A HALLMARK OF PROTECTION

DIPPED PRODUCTS PLC | ANNUAL REPORT 2023/24

DPL

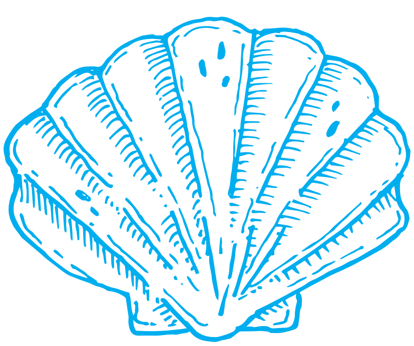
Handling you with care

A HALLMARK OF PROTECTION

Dipped Products PLC is an entity that has long been synonymous with protection and sustainable growth. Across the globe, we have earned a reputation for outstanding excellence and quality by harnessing our infinite capacity for innovation and transformation, while continuing to rely on powerful partnerships to drive stakeholder growth and progress.

Our overarching vision is to foster an environment that safeguards our diverse stakeholders and their needs. To this end, we have formulated the right frameworks that position us to withstand adversity and conquer the storm. Read on, and explore the farsighted strategies that enable us to deliver lasting value to all within our sphere of care, and sustain the future of the generations yet to come.

Dipped Products PLC. A Hallmark of Protection.



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Or visit:
https://www.dplgroup.com

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ABOUT THE REPORT

This is our tenth Integrated Report which presents a balanced and comprehensive view of the progress made towards achieving our strategic priorities for the financial year ending 31 March 2024. The report provides an assessment of our operating landscape, governance practices and stakeholder value creation, and our proactive response to the evolving market dynamics.

SCOPE AND BOUNDARY

GRI : 2-2 GRI : 2-3 GRI : 2-4

The Report covers the operations of Dipped Products PLC and its subsidiaries for the period from 1 April 2023 to 31 March 2024. The Group adopts an annual reporting cycle and there have been no major restatements of financial or non-financial information unless otherwise stated.

The consolidated financial and non-financial information included in this Report relates to the activities at the Group level. The narrative report focuses mainly on the Hand Protection Sector as this is the principle business of DPL, the Parent Company. Horana Plantations PLC (HPP) which was acquired by Hayleys PLC (through Hayleys Plantation Services) on 29 March 2023 is included in the reporting boundary of the plantation sector.

MATERIALITY

Throughout this report, we have embraced the concept of materiality, focusing our attention on aspects that are deemed to exert the most significant influence on the economy, environment, and society. For an in-depth understanding of our materiality determination process, please refer to page 46 of this Report.

REPORTING IMPROVEMENTS

- The SASB Standard on Agricultural Products has been adopted in addition to the household and personal products standard
- All GRI and SASB requirements were tagged for easy search and identification.
- Implementation of IFRS S1 and S2 standards.

As first-time adopters of IFRS S1 & S2 this financial year, we have opted for qualitative disclosures applying the IFRS S2-Climate Related Disclosures in accordance with IFRS S1 and recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Using this approach, we provide a detail overview of climate and sustainability-related risks and opportunities in 75 page of the annual Report, primarily from a financial perspective, but also encompassing details of risk scenarios and the impact to our broader stakeholder group. Importantly, the data required to prepare these disclosures was accessible without incurring any additional costs.

ASSURANCE

GRI : 2-5

The Group applies a combined assurance model in its reporting. Assurance on financial statements is provided by Messrs. Ernst and Young. The Group undergoes quarterly reporting to the Hayleys PLC Sustainability Unit ensuring the accuracy and reliability of sustainability information. Assurance on integrated reporting is obtained from Messrs. Ernst and Young.

REPORTING FRAMEWORKS

During the year under review, the following key changes were observed in both regulatory and voluntary reporting standard requirements:

- Launch of IFRS Sustainability Standards by the International Sustainability Standards Board in June 2023
- A new Listing Rule No. 9 of Corporate Governance was issued in August 2023 by the Colombo Stock Exchange
- Launch of Code of Best Practice on Corporate Governance by the Institute of Chartered Accountants of Sri Lanka in December 2023

We have embraced several reporting requirements outlined in IFRS S1 and S2 as part of our preparation for achieving full compliance by 2024/25. Moreover, we have adhered to the stipulations of Listing Rule 9, with detailed information provided on pages 75 and 81 of the report.

Financial Reporting	Sustainability Reporting	Gender Reporting	Carbon Footprint Disclosures
International Financial Reporting Standards	New GRI Standards (2021)	Gender Parity Reporting Framework of CA Sri Lanka	Recommendations of the TCFD (Task Force on Climate-Related Financial Disclosures) disclosures
International <IR> Framework	Sustainability Accounting Standards Board (SASB) Standards		
Requirements of the Colombo Stock Exchange			
Code of Best Practice on Corporate Governance issued by CA Sri Lanka			

A DECADE OF INTEGRATED REPORTING

FY 2023/24 marks a decade of integrated reporting for DPL. By applying the principles of integrated thinking to our decision-making and strategy formulation, we have enhanced resource allocation, enabling the Group to balance the diverse interests of our stakeholders. Furthermore, we have strived to align with evolving global trends in corporate reporting to enhance the relevance, significance, and credibility of our information to stakeholders throughout this decade.

CONNECTIVITY OF INFORMATION

The connectivity of information has been improved by the use of the following icons throughout the report.

The Capitals	Stakeholders	Strategy	The Clusters
Financial Capital	Customers	Profitable Growth	Hand Protection
Human Capital	Employees	Inspired and dedicated team	
Intellectual Capital	Business Partners	Innovation and digitalisation	
Natural Capital	Government & Regulators	Customer focus	Plantations
Social & Relationship Capital	Communities	Climate Action	
Manufactured Capital	Investors	Value chain and community development	

Acknowledgement

As the Board, we acknowledge our responsibility to ensure the integrity of this Report. We hereby confirm that the 2023/24 Report addresses all relevant material matters and fairly represents the Group's integrated performance. We also confirm that the Report has been prepared in line with the guidance provided in the Integrated Reporting Framework of the International Integrated Reporting Council.

Signed on behalf of the Board

Ramesh Nanayakkara
Director Finance

Feedback & Inquiries GRI : 2-3

We welcome your comments, suggestions and queries on this Report; Please direct your feedback to:

Director-Finance

Dipped Products PLC
400, Deans Road
Colombo 10
Sri Lanka
E-mail: postmast@dplgroup.com

VISION / MISSION / OUR PURPOSE

VISION

To be the preferred and most sought after provider of hand protection wear in the world

MISSION

DPL strives to be the preferred global hand protection provider. We are committed to the continual improvement of our business processes and systems. We shall comply with environmental and social obligations, meet the aspirations of our employees, suppliers and shareholders and build relationships of trust

DPL PURPOSE STATEMENT

OUR PEOPLE

We strive to create a workplace culture that values and supports our employees,recognising that they are our most important asset.

OUR CUSTOMERS

We are committed to providing our customers with high-quality, reliable gloves that meet their needs and exceed their expectations.

OUR SUPPLIERS

We work closely with our suppliers to ensure that we source the best materials and maintain a sustainable and ethical supply chain.

OUR COMMUNITY

We are dedicated to being a good corporate citizen and making a positive impact in the communities where we live and work.

