is not externally funded and the item is grouped under non-current liabilities in the statement of financial position. However, under the Payment of Gratuity Act No. 12 of 1983 the liability to an employee arises only on completion of five years of continued service.

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

The Group recognizes all actuarial gains and losses arising from defined benefit plans in other comprehensive income and expenses related to defined benefit plans in staff expenses in profit or loss.

3.10.2.2 Defined contribution plan

Defined Contribution Plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay any further amounts. Obligations for contributions to Employees Provident Fund (EPF) and Employees Trust Fund (ETF) covering all employees are recognised as an expense in profit or loss as incurred.

The Group and employees contribute 12% and 8%

respectively of the salary of each employee to the Employees' Provident Fund managed by the Central Bank of Sri Lanka. The Company contribute 3% of the salary of each employee to the Employees' Trust Fund managed by Central Bank of Sri Lanka.

3.10.2.3 Short-Term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.11 Commitments and contingencies

Commitments and contingent liabilities of the Group are disclosed in the respective Notes to the Financial Statements.

3.12 Trade and other payables

Trade and other payables are stated at their cost.

3.13 Stated Capital

As per the Companies Act No. 07 of 2007, section 58 (1), stated capital in relation to a Company means the total of all amounts received by the Company or due and payable to the Company in respect of the issue of shares and in respect of call in arrears. 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 transaction is accounted for in accordance with LKAS 12.

3.14 Statement of profit or loss and other comprehensive income

For the purpose of presentation of the Statement of Profit or Loss and Other Comprehensive Income, the function of expenses method is adopted, as it represents fairly the elements of Group performance.

3.15 Revenue recognition

3.15.1 Performance obligations 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 a good or service to a customer.

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

3.15.2 Other Income

3.15.2.1 Rental income

Rent income from investment property is recognized in profit or loss on a straight-line basis over the term of the lease.

3.15.2.2 Commission income

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the commission made by the Group.

3.15.2.3 Finance income and expenses

The Group's finance income and finance cost include:

- Interest income from loans granted
- Interest expense from borrowings

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Type of product / service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under SLFRS 15
1) Sale of Manufacturing and Trading Goods.	The Group engaged in varieties of sale of goods in Tile related products, Decorative pebbles and Trading sales of Aluminum and Fiber Cement.	The revenue is recognized based on the identified performance obligation. The transaction price is allocated to performance obligations and recognized the revenue in point in time upon analysis of each sale of goods.
2) Sale of Timber with installation services	The Group supply Timber to customers with installation services embedded in the contract.	The supply of Timber is recognized at the point of deliver the goods to the customer and the revenue for installation services is recognized over installation period for the transactions that consumes a significant time period for installation. The revenue is recognized at a point in a time either for the transactions which consumes an insignificant installation period or for the transactions where the installation services provided on the same day of delivery of goods.

- Interest expense arising from leases
- Foreign exchange gain / (loss)

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

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

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

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency

movement are in a net gain or net loss position.

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 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 reverts to the gross basis.

3.15.3 Expenses

All expenditure incurred in the running of the business has been charged to income in arriving at the profit for the year. Repairs and renewals are charged to profit and loss in the year in which the expenditure is incurred.

Provision have also been made for impairment of financial assets, all known liabilities and depreciation on property, plant and equipment.

Expenditure incurred for the purpose of acquiring, expanding or improving assets of a permanent nature by means of which to carry on the business or for the purpose of increasing the earning capacity of the business has been treated as capital expenditure.

Repairs and renewals are charged to the income statement in the year in which the expenditure is incurred. The profit earned by the Group is before income tax expense and after making

provision for all known liabilities and for the depreciation of property, plant & equipment.

3.16 Taxation

3.16.1 Income Tax

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

3.16.2 Current Taxation

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

The provision for income tax on the Group's operation is based on the elements of income and expenditures reported in the Financial Statements and computed with in accordance with the provisions of the Inland Revenue Act No.24 of 2007.

Taxation for the current and previous periods to the extent unpaid is recognised as a liability in the financial statements. When the amount of taxation already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset in the financial statements.

3.16.3 Deferred Taxation

Deferred tax is recognised using the reporting method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. 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 realized based on the level of future taxable

profit forecasts and tax planning strategy.

3.17 Events after the reporting period

The materiality of the events after the reporting date has been considered and where appropriate adjustments or disclosures have been made in the respective notes to the Financial Statements wherever necessary.

3.18 Earnings per share

The Group presents basic earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period.

3.19 Segmental reporting

Segment results that are reported to the Group's chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Group's headquarters), head office expenses, and tax assets and liabilities. Inter-segment transfers are based on fair market prices. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant & equipment and intangible assets other than goodwill.

The Group comprises the following main business segments;

NOTES TO THE FINANCIAL STATEMENTS

- a) Tile related products
- b) Wooden flooring & installation
- c) Aluminium (Subsidiary)
- d) Other

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

3.21 Statement of cash flows

The cash flow statement has been prepared using the 'indirect method' in accordance with Sri Lanka Accounting Standard - LKAS 7 on 'Statement of Cash Flows'. Cash and cash equivalent comprise cash in hand and cash at bank that are readily convertible to known amount of cash and subject to an insignificant risk of change in value.

Interest received and dividends received are classified as investing cash flows, while dividend paid is classified as financing cash flows and interest paid is classified under the operating cash flows for the purpose of presentation of Cash Flow Statement. Bank overdrafts that are repayable on demand and forming an integral part of the Group's cash management are included as a component of cash and cash equivalent for the purpose of the Statement of Cash Flows.

3.22 New Accounting Standards issued but not effective as at the Reporting date.

A number of new standards are effective for annual periods beginning on or after 1st January 2024 and earlier application is permitted. However, the Company has not early adopted the new or amended standards in preparing these financial statements.

SLFRS S 1 - Sustainability Disclosure Standard- General Requirements for Disclosure of Sustainability-related Financial Information,

The objective of SLFRS S1 General Requirements for Disclosure of Sustainability related Financial Information is to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

An entity shall apply this Standard in preparing and reporting sustainability related financial disclosures in accordance with SLFRS Sustainability Disclosure Standards.

An entity may apply SLFRS Sustainability Disclosure Standards irrespective of whether the entity's related general purpose financial statements (referred to as "financial statements") are prepared in accordance with Sri Lanka Accounting Standards or other generally accepted accounting principles or practices (GAAP).

SLFRS Sustainability Disclosure Standard - Climate-related Disclosures

The objective of SLFRS S2 Climate-related Disclosures is to require an entity

To disclose information about its climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

This Standard applies to:

- (a) climate-related risks to which the entity is exposed, which are:
 - (i) climate-related physical risks; and
 - (ii) climate-related transition risks; and
- (b) climate-related opportunities available to the entity.

Climate-related risks and opportunities that could not reasonably be expected to affect an entity's prospects are outside the scope of this Standard has context menu

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

The amendments, as issued in 2020, aim to clarify the requirements on determining whether a liability is current or non-current and apply for annual reporting periods beginning on or after 1st January 2023. However, the IASB has subsequently proposed further amendments to LKAS 1 and the deferral of the effective date of the 2020 amendments to no earlier than 1st January 2024. Due to these ongoing developments, the Company is unable to determine the impact of these amendments

on the financial statements in the period of initial application. The Company is closely monitoring the developments.

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 periods beginning on or after 1 January 2024.

Other accounting standards

The following new and amended accounting standards are not expected to have a significant impact on the financial statements.

- Lease Liability in a Sale and Leaseback (Amendments to SLFRS 16)
- Lack of Exchangeability (Amendments to LKAS 21)

4. FINANCIAL RISK MANAGEMENT OVERVIEW

In the course of its business, the Group is exposed to a number risks arising from its use of financial instruments, including:

- Credit risk – See Note 29.1.1
- Liquidity risk - See Note 29.1.2
- Market risk (currency risk & interest rate risk) - See Note 29.1.3

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 analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group’s activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group’s risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

4.1 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group’s receivables from customers.

The Group is exposed to credit risk on trade and other receivables.

Trade and other receivables

The creditworthiness of each customer is evaluated prior to sanctioning credit facilities. Appropriate procedures for

follow-up and recovery are in place to monitor credit risk.

4.2 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.

4.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group’s income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to a change in foreign exchange rates.

Interest rate risk

The principal risk to which non – trading portfolios are exposed is the loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates

4.4 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group’s processes, personnel, technology

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and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Group's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity. The primary responsibility for the development and implementation of controls to address operational risk is assigned to management. This responsibility is supported by the development of overall Group standards for the management of operational risk in the following areas:

Requirements for appropriate segregation of duties, including the independent authorisation of transactions;

- Requirements for the reconciliation and monitoring of transactions;
- Compliance with regulatory and other legal requirements;
- Documentation of controls and procedures;
- Development of contingency plans;
- Training and professional development;
- Ethical and business standards;
- Risk mitigation, including insurance where this is effective.

5 SEGMENT INFORMATION

Information about reportable segments for the year ended 31 March 2024;

For the year ended 31st March	Tile related products Rs.'000	Wooden flooring and installation Rs.'000	Aluminium Rs.'000	Other Rs.'000	Total Rs.'000
Total segment revenue	2,565,026	135,006	7,322,649	55,838	10,078,519
Total segment cost of sales	(1,944,135)	(64,890)	(6,140,529)	(44,846)	(8,194,400)
Segment gross profits	620,891	70,116	1,182,632	10,992	1,884,119
Other income	-	-	-	200,543	200,543
Administration expenses	(111,366)	(5,862)	(335,693)	(2,424)	(455,345)
Distribution expenses	(174,469)	(9,183)	(652,553)	(3,798)	(840,002)
Other expenses	(4,589)	(242)	(6,351)	(100)	(11,282)
Net Finance cost	(196,797)	(10,358)	(644,050)	(4,284)	(855,488)
PBT/(LBT)	304,979	16,052	(405,127)	6,639	(77,455)
Income tax expense	(96,404)	(5,074)	68,381	(2,099)	(35,196)

Information about reportable segments for the year ended 31 March 2023;

For the year ended 31st March	Tile related products Rs.'000	Wooden flooring and installation Rs.'000	Aluminium Rs.'000	Other Rs.'000	Total Rs.'000
Total segment revenue	3,389,353	231,135	5,299,931	49,605	8,970,024
Total segment cost of sales	(2,568,365)	(78,741)	(4,068,690)	(39,105)	(6,754,901)
Segment gross profits	820,988	152,394	1,231,241	10,500	2,215,123
Other income	-	-	-	189,079	189,079
Administration expenses	(108,274)	(7,384)	(234,012)	(1,585)	(351,255)
Distribution expenses	(175,758)	(11,986)	(586,332)	(2,572)	(776,647)
Other expenses	(1,318)	(90)	(11,666)	(19)	(13,093)
Net Finance cost	(172,188)	(11,742)	(1,855,679)	(2,520)	(2,042,130)
PBT/(LBT)	503,531	34,338	(1,324,162)	7,369	(778,923)
Income tax benefit	(165,893)	(11,313)	255,868	(2,428)	76,234

As at 31 March 2024	Tile related products Rs.'000	Wooden flooring and installation Rs.'000	Aluminium Rs.'000	Other Rs.'000	Total Rs.'000
Assets	3,772,596	198,565	7,046,008	82,126	11,081,212
Liabilities	1,675,700	88,244	6,882,598	36,497	8,683,039
Capital expenditure	47,617	52	82,925	-	130,593
As at 31 March 2023					
Assets	3,620,200	246,877	6,990,899	52,986	10,911,472
Liabilities	1,779,954	121,383	6,668,777	26,054	8,596,678
Capital expenditure	233,030	52	134,520	-	367,602