OUR SHAREHOLDERS

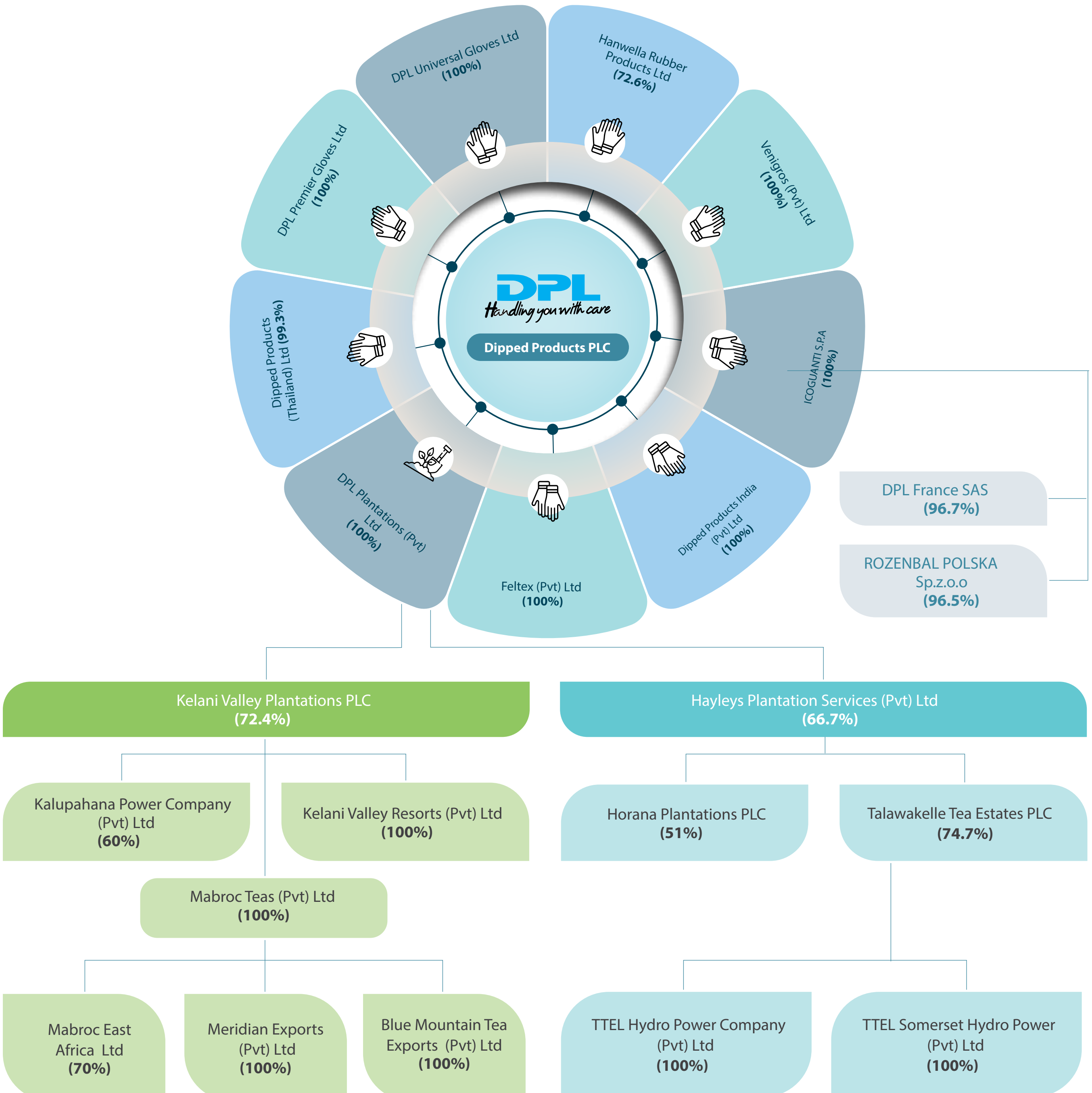
We prioritise financial performance and accountability to deliver consistent returns to our shareholders,while considering long-term sustainability and ethical practices in our decision making.

OUR PLANET

We prioritise sustainability and strive to reduce our environment impact through eco-friendly manufacturing processes, energy-efficient technologies and sustainable practices.

GROUP STRUCTURE

DPL is part of Hayleys PLC, one of Sri Lanka's most respected, diversified and socio-economically impactful business conglomerates. The Hand Protection and Plantation Sectors are run relatively independently. Three Regional Plantation Companies, listed separately on the Colombo Stock Exchange.



OUR PRODUCTS

UNSUPPORTED GLOVE RANGE

SUPPORTED GLOVE RANGE

Household

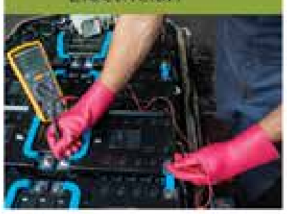
Industrial

General Purpose

Industrial

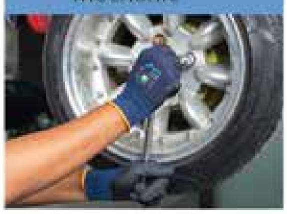
Chemical Resistant

Electrician



Sleeves

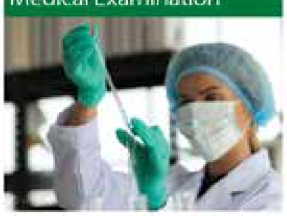
Mechanic



DISPOSABLE GLOVE RANGE

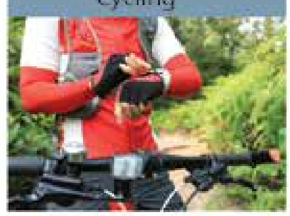
SPORTS GLOVE RANGE

Medical Examination

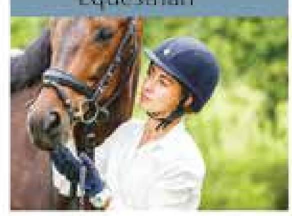


Medical Examination

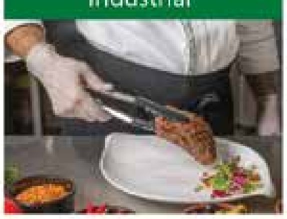
Cycling



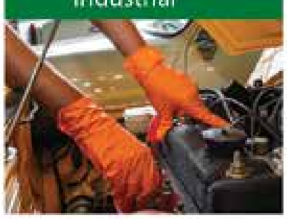
Equestrian



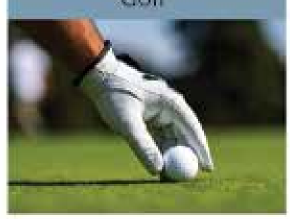
Industrial



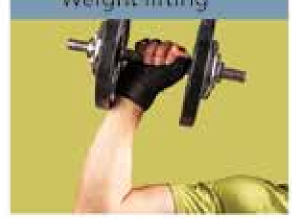
Industrial



Golf



Weight lifting



ABOUT US

WHO WE ARE

GRI : 12-1 GRI : 2 2-6

Established in 1976, Dipped Products PLC has spearheaded the protective handwear industry. Our extensive portfolio encompasses over 350 products, ranging from natural to synthetic-latex-based supported and unsupported gloves tailored to various applications.

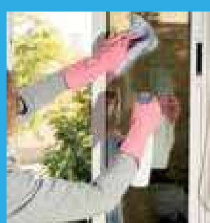
Headquartered in Colombo, Sri Lanka, we operate manufacturing facilities both in Sri Lanka and Thailand, complemented by marketing arms in Italy, France, Poland, Middle East and an Electrician Glove testing facility in India, With over 48 years of industry experience, we have catered to the diverse needs of a clientele spanning 70 countries, strengthening our position as one of the world's leading manufacturers of protective handwear.

We are renowned for our top-quality resources and innovative strength, which gives us a significant edge in producing world-class products. Hand Protection sector is managed by a team of over 2,200 employees while our Plantation sector comprises of over 15,300 employees.

HAND PROTECTION SECTOR

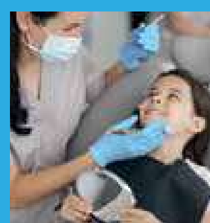
Supported Gloves

297 Varieties



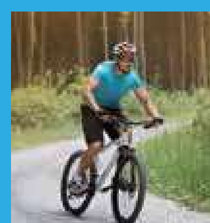
Unsupported Gloves

341 Varieties



Disposable Gloves

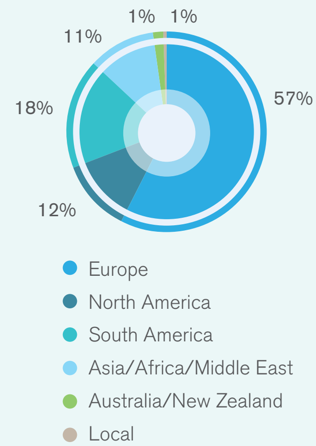
93 Varieties



Sports Gloves

11 Varieties

KEY MARKETS - HAND PROTECTION SECTOR BY VALUE

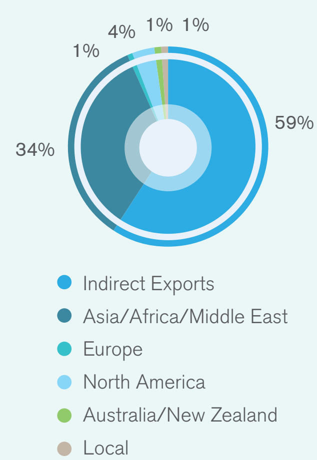


PLANTATION SECTOR

Our plantation companies are leading players in the Plantation Sector renowned for producing some of the highest-quality tea and rubber in Sri Lanka. This includes 26,166 hectares of cultivated land across 55 estates in 4 districts in Sri Lanka.

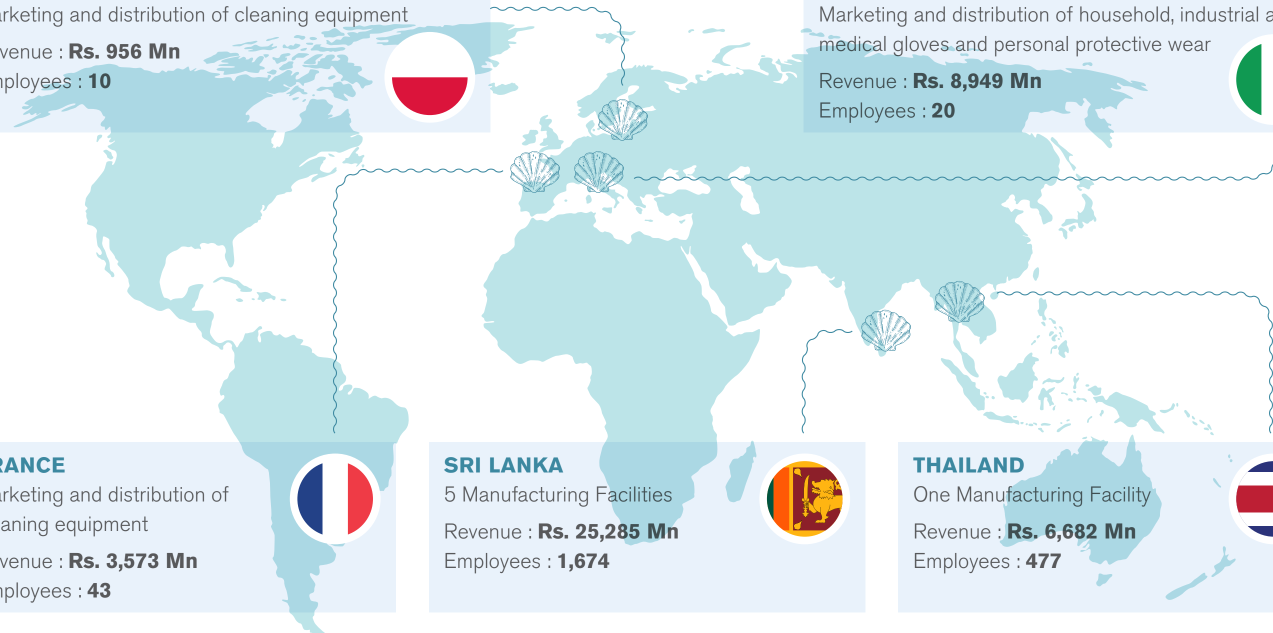
High. Low, and Medium grown tea and rubber.

KEY MARKETS - PLANTATION SECTOR BY VALUE



OUR PRESENCE AND SCALE OF OPERATIONS

As a global leader in the protective handwear industry, we serve customers across more than 70 countries worldwide. The tea and rubber produced in our plantations are distributed to key markets worldwide through a network of over 200 brokers.



POLAND
Marketing and distribution of cleaning equipment
Revenue : **Rs. 956 Mn**
Employees : **10**

ITALY
Marketing and distribution of household, industrial and medical gloves and personal protective wear
Revenue : **Rs. 8,949 Mn**
Employees : **20**

FRANCE
Marketing and distribution of cleaning equipment
Revenue : **Rs. 3,573 Mn**
Employees : **43**

SRI LANKA
5 Manufacturing Facilities
Revenue : **Rs. 25,285 Mn**
Employees : **1,674**

THAILAND
One Manufacturing Facility
Revenue : **Rs. 6,682 Mn**
Employees : **477**

OUR COMPETITIVE EDGE

Product range
700+ Varieties of Gloves

Advanced manufacturing
5 Facilities in Sri Lanka
1 Facility in Thailand
55 Estates

Inclusive supply chain
6,000+ Latex Suppliers Supported

Commitment to Quality
35+ Certifications in Hand Protection and Plantation sectors

Strategic focus on environmental and social sustainability

Innovation and R&D capabilities
12 Patents
7 Pending Patent Certificates
6 Technology Platforms

OUR SOCIO-ECONOMIC IMPACT

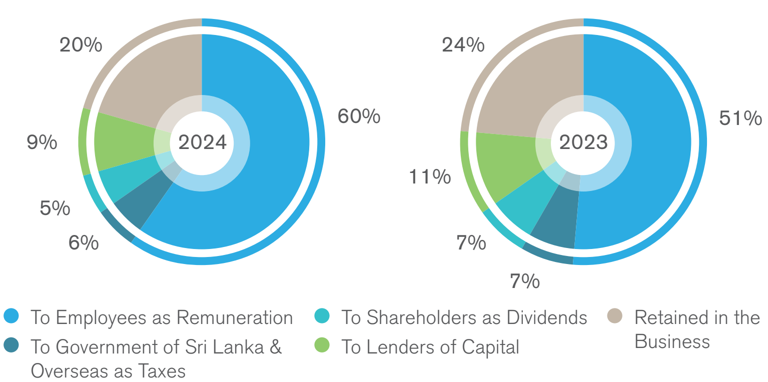
GRI : 201-1 GRI : 203-2

We play an important role in our nation's economy, through our contribution to export earnings, tax payments, employment generation, community upliftment and environmental conservation.

VALUE ADDED STATEMENT

	2024 Rs. Mn	2023 Rs. Mn
To Employees as Remuneration	15,345	13,642
To Government of Sri Lanka & Overseas as Taxes	1,430	1,864
To Shareholders as Dividends	1,347	1,796
To Lenders of Capital	2,251	2,935
Retained in the Business	5,227	6,229
	25,600	26,466

ECONOMIC VALUE ADDED AND GENERATED



OUR SOCIAL & ECONOMIC IMPACT

Rs. 74 Bn
Revenue

Catering
70+
Countries

Rs. 64 Bn
Total Assets

Rs. 7.6 Bn
PBT

Rs. 5.8 Bn
PAT

Rs. 7.47
Earning Per Share

Rs. 2.25
Dividend per share

Rs. 48.09
Net Asset Per share

Rs. 18.2 Bn
Market Capitalisation

Rs. 2 Bn
Taxes Paid

Rs. 4.3 Bn
Capital Investments

CAPITAL MARKETS

Share Price

Rs. 35.70	**Rs. 24.50**	**Rs. 30.40**
High	Low	Closing

14,295
Shareholders

HAND PROTECTION SECTOR

22
New Products Launched

10,000+
CSR Beneficiaries

84%
Employee Retention Rate

87%
Customer Retention Rate

93.3%
Reliance on Renewable Energy

4.3%
Reduction in Carbon Footprint

PLANTATION SECTOR

28
New Products Developed

4.1%
National Rubber Production

4.6%
National Tea Production

Rs. 382 Mn
Investment in Community Development

Rs. 780 Mn
Investment in Replanting

84.2%
Reliance on Renewable Energy

Rs. 313 Mn
Investment in “Home for Every Plantation Worker” Initiative

FINANCIAL HIGHLIGHTS

Financial Capital
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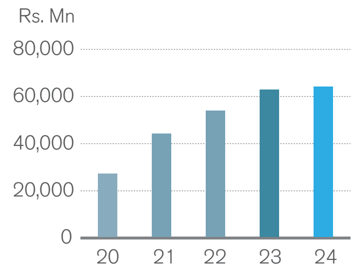
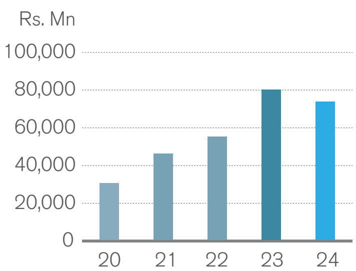
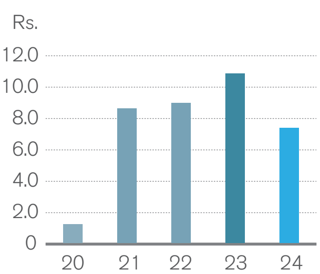
TOTAL ASSETS



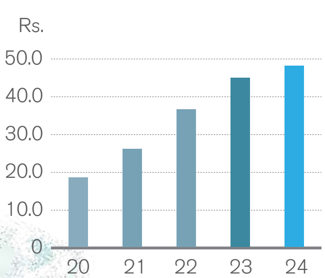
REVENUE



Earning per Share



Net Asset per Share



		2023/24	2022/23	% Y-o-Y
STRATEGIC PRIORITY- FINANCIAL PERFORMANCES				
Earnings Highlights				
Revenue	Rs. million	73,942	80,099	(8)
Gross Profit	Rs. million	17,059	19,609	(13)
Gross Profit Margin	%	23	24	(1)
Operating Profit	Rs. million	7,729	9,628	(20)
Operating Profit Margin	%	10	12	(2)
Profit Before Tax	Rs. million	7,567	11,219	(33)
Profit Before Tax Margin	%	10	14	(4)
Profit After Tax	Rs. million	5,779	8,502	(32)
Return on Equity (%)	%	16	25	(9)
Return on Capital Employed (%)	%	17	21	(4)
Interest Cover Ratio	Times	10	10	-
Working Capital Ratios				
Inventory Days	Days	78	75	(3)
Debtor Days	Days	60	55	(5)
Creditor Days	Days	64	54	10
Cash Conversion Cycle	Days	74	76	2
Liquidity Ratios				
Current Ratio	Times	2.2	1.9	13
Quick Asset Ratio	Times	1.4	1.2	15
Financial Stability				
Total Assets	Rs. million	63,913	62,991	1
Return on Assets	%	9	13	(4)
Total Liabilities	Rs. million	27,833	29,166	(5)
Shareholders' Funds	Rs. million	28,877	26,975	7
Non Controlling Interest	Rs. million	7,203	6,540	10
Total Debt	Rs. million	9,591	11,437	(16)
Equity/Assets	No. of times	0.56	0.53	6
Debt/Equity	No. of times	0.27	0.34	(22)
Net Debt (Cash)/Equity	No. of times	0.02	0.05	(68)
Debt/Total Assets	%	15	18	(3)
Shareholder Information				
No of Shares in Issue	Number	598,615,120	598,615,120	-
Earnings per Share	Rs.	7.47	10.87	(31)
Dividends per Share	Rs.	2.25	3.00	(25)
Net Asset Value per Share	Rs.	48.24	45.06	7
Closing Price	Rs.	30.40	27.70	10
Market Capitalisation	Rs. million	18,198	16,582	10
P/E Ratio	No. of times	4.07	2.55	60
Dividend Payout	%	30	28	2
Dividend Cover	No. of times	3.32	3.62	(8)
Dividend Yield	%	7	11	4