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For the year ended 31st March	GROUP		COMPANY	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
6. REVENUE				
Tile related products	2,565,026	3,389,353	2,565,026	3,389,353
Zink Aluminium	52,984	14,223	52,984	14,223
Wooden flooring & installation	135,006	231,135	135,006	231,135
Decorative pebbles	21,788	29,394	21,788	29,394
Trading sales	33,599	18,925	33,599	18,925
Fibre Cement	451	1,286	451	1,286
Aluminium	7,269,665	5,285,708	63,794	56,966
	10,078,519	8,970,024	2,872,648	3,741,282
6.1. Disaggregation of revenue based on timing				
Revenue recognized in pointing time	9,943,513	8,738,889	2,737,642	3,510,147
Revenue recognized in over time	135,006	231,135	135,006	231,135
	10,078,519	8,970,024	2,872,648	3,741,282
6.2 Geographical Markets				
Local	9,399,700	8,672,015	2,813,815	3,686,988
Foreign - Export	678,819	298,009	58,833	54,294
	10,078,519	8,970,024	2,872,648	3,741,282
7. OTHER INCOME				
Gain on disposal of property, plant & equipment	21,803	-	-	-
Increase in fair value of investment property	7,533	14,750	7,533	14,750
Rent income	27,516	28,145	24,495	22,611
Sales commission	70,634	48,780	70,634	48,780
Sundry income	73,057	97,404	14,843	38,199
	200,543	189,079	117,505	124,340
8. OTHER EXPENSES				
Provision for obsolete and slow moving inventory	8,217	11,969	3,192	864
Inventory Write off	1,739	314	1,739	314
Debtors provision	1,326	810	-	254
	11,282	13,093	4,931	1,432
9. NET FINANCE COST				
9.1 Finance income				
Interest income	35,716	41,504	11,673	19,038
Foreign exchange gain	44,129	57,509	-	57,509
	79,845	99,013	11,673	76,547
9.2 Finance cost				
Interest expenses on short term borrowings	810,984	1,467,662	149,515	189,449
Lease Interest	3,042	2,752	-	-
Bank overdraft interests and charges	100,926	184,925	57,285	74,271
Foreign exchange loss	20,381	485,804	20,381	-
	935,333	2,141,143	227,178	263,720
Net finance Income / (cost) recognized in profit or loss	(855,488)	(2,042,130)	(215,505)	(187,173)

For the year ended 31st March	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000

10. PROFIT BEFORE TAXATION

Is stated after charging all expenses including the following;				
Directors' emoluments	13,906	12,925	2,282	2,290
Auditors' remuneration	811	705	811	705
- Company Auditors				
- Subsidiary Auditors	1,070	818	-	-
Non audit services	2,707	5,731	2,058	422
Salaries, wages and other related cost	665,458	512,259	154,431	128,605
Defined benefit plan cost	16,005	15,973	4,376	3,266
- Retirement gratuity				
Defined contribution plan cost	48,670	27,899	13,276	10,449
- EPF & ETF				
Depreciation on property plant and equipment	203,210	188,285	72,897	61,392
Provision obsolete inventory	8,217	11,969	3,192	864
Provision/ (Reversal) of impairment of trade receivables	(3,801)	810	(5,127)	254
Amortization of intangible assets	6,562	4,072	95	271

11. INCOME TAX EXPENSE/(BENEFIT)

Current Tax Expenses	102,934	135,943	94,214	128,202
Deferred tax (reversal)/ charge for the year (Note 11.1)	(71,887)	22,203	7,733	14,461
Effects of changes in tax rates (Note 11.1)	-	(256,913)	-	45,744
Adjustment for prior years	4,149	22,534	3,621	(8,077)
Total Income Tax Expense/(Benefit) for the year	35,196	(76,234)	105,568	180,330

Accordingly, The Inland Revenue (Amendment) Act No.45 of 2022, the Company is liable to pay tax at the rate of 30% of its entire taxable profit. Prior to 1st October 2022, Income tax at the rate of 14% for Exports, 18% Business Income and 24% on its Trading income as per the inland revenue (Amendment) Act no. 10 of 2021.

Reconciliation of the accounting profit and the income tax expense

Profit/ (Loss) before taxation	(77,455)	(778,923)	333,968	547,352
Aggregate disallowed expenses and income	690,193	1,348,561	119,035	190,629
Aggregate allowed Items	(369,342)	(406,511)	(138,960)	(208,577)
Taxable Income	243,396	163,127	314,043	529,404
Income tax at 14% - Export Income	-	226	-	226
Income tax at 18% - Manufacturing Income	-	30,394	-	30,394
Income tax at 24% - Service & Other	-	40,393	-	40,393
Income tax at 20% - Service & Other	8,720	7,741	-	-
Income tax at 30%	94,214	57,189	94,214	57,189
Total Income Tax Expense for the year	102,934	135,943	94,214	128,202

11.1 Movement in deferred tax balance during the year

Balance at the beginning of the year	215,578	369,555	362,411	224,628
(Reversed)/originated during the year	(71,887)	22,203	7,733	14,461
Effect of change in tax rates - Recognised in Profit or Loss	-	(256,913)	-	45,744
- Recognised in other comprehensive income	-	77,045	-	77,529
Originated during the year - Recognised in other comprehensive income	95,581	3,688	54,297	49
Balance at the end of the year	239,272	215,578	424,441	362,411

NOTES TO THE FINANCIAL STATEMENTS

11.2 Deferred tax provision / reversal for the year

Deferred tax assets and liabilities are attributable to the following:

	GROUP						COMPANY					
	2024		2023		2024		2023		2024		2023	
	Temporary Difference Rs. '000	Deferred Tax Rs. '000	Temporary Difference Rs. '000	Deferred Tax Rs. '000	Temporary Difference Rs. '000	Deferred Tax Rs. '000	Temporary Difference Rs. '000	Deferred Tax Rs. '000	Temporary Difference Rs. '000	Deferred Tax Rs. '000	Temporary Difference Rs. '000	Deferred Tax Rs. '000
Deferred tax assets												
Employee benefits	78,624	18,120	50,969	11,088	23,955	7,186			12,870	3,861		
Inventory provision	74,799	17,560	22,813	6,844	26,005	7,802			22,813	6,844		
Provision for impairment receivable of trade receivables-Collective	44,647	9,828	47,893	11,101	8,987	2,696			14,114	4,234		
Tax losses	2,007,536	391,695	-	297,132	-	-			-	-		
	2,205,606	437,203	121,675	326,165	58,947	17,684			49,797	14,939		
Deferred tax liabilities												
Property, plant and equipment - Other than Land	(1,232,479)	(284,450)	(1,215,851)	(266,039)	(379,541)	(113,862)			(338,820)	(101,646)		
Investment Property	(164,940)	(49,482)	(189,675)	(56,902)	(164,940)	(49,482)			(189,675)	(56,902)		
Land carried at Revaluation	(1,145,253)	(342,543)	(729,340)	(218,802)	(929,271)	(278,781)			(729,340)	(218,802)		
	(2,542,672)	(676,475)	(2,134,866)	(541,743)	(1,473,752)	(442,125)			(1,257,835)	(377,350)		
Net deferred tax asset/(liability)	(337,066)	(239,272)	(2,013,191)	(215,578)	(1,414,805)	(424,441)			(1,208,038)	(362,411)		

12. EARNINGS/(LOSS) PER SHARE

The calculation of the earnings / (loss) per share is based on the profit/(loss) attributable to ordinary shareholders divided by the weighted average number ordinary shares in issue during the year.

Year ended 31 March,	GROUP		COMPANY	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Profit/(Loss) attributable to ordinary shareholders (Rs. 000)	(69,837)	(567,831)	228,400	367,022
Weighted average number of ordinary shares	136,860,000	136,860,000	136,860,000	136,860,000
Earnings/(Loss) per share (Rs.)	(0.51)	(4.15)	1.67	2.68
Weighted average number of ordinary shares				
Issued ordinary shares	136,860,000	136,860,000	136,860,000	136,860,000
Weighted average number of ordinary shares in issue during the year	136,860,000	136,860,000	136,860,000	136,860,000

13. PROPERTY, PLANT & EQUIPMENT

- (a) The lands and buildings have been revalued by an Independent Chartered valuer, Mr. D.G. Newton, on 31 March 2024 on contractor's method and market based method as follows. The said valuation has been incorporated in the financial statements and the surplus arising from the revaluation was recognized under OCI.
- (b) The entire land is classified as property plant and equipment since the portion of the land held for company's use and the land on which investment property is situated is not clearly demarcated and cannot be sold separately.
- (c) The carrying amount of the lands if carried at cost is as follows.

	Land in Extent (perches)	Cost Rs.'000	Carrying value as at 31.03.2024 Rs.'000	Carrying value as at 31.03.2023 Rs.'000
Swisstek (Ceylon) PLC				
Factory Complex, Belummahara, Imbulgoda	984.50	1,381	1,381	1,381
No:334/5, Colombo Road, Belummahara, Imbulgoda	20.00	5,753	5,753	5,753
No: 288/26, Colombo Road, Belummahara, Imbulgoda	81.60	38,080	38,080	38,080
No: 177/6, New Kandy Rd., Weliveriya	84.50	37,961	37,961	37,961
Land at Nedungamuwa	2,446.00	285,648	285,648	285,648
Land at Belummahara	0.96	814	814	814
	3,617.56	369,637	369,637	369,637
Swisstek Aluminium Limited				
Pahala Dompe, Lot-1 in Plan No-3458	97.17	10,727	10,727	10,727
Pahala Dompe, Lot-2 in Plan No-3458	1,495.10	176,000	176,000	176,000
Pahala Dompe, Lot-3 in Plan No-3458	85.20	4,000	4,000	4,000
Pahala Dompe, Lot-4 in Plan No-3458	144.80	19,281	19,281	19,281
Pahala Dompe, Lot-1 in Plan No-5790	112.00	9,485	9,485	9,485
	1,934.27	219,493	219,493	219,493

NOTES TO THE FINANCIAL STATEMENTS

(d) The carrying amount of the buildings if carried at cost is as follows,

	Extent/floor Area	No. of buildings	Cost Rs. '000	Accumulated depreciation Rs. '000	Carrying value as at 31.03.2024	Carrying value as at 31.03.2023
Swisstek (Ceylon) PLC						
Factory Complex, Belummahara, Imbulgoda	62,530 Sq.ft.	18	248,803	43,012	205,791	212,168
Factory Complex, Belummahara, Imbulgoda - Crushing Plant 2 and other additions	7,000 sq.ft	1	39,304	9,959	29,346	30,922
No: 177/6, New Kandy Rd., Weliweriya	27,170 Sq.ft.	1	80,563	17,328	63,235	66,568
Buildings at Nedungamuwa	55,362 Sq.ft	8	171,677	13,096	158,581	163,771
			540,347	83,395	456,953	473,429
Swisstek Aluminium Limited						
Buildings at Pahala Dompe, Dompe	173,965 Sq.ft	23	731,659	111,782	619,877	627,637
			731,659	111,782	619,877	627,637

(e) Land and Building carried at revalued amount.

Swisstek (Ceylon) PLC Address	Type of property	No. of buildings	Extent	Valuation Technique	Significant unobservable input:price/acre/range	Carrying value as at 31.03.2024	Fair Value 31.03.2024
Factory Complex, Belummahara, Imbulgoda	Land	-	984.50 Perches	Market based evidence	Rs. 800,000/- per perch	787,600	787,600
No: 288/26, Colombo Road, Belummahara, Imbulgoda	Land	-	81.56 perches	Market based evidence	Rs. 725,000/- per perch	59,131	59,131
No:334/5, Colombo Road, Belummahara, Imbulgoda	Land	-	19.74 Perches	Market based evidence	Rs. 650,000/- per perch	12,831	12,831
No: 177/6, New Kandy Rd., Weliweriya	Land	-	85.00 Perches	Market based evidence	Rs. 600,000/- per perch	51,000	51,000
Land at Nedungamuwa	Land	-	2,446.00 Perches	Market based evidence	Rs. 100,000/- to 175,000/- per perch	387,533	387,533
Land at Belummahara	Land	-	0.95 Perches	Market based evidence	Rs. 848,000/- per perch	814	814
Factory Complex, Belummahara, Imbulgoda	Buildings	19	62,530 sq.ft	Contractors Method	Rs. 750/- to 4,500/- per sq.ft.	226,422	226,422
No: 177/6, New Kandy Rd., Weliweriya	Building	1	27,170 Sq.ft.	Contractors Method	Rs. 2,850/- to 3,350/- per sq.ft.	82,286	82,286
Nadungamuwa, Ratupaswela	Building	8	50,085 Sq.ft	Depreciated replacement cost	Rs. 750/- to 3,250/- per sq.ft.	162,291	162,291
						1,769,908	1,769,908

Swisstek (Ceylon) PLC Address	Type of property	No. of buildings	Extent	Valuation Technique	Significant unobservable input:price/acre/range	Carrying value as at 31.03.2024	Fair Value 31.03.2024
Swisstel Aluminium Limited							
Lot-1 in Plan No-3458	Land	-	97.17 Perches	Market based evidence	Rs. 125,000/- Per perch	10,914	10,914
Lot-2 in Plan No-3458	Land	-	1495.1 Perches	Market based evidence	Rs. 85,000/- Per perch	235,096	235,096
Lot-3 in Plan No-3458	Land	-	85.2 Perches	Market based evidence	Rs. 85,000/- Per perch	6,507	6,507
Lot-4 in Plan No-3458	Land	-	144.8 Perches	Market based evidence	Rs. 30,000/- Per perch	3,903	3,903
Lot-1 in Plan No-5790	Land	-	112 Perches	Market based evidence	Rs. 125,000/- Per perch	12,580	12,580
Buildings at Pahala Dompe, Dompe	Buildings	24	173,965 Sq.ft	Contractors Method	1,250/- to 7,500/- per Sq.ft	818,701	818,701
						1,087,701	1,087,701

Valuation techniques and significant unobservable inputs.