Manufactured Capital
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Human Capital
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Intellectual Capital
Page 130

Social & Relationship Capital
Page 97

Natural Capital
Page 146

		2023/24	2022/23	% Y-o-Y
Manufacturing Performance				
Property, Plant and Equipment	Rs. million	23,971	21,811	10
Capital Expenditure	Rs. million	4,325	4,106	5
Manufacturing Facilities- Locations	HP	6	6	-
Manufacturing Facilities- Locations	Plantations	55	55	-
Asset Turnover Ratio	Times	1.16	1.27	(9)
An Inspired Team				
Total Employees	Number	2,224	2,245	(1)
Payments to Employees	Rs. million	6,371	5,007	27
Employee Retention Rate	%	84	86	(2)
No. of Promotions	Number	27	29	(7)
Female Representation	%	32	29	3
Investment In Training	Rs. million	7.4	13.6	(46)
Total Training Hours	Hours	71,543	71,642	(0)
Average Training Hours/Employee	Hours	33	32	3
Profit per Emploee	Rs. million	1.80	5.00	(32)
Revenue per Employee	Rs. million	19.35	35.68	(7)
Value Added per Employee	Rs. million	11.51	11.79	(2)
Products and Innovation				
New Products Launched	Number	22	19	16
Investment in R&D	Rs. million	385	225	71
Customer Satisfaction	%	87	84	3
Customer Retention	%	97	96	1
Strength of R&D Team	Number	19	13	46
New Customer	Number	54	42	29
Sustainable Operations				
Payments to Suppliers	Rs. million	24,042	23,696	1
Beneficiaries	Number	10,000	7,000	43
Investment in CSR	Rs.million	19	9	111
Instances of Socio-economic Regulatory Non-compliance	Number	Nil	Nil	-
Small Scale Suppliers	%	93	92	1
Environmental Performance				
Energy Consumption	GJ Mn	2.08	1.96	6
% of Renewable Energy	%	93	93	-
Water Consumption	M3 Mn	2.05	1.89	8
Carbon Footprint	MtCO2e	25,735	36,887	(30)
Emission Intensity	KGCO2e/per pair	0.10	0.15	(33)
Energy Intensity	MJ/per pair	8.02	7.78	3
Water Intensity	Liters/per pair	7.89	7.53	5
Sustainable Water Sourcing	Liters Mn	172	159	8
Instances of Environmental Non - Compliance	Number	Nil	Nil	-

Unless mentioned otherwise, the non-financial information relates to the Hand Protection operations, which is the focus of this Annual Report. Information on the Plantation Sector is available in respective annual reports of Kelani Valley Plantations PLC (KVPL), Talawakelle Tea Estates PLC (TTE) and Horana Plantations PLC (HPL).

KEY MILESTONES

1976
Incorporation of Dipped Products LTD

1981
Capacity enhancement by 166%

1982
Three-fold capacity expansion, plant automation and re-development of factory complex

1983
Listed as a Public Listed entity of the Colombo Stock Exchange

1986
Third capacity expansion

1990
Acquisition of rubber thread operation

1992
Incorporation of Grossart Ltd
Incorporation of DPL Plantations Ltd

1993
Expansion of Grossart Ltd

1994
Incorporation of Venigros Ltd and installation of production lines

1995
Acquisition of KVPL
Commencement of production at Venigros Ltd

1998
Incorporation of Neoprex Ltd

1999
Commencement of production at Neoprex Ltd

2002
Acquisition of 60% stake in ICOGUANTI S.p.A Italy

2024

Launched “DPL Pulse” ESG Road Map for 2030.

Incorporated Dipped Products India Private Limited.

2023

Incorporation of DPL France SAS/ Acquisition of Rozenbal Brand

Acquisition of ROZENBAL POLSKA Sp.z.o.o

Commencement of operations at Central Warehouse Facility

Commencement of production at DPL Sports Glove Facility

2021

Installation of Electrician glove plant in Dipped Products PLC, Unsupported glove plant in Hanwella Rubber Products Ltd, Supported glove plant and knitting machines in DPL Universal Gloves Ltd.

2020

Installation of Unsupported Glove plant in DPL Premier Gloves Limited

Commenced implementation of SAP ERP system to Dipped Products (Thailand) Ltd

2018

Amalgamation of Grossart (Pvt) Ltd and Neoprex (Pvt) Ltd with Dipped Products PLC

Installation of SAP ERP System to local companies of the Hand Protection Sector

2016

Acquired 100% ownership of ICOGUANTI S.p.A Italy

2015

Commencement of DPL Universal Gloves Ltd

2014

Commencement of DPL Premier Gloves Ltd

2011

Acquired 66.7% ownership of Hayleys Plantation Services (Pvt) Ltd, the holding company of TTE

2003

Incorporation of Texnil Ltd and Dipped Products (Thailand) Ltd

2005

Commencement of Dipped Products (Thailand) Ltd

2006

Acquisition of Hanwella Rubber Products Ltd

AWARDS AND ACCOLADES

We continue to be recognised for excellence in all aspects of our operations and were the proud recipients of a multitude of awards and accolades during the year.

Best Integrated Report for the Manufacturing Sector

One of the 10 Best Integrated Reports

CMA Excellence in Integrated Reporting Awards 2023

'Best Exporter of Rubber Products - 2022/23 '

25th Presidential Export Awards in Sri Lanka

National Industry Excellence Awards 2023

Platinum Winner - Industry Excellence - Large Scale

Gold Winner - Industry Excellence - Large Scale - Rubber, Plastics and Allied Sector

National BRONZE Award and TOP TEN Award in Extra Large Manufacturing Sector

CNCI Achiever Awards 2023

National Business Excellence Awards (NBEA) 2023

Winner -Export Sector, Merit Award -Overall Extra-large Category.

CA Sri Lanka Annual Report Award

Bronze Award - MANUFACTURING SECTOR (GROUP TURNOVER ABOVE LKR 10 BN)

Best Manage Project in Manufacturing Sector "Silver Award National Project Management Excellence 2023 Organised by Project Managing Institute of Sri Lanka.

Silver Award winner Rubber & Rubber Products Sector (Extra Large Category)

Annual Export Awards 2023 by the National Chamber of Exporters (NCE).

SAFA BPA Award Certificate of Merit Manufacturing Sector 2022

THE POWER OF RESONANCE

Here at Dipped Products, we are designed to amplify our impact, by reverberating our visionary spirit and passion for excellence across our vast network of people and partners.

Shells are known for their inherent resonance – created by uniquely formed internal structures that amplify existing frequencies and ambient noise. Due to this distinctive ability, conch shells were used as one of the world's earliest wind instruments. The shell was often used for both communication and celebration and served as an integral rallying call across diverse cultures.


Chairman

JOINT STATEMENT OF THE CHAIRMAN & THE MANAGING DIRECTOR

DPL's story is one of strategic adaptation and unwavering commitment to our stakeholders. We maintained a strong financial foundation, allowing us to continue investing in key initiatives that guide us towards our long-term vision.

In a year marked by a rapidly evolving operating landscape, our agility, decisiveness and foresight solidified our position as a leading innovator in specialised glove manufacturing, as we leveraged our best-in-class capabilities and deep industry insights to further sharpen our competitive edge.

We are pleased to present the Integrated Annual Report and financial statements for the financial year ended 31 March 2024. This report provides a comprehensive overview of our achievements, strategic initiatives, and ongoing efforts to navigate a complex business landscape while upholding our commitment to responsible and sustainable growth.

MARKET TRENDS AND CHALLENGES

FY 2023/24 presented a mixed landscape of opportunities and challenges. On the one hand, the industrial glove industry witnessed rising demand, driven by growth in the emerging markets and increasing preference towards specialised, high-value products and sustainable solutions. However, these opportunities were countered by headwinds stemming from the global and domestic macro-economic environment. Together with inflationary pressures, exchange rate volatility and competitive threats, global economic uncertainty exerted pressure on demand and margins.

Despite the challenging global economic backdrop, the Sri Lankan economy demonstrated remarkable resilience. Following the catastrophic economic crisis in the preceding year, a combination of policy measures and reforms led the country towards improvements in key economic fundamentals and a path of recovery. Coordinated efforts by the government and the Central Bank, bolstered by support from the International Monetary Fund's Extended Fund Facility, played a crucial role in stabilising the economy.