The following table shows the valuation techniques used in measuring the fair value of Land and investment property , as well as the significant unobservable inputs used.

Property plant and equipment

Location	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Land and building Belummahara	Contractor’s method	“Considering the location, extent and site characteristics the land value is determined by adopting rates from Rs. 350,000 to Rs. 650,000 per perch. The building value is determined by adopting rates from Rs. 250 to Rs. 2500 per sq.ft.”	“The estimated fair value would increase/decrease if the market value of the land or building gets high/ low.”

Swisstek Aluminium Limited

Property plant and equipment

Land and buidling Dompe	Market approach	“Considering the location, extent and site characteristics the land value is determined by adopting rates from Rs. 50,000 to Rs. 150,000 per perch. The building value is determined by Rs.1000 per sq.ft to Rs.3000 per sq.ft”	“ The estimated fair value would increase/decrease if the market value of the land or building gets high/ low.”
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NOTES TO THE FINANCIAL STATEMENTS

Group

Description	Freehold Land Rs.'000	Buildings Rs.'000	Plant & Machinery Rs.'000	Machinery under Lease Rs.'000	Factory Electrification Rs.'000	Furniture & Fittings Rs.'000	Motor Vehicles Rs.'000	Office Equipments Rs.'000	Road Way Equipments Rs.'000	Tools & Equipments Rs.'000	Total Rs.'000
Cost/ Revaluation											
As at 01 April 2022	1,326,772	1,059,680	1,668,229	35,640	27,467	21,132	79,483	69,767	8,346	45,772	4,342,286
Additions during the year	-	56,965	214,582	-	42,674	7,977	8,228	8,329	12,713	16,133	367,602
Transfers from CWIP	-	17,371	16,012	-	-	-	-	-	-	-	33,383
As at 31 March 2023	1,326,772	1,134,016	1,898,823	35,640	70,141	29,109	87,711	78,096	21,059	61,905	4,743,271
Additions during the year	-	24,455	66,410	-	699	5,624	-	12,849	6,400	13,227	129,664
Transfers from CWIP	-	19,463	10,166	-	3,805	-	-	-	-	-	33,435
Disposals	-	-	-	-	-	-	(26,570)	-	-	(771)	(27,341)
Transfers from Investment Property	33,485	-	-	-	-	-	-	-	-	-	33,485
Revaluation reversal of Cost	-	(85,208)	-	-	-	-	-	-	-	-	(85,208)
Revaluation Gain	207,651	196,349	-	-	-	-	-	-	-	-	404,000
As at 31 March 2024	1,567,908	1,289,076	1,975,399	35,640	74,645	34,733	61,141	90,945	27,459	74,361	5,231,306
Accumulated depreciation											
As at 01 April 2022	-	25,830	783,686	12,012	14,441	14,472	56,526	36,544	208	30,771	974,490
Charge for the Year	-	33,997	104,221	4,167	3,397	2,884	12,615	16,798	569	9,628	188,285
As at 31 March 2023	-	59,828	887,907	16,180	17,838	17,356	69,141	53,342	777	40,399	1,162,774
Charge for the Year	-	30,758	116,356	11,802	6,609	3,933	5,668	6,317	902	20,864	203,210
Disposals	-	-	-	-	-	-	(26,570)	(252)	-	-	(26,822)
Revaluation reversal of depreciation	-	(85,208)	-	-	-	-	-	-	-	-	(85,208)
As at 31 March 2024	-	5,377	1,004,262	27,982	24,447	21,289	48,239	59,407	1,679	61,263	1,253,947
As at 31 March 2023	1,326,772	1,074,189	1,010,916	19,460	52,303	11,753	18,570	24,754	20,282	21,500	3,580,497
As at 31 March 2024	1,567,908	1,289,699	971,137	7,658	50,199	13,444	12,902	31,538	25,780	13,098	3,977,359

Property, plant and equipment of the group consists of fully depreciated assets with a value of Rs. 161,618,929/- (2023 - Rs.140,681,617/-) as at the year end. Right of use assets of Swisstek Aluminium Limited has been included in the Building amounting to Rs. 10,705,000/- (2023 - Rs.16,083,000) as at the year end.

Company

Description	Freehold Land	Buildings	Plant & Machinery	Factory Electrification	Furniture & Fittings	Motor Vehicles	Office Equipments	Road Way Equipments	Tools & Equipments	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cost/ Revaluation										
As at 1st April 2022	1,098,977	398,956	346,115	27,465	6,403	41,949	16,683	8,346	14,133	1,959,028
Additions during the year	-	47,875	139,261	6,771	6,091	8,228	4,047	12,713	8,096	233,082
Transfers from CWIP	-	17,371	138	-	-	-	-	-	-	17,510
As at 31 March 2023	1,098,977	464,202	485,514	34,236	12,494	50,177	20,730	21,059	22,229	2,209,620
Additions during the year	-	10,867	25,396	699	227	-	3,109	6,400	971	47,669
Transfers from CWIP	-	17,413	10,166	3,805	-	-	-	-	-	31,384
Transfer From Investment Property	33,485	-	-	-	-	-	-	-	-	33,485
Revaluation reversal of Cost	-	(43,056)	-	-	-	-	-	-	-	(43,056)
Revaluation Gain	166,446	21,572	-	-	-	-	-	-	-	188,018
As at 31 March 2024	1,298,909	470,998	521,075	38,741	12,721	50,177	23,839	27,459	23,199	2,467,120
Accumulated depreciation										
As at 1st April 2022	-	13,093	110,830	14,440	4,667	26,622	10,967	207	12,290	193,116
Charge for the Year	-	14,475	27,908	3,332	1,026	7,335	2,422	569	4,325	61,392
As at 31 March 2023	-	27,568	138,738	17,772	5,693	33,957	13,389	776	16,615	254,508
Charge for the Year	-	15,488	37,300	4,216	1,764	5,668	2,712	902	4,645	72,697
Revaluation reversal of depreciation	-	(43,056)	-	-	-	-	-	-	-	(43,056)
As at 31 March 2024	-	-	176,038	21,988	7,457	39,625	16,101	1,679	21,261	284,149
As at 31 March 2023	1,098,977	436,634	346,776	16,465	6,801	16,220	7,341	20,282	5,613	1,955,108
As at 31 March 2024	1,298,909	470,998	345,037	16,753	5,264	10,552	7,738	25,780	1,939	2,182,971

Property, plant and equipment of the company consists of fully depreciated assets with a value of Rs.80,729,664.56 (2023- Rs.58,606,569/-) as at the year end.

There were no items of property, plant and equipment pledged as securities for liabilities as at the reporting date other than the ones disclosed in Note 25.3 of these financial statements.

There were no restrictions existed on title of property, plant and equipment of the Company and Group as at the reporting date.

There was no temporary idle property, plant and equipment as at the reporting date.

The amount or expenditures recognized in the carrying amount of property, plant and equipment in course of Construction is disclosed in Note 13.1 in these financial statements.

There was no compensation receivable from third parties for items of property, plant and equipment that were impaired, lost or given up as at the reporting date.

There were no property, plant and equipment retired from active use at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

As at 31st March,	GROUP		COMPANY	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000

13.1 Capital work - in - progress

Balance as at the beginning of the year	33,794	42,929	31,744	24,973
Cost incurred during the year	-	24,279	-	24,279
During the year transferred to PPE	(33,435)	(33,414)	(31,384)	(17,508)
Balance as at 31 March	359	33,794	360	31,744

As at 31st March,	GROUP		COMPANY	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000

13.2 Intangible Assets

Cost				
As at 01 April	43,078	37,432	1,355	1,355
Additions during the year	12,650	5,646	-	-
As at 31 March	55,728	43,078	1,355	1,355
Accumulated amortization				
As at 01 April	16,755	12,683	1,111	840
Amortization for the Year	6,562	4,072	95	271
As at 31 March	23,317	16,755	1,206	1,111
Net book value	32,411	26,323	149	244

As at 31st March,	No of shares As at 31-03-2024	Holding %	Cost As at 31-03-2024 Rs.000	No of shares As at 31-03-2023	Holding %	Cost As at 31-03-2023 Rs.000
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14. INVESTMENT IN SUBSIDIARY

Swisstek Aluminium Ltd	122,340,570	87.38%	229,784	122,340,570	87.38%	229,784
Swisstek Development Ltd.	5,720,350	100%	57,204	5,720,350	100%	57,204
			286,988			286,988

As at 31st March,	GROUP		COMPANY	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000

15. UNQUOTED EQUITY SHARES

CP Holding (Private) Limited	56,667	56,667	-	-
	56,667	56,667	-	-

The Group invested in CP Holdings (pvt) Ltd through its subsidiary Company Swisstek Development Limited at 16.67%.

The balance reflects the recent sale price of remaining equity shares.

The Group designated the investments in FVOCI because these represent investments that the Group intended to held for the long term for strategic purpose.

No strategic investments were disposed during 2023/2024, and there were no transfer of any cumulative gain or loss within these equity investment.

As at 31st March,	GROUP		COMPANY	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
16 INVESTMENT PROPERTY				
Cost/ Revaluation				
Balance as at 1 April	226,735	211,985	226,735	211,985
Investment property completed during the year	1,217	-	1,217	-
Transfer of Investment property during the year	(33,485)	-	(33,485)	-
Change in fair value	7,533	14,750	7,533	14,750
Balance as at 31 March	202,000	226,735	202,000	226,735

Investment property consists of a retail tiles sales centre and three stores/warehouses. These are leased to Lanka Tiles PLC (LT), Lanka Walltiles PLC (LW) and Royal Ceramic Lanka PLC (RCL).

During the fiscal year 2023/2024, an investment property with a value of Rs. 33,485,273 consisting of land was transferred to Property, Plant, and Equipment. This transfer was necessitated by the termination of the rental agreement with Swisstek Aluminium Limited.

The carrying amount of Investment Property is the fair value of the property as determined by a registered independent valuer Mr. D.G.Newton on 31 March 2024.

Address	Type of property	Occupying party	Extent	Cost	Date of Valuation	Fair Value 2024	Fair Value 2023
Factory Complex, Belummahara, Imbulgoda	Tile Stores	LT /LW	26,000 sq.ft	5,663	31-Mar-24	119,480	114,304
Factory Complex, Belummahara, Imbulgoda	Sales center	LT /LW/ RCL	4900 sq.ft	14,053	31-Mar-24	41,818	40,006
Factory Complex, Belummahara, Imbulgoda	Open Shed	LW	3400 sq.ft	6,277	31-Mar-24	11,160	10,677
Factory Complex, Belummahara, Imbulgoda	Warehouse	RCL	5,000 sq.ft	11,067	31-Mar-24	29,542	28,262
Nedungamuwa, Rathupaswala	Land	SAL	320 Perch	33,486	31-Mar-24	-	33,486
				70,546		202,000	226,735

NOTES TO THE FINANCIAL STATEMENTS

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring the fair value of Land and investment property, as well as the significant unobservable inputs used.

Location	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
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Swisstek (Ceylon) PLC

Investment property

Factory Complex	Belummahara	Investment method	A reasonable rent that the property could fetch in its existing use is estimated on the basis of rent paid to comparable properties.	“ The estimated fair value would increase/decrease if expected market rentals get high/low.”
			The net income deliverable worked out taking away the usual “outgoings” that have to be met from such gross income at 20%	
			The net income determined is capitalized at an “years purchase” estimated based on the type of property, its existing use and the rate of return on investment expected from the type of property is 22.	

As at 31st March,	GROUP		COMPANY	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000

17 INVENTORIES

Spares and consumables	266,601	630,873	27,365	32,918
Raw material	2,142,093	956,064	343,850	269,780
Work in progress	682,952	1,447,006	24,028	59,765
Finished goods	1,117,688	1,531,063	70,901	103,770
Goods in transit	23,652	96,195	23,652	96,195
Less: Provision for obsolete and slow moving items - (Note17.1)	(74,799)	(66,582)	(26,005)	(22,813)
	4,158,185	4,594,619	463,791	539,615
Note 17.1 - Provision for obsolete and slow moving items				
Balance as at 1 April	66,582	54,613	22,813	21,949
Provision made during the year	8,217	11,969	3,192	864
Balance as at 31 March	74,799	66,582	26,005	22,813

As at 31st March,	GROUP		COMPANY	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000

18 TRADE AND OTHER RECEIVABLES

Trade receivables - Others	1,620,430	1,154,282	341,742	333,800
- Related parties (Note 18.1)	251,542	237,877	196,722	233,912
	1,871,972	1,392,159	538,464	567,712
Less : Provision for impairment of trade debtors	(44,647)	(48,449)	(8,987)	(14,114)
Deposits, advances, prepayments & other recoverables	293,097	450,198	18,727	23,180
	2,120,422	1,793,908	548,204	576,778

18.1 - Trade receivables - Related parties

Uni Dil Packaging Ltd.	89	-	89	-
Lanka Tiles PLC	234,239	226,185	181,974	226,185
Royal Ceramics Lanka PLC	16,153	11,692	14,659	7,727
Swisstek Development Ltd.	1,061	-	-	-
	251,542	237,877	196,722	233,912

As at 31st March,	GROUP		COMPANY	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000

19 CONTRACT ASSET AND LIABILITIES

19.1 Contract Assets

As at 1st April	32,343	29,343	32,343	29,343
During the year recognized/(derecognized)	(2,310)	3,000	(2,310)	3,000
As at 31st March	30,033	32,343	30,033	32,343

The contract assets primarily relate to Company's rights to consideration for work completed but not billed at the reporting date on supply of timber. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Company issues an invoice to the customer.

As at 31st March,	GROUP		COMPANY	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000

19.2 Contract Liabilities

As at 1st April	-	3,836	-	3,836
During the year recognized	-	(3,836)	-	(3,836)
As at 31st March	-	-	-	-

The contract liability primarily relates to the advance consideration received from customers for Supply of timber and installation of timber flooring, for which revenue is recognized overtime. This will be recognized as revenue when the company issues an invoice to the customer, which is expected to occur over the next year.

NOTES TO THE FINANCIAL STATEMENTS

As at 31st March,	GROUP		COMPANY	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000

20 AMOUNT DUE FROM RELATED PARTIES

Swisstek Aluminium Limited	-	-	13,100	-
Lanka Walltiles PLC	10,576	2,120	10,576	2,120
Royal Ceramics PLC	6,690	3,139	6,690	3,139
Lanka Tiles USA Inc.	29,554	-	29,554	-
Rocel Bathware Ltd	1,589	1,884	1,589	1,884
Swisstek Development Ltd.	-	12	180	12
	48,409	7,155	61,689	7,155

As at 31st March,	GROUP		COMPANY	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000

21 CASH AND CASH EQUIVALENTS

21.1 Favorable Balances

Cash in hand	600	550	600	550
Cash at banks	454,767	558,881	276,503	262,801
Cash and cash equivalents	455,367	559,431	277,103	263,351

21.2 Unfavorable Balance

Bank overdrafts	(377,344)	(690,809)	(228,535)	(282,356)
Cash & cash equivalents for the purpose of cash flow statement	78,023	(131,378)	48,568	(19,005)

As at 31st March,	GROUP		COMPANY	
	2024 No. of Shares	2023 Rs.000	2023 No. of Shares	2024 Rs.000

22 STATED CAPITAL - COMPANY

Balance as at 1st April	136,860,000	368,256	136,860,000	368,256
Balance as at 31st March	136,860,000	368,256	136,860,000	368,256

As at 31st March,	GROUP		COMPANY	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000

22.1 Dividend paid;

Rs. -/90 per 136,860,000 ordinary shares	-	123,174	-	123,174
Rs. 1/10 per 136,860,000 ordinary shares	-	150,546	-	150,546
Rs. -/20- per 136,860,000 ordinary shares	27,372	-	27,372	-
Rs. -/50- per 136,860,000 ordinary shares	68,430	-	68,430	-
	95,802	273,720	95,802	273,720

The holders of the ordinary shares are entitled to receive dividend as declared from time to time and are entitled to one vote per share individual present at meeting of the shareholders or one vote per share in the case of a poll.

As at 31st March,	GROUP		COMPANY	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
23 RESERVES				
a) Revaluation reserve (23.1)				
As at 1 April	699,449	776,978	597,131	674,660
Net of deferred tax effect on land and building revaluation.	282,593	(77,529)	131,613	(77,529)
As at 31 March	982,042	699,449	728,744	597,131
b) Capital redemption reserve (23.2)	121	121	121	121
c) General reserve (23.3)	19,842	19,842	19,842	19,842
Total	1,002,005	719,412	748,707	617,094

23.1 The revaluation reserve relates to property, plant and equipment which has been revalued by the Group.

23.2 The capital redemption reserve is created for the purpose of repurchasing shares back from shareholders. This fund is not used to distribute dividend or any other purpose

23.3 The general reserves relates to retained earnings set aside by the group.

As at 31st March,	GROUP		COMPANY	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000

24 EMPLOYEE BENEFITS

Movement in present value of the defined benefit obligation				
Defined benefit obligation at 1 April	49,002	49,052	12,870	10,953
Current service cost and interest (24.1)	16,863	15,971	4,376	3,266
Actuarial (gain)/ losses in other comprehensive income (24.2)	16,587	(12,131)	7,027	(162)
Payment during the year	(3,831)	(3,890)	(318)	(1,187)
Defined benefit obligation at 31 March	78,621	49,002	23,955	12,870

24.1 Expenses recognized in profit or loss

Current service cost	8,171	7,337	2,188	1,623
Interest cost	8,692	8,634	2,188	1,643
	16,863	15,971	4,376	3,266

24.2 Actuarial (gain)/loss recognized in other comprehensive income

Actuarial (gain) or loss	16,587	(12,131)	7,027	(162)
	16,587	(12,131)	7,027	(162)

As per the guidelines issued by the Institute of Chartered Accountants of Sri Lanka, the discount rates have been adjusted to convert the coupon bearing yield to a zero coupon yield to match the characteristics of the gratuity payment liability and the resulting yield to maturity for the purpose of valuing employee benefit obligations as per LKAS 19. Further, the salary increment rate of 15% is considered appropriate to be in line with the company's targeted future salary increments when taking into account the current market conditions and inflation rate.

NOTES TO THE FINANCIAL STATEMENTS

	2024	2023
Swisstek (Ceylon) PLC		
1. Discount rate (the rate used to discount the future cash flows in order to determine the present value)	12.5%	17.0%
2. Future salary increase	15.0%	15.0%
3. Staff Turn Over	5.0%	4.0%
4. Weighted Average duration of defined benefit obligation (Years)	11.90	13.20
Swisstek Aluminium Limited		
1. Discount rate (the rate used to discount the future cash flows in order to determine the present value)	12.5%	18.0%
2. Future salary increase	13.8%	15.5%
3. Staff Turn Over	17.0%	14.0%
4. Weighted Average duration of defined benefit obligation (Years)	6.70	6.20

	SWISSTEK ALUMINIUM LIMITED		SWISSTEK (CEYLON) PLC	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Retainment Age				
Male	60	60	60	60
Female	60	60	60	60
No of Employees				
Male	447	340	99	96
Female	37	31	17	14
Total	484	422	116	110

In addition to above, assumptions regarding future mortality are based on published statistics and mortality tables.

24.3 Sensitivity of Assumptions Employed in Actuarial Valuation

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

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

Company

Increase/ (Decrease) in discount rate	Increase/ (Decrease) in salary increment rate	2024		2023	
		Effect on charge to the Statement of profit or loss and other comprehensive income Rs.000	Effect on employee benefit obligation Rs.000	Effect on charge to the Statement of profit or loss and other comprehensive income Rs.000	Effect on employee benefit obligation Rs.000
1%	*	2,199	(2,199)	1,079	(1,079)
(1%)	*	(2,552)	2,552	(1,236)	1,236
*	1%	(2,602)	2,602	(1,309)	1,309
*	(1%)	2,282	(2,282)	1,079	(1,079)

Subsidiary

Increase/ (Decrease) in discount rate	Increase/ (Decrease) in salary increment rate	2024		2023	
		Effect on charge to the Statement of profit or loss and other comprehensive income Rs.000	Effect on employee benefit obligation Rs.000	Effect on charge to the Statement of profit or loss and other comprehensive income Rs.000	Effect on employee benefit obligation Rs.000
1%	*	3,014	(3,014)	1,801	(1,801)
(1%)	*	(3,362)	3,362	(1,993)	1,993
*	1%	(3,558)	3,558	(2,221)	2,221
*	(1%)	3,244	(3,244)	2,032	(2,032)

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000

25 LOANS & BORROWINGS

Movement in interest bearing loans & borrowings

Balance at the beginning of the year	228,847	717,889	45,808	428,027
Loans obtained during the year	3,654,039	-	-	-
Repayments made during the year	(115,592)	(489,042)	(28,395)	(382,219)
Balance at the end of the year	3,767,294	228,847	17,413	45,808
25.1 Amount falling due within one year	518,471	109,715	17,413	28,395
25.2 Amount falling due after one year	3,248,823	119,132	-	17,413
Balance at the end of the year	3,767,294	228,847	17,413	45,808

NOTES TO THE FINANCIAL STATEMENTS

25.3 Bank loans

Lender	Interest rate	Security	GROUP				COMPANY			
			2024		2023		2024		2023	
			Amount payable within one year	Amount payable after one year	Amount payable within one year	Amount payable after one year	Amount payable within one year	Amount payable after one year	Amount payable within one year	Amount payable after one year
			Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Nations Trust Bank PLC	AWPLR (repriced quarterly)	Primary MB over stocks and Book Debts of SAL for Rs. 600 MIN.	71,250	413,842	-	-	-	-	-	-
Seylan Bank PLC	AWPLR+ 1%	MB No CBG/ SM/19/009 for Rs.660 over stock & debtors	275,000	789,872	-	-	-	-	-	-
Commercial Bank of Ceylon PLC	AWPLR+ 1.4%	Solar Panel Equipment	31,320	70,399	-	-	-	-	-	-
DFCC Bank PLC	AWPLR	Mortgage over Land, Building, Plant & Machinery, Stocks and Book debts owned by Swisstek Aluminium Ltd.	140,901	1,974,710	102,215	119,132	17,413	-	20,895	17,413
			-	-	7,500	-	-	-	7,500	-
			518,471	3,248,823	109,715	119,132	17,413	-	28,395	17,413

There are no covenants placed by the loan providers for the above mentioned loans.

	GROUP		COMPANY	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
25.4 Lease liability				
Balance at the beginning of the year	21,576	25,659	-	-
Lease Expense	3,042	2,752	-	-
Less: Payments	(8,773)	(6,835)	-	-
Balance as at end of the year	15,845	21,576	-	-
Amount payable within 12 months	3,454	5,306	-	-
Amount payable after 12 months	12,391	16,270	-	-
	15,845	21,576	-	-

As at 31st March,	GROUP		COMPANY	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000

26 TRADE AND OTHER PAYABLES

Trade payables - Others	1,365,107	553,175	170,518	160,006
- Related parties (Note 26.1)	859	1,835	30,010	4,601
	1,365,966	555,010	200,528	164,607
EPF / ETF payable	2,210	5,480	2,210	1,442
Bank loan interest payable	33,688	320,356	1,734	9,293
Accruals & other payables	364,170	313,783	131,364	117,248
VAT/SSCL/WHT payable	26,686	138,799	26,686	35,491
	1,792,720	1,333,428	362,522	328,081

26.1 Trade Payables - Related parties

Swisstek Aluminium Ltd	-	-	29,151	2,766
Unidil Packaging Ltd.	859	1,835	859	1,835
	859	1,835	30,010	4,601

	GROUP		COMPANY	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000

27 SHORT TERM LOANS

Balance at the beginning of the year	5,783,092	3,445,119	837,866	344,318
Loans obtained during the year	5,513,783	9,575,736	1,811,501	1,992,989
Repayments made during the year	(9,106,037)	(7,237,763)	(1,966,538)	(1,499,441)
Balance at the end of the year	2,190,838	5,783,092	682,829	837,866

Short Term loans have been obtained for Working capital financing from Bank of Ceylon, Commercial Bank of Ceylon PLC, Union Bank, DFCC Bank PLC, Seylan Bank PLC, Sampath Bank PLC, Hatton National Bank and Nations Trust Bank are repayable within 3 to 6 months.