Accordingly, Sri Lanka's economy rebounded in the latter half of 2023, fueled by controlled inflation, and the subsequent accommodative monetary policy, and reduced risk premia. This resulted in lower interest rates and resumption of economic growth after six quarters of contraction. The agricultural sector also recorded a strong recovery, driven by improved access to essential inputs.

However, this global economic recovery was not without its complexities. The world economy, despite concerns about stagflation, achieved moderate growth, a trend that is projected to continue. However, lingering high borrowing costs, reduced fiscal support, and the ongoing impact of geopolitical conflicts are contributing to shifts in global trade patterns and raising concerns about the prospects of global economy.

The plantation industry also experienced a shift from the record-high prices of FY 2022/23 to a more stable market in FY 2023/24. While this normalisation, along with elevated production costs and the appreciation of the Sri Lankan Rupee, impacted profitability, our plantations were able to maintain relatively high prices, reflecting our strong market reputation and strong focus on maintaining product quality. Furthermore, we achieved increased production despite industry-wide challenges, demonstrating the effectiveness of our proactive measures to address labour shortages, embed sustainability and enhance productivity.

NAVIGATING A SHIFTING LANDSCAPE

The glove industry experienced a unique set of challenges during the year. Softening demand impacted our financial performance, with a 33% decline in PAT. However, DPL's story is one of strategic adaptation and unwavering commitment to our stakeholders. We maintained a strong financial foundation, allowing us to continue investing in key initiatives that guide us towards our long-term vision.

Group turnover declined 8% year-on-year (YoY) to Rs. 74 billion in FY 2023/24. This downturn was driven by two key factors: the appreciation of the Sri Lankan Rupee, which

Managing Director

JOINT STATEMENT OF THE CHAIRMAN & THE MANAGING DIRECTOR

The establishment of four specialised R&D facilities ensures a robust pipeline of new and improved products, contributing to our sustained growth and market leadership.

Rs. 74 Bn
Revenue

Rs. 7.6 Bn
PBT

Rs. 64 Bn
Total Assets

negatively impacted rupee-denominated revenues, and a post-COVID glove price correction due to excess stock in Europe and the USA, particularly in first quarter of 2023/24, dampening demand and creating a downward pricing pressure.

The revenue growth in the Plantations segment reflects the successful consolidation of Horana Plantations during the year. The segment was able to maintain its profit margins at 23% in 2023/24, driven by relentless focus on efficiencies, data-driven decision-making and sustainable agriculture practices, Margin preservation was also supported by the rise in rubber prices from Rs. 530 to Rs. 660 and a strategic shift towards higher-value products.

While distribution costs decreased by 26% YoY, finance costs surged to Rs. 1.4 billion in 2023/24 from Rs. 1 billion the previous year, primarily driven by exchange losses. Finance income also contracted to Rs. 1.3 billion from Rs. 2.6 billion for the same reason.

These factors in combination resulted in a 33% decline in PBT to Rs. 7.6 billion in the year under review. Both the Hand Protection and Plantation segments experienced significant PBT declines of 30% and 33% respectively. Despite these challenges, the Group continued to generate to shareholder value by upholding dividend payments.

STRATEGIC FOCUS AND INITIATIVES

During the year under review, we made significant progress in transitioning our product line to high-value premium offerings, to cater to niche markets. Accordingly, we focused on specialised segments within the household, industrial, disposable and sports glove markets. Moreover, we focused on developing cutting-edge, sustainability-focused products incorporating bio-based materials and recyclable components. To solidify our position we set up a dedicated, state-of-the-art Sports Glove manufacturing facility in the last financial year, to meet the growing demand. Our expansion into supported gloves and the EV Pro gloves for electric vehicle users exemplifies our commitment to meeting the evolving needs of our customers during the year under review.

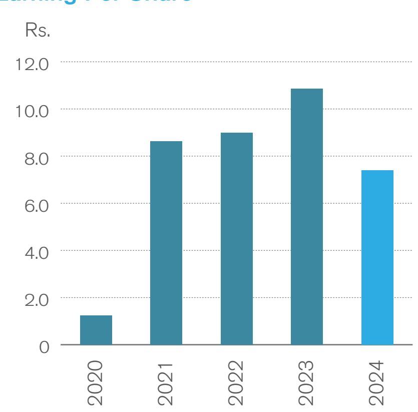
Innovation and Development

Innovation remains the lifeblood of DPL. Our dedicated R&D teams in Sri Lanka and Thailand are the driving force behind our continuous innovation. We invest heavily in product development, fostering a culture of creativity and collaboration. The establishment of four specialised R&D facilities ensures a robust pipeline of new and improved products, contributing to our sustained growth and market leadership. Our commitment to innovation is evident in the development of 22 new products and the securing of 3 patents during the year, strengthening our competitive edge and product portfolio.

Global Expansion and Market Reach

As part of our ongoing commitment to enhancing customer service and satisfaction, we expanded our global reach with the opening of a marketing office in Dubai. This strategic move strengthens our presence in both the Middle Eastern and African markets, enabling us to provide localised support and tailored solutions to customers in the region. Additionally, we established a subsidiary in India, with an electrician glove testing facility to better capitalise on the growing Indian market. Furthermore, we continue to strengthen our footprint in Europe, leveraging our recent acquisitions in France and Poland to enhance our supply chain and production capabilities. We are happy to state that a stronger

Earning Per Share



We also launched DPL Pulse, our comprehensive ESG roadmap, demonstrating our commitment to responsible business practices and environmental stewardship. This roadmap represents a comprehensive approach to integrating ESG considerations into every facet of our operations.

54
New Customers

97%
Customer Retention Rate

93%
Reliance on Renewable Energy

digital presence and active participation in trade fairs enabled us to acquire 54 new customers in FY 2023/24.

Technological Advancements and Capacity Building

Significant investments in cutting-edge technology, including robotic dipping facilities, have enabled us to produce high-precision, specialised gloves. We are continuously upgrading our plants and machinery to optimise efficiency and maintain our competitive edge. This commitment to innovation allows us to cater to the growing demand for our diverse product range.

Investing in Our People, Leading with Sustainability

Our employees are our most valuable asset, and we prioritise their well-being through competitive compensation, development programmes, and educational support. We also launched DPL Pulse, our comprehensive ESG roadmap, demonstrating our commitment to responsible business practices and environmental stewardship. This roadmap represents a comprehensive approach to integrating ESG considerations into every facet of our operations. It outlines ambitious sustainability goals aligned with the Hayleys Lifecode, a holistic framework that embraces the UN Sustainable Development Goals (UNSDGs). This strategic alignment drives a group-wide call to action, demonstrating our commitment to creating value while advancing sustainable development. A dedicated ESG department was established to oversee the implementation of sustainable practices across our operations during the year under review.

Furthermore, we will identify and assess environmental risks impacting our operations, including those posed by climate change. By viewing sustainability as a source of innovation and growth, we will seek opportunities to contribute to climate action. This includes protecting and expanding existing planted areas, exploring renewable energy solutions, and implementing sustainable practices throughout our value chain. During the year, we installed 4.8 Mw of solar PV systems, resulting in reliance on renewable energy generating increasing to 93%. By embracing these environmental opportunities, we will not only mitigate risks but also enhance efficiency, reduce costs, and ultimately increase our profitability while safeguarding the planet for future generations.

Strategic Transformation in the Plantation Sector

FY 2023/24 marked a pivotal shift for our plantation companies as we embraced a transformative "plantation agribusiness" model. This dynamic approach focuses on five key areas: Plant, Plot, Product, People, and Process. Sustainability is deeply integrated into this strategy, recognising the significant environmental and social impact of the plantation sector. We are confident that this strategic reset will position us for long-term success and value creation.

We continued to invest in infrastructure, training, and resources to achieve our goal of Zero workplace injuries/diseases by 2030. Our dedication extends beyond our workforce to the communities connected to our value chains. Through initiatives like the "Home for Every Plantation Worker" programme and the Firstlight Supplier Development Programme, we strive to improve the socio-economic well-being of our communities.

Further demonstrating our commitment to social responsibility, we pledged to participate in the "Mother and Child-Friendly Seal for Responsible Business" initiative, championing women's and children's rights.

UPHOLDING ETHICAL CONDUCT & SOUND GOVERNANCE

Sound governance practices are the cornerstone of our responsible corporate conduct. We go beyond mere compliance with relevant laws and regulations, actively fostering a culture of integrity and transparency throughout the Organisation. Our commitment to upholding ethical standards is unwavering, and we are proud to report no deviations during the year under review.

During the year, we also adopted the Hayleys Group's Bribery and Anti-Corruption policy, which was launched during the year committing to a zero-tolerance approach to corruption in all its forms. The Board of Directors is dedicated to ensuring robust governance structures and risk management framework to ensure the mitigation of potential risks.

Furthermore, the Board reviewed the Listing Rules on Corporate Governance issued by the Colombo Stock Exchange and has in place a road map to ensure compliance by the specified dates. In line with our commitment to transparency and accountability, we affirm our compliance with the provisions of CSE Listing Rule Number 9 as of and up to 31 March 2024.

Moreover, we have reviewed the revised Code of Best Practice on Corporate Governance by the Institute of Chartered Accountants of Sri Lanka and noted that most provisions are complied with as set out on page 75. We have also opted for early adoption of the SLFRS S1 and S2 Sustainability Disclosure Standards, in line with the transitional relief adopted for first-time reporters; we are confident that full compliance can be achieved by 2024/25.

Board Changes

We extend our sincere gratitude to Mr. G Molinari and Mr. S P Peiris who retired during the year for their dedicated service to the DPL Board and wish them well in their future endeavours. We are delighted to welcome our new Board members, Mr. M.N.R. Fernando, Prof. A.P. De Silva, and Mr. P.Y.S. Perera, whose expertise and insights will undoubtedly strengthen the DPL Board. We are confident that their appointments will be instrumental in guiding DPL towards continued success.

A FUTURE OF SHARED SUCCESS

Looking ahead, we are filled with optimism and excitement. Our focus remains on expanding our global footprint, driving sales of our innovative products, and further penetrating main markets. We are committed to addressing supply chain challenges, fostering closer relationships with all our suppliers, and investing in sustainable solutions like solar energy and water recycling.

DPL is more than just a glove manufacturer; we are a trusted partner, dedicated to delivering high-quality, specialised hand protection solutions with exceptional service and a commitment to sustainability. We are grateful for the unwavering support and guidance of our Deputy Chairman and Board of Directors. Their leadership has been instrumental in navigating the complexities of an especially challenging period. To our exceptional leadership team and dedicated employees, your commitment and passion have been the driving force behind our continued success. We extend our heartfelt appreciation to our valued customers, suppliers, business partners, and stakeholders. Your continued trust and collaboration are invaluable to us. Together, we have not only weathered challenges but also emerged stronger. As we move forward, we are committed to creating lasting value for all those who contribute to DPL's journey. We look forward to a future of shared success and impactful collaborations.

Mohan Pandithage
Chairman

Pushpika Janadheera
Managing Director

BOARD OF DIRECTORS

Mohan Pandithage - Executive Chairman / **Rajitha Kariyawasan** - Executive Deputy Chairman / **Pushpika Janadheera** - Managing Director / **Faiz Mohideen** - Non-Executive Director / **Sarath Ganegoda** - Non-Executive Director / **Sujeewa Rajapakse** - Independent Non-Executive Director / **Ramesh Nanayakkara** - Executive Director-Finance

Gamini Gunaratne - Senior Independent Director / **Indika Prasad** - Executive Director-Sales & Marketing / **Chandika Ratnasiri** - Executive Director-Engineering / **Brindhiini Perera** - Non-Executive Director / **Nanda Fernado** - Independent Non-Executive Director / **Prof. Arjuna de Silva** - Independent Non-Executive Director / **Mr. Yohan Perera** - Independent Non-Executive Director

BOARD OF DIRECTORS

Mohan Pandithage

Executive Chairman

Appointed to the Board in 2007

Mr. Pandithage currently serves as the Chairman and Chief Executive of Hayleys PLC.

As an accomplished industry veteran and respected leader in the field of transportation and logistics, he was honoured with the prestigious 'Best Shipping Personality' Award by the Institute of Chartered Shipbrokers, in recognition of his outstanding contributions to the industry. Additionally, he was presented with a Lifetime Achievement Award by the Seatrade-Sri Lanka Ports, Trade and Logistics (SLPTL). He was the first Sri Lankan to be awarded the Pinnacle Lifetime Award by the Chartered Institute of Logistics and Transport (CILT). He was also inducted as a 'Legend of Logistics' by the Sri Lanka Logistics and Freight Forwarding Association, in acknowledgement of his invaluable services to Sri Lanka's logistics industry.

Mr. Pandithage serves as Honorary Consul of the United Mexican States (Mexico) to Sri Lanka. He is a Fellow of the Chartered Institute of Logistics and Transport (UK) and a Member of the Advisory Council of the Ceylon Association of Shipping Agents (CASA). He also serves as a Council Member of the Employers' Federation of Ceylon.

As an Executive Chairman of multiple companies within the Hayleys Group, Mr. Pandithage possesses extensive leadership experience across a broad spectrum of industries. In addition to being the Executive Chairman of Dipped Products PLC, he holds the position of Executive Chairman and Chief Executive of Hayleys PLC and Executive Chairman of Haycarb PLC, Hayleys Fibre PLC, Hayleys Fabric PLC, Talawakelle Tea Estates PLC, Kelani Valley Plantations PLC, Horana Plantations PLC, Alumex PLC, Singer (Sri Lanka) PLC, The Kingsbury PLC and Hayleys Leisure PLC.

Rajitha Kariyawasan

Executive Deputy Chairman

Appointed to the Board in 2016.

Mr. Kariyawasan was appointed as the Deputy Chairman of Dipped Products PLC in October 2020. A Member of the Hayleys Group Management Committee and a Director of Hayleys PLC since 2010. He has overall responsibility for the Purification Products sector as the Managing Director of Haycarb PLC and as the Deputy Chairman of the Eco Solutions Sector. Serves as a nominee Director of Hayleys PLC on the Board of Sri Lanka Institute of Nanotechnology (Private) Ltd., (SLINTEC).

Holds a BSc. Engineering (Electronics & Telecommunications) Degree from the University of Moratuwa, Sri Lanka. Fellow Member of the Chartered Institute of Management Accountants– UK and a Six Sigma (Continuous Improvement Methodology) Black Belt, Certified by the Motorola University, Malaysia. Former Director/ General Manager of Ansell Lanka (Pvt) Ltd, and served as the Chairman of the Manufacturing Association of Export Processing Zone, Biyagama.

Pushpika Janadheera

Managing Director

Appointed to the Board in 2017

Mr. Janadeera joined Dipped Products PLC in August 2017 as Director Operations. Appointed as Deputy Managing Director in August 2020. Appointed as the Managing Director of DPL and a Member of the Hayleys Group Management Committee in January 2023.

Council Member of the Institute of Chartered Accountants of Sri Lanka. Fellow Member of the CA Sri Lanka (Institute of Chartered Accountants of Sri Lanka) Associate Member of the Chartered Institute of Managements Accountants (CIMA-UK), Associate Member of Global Management Accountants (CGMA) of UK and the National Institute of Accountants of Australia. Holds B Sc Accountancy (special) degree and a MBA from the University of Sri Jayewardenepura. Former Director of Associated Motorways (Pvt) Ltd and Director/ General Manager of Richard Pieris Tyre Co, Ltd. Chairman of the Sri Lanka Association of Manufacturers and Exporters of Rubber Products (SLAMERP), Served as a Council Member of the Plastics and Rubber Institute of Sri Lanka. Member of the Sri Lanka Institute of Directors. Member of the Advisory Committee of Rubber and Rubber Based Products & Plastics Sector of the Export Development Board and Member of the Polymer Advisory Committee of the Ministry of Industries.

Faiz Mohideen

Non-Executive Director

Appointed to the Board in 2008.

Mr. Mohideen holds a degree in BSc Mathematics from the University of London and a MSc in Econometrics from the London School of Economics. Served as the Deputy Secretary to the Treasury and Director General, External Resources Department of the Ministry of Finance and Planning.

Sarath Ganegoda

Non-Executive Director

Appointed to the Board in 2009.

Mr. Ganegoda is a Fellow Member of The Institute of Chartered Accountants of Sri Lanka (ICASL) and Member of Institute of Certified Management Accountants of Australia. Holds a MBA from the Postgraduate Institute of Management, University of Sri Jayawardenepura.

Held several Senior Management positions in large Private Sector entities in Sri Lanka as well as overseas.

Has responsibility for the Strategic Business Development Unit and Group Information Technology of Hayleys PLC. Deputy Chairman of Alumex PLC and serves on the Boards of Hayleys PLC, Unisyst Engineering PLC, Haycarb PLC, Hayleys Fabric PLC, Hayleys Fibre PLC, Kelani Valley Plantations PLC, Singer (Sri Lanka) PLC, The Kingsbury PLC and Horana Plantations PLC.

Sujeewa Rajapakse

Independent Non-Executive Director

Appointed to the Board in 2013.

Mr. Rajapakse is the Managing Partner of BDO Partners, Chartered Accountants. A Fellow of The Institute of Chartered Accountants of Sri Lanka (FCA) and a Fellow of Institute of Chartered Management Accountants of Sri Lanka (FCMA), Member of the Association of Chartered Certified Accountants (ACCA), he holds a Master of Business Administration (MBA) from Postgraduate Institute of Management (PIM), University of Sri Jayewardenepura.