NOTES TO THE FINANCIAL STATEMENTS

28 AMOUNTS DUE TO RELATED COMPANIES

	GROUP		COMPANY	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Amount due to related companies				
Lanka Tiles PLC	119,187	193,007	8,343	30,999
Delmage Forsyth & Co. Ltd.	27,938	29,620	-	-
Lanka Ceramic PLC	-	2,469	-	-
Swisstek Aluminium Ltd.	-	-	-	3,234
Vallibel One PLC	22,258	22,258	-	-
	169,383	247,354	8,343	34,233

	Note	GROUP		COMPANY	
		2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000

29 FINANCIAL INSTRUMENT

Financial Assets

Unquoted equity shares	15	56,667	56,667	-	-
Trade Receivables	18	1,827,325	1,343,711	529,476	553,598
Contract Assets	19.1	30,033	32,343	30,033	32,343
Amount Due from Related Parties	20	48,409	7,155	61,689	7,155
		1,962,434	1,439,876	621,198	593,096
Cash and Cash Equivalent	21.1	455,367	559,431	277,103	263,351
Total		2,417,801	1,999,307	898,301	856,447

Financial Liabilities

Loans and Borrowings	25	3,767,294	228,847	17,413	45,808
Short Term Loans	27	2,190,838	5,783,092	682,829	837,866
Lease Liability	25.4	15,845	21,575	-	-
Trade and Other Payable	26	1,399,653	875,367	202,262	173,900
Amount Due to Related Party	28	169,383	247,355	8,343	34,232
Bank Overdraft	21.2	377,344	690,809	228,535	282,356
Total		7,920,357	7,847,045	1,139,382	1,374,162

29.1 Financial Risk Management

Overview

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

- Credit risk
- Liquidity risk
- Market risk
- Operational 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 risk, and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

29.1.1 Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counter party to a financial instrument fails to meet its contractual obligation, and arise principally from the Group's receivables from customers.

Carrying amount of financial assets represents the maximum credit exposure.

The maximum exposure to credit risk at the reporting date was as follows;

	GROUP		COMPANY	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Carrying value				
Trade Receivable	1,827,325	1,343,711	529,476	553,598
Contract Assets	30,033	32,343	30,033	32,343
Amounts due from related parties	48,409	7,154	61,690	7,154
Cash & cash equivalents	454,767	558,881	276,503	262,801

Management of Credit Risk

Trade & Other Receivables

The group has a well-established credit control policy & process to minimize credit risk. Customers are categorized according to the segments and credits limit have been fixed as per the bank guarantees given by the respective customer. Transactions will be started only when the company receives the bank guarantees from the customers and further invoicing will be done only for the customers whose outstanding balance do not exceed the credit limit.

Impairment losses

The aging of trade and other receivables at the reporting date that were not impaired was as follows;

	GROUP		COMPANY	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Carrying value				
Below 30 days	1,180,763	853,952	374,904	387,214
30 - 45 days	274,412	214,534	76,966	129,745
46 - 60 days	106,780	93,886	11,920	22,643
Over 61 days	336,034	229,788	74,674	28,111
Less: provision made	(44,647)	(48,449)	(8,987)	(14,114)
	1,853,342	1,343,711	529,491	553,599

The movement in the provision for impairment in respect of trade and other receivables during the year was as follows.

	IMPAIRMENT	
	Group	Company
Balance at 31 March 2022	47,639	13,860
Impairment loss recognised	810	254
Balance at 31 March 2023	48,449	14,114
Impairment loss recognised/(reversed)	(3,802)	(5,127)
Balance at 31 March 2024	44,647	8,987

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29.1.2 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. Due to the current uncertain economic condition in Sri Lanka, the interest rates has been slightly increased and as a result of that the Company has exposed to a risk that significantly affects.

The following are the contractual maturities of financial liabilities, including estimated interest:

The maturity analysis of Liabilities - Group

	Carrying value	Current Upto 1 year	Non Current Upto 2 years	Upto 5 years	Above 5 years
As at 31 March 2024	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Bank overdrafts	377,344	377,344	-	-	-
Bank borrowings	5,958,133	3,088,613	641,354	2,555,398	2,194,849
Lease Liability	15,845	3,852	4,250	14,089	-
Trade and Other Payable	1,399,654	1,399,654	-	-	-

	Carrying value	Current Upto 1 year	Non Current Upto 2 years	Upto 5 years	Above 5 years
As at 31 March 2023	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Bank overdrafts	690,809	690,809	-	-	-
Bank borrowings	5,603,486	6,759,303	71,391	152,227	-
Lease Liability	21,576	6,539	5,059	27,713	-
Trade and Other Payable	875,367	875,367	-	-	-

The maturity analysis of Liabilities - Company

	Carrying value	Current Upto 1 year	Non Current Upto 2 years	Upto 5 years	Above 5 years
As at 31 March 2024	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Bank overdrafts	228,535	228,535	-	-	-
Bank borrowings	700,242	798,276	-	-	-
Trade and Other Payable	202,263	202,263	-	-	-

	Carrying value	Current Upto 1 year	Non Current Upto 2 years	Upto 5 years	Above 5 years
As at 31 March 2023	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Bank overdrafts	282,356	282,356	-	-	-
Bank borrowings	883,674	1,067,641	25,508	-	-
Trade and Other Payable	173,901	173,901	-	-	-

As per the information of Fitch Rating Sri Lanka, the credit ratings of our financial institutions are BOC(AA-), COM(BBB+), DFCC(A-), SEYLAN(A-), SAMPATH(A), UB(BBB-), HNB(A) & NTB(A-).

29.1.3 Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates etc.; will effect the Group's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the returns.

(i) **Currency Risk**

The risk that the fair value or future cash flows of a financial instrument fluctuation due to changes in foreign exchange rates. The Group is exposed to currency risk on sales, purchases, borrowings and investments that are denominated in a currency other than the functional currency which is Sri Lankan Rupees (LKR). Since The Sri Lankan Rupee witnessed a significant depreciation against the US Dollar.

The risk is minimized by hedging the currency either by hedge Internally by a matching sales and purchases or matching assets and liabilities of the same currency and amounts.

The principal exchange rates used by the Group for conversion of foreign currency balances and transactions, for the year as follows :

Currency	CLOSING RATE		
	Average rate	Selling	Buying
U. S. Dollar	300.44	305.33	295.54

Sensitivity Analysis

A strengthening or weakening of Sri Lankan Rupees as indicated below, against the major foreign currencies as 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 Company 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.

As at 31.03.2024		EFFECT ON PROFIT BEFORE TAX		EFFECT ON EQUITY NET OF TAX	
		Strengthen (Rs. '000)	Weakening (Rs. '000)	Strengthen (Rs. '000)	Weakening (Rs. '000)
Increase/(Decrease) in Principal Exchange rates					
U. S. Dollar	(5% Movement)	11,154	(11,154)	7,808	(7,808)
	(10% Movement)	22,308	(22,308)	15,615	(15,615)
	(15% Movement)	33,462	(33,462)	23,423	(23,423)
	(20% Movement)	44,616	(44,616)	31,231	(31,231)
As at 31.03.2023					
U. S. Dollar	(5% Movement)	14,585	(14,585)	9,780	(39,118)
	(10% Movement)	29,171	(29,171)	19,559	(19,559)
	(15% Movement)	43,756	(43,756)	29,339	(29,339)
	(20% Movement)	58,342	(58,342)	39,118	(39,118)

(ii) **Interest Rate Risk**

The principal risk to which non-trading portfolios are exposed is the loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. Considering the current economic uncertainties of the country the group expose to a higher interest rate risk.

At the end of the reporting period the interest rate profile of the Group's/company's interest-bearing financial instruments as reported to the management of the company was as follows;

	COMPANY		GROUP	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Variable rate instruments				
Financial liabilities	(6,335,476)	(6,702,749)	(928,776)	(1,166,030)
	(6,335,476)	(6,702,749)	(928,776)	(1,166,030)

A reasonable possible change of 600 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular, foreign currency exchange rates, remain constant.

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	IMPACT ON PROFIT BEFORE TAX			
	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Variable rate instruments				
200 bp increase	(126,710)	(134,055)	(18,576)	(23,321)
400 bp increase	(253,419)	(268,110)	(37,151)	(46,641)
500 bp increase	(316,774)	(335,137)	(46,439)	(58,302)
600 bp increase	(380,129)	(402,165)	(55,727)	(69,962)
200 bp decrease	126,710	134,055	18,576	23,321
400 bp decrease	253,419	268,110	37,151	46,641
500 bp decrease	316,774	335,137	46,439	58,302
600 bp decrease	380,129	402,165	55,727	69,962

	EFFECT ON EQUITY NET OF TAX			
	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Variable rate instruments				
200 bp increase	(72,262)	(147,175)	(6,112)	(7,751)
400 bp increase	(144,524)	(294,350)	(12,224)	(15,502)
500 bp increase	(180,655)	(367,938)	(15,280)	(19,377)
600 bp increase	(216,786)	(441,525)	(18,335)	(23,253)
200 bp decrease	72,262	147,175	6,112	7,751
400 bp decrease	144,524	294,350	12,224	15,502
500 bp decrease	180,655	367,938	15,280	19,377
600 bp decrease	216,786	441,525	18,335	23,253

Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group monitors the return on capital, which the company defines as result from operating activities divided by total shareholders' equity. The Group also monitors the level of dividends to ordinary shareholders.

The company's debt to adjusted capital ratio at the end of the reporting period was as follows.

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Total liabilities	8,683,918	7,361,313	1,801,320	1,545,093
Less: cash and cash equivalents	455,367	575,657	277,103	378,320
Net debt	8,228,552	6,785,656	1,524,218	1,166,772
Total equity	2,415,377	3,359,806	2,251,966	1,976,787
Net debt to equity ratio at 31 March	3.41	2.02	0.68	0.59

There were no changes in the Group's approach to capital management during the year.

The Group is not subject to externally imposed capital requirements.

30 CARRYING AMOUNT AND FAIR VALUE OF FINANCIAL INSTRUMENT

30.1 Carrying amount of Financial Instrument

The Carrying amount of financial assets and liabilities, shown in the Statement of Financial Position, are as follows.

Group

2024	Note	Amortised Cost* Rs.'000	Other financial liabilities Rs.'000	Total Rs.'000
Financial Assets				
Trade receivables	18	1,827,325	-	1,827,325
Amounts due from related parties	20	48,409	-	48,409
Contract assets	19.1	30,033	-	30,033
Other investment FVOCI	15	56,667	-	56,667
		1,962,434	-	1,962,434
Cash and cash equivalents	21.1	455,367	-	455,367
		2,417,801	-	2,417,801
Financial Liabilities				
Loans and borrowings	25.2	-	3,767,294	3,767,294
Short term loans	27	-	2,190,838	2,190,838
Trade and other payables	26	-	1,399,654	1,399,654
Amounts due to related parties	28	-	169,383	169,383
Lease Liability	25.4	-	15,845	15,845
Bank overdraft	21.2	-	377,344	377,344
		-	7,920,358	7,920,358

2023	Note	Amortised Cost* Rs.'000	Other financial liabilities Rs.'000	Total Rs.'000
Financial Assets				
Trade receivables	18	1,343,710	-	1,343,710
Amounts due from related parties	20	7,155	-	7,155
Contract assets	19.1	32,343	-	32,343
Other investment FVOCI	15	56,667	-	56,667
		1,439,875	-	1,439,875
Cash and cash equivalents	21.1	559,431	-	559,431
		1,999,306	-	1,999,306
Financial Liabilities				
Loans and borrowings	25.2	-	228,847	228,847
Short term loans	27	-	5,783,092	5,783,092
Trade and other payables	26	-	875,365	875,365
Amounts due to related parties	28	-	247,355	247,355
Lease Liability	25.4	-	21,575	21,575
Bank overdraft	21.2	-	690,809	690,809
		-	7,847,043	7,847,043

NOTES TO THE FINANCIAL STATEMENTS

Company

2024	Note	Amortised Cost* Rs.'000	Other financial liabilities Rs.'000	Total Rs.'000
Financial Assets				
Trade receivables	18	529,476	-	529,476
Amounts due from related parties	20	61,690	-	61,690
Contract Asset	19.1	30,033	-	30,033
		621,199	-	621,199
Cash and cash equivalents	21.1	277,103	-	277,103
		898,302	-	898,302
Financial Liabilities				
Loans and borrowings	25.2	-	17,413	17,413
Short term loans	27	-	682,829	682,829
Trade and other payables	26	-	202,262	202,262
Amounts due to related parties	28	-	8,343	8,343
Bank overdraft	21.2	-	228,535	228,535
		-	1,139,382	1,139,382

2023	Note	Amortised Cost* Rs.'000	Other financial liabilities Rs.'000	Total Rs.'000
Financial Assets				
Trade receivables	18	553,598	-	553,598
Amounts due from related parties	20	7,155	-	7,155
Contract Asset	19.1	32,343	-	32,343
		593,096	-	593,096
Cash and cash equivalents	21.1	263,351	-	263,351
		856,447	-	856,447
Financial Liabilities				
Loans and borrowings	25.2	-	45,808	45,808
Short term loans	27	-	837,866	837,866
Trade and other payables	26	-	173,902	173,902
Amounts due to related parties	28	-	34,232	34,232
Bank overdraft	21.2	-	282,356	282,356
		-	1,374,164	1,374,164

30.2 Fair value Hierarchy for Assets Carried at fair value

The table below analyses non financial assets measured at fair value at the end of the reporting period, by the level of the fair value hierarchy.