During his professional career that spanned nearly four decades, he has held the honorary positions of President, Vice-President and Council Member (elect) of The Institute of Chartered Accountants of Sri Lanka (ICASL), Former Chairman of Auditing Standards Committee of ICASL, President of Practicing Accountants Forum of Sri Lanka, Treasurer of Sri Lanka Cricket, Treasurer for Cricket World Cup 2011, Board Member and Technical Advisor to South Asian Federation of Accountants (SAFA), Technical Advisor to Confederation of Asia Pacific Accountants (CAPA). He has also served in the directorates of National Development Bank PLC, NDB Capital Ltd. – Bangladesh, The Finance Company PLC, Uni Dil Packaging Ltd and Uni Dil Packaging Solutions Ltd, Lankan Alliance Finance Limited, Bangladesh also the Chairman of People's Leasing and Finance PLC and Deputy Chairman of Softlogic Life Insurance PLC.

At present he serves as the Chairman of People's Bank and a Director of Hayleys Agriculture Holdings Ltd. He is a Council Member of the University of Sri Jayewardenepura.

Ramesh Nanayakkara

Executive Director - Finance

Appointed to the Board in 2014.

Mr. Nanayakkara joined Dipped Products PLC in 1991. Appointed to the Board in July 2014. Holds a Degree in B Sc Physical Science from University of Sri Jayewardenepura. Fellow Member of Chartered Institute of Management Accountants - UK.

Gamini Gunaratne

Senior Independent Director

Appointed to the Board in August 2015.

Mr. Gunaratne presently serves as a Director of Hayleys PLC, Horana Plantations PLC, Swisstek Ceylon PLC, Lanka Walltiles PLC, Lanka Tiles PLC, Lanka Ceramics, College of Fashion and Design and SLIIT International (Private) Limited. He is also the Chairman of Lanka Hotels and Residencies (Pvt) Ltd (Sheraton Colombo). Previously served as Vice Chairman of National Water Supply and Drainage Board. Board Director Director SLIIT International (Pvt) Limited.

Indika Prasad

Executive Director - Sales & Marketing

Appointed to the Board in 2018

Mr. Prasad joined Dipped Products PLC in 2001. Holds a Degree in BSc Physical Science (Industrial Management – Special) with First Class Honours from University of Kelaniya and an MBA from University of Colombo.

Recipient of the Award by the National Institute for Micro, Small and Medium Enterprises; Middle management Development Programme for SME's of Africa/South Asia – Administrative Staff College of India. Served as a committee member of the Sri Lanka – USA Business Council.

Chandika Ratnasiri

Executive Director - Engineering

Appointed to the Board in 2022

Mr. Ratnasiri joined Dipped Products PLC in 2007. Responsible for Group Engineering projects and maintenance of all manufacturing operations in Sri Lanka and Thailand.

Holds a BSc and MSc (first class Honors) in Engineering from State Moscow University, USSR and is a member of the Institution of Engineering and Technology (MIET) , UK. Has 28 years of experience in various multi-national corporations in Sri Lanka and in Europe.

Brindhiini Perera

Non-Executive Director

Appointed to the Board in 2022.

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

She serves as a Non-Executive Director in Haycarb PLC, The Kingsbury PLC, Hayleys Leisure PLC, Singer (Sri Lanka) PLC, Vallibel One PLC, Royal Ceramics Lanka PLC, Lanka Tiles PLC, Lanka Walltiles PLC, and The Fortress Resorts PLC. She also serves on the Boards of Eurocarb Products Ltd (UK), Delmege Limited, Otwo Biscuit (Private) Limited, The Canbury Biscuit Company Limited, Manatee Clothing Company (Pvt) Ltd and Dhammika & Priscilla Perera Foundation.

BOARD OF DIRECTORS

Nanda Fernando

Independent Non-Executive Director

Appointed to the Board in 2024.

Mr. Fernando, a Banker with over four decades of experience in banking. Senior Fellow of the Institute of Bankers Sri Lanka and possesses a Master of Business Administration from Sikkim Manipal University, India.

Currently the Managing Director of Professional Business Consultants, a company engaged in providing financial planning and advisory services. He also serves on the Boards of Haycarb PLC, Hayleys Fabric PLC, Hatton National Bank PLC, and Assetline Finance Ltd.

Prior to his current role, was the Managing Director of Sampath Bank where he provided effective leadership, utilising his expertise to drive organisational success and deliver exceptional value to stakeholders. Served Sampath Bank for 36 years from the year of its inception. Earlier in his career, served Hatton National Bank PLC.

Professor Arjuna De Silva

Independent Non-Executive Director

Appointed to the Board in 2024.

Vidya Jyothi Senior Professor Arjuna Priyadarsin De Silva is a Professor of Medicine, Faculty of Medicine University of Kelaniya. He holds the Bachelor of Medicine and Bachelor of Surgery degrees as well as a postgraduate Doctor of Medicine from the University of Colombo. He also holds as MSc from the University of Oxford.

Professor De Silva is a Board Certified Specialist in General Medicine. He was awarded MRCP from the Royal College of Physicians London. He has worked at the National Hospital of Sri Lanka and Ampara Hospital as a Consultant Physician. He is a Board Certified trainer in Gastroenterology and is a Fellow of the Royal College of Physicians (FRCP, London) as well as a fellow of the American Gastroenterological Association(AGAF) and National Academy of Sciences of Sri Lanka (FNASSL)

Professor De Silva has held the positions of Head of Department, Faculty of Medicine University of Kelaniya, Chairman of Board of Study in Gastroenterology, Secretary of the Gastroenterology and Digestive Endoscopy Society of Sri Lanka. He is currently a member of the Board of Management and several other boards at the Post Graduate Institute of Medicine Colombo, Associate Editor World Journal of Gastroenterology and a reviewer for many international journals. He has won many research awards including the Presidential Research Award in the years 2001, 2006, 2008, 2010 2012 and 2013.

He has served as the Director General of Sports Medicine, was the team physician for the London Olympics and a member of the Medical panel for the National Cricket Team. Professor de Silva currently heads the Sri Lanka Cricket medical advisory committee and is a Council member of the National Sports Council. He is currently the Chairman of Sri Lanka Anti-Doping Agency (SLADA), and past Chairman of South Asian Regional Anti-doping Agency (SARADO).

He has previously served as Chairman, George Steuart Finance Limited, Director Sri Lankan Airlines Limited, Commission Member National Science and Technology Commission.

Yohan Perera

Independent Non-Executive Director

Appointed to the Board in 2024.

Mr. Perera is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and a Fellow Member of the Chartered Institute of Management Accountants, UK. He served as a Partner at KPMG Sri Lanka and Maldives for 33 years. During this period, he also served the Firm as the Head of HR, Risk Management Partner and Chief Operating Officer before he was appointed as the Managing Partner. He served on the KPMG Middle East & South Asia Board during his tenure as Managing Partner of the Firm.

He counts over 40 years of experience in audits of conglomerates and listed companies with diversified business interests. He served as the President of the Institute of Chartered Accountants of Sri Lanka during the years 2006 and 2007. He also served as a Board Member of the Confederation of Asian and Pacific Accountants (CAPA), one of four regional organisations recognised by the International Federation of Accountants (IFAC).

Mr. Perera has also served as a Member of the Securities & Exchange Commission of Sri Lanka, Member of the Monetary Policy Consultative Committee of the Central Bank of Sri Lanka, Member of the Governing Council of the Post Graduate Institute of Management of the University of Sri Jayawardenapura and as a Consultant to Audit Committees of Listed Companies.

He currently serves on the Boards of Hayleys PLC, Haycarb PLC and E B Creasy & Company PLC.

THE CORPORATE MANAGEMENT

Dr. Upul Ratnayake
General Manager - Group Technical & R&D

Prabath Mendis
Country Manager - Dipped Products Thailand

Marco Bottino
Country Manager - ICOGUANTI

Ms. Vasana Wanigasekara
General Manager - Sales

Thusitha Perera
General Manager - Human Resources

Nilaksha Pushpakumara
General Manager - Operations

Sampath Kumara
General Manager - Procurement & Logistics

Asanka Fonseka
General Manager - Sales & Marketing (DUGL/SPG)

Thomas Taddei
Country Manager - DPL France

Kapila Jayasundara
General Manager - Finance

Piotr Maciejewski
Country Manager - Rozenbal Polska

THE CORPORATE MANAGEMENT

HAND PROTECTION

Mohan Pandithage
Executive Chairman

Rajitha Kariyawasan
Executive Deputy Chairman

Pushpika Janadheera
Managing Director

Ramesh Nanayakkara
Executive Director (Finance)

Indika Prasad
Executive Director (Sales & Marketing)

Chandika Ratnasiri
Executive Director (Engineering & Projects)

GENERAL MANAGERS / COUNTRY MANAGERS

Dr. Upul Ratnayake
Group Technical & R&D

Prabath Mendis
Country Manager - (DPTL)

Marco Bottino
Country Manager - (ICOGUANTI)

Ms. Vasana Wanigasekara
Sales

Thusitha Perera
Human Resources

Nilaksha Pushpakumara
Operations

Sampath Kumara
Procurement & Logistics

Asanka Fonseka
Sales & Marketing (DUGL/SPG)