Further for current year the fair value disclosure of lease liability is also not required.

Group

2024	Note	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000	Total Rs.'000
Investment property	16	-	-	202,000	202,000
Freehold land and building	13	-	-	2,856,983	2,856,983
Unquoted equity shares	15	-	-	56,667	56,667

2023	Note	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000	Total Rs.'000
Investment property	16	-	-	226,735	226,735
Freehold land and building	13	-	-	2,460,787	2,460,787
Unquoted equity shares	15	-	-	56,667	56,667

Company

2024	Note	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000	Total Rs.'000
Investment property	16	-	-	202,000	202,000
Freehold land and building	13	-	-	1,769,907	1,769,907

2023	Note	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000	Total Rs.'000
Investment property	16	-	-	226,735	226,735
Freehold land and building	13	-	-	1,563,179	1,563,179

31 RELATED PARTIES

31.1 Directorates of directors in related companies

The Directors of the company are also directors of the following related Companies which Swisstek (Ceylon) PLC has had business transactions, in the ordinary course of business.

	Mr. S H Amarasekara (Chairman)	Mr. J A P M Jayasekara (Managing Director)	Dr. S Selliah	Mr. A M Weerasinghe	J K A Sirinatha	Mr. A S Mahendra	Mr. K D G Gunaratne	Mr. C U Weerawardene
Lanka Tiles PLC	X	X	X	X	-	-	-	-
Lanka Walltiles PLC	X	X	X	X	-	-	X	-
Uni Dil Packaging Ltd	-	X	-	-	-	-	-	X
Swisstek Aluminium Ltd	X	X	-	X	X	X	-	X
Royal Ceramic Lanka PLC	X	-	-	X	-	-	-	-
Rocell Bathware Ltd.	X	-	-	X	-	-	-	-
Lanka Tiles USA Inc.	-	X	-	X	-	-	-	-

Details of transactions with related parties in the ordinary course of business are set out below:-

NOTES TO THE FINANCIAL STATEMENTS

31.2 Transactions with related companies

	Name of the Company	Relationship	Nature of the Transaction	GROUP		COMPANY	
				2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000
a.	Lanka Walltiles PLC	Parent company	Sales commission income	12,092	6,714	12,092	6,714
			Warehouse rental income	6,612	6,382	6,612	6,382
			Management fee reimbursement	9,302	2,026	2,064	2,026
			Reimb. of expenses	(249)	(1,204)	(253)	(613)
			Office maintainance		(136)		(136)
			Microsoft licence fees	(189)	(180)	(189)	(180)
			Purchase of Goods	94	(2,363)		(2,363)
			Sale of goods - Aluminium	13,004	275,397	-	-
b.	Lanka Tiles PLC	Related company	Tile mortar sales	774,016	1,483,093	774,016	1,483,093
			Tile grout Sales	79,408	78,299	79,408	78,299
			Decorative pebbles, Skim coat & Tile Cleaner	108,756	78,874	108,756	78,874
			Purchase of Goods	(42,923)	(25,771)	(43,265)	(23,688)
			Receipts of funds	(1,028,225)	(3,211,102)	(1,072,172)	(2,062,462)
			Operational & administration expenses	(24,411)	(72,150)	(24,411)	(66,485)
			Management Fees Reimbursement	(7,112)	(6,979)	(7,112)	(6,979)
			SAP Technical Fees Reimbursement	(704)	(582)	(704)	(582)
			Reimbursement of operational expense	7,646	16,603		16,603
			Loan Obtained & Settled	14,949	15,467	14,949	14,430
			Computer Maintainance Fees Charged	(3,997)	(3,971)	(3,997)	(3,971)
			Sales commission income	50,986	34,965	50,986	34,965
			Trading Of Imported Machinery	-	284,714	-	1,775
			Imports Facilitaion Charges	-	1,775	-	-
			Sale of goods - Aluminium	208,922	925,856	-	-
c.	Royal Ceramic Lanka PLC	Related company	Sale of Goods	173,860	212,145	96,480	134,765
			Sales commission income	13,657	11,161	13,657	11,161
			Reimbursement of Security Expences	984	989	984	989
			Warehouse rental income	6,995	9,121	4,942	4,770
			Purchase of goods	44	-	-	-
			Administration expenses	235	(353)	-	-
			Reimbursement of operational expense	18	177	-	-
d.	Rocell Bathware Ltd.	Related company	Commission on Sales	44,366	41,965	4,867	2,466
e.	Unidil Packaging Ltd	Related company	Purchase of corrugated boxes	(11,792)	(8,739)	(11,792)	(8,739)
f.	Swisstek Aluminium Ltd	Subsidiary	Rent Income	6,386	4,129	6,386	4,129
			Purchase of goods	(68,515)	(261,935)	(68,515)	(261,935)
g.	Lanka Ceramic PLC	Related company	Sale of goods	4,281	18,178	-	-
			Rent income	1,197	2,013	-	-
			Administration expenses	424	1,866	-	-
h.	Vallibel One PLC	Related company	Technical fees	-	22,258	-	-
i.	Lanka Tiles USA Inc	Related company	Transfer of Funds	-	-	32,561	-

All the transactions entered with these related parties are priced on arm's length basis under normal commercial terms & conditions.

31.3 Transactions with key management personnel

According to LKAS 24 “ Related Party Disclosure”, Key Management Personnel, are those having authority and responsibility for planning, Directing and controlling the activities of the entity. Accordingly, the Board of Directors (including Executive and Non-Executive Directors) have been classified as Key Management Personnel of the Company and the Group. Following transactions have been occurred with the key Management Personnel during the period.

(i) Loans given to directors

No loans have been given to the directors of the group.

(ii) Key management personnel compensation

	GROUP		COMPANY	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Director fees	13,794	12,925	2,170	2,290
Salary and allowances	3,523	4,207	3,523	4,207
	17,317	17,132	5,693	6,497

This note should be read in conjunction with Notes 18, 20, 26 and 28 to these Financial Statements.

32 NON CONTROLLING INTEREST

The following table summarises the information relating to subsidiary that has material Non Controlling Interest (NCI).

31st March	SWISSTEK ALUMINIUM LTD	
	2024 Rs.'000	2023 Rs.'000
NCI percentage	12.62%	12.62%
Non current assets	2,011,820	1,800,356
Current assets	5,487,828	5,577,155
Non current liabilities	(3,315,886)	(154,125)
Current liabilities	(3,792,827)	(6,658,330)
Net assets	390,934	565,057
Carrying amount of NCI	49,336	71,310
Revenue	7,264,795	5,256,843
Profit	(339,258)	(1,068,604)
OCI	165,138	8,813
Total comprehensive income	(174,120)	(1,059,791)
Profit allocated to NCI	(42,814)	(134,858)
OCI allocated to NCI	20,840	1,112
Cash flows from operating activities	8,255	(195,191)
Cash flows from investing activities	(5,992)	(15,304)
Cash flows from financing activities	15,636	218,391
Net increase (decrease) in cash and cash equivalents	17,898	7,896

NOTES TO THE FINANCIAL STATEMENTS

33 CAPITAL EXPENDITURE COMMITMENTS

There were no material capital commitments as at the reporting date.

34 COMMITMENTS AND CONTINGENCIES

There are no commitments and contingencies.

35 EVENTS AFTER THE REPORTING DATE

Subject to the approval of the shareholders at the Annual General Meeting, on 28th May 2024 by circular resolution, the Board of Directors has recommended the final dividend of Thirty Cents (Rs.0.30) per share for the year ended 31st March 2024.

Other than above there are no material events occurred after the reporting date that require adjustment or disclosure in the financial statements.

36 GOING CONCERN.

The Board of Directors have made an assessment of the Group's ability to continue as a going concern. The Financial Statements have been prepared on the going concern basis because the Board of Directors have assessed the sources of funding available and growth plans in assessing the appropriateness of the use of going concern basis of accounting in the preparation of financial statements.

INVESTOR INFORMATION

25 MAJOR SHAREHOLDERS OF THE COMPANY AS AT 31ST MARCH 2024

NAME	31-03-2024		31-03-2023	
	NO OF SHARES	%	NO OF SHARES	%
1 LANKA TILES PLC	65,425,900	47.800	65,425,900	47.805
2 LANKA WALLTILES PLC	15,706,250	11.480	15,706,250	11.476
3 ROYAL CERAMICS LANKA PLC	9,413,065	6.880	9,413,065	6.878
4 ARUNODHAYA INVESTMENTS (PRIVATE) LIMITED	1,000,000	0.730	1,000,000	0.731
5 ANDYSEL PRIVATE LIMITED	1,000,000	0.730	1,000,000	0.730
6 DEUTSCHE BANK AG AS TRUSTEE TO ASSETLINE INCOME PLUS GROWTH FUND	1,000,000	0.730	750,000	0.548
7 ARUNODHAYA INDUSTRIES (PRIVATE) LIMITED	1,000,000	0.730	1,000,000	0.731
8 ARUNODHAYA (PRIVATE) LIMITED	1,000,000	0.730	1,000,000	0.731
9 MRS. S. VASUDEVAN	914,073	0.670		
10 J.B. COCOSHELL (PVT) LTD	782,784	0.570		
11 MR. S.D.S. GUNASEKARA	780,491	0.570	780,491	0.570
12 MERCHANT BANK OF SRI LANKA & FINANCE PLC/ ACQUEST PVT LTS	700,000	0.510	700,000	0.511
13 SEYLAN BANK PLC/A.C.SENANKA	664,394	0.490		
14 MRS. M.J. NIHARA	643,442	0.470		
15 MRS. M.S. JAYEWARDENE	630,000	0.460	630,000	0.46
16 MR. A.A. PAGE	625,000	0.460	625,000	0.457
17 DR. A.A.M. DHARMADASA	604,429	0.440	604,429	0.442
18 AMANA BANK PLC/HI-LINE TOWERS PVT LIMITED	588,014	0.430	688,014	0.503
19 BANK OF CEYLON NO. 1 ACCOUNT	567,798	0.410	567,798	0.415
20 AMBEON HOLDINGS PLC	553,419	0.400	553,419	0.404
21 PEOPLE'S LEASING & FINANCE PLC/MR. IRESH SRIDAS GURUSINGHE	530,732	0.390		
22 MR. G. ANURAGAVAN	500,000	0.370		
23 MR. W.R.R.M.R.W.A.A RATNAYAKE	407,330	0.300		
24 MR. S.P.T.N. SENADHEERA	379,049	0.280		
25 MRS. S. BALENDRA	375,653	0.270		
SUB TOTAL	105,791,823	77.300		
OTHER 3,403 SHAREHOLDERS	31,068,177	22.700		
TOTAL	136,860,000	100.000		

DIRECTORS' AND CEO'S SHAREHOLDING AS PER THE LIST DATED 31-03-2024

Names of Directors	No of Shares	%
1 Mr S H Amarasekera	-	-
2 Mr. J A P M Jayasekara	135,000	0.0986
3 Mr. J K A Sirinatha	-	-
4 Dr S Selliah	-	-
5 Mr. A M Weerasinghe	263,142	0.1923
6 Mr. A S Mahendra	-	-
7 Mr. K D G Gunaratne	-	-
8 Mr. C U Weerawardena	-	-

INVESTOR INFORMATION

SHARE DISTRIBUTION AS AT 31ST MARCH 2024

From	To	No. of Holders	No. of Shares	%
1	1,000	1,754	518,418	0.3788
1,001	10,000	1,135	4,701,876	3.4355
10,001	100,000	453	14,227,787	10.3959
100,001	1,000,000	83	26,866,704	19.6308
Over	1,000,000	3	90,545,215	66.1590
Total		3,428	136,860,000	100.0000

CATEGORIES OF SHAREHOLDERS

Type	No. of Holders	No. of Shares	%
Local Individuals	3,189	28,042,627	20.4900
Local Institutions	222	108,264,486	79.1060
Foreign Individuals	15	252,887	0.1848
Foreign Institutions	2	300,000	0.2192
Total	3,428	136,860,000	100.0000

SHARE PRICES FOR THE YEAR

	As at 31/03/2024	As at 31/03/2023
Highest during the year	Rs. 20.80 (07-07-2023)	Rs.25.30 (29-09-2022)
Lowest during the year	Rs.13.00 (22-05-2023)	Rs.11.90 (07-06-2022)
Closing Price	Rs.19.10 (28-03-2024)	Rs.14.10 (31-03-2023)

Number of Transactions during the year	14,914
Number of Shares traded during the year	32,598,592
Value of shares traded during the year (Rs.)	566,851,245.60

PUBLIC HOLDING

- The Percentage of shares held by the Public as at 31st March 2023 – 30.375%
- No of public shareholders representing the above percentage- 3,418
- The float adjusted market capitalization as at 31st March 2023 is Rs. 794,018,381.30

The Float adjusted market capitalization of the Company falls under Option 5 of Rule 7.13.1 (i) (a) of the Listing Rules of the Colombo Stock Exchange and the Company has complied with the minimum public holding requirement applicable under the said Option.

FIVE YEAR SUMMERY OF FINANCIAL POSITION

Group

As at 31st March,	2024 Rs.000	2023 Rs.000	2022 Rs.000	2021 Rs.000	2020 Rs.000	2019 Rs.000
Assets						
Property, plant and equipment	3,977,718	3,614,292	3,410,725	2,940,743	2,703,796	2,675,290
Intangible Assets	32,411	26,323	24,749	4,199	6,312	8,425
Unquoted equity shares	56,667	56,666	56,667	56,667	93	90
Investment property	202,000	226,735	211,985	147,200	142,000	142,000
Non current assets	4,268,796	3,924,016	3,704,126	3,148,809	2,852,201	2,825,805
Inventories	4,158,185	4,594,619	2,848,174	1,597,285	1,802,539	2,138,897
Trade and other receivables	2,120,422	1,793,908	3,559,029	1,553,544	1,244,606	1,349,589
Contract Assets	30,033	32,343	29,343	40,165	38,079	58,269
Tax Receivables	-	-	-	4,294	4,294	4,294
Amounts due from related parties	48,409	7,155	4,789	14,675	19,314	5,962
Cash and cash equivalents	455,367	559,431	575,657	217,164	155,342	130,086
Current assets	6,812,416	6,987,456	7,016,992	3,427,127	3,264,174	3,687,097
Total assets	11,081,212	10,911,472	10,721,118	6,575,936	6,116,375	6,512,902
Equity						
Stated capital	368,256	368,256	368,256	368,256	368,256	368,256
Reserves	1,002,005	719,412	796,942	796,941	624,735	624,735
Retained Earnings	978,954	1,156,195	1,989,932	1,533,341	1,126,282	955,007
Equity attributable to owners of the company	2,349,215	2,243,863	3,155,130	2,698,538	2,119,273	1,947,998
Non controlling interest	48,956	70,931	204,676	182,392	148,123	153,313
Total equity	2,398,173	2,314,794	3,359,806	2,880,930	2,267,396	2,101,311
Liabilities						
Retirement benefits Obligation	78,621	49,002	49,052	45,509	31,952	23,185
Lease liability	12,391	16,270	21,576	23,623	25,870	-
Deferred tax liability	239,272	215,578	369,555	331,816	316,383	316,298
Loans and borrowings	3,248,823	119,132	494,071	249,469	447,924	621,421
Non current liabilities	3,579,107	399,982	934,254	650,417	822,129	960,904
Trade and other payables	1,792,720	1,333,428	2,124,998	1,015,086	466,653	694,941
Contract liabilities	-	-	3,836	28,033	14,843	79,177
Loans & borrowings	518,471	109,715	223,819	184,558	206,131	222,253
Short term loans	2,190,838	5,783,092	3,445,118	1,455,136	1,686,885	1,967,282
Amounts due to related parties	169,383	247,354	40,679	2,705	75,680	7,220
Lease liability	3,454	5,306	4,083	2,247	1,907	-
Tax payable	51,722	26,992	104,557	26,043	30,876	1,022
Bank overdrafts	377,344	690,809	479,968	330,781	543,875	478,792
Current liabilities	5,103,932	8,196,696	6,427,058	3,044,589	3,026,850	3,450,687
Total liabilities	8,683,039	8,596,678	7,361,312	3,695,006	3,848,979	4,411,591
Total equity and liabilities	11,081,212	10,911,472	10,721,118	6,575,936	6,116,375	6,512,902
Shares in issue at end of the year *	136,860,000	136,860,000	136,860,000	136,860,000	136,860,000	136,860,000
Shares in issue at end of the year	136,860,000	136,860,000	136,860,000	136,860,000	27,372,000	27,372,000
Net Assets per share at the end of the year *	17.52	16.40	23.05	19.72	15.48	14.23
Market price per share at the end of the year	19.10	14.30	22.80	21.60	27.00	38.40
Market capitalization at the end of the year	2614.03	1,957.10	3,120.41	2,956.18	739.04	1,051.08

FIVE YEAR SUMMERY OF INCOME STATEMENT

Group

For the year ended 31 March,	2024 Rs.000	2023 Rs.000	2022 Rs.000	2021 Rs.000	2020 Rs.000	2019 Rs.000
Revenue	10,078,519	8,970,024	9,534,168	5,393,229	4,634,962	4,294,027
Cost of Sales	(8,194,400)	(6,754,901)	(7,393,190)	(3,874,454)	(3,661,346)	(3,472,085)
Gross Profit	1,884,119	2,215,123	2,140,978	1,518,775	973,616	821,942
Other Income	200,543	189,078	126,109	91,336	99,339	95,663
Administration Expenses	(455,345)	(351,255)	(319,409)	(190,494)	(124,151)	(229,117)
Distribution Expenses	(840,002)	(776,648)	(686,842)	(410,451)	(321,571)	(262,591)
Other Expenses	(11,282)	(13,093)	(30,759)	(34,173)	(16,740)	(5,568)
Results from operating activities	778,033	1,263,207	1,231,077	974,993	610,493	420,329
Net Finance Cost	(855,488)	(2,042,130)	(88,550)	(221,837)	(377,783)	(403,600)
Profit/(Loss) before Tax	(77,455)	(778,923)	1,142,527	753,156	232,710	16,729
Tax (expense)/benefit	(35,196)	76,234	(242,988)	(112,666)	(64,937)	(15,979)
Profit/(Loss) for the year	(112,651)	(702,689)	899,539	640,490	167,773	750
Other comprehensive income / (expense)						
Gain on revaluation of land and buildings	404,000	-	-	128,005	-	12,304
Defined benefit plan actuarial gains / (losses)	(16,587)	12,131	5,181	(6,555)	(2,173)	2,374
Deferred tax on other comprehensive income	(95,581)	(80,733)	(983)	45,190	485	(2,987)
Other comprehensive income/ (expense) for the period	(291,832)	(68,602)	4,198	166,640	(1,688)	11,691
Total comprehensive income/ (expense) for the period	179,181	(771,291)	903,737	807,130	166,086	12,441

STATEMENT OF VALUE ADDED

Group

As at 31st March,	2024	2023	2022	2021	2020	2019
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Sales	10,078,519	8,945,000	9,534,169	5,393,229	4,634,962	4,294,027
Other Income	200,543	127,908	129,109	91,336	99,339	95,663
Less:						
Cost of materials & services bought in	(8,260,248)	(6,716,171)	(6,921,275)	(3,680,856)	(3,606,828)	(3,460,780)
Total value added	2,018,814	2,356,737	2,742,003	1,803,709	1,127,473	928,910
Distribution of Value Added						
Employees as remuneration	938,859	731,924	676,316	460,151	373,918	334,484
Government as taxes	107,083	120,125	226,814	35,416	64,369	12,544
Lenders of capital as interest	855,489	1,682,160	78,809	221,837	377,783	403,600
Shareholders as dividends	95,802	273,720	424,862	193,596	-	54,744
Retained in the business as						
- Depreciation	134,233	250,392	191,995	232,219	143,630	122,788
- Profits / (losses)	(112,652)	(701,583)	1,143,206	660,490	167,773	750
Total value distributed	2,018,814	2,356,737	2,742,003	1,803,709	1,127,473	928,910

GRI CONTEXT INDEX

Statement of use	[Name of organization] has reported in accordance with the GRI Standards for the period [reporting period start and end dates].
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	[Titles of the applicable GRI Sector Standards]

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(S) Omitted	Reason	Explanation	
General disclosures						
GRI 2: General Disclosures 2021	2-1 Organizational details	4-7				
	2-2 Entities included in the organization’s sustainability reporting	4				
	2-3 Reporting period, frequency and contact point	4				
	2-4 Restatements of information	4				
	2-5 External assurance	72				
	2-6 Activities, value chain and other business relationships	4-7				
	2-7 Employees	35				
	2-8 Workers who are not employees	35				
	2-9 Governance structure and composition	50-57				
	2-10 Nomination and selection of the highest governance body	50-57				
	2-11 Chair of the highest governance body	50-57				
	2-12 Role of the highest governance body in overseeing the management of impacts	50-57				
	2-13 Delegation of responsibility for managing impacts	50-57				
	2-14 Role of the highest governance body in sustainability reporting	50-57				
	2-15 Conflicts of interest	50-57				
	2-16 Communication of critical concerns	50-57				
	2-17 Collective knowledge of the highest governance body	50-57				
	2-18 Evaluation of the performance of the highest governance body	50				
	2-19 Remuneration policies			Not disclosed due to the confidential concerns		
	2-20 Process to determine remuneration	68				
	2-21 Annual total compensation ratio			Not disclosed due to the confidential concerns		

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(S) Omitted	Reason	Explanation	
	2-22 Statement on sustainable development strategy	20-21				
	2-23 Policy commitments	54				
	2-24 Embedding policy commitments	50-57				
	2-25 Processes to remediate negative impacts	50-57				
	2-26 Mechanisms for seeking advice and raising concerns	50-57				
	2-27 Compliance with laws and regulations	50-57				
	2-28 Membership associations	50				
	2-29 Approach to stakeholder engagement	22				
	2-30 Collective bargaining agreements	35				
Material topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	24				
	3-2 List of material topics	24				
Economic performance						
GRI 3: Material Topics 2021	3-3 Management of material topics	24				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	10,20,31				
	201-2 Financial implications and other risks and opportunities due to climate change	26				
	201-3 Defined benefit plan obligations and other retirement plans	35				
	201-4 Financial assistance received from government				No such assistance received from government	
Market presence						
GRI 3: Material Topics 2021	3-3 Management of material topics	24				
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage				Remuneration offered above minimum wage without considering gender.	
	202-2 Proportion of senior management hired from the local community				All managers hired from local community.	

GRI CONTEXT INDEX

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(S) Omitted	Reason	Explanation	
Indirect economic impacts						
GRI 3: Material Topics 2021	3-3 Management of material topics	24				
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	5,31-33				
	203-2 Significant indirect economic impacts	26				
Procurement practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	24				
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	40				
Anti-corruption						
GRI 3: Material Topics 2021	3-3 Management of material topics	24				
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	58				
	205-2 Communication and training about anti-corruption policies and procedures	-			No such incident during the FY2023/24	
	205-3 Confirmed incidents of corruption and actions taken	-			No such incident during the FY2023/24	
Anti-competitive behavior						
GRI 3: Material Topics 2021	3-3 Management of material topics	24				
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	-			no such Legal actions for anticompetitive behavior, anti-trust, and monopoly practices	
Tax						
GRI 3: Material Topics 2021	3-3 Management of material topics	24				
GRI 207: Tax 2019	207-1 Approach to tax	92-100				
	207-2 Tax governance, control, and risk management	92-100				
	207-3 Stakeholder engagement and management of concerns related to tax	22-23				
	207-4 Country-by-country reporting	-			Operating only local	
Materials						
GRI 3: Material Topics 2021	3-3 Management of material topics	24				
GRI 301: Materials 2016	301-1 Materials used by weight or volume	47				

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(S) Omitted	Reason	Explanation	
	301-2 Recycled input materials used	-		No such recycled input materials used		
	301-3 Reclaimed products and their packaging materials	-		No such Reclaimed products and their packaging materials		
Energy						
GRI 3: Material Topics 2021	3-3 Management of material topics	24				
GRI 302: Energy 2016	302-1 Energy consumption within the organization	47				
	302-2 Energy consumption outside of the organization	-		Not Applicable		
	302-3 Energy intensity	11				
	302-4 Reduction of energy consumption	47				
	302-5 Reductions in energy requirements of products and services	46-49				
Water and effluents						
GRI 3: Material Topics 2021	3-3 Management of material topics	24				
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	47				
	303-2 Management of water discharge-related impacts	47				
	303-3 Water withdrawal	47				
	303-4 Water discharge	47				
	303-5 Water consumption	47				
Biodiversity						
GRI 3: Material Topics 2021	3-3 Management of material topics	24				
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	46-49				
	304-2 Significant impacts of activities, products and services on biodiversity	-		No such incident during the FY2023/24		
	304-3 Habitats protected or restored	-		No such incident during the FY2023/24		
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	-		No such incident during the FY2023/24		
Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	24				

GRI CONTEXT INDEX

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(S) Omitted	Reason	Explanation	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	47				
	305-2 Energy indirect (Scope 2) GHG emissions	47				
	305-3 Other indirect (Scope 3) GHG emissions	47				
	305-4 GHG emissions intensity	47				
	305-5 Reduction of GHG emissions	47				
	305-6 Emissions of ozone-depleting substances (ODS)	-			Not Applicable	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	-			Not Applicable	
Waste						
GRI 3: Material Topics 2021	3-3 Management of material topics	24				
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	47				
	306-2 Management of significant waste-related impacts	47				
	306-3 Waste generated	47				
	306-4 Waste diverted from disposal	47				
	306-5 Waste directed to disposal	47				
Supplier environmental assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	24				
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	38-41				
	308-2 Negative environmental impacts in the supply chain and actions taken	38-41				
Employment						
GRI 3: Material Topics 2021	3-3 Management of material topics	24				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	35-37				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	35-37				
	401-3 Parental leave	35-37				
Labor/management relations						
GRI 3: Material Topics 2021	3-3 Management of material topics	24				
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	35-37				

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(S) Omitted	Reason	Explanation	
Occupational health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	35-37				
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	35-37				
	403-2 Hazard identification, risk assessment, and incident investigation	35-37				
	403-3 Occupational health services	35-37				
	403-4 Worker participation, consultation, and communication on occupational health and safety	35-37				
	403-5 Worker training on occupational health and safety	35-37				
	403-6 Promotion of worker health	35-37				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	35-37				
	403-8 Workers covered by an occupational health and safety management system	35-37				
	403-9 Work-related injuries	35-37				
	403-10 Work-related ill health	35-37				
Training and education						
GRI 3: Material Topics 2021	3-3 Management of material topics	24				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	36				
	404-2 Programs for upgrading employee skills and transition assistance programs	36				
	404-3 Percentage of employees receiving regular performance and career development reviews	35-37				
Diversity and equal opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics	24				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	35				
	405-2 Ratio of basic salary and remuneration of women to men	-		Not disclosed due to the confidential concerns		

GRI CONTEXT INDEX

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(S) Omitted	Reason	Explanation	
Non-discrimination						
GRI 3: Material Topics 2021	3-3 Management of material topics	24				
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	-		No such incidents during the FY 2023/24		
Freedom of association and collective bargaining						
GRI 3: Material Topics 2021	3-3 Management of material topics	24				
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	-		No such incidents during the FY 2023/24		
Child labor						
GRI 3: Material Topics 2021	3-3 Management of material topics	24				
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	-		No such incidents during the FY 2023/24		
Forced or compulsory labor						
GRI 3: Material Topics 2021	3-3 Management of material topics	24				
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	-		No such incidents during the FY 2023/24		
Security practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	24				
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	-		No such incidents during the FY 2023/24		
Rights of indigenous peoples						
GRI 3: Material Topics 2021	3-3 Management of material topics	24				
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	-		No such incidents during the FY 2023/24		
Local communities						
GRI 3: Material Topics 2021	3-3 Management of material topics	24				
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	35-37				
	413-2 Operations with significant actual and potential negative impacts on local communities	35-37				

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(S) Omitted	Reason	Explanation	
Supplier social assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	24				
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	38-41				
	414-2 Negative social impacts in the supply chain and actions taken	38-41				
Public policy						
GRI 3: Material Topics 2021	3-3 Management of material topics	24				
GRI 415: Public Policy 2016	415-1 Political contributions	-		No such incidents during the FY 2023/24		
Customer health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	24				
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	35-37				
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	35-37				
Marketing and labeling						
GRI 3: Material Topics 2021	3-3 Management of material topics	24				
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	38-41				
	417-2 Incidents of non-compliance concerning product and service information and labeling	-		No such incidents during the FY 2023/24		
	417-3 Incidents of non-compliance concerning marketing communications	-		No such incidents during the FY 2023/24		
Customer privacy						
GRI 3: Material Topics 2021	3-3 Management of material topics	24				
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	-		No such incidents during the FY 2023/24		

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Fifty Seventh (57th) Annual General Meeting of Swisstek (Ceylon) PLC will be held on 28th June 2024 at 2.00 p.m. at "Balmoral", The Kingsbury, No. 48, Janadhipathi Mawatha, Colombo 01, for the following purposes:

1. To receive and consider the Annual Report of the Board of Directors on the affairs of the Company and the Financial Statements for the year ended 31st March 2024 and the Report of the Auditors thereon.
2. To declare a final dividend of Thirty Cents (Rs. 0.30) per share as recommended by the Board of Directors.
3. To re-elect Mr. J K A Sirinatha, who retires by rotation in terms of Articles 103 and 104 of the Articles of Association, as a Director of the Company.
4. To re-elect Mr. A S Mahendra, who retires by rotation in terms of Articles 103 and 104 of the Articles of Association, as a Director of the Company.
5. To re-appoint Messrs KPMG, Chartered Accountants, as the Auditors of the Company and to authorise the Directors to fix their remuneration.
6. To authorize the Directors to determine donations for the financial year ending 31st March 2025 and up to the date of the next Annual General Meeting.

BY ORDER OF THE BOARD

SWISSTEK (CEYLON) PLC



P W CORPORATE SECRETARIAL (PVT) LTD
DIRECTOR/SECRETARIES

30th May 2024
Colombo.

Note:

- 1) A shareholder entitled to attend and vote at the Meeting is entitled to appoint a Proxy, to attend and vote instead of him/her. A Proxy need not be a shareholder of the Company. A Form of Proxy is enclosed for this purpose.
- 2) The completed Form of Proxy should be deposited at the Registered Office of the Company, No. 215, Nawala Road, Narahenpita, Colombo 05 not less than forty-eight (48) hours before the time fixed for the commencement of the Meeting.

FORM OF PROXY

I/We*.....(NIC / Passport / Company
 Reg. No.) of..... being a shareholder / shareholders of
 SWISSTEK (CEYLON) PLC hereby appoint
 (NIC/Passport No.....) of
 or failing him/her:

- | | |
|---|-----------------|
| Mr. Shiran Harsha Amarasekera | or failing him* |
| Mr. Jayasekera Arachchige Panduka Mahendra Jayasekera | or failing him* |
| Mr. Jayawardana Kankanamge Aravinda Sirinatha | or failing him* |
| Dr. Sivakumar Selliah | or failing him* |
| Mr. Amarakone Mudiyansele Weerasinghe | or failing him* |
| Mr. Anthonyge Shirley Mahendra | or failing him* |
| Mr. Kalupathiranalage Don Gamini Gunaratne | or failing him* |
| Mr. Chethiya Umagiliya Weerawardena | or failing him* |

as *my/our proxy to represent me/us to speak and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 28th June 2024 at 2.00 p.m. and any adjournment thereof and at every poll which may be taken in consequence thereof.

	For	Against
1) To declare a final dividend of Cents 30 per share as recommended by the Board of Directors.	<input type="checkbox"/>	<input type="checkbox"/>
2) To re-elect Mr. J K A Sirinatha, who retires by rotation in terms of Articles 103 and 104 of the Articles of Association, as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
3) To re-elect Mr. A S Mahendra, who retires by rotation in terms of Articles 103 and 104 of the Articles of Association, as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
4) To re-appoint Messrs KPMG, Chartered Accountants, as the Auditors of the Company and to authorise the Directors to fix their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>
5) To authorize the Directors to determine donations for the financial year ending 31st March 2025 and up to the date of the next Annual General Meeting.	<input type="checkbox"/>	<input type="checkbox"/>

Signed this..... day of Two Thousand and Twenty Four (2024)

.....
 Signature

- 1) *Please delete the inappropriate words.
- 2) Instructions as to completion are noted on the reverse thereof.

INSTRUCTIONS FOR COMPLETION OF FORM OF PROXY

1. The full name, National Identity Card / Passport / Company Registration number (as applicable) and the registered address of the shareholder appointing the Proxy and the relevant details of the Proxy [Full name, National Identity Card / Passport number and the address] should be legibly entered in the Form of Proxy which should be duly signed and dated.
2. The Proxy shall –
 - (a) In the case of an individual be signed by the shareholder or by his/her attorney, and if signed by an Attorney, a notorially certified copy of the Power of Attorney should be attached to the completed Proxy if it has not already been registered with the Company.
 - (b) In the case of a company or corporate / statutory body either be under its Common Seal or signed by its Attorney or by an Officer on behalf of the company or corporate / statutory body in accordance with its Articles of Association or the Constitution or the Statute (as applicable).
3. Please indicate with a 'X' how the Proxy should vote on each resolution. If no indication is given, the Proxy in his/her discretion will vote as he/she thinks fit.
4. To be valid, the completed Form of Proxy must be deposited with the Company at No.215, Nawala Road, Narahenpita, Colombo 05, 48 hours before the time fixed for the meeting.

CORPORATE INFORMATION

NAME OF THE COMPANY

SWISSTEK (CEYLON) PLC

LEGAL FORM

Swisstek (Ceylon) PLC is a public limited liability company listed on the Colombo Stock Exchange. Which was incorporated under the Companies Ordinance No.51 of 1938 as a public company on 12th day of July 1967. Pursuant to the requirements of the new Companies Act No. 7 of 2007, the Company was re-registered on 6th June 2008 and bears registration number PQ155.

DIRECTORS

Mr. S H Amarasekera
(Chairman)

Mr. J A P M Jayasekera
(Managing Director)

Mr. J K A Sirinatha

Dr. S Selliah

Mr. A M Weerasinghe

Mr. A S Mahendra

Mr. K D G Gunaratne

Mr. C U Weerawardena

SECRETARIES

PW Corporate Secretarial (Pvt) Ltd

3/17, Kynsey Road, Colombo 08

Telephone : +94 11 4640360-3

Facsimile : +94 11 4740588

Email : pwcs@pwcs.lk

REGISTERED OFFICE

215, Nawala Road, Narahenpita,
Colombo 5

Telephone : +94 11 4526700

Facsimile : +94 11 2806232

Email : swisstek@lankatiles.com

Website : www.swisstekceylon.com

FACTORY

Swisstek (Ceylon) PLC

Factory Complex, Belummahara, Imbulgoda

Telephone : + 94 - 33 - 4930590

Facsimile : + 94 - 33 - 5701371

Email : swisstek@lankatiles.com

BANKERS

Bank of Ceylon

DFCC Bank PLC

Seylan Bank PLC

Commercial Bank of Ceylon PLC

Union Bank of Colombo PLC

Sampath Bank PLC

Nations Trust Bank PLC

Hatton National Bank PLC

AUDITORS

KPMG

Chartered Accountants

32 A, Sir Mohammed Macan Markar Mawatha, Colombo - 3

Telephone : + 94 11 5426 426

Facsimile : + 94 11 2445 872

+ 94 11 2446 058

Website : www.kpmg.com/lk

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SWISSTEK (CEYLON) PLC