Thomas Taddei
Country Manager - (DPL France)

Kapila Jayasundara
Finance

Piotr Maciejewski
Country Manager - (Rozenbal Polska)

DEPUTY GENERAL MANAGERS

Tilak Warakawalage (DL)

Pradeep Silva
Engineering

GROUP MANAGERS/ FACTORY MANAGERS

Chamara Wimalawardena
Factory Manager (HL)

Nishantha Jayasinghe
Factory Manager (DPGL)

Dr. Sashika Hemachandra
Factory Manager (DUGL)

Hewage Kamal
Factory Manager (SPG)

Gamini Karunarathne
Group Process

Mohamed Farharth
Group Quality

Mohan Manuel
Group Production Planning & BPI

Roshan Jayasinghe
Group Procurement

Mohan Perera
Group TSP

Dinesh Wickramasuriya
Group Logistics

Nishan Buddhika
Group Finance

Dinesh Thanadakkara
Group Sales

Kapila Harischandra
Group Engineering & Environment

MANAGERS

Niroshana Baddage
Centrifuging & Latex Supply

Thilina Samarathunga
Knitting & Plying (DUGL)

Ms. Sagarika Mayadunne
Quality Control (HL)

Pradeep Kumar
Human Resources (Zone)

Palitha Lankeshwara
Environment

Ms. Devaki Rodrigo
Laboratory (DL)

Ms. Vinodani Dabare
Regional Business Development

Lakmal Wickramarachchi
Packing Materials

Nilush Kumara
Compounding (HL)

Suranga Hettiarachchi
Production (DPGL)

Madhawa Wettasinghe
Engineering (DL)

Ms. Hasini Dangalle
Research & Development (DL)

Ashoka Chandranath
Glove Designing (SPG)

Damian Thomas
Regional Business Development

Ms. Ayanthika Weerasinghe
Quality Control (DL)

Ms. Asika Attanayake
Finance

Susantha Perera
Engineering (DL)

Chandika Bandara
Engineering (DPGL)

Premalal Punchihewa
Production (DL)

Shanaka Wijesinghe
Engineering (HL)

Jayanath Rupasinghe
Energy

Indika Wickramaratne
IT

Ms. Saranika Kumararathne
Regional Business Development

Danushka Rathnayake
Projects

Ms. Amanda Denuwara
Regional Business Development

Sanjaya Bandara
FGS (DUGL)

Kalana Devapriya
Quality Systems

Chamidu Buddhika
Research & Development (DUGL)

Ms. Lakmini De Silva
Sales & Marketing (DUGL)

Janaka Jayasundera
Sourcing

Dhammika Kulathilaka
Compounding (DL)

Malinda Navarathne
Process Control (DL)

Ms. Sanuji Wijesekara
Regional Business Development

Buddhika Ariyarathne
Process Control (DUGL)

Ms. Sumali Fernando
Business Development (Disposable Gloves)

Ms. Chamathya Fernando
ESG

Kanishka Sethunga
Business Development

Dr. Asanka Jayasinghe
Research & Development (DL)

Danuja Kumara
Centrifuging & Latex Supplying

Dushantha Perera
ERP

Thiwanka Kannangara
Procurement

Rasanga Abeywardana
Process

Chathuranga Vijayananda
Finance

Gihan Udagama
Finance

Indika Krishantha
Central Warehouse

Ms. Shevanthie Perera
Marketing

Nipol Samolee
HR/SMR/Packing/ME (DPTL)

Nithipong Navaparitthikul
QA/QC/WT (DPTL)

Ananda Lansakara
Engineering & EMS (DPTL)

Ms. Siriwan Jindarat
Business Development (DPTL)

Ms. Sasithorn Chuaybumrung
Procurement (DPTL)

Randika Prasad
Operations (DPTL)

Ms. Selvaraj Princy
R&D and Process Control (DPTL)

Suresh Karunathilake
Finance (DPTL)

Ms. Supawadee Chompuvach
Administration / EMS (DPTL)

Sanjaya Kumara
Engineering (DPTL)

Enrico Giuliano
Commercial (ICOGUANTI)

Ugo Torriani
Commercial Professional (ICOGUANTI)

Salvatore Barraco
Finance (ICOGUANTI)

Luca Parodi
Procurement & IT (ICOGUANTI)

Ms. Giuseppina Ageno
Product and Quality (ICOGUANTI)

Geoffroy Fiton
Commercial (DPL France)

Guillaume Sautreau
Procurement (DPL France)

Ms. Kelly Bui
Finance (DPL France)

Laurent Soubigou
IT (DPL France)

Ms. Anna Rey
Quality (DPL France)

Lukasz Grzechnik
Commercial (Rozenbal Polska)

Ms. Joanna Kamieniecka
Finance (Rozenbal Polska)

Piotr Lewandowski
Logistics (Rozenbal Polska)

THE CORPORATE MANAGEMENT

PLANTATION

Mohan Pandithage
Chairman

Dr. Roshan Rajadurai
Managing Director - KVPL/TTE/HPL

KELANI VALLEY PLANTATIONS PLC
Anura Weerakoon
Director/CEO

OPERATIONAL DIRECTORS
Viren Ruberu
Plantations (Rubber)

Rajiv Bandaranayake
Strategic Agri - Business Development

Ranil Fernando
Rubber Marketing & Administration

Vidura Weerabahu
Finance

GENERAL MANAGERS
Anuruddha Gamage
Human Resources & Corporate Sustainability

Madhawa Wickramaratne
Marketing

REGIONAL GENERAL MANAGERS
Senaka Fernando
Dewalakande

Dilum Pathirana
Pedro

Indra Gallearachchi
Invery

Anura Senanayake
Crop Diversification

SENIOR DEPUTY GENERAL MANAGERS
Eranda Welikala
Ederapola

Buddika Attanayake
Annfield

DEPUTY GENERAL MANAGERS
Udeni Wanigathunge
Nuwara Eliya

Senaka Dayananda
Engineering

ASSISTANT GENERAL MANAGERS
Susantha Wijesinghe
Information Technology

Kenneth Alles
Corporate Affairs

Chandana Wanniarachchi
Process Technology

Mahesh Vithanawasam
Sustainability

Rajitha Gnanasekeram
Ingestre

Yasith Hettiarachchi
Fordyce

Eroshan Peiris
Robgill

TALAWAKELLE TEA ESTATES PLC
Senaka Alawattegama
Director/CEO

OPERATIONAL DIRECTORS
Nishantha Abeysinghe
Plantations

Thusitha Rodrigo
Strategic Performance Management

Ms. Vindya Perera
Finance

General Managers
Eashan Perera
Marketing

REGIONAL GENERAL MANAGERS - ESTATES
Gimhan Jayathilake
Kiruwanaganga

Kosala Wijesekera
Somerset

SNR. DEPUTY GENERAL MANAGER - ESTATES
Eranga Egodawela
Bearwell

HORANA PLANTATIONS PLC
Johann Rodrigo
Director/CEO

Buddhi Gunasekara
Director – Plantations

GENERAL MANAGERS
Ajith Nissanka
Finance

Pushpika Samarakoon
Corporate Affairs

REGIONAL GENERAL MANAGERS
Wasantha Gunawardene
Up Country

STRATEGIC REPORT

A CORNERSTONE OF GROWTH

As an entity that thrives on value creation, we steadfastly follow a pattern of continuous expansion, while offering our stakeholders room to grow.

Shells are built to expand in order to accommodate the growth of the mollusks found within. The growth rings found within these shells represent centuries of continuous growth and are symbolic of a future of longevity and continuous development.

OUR BUSINESS MODEL

THE GROUP'S VALUE CREATION MODEL DEMONSTRATES HOW OUR CAPITAL INVESTMENTS WERE STRATEGICALLY DEPLOYED THROUGHOUT THE YEAR TO GENERATE SUSTAINABLE VALUE FOR ALL KEY STAKEHOLDERS.

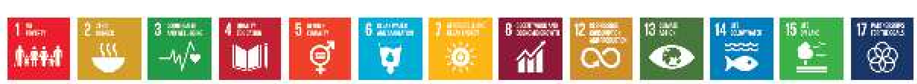
INPUTS

Financial Capital	Equity **Rs. 36.1 Bn** Debt **Rs. 9.5 Bn**
Human Capital	**17,584** Employees **Rs. 37.8 Mn** Training and development
Manufactured Capital	**06** Manufacturing locations **55** Estates
Intellectual Capital	**Rs. 385 Mn** Investment in R&D **19** Industry Experts
Social and Relationship Capital	**6,000 +** Farmer Relationships **6,500+** Other Value Chain Partners **300+** Global Distributors
Natural Capital	**13,808** Hectares Land extent Raw materials consumption **41,732 Mt** Energy consumption **2.08 GJ Mn** Water consumption **2.05 M3 Mn**

VALUE CREATION PROCESS

OUR VISION

To be the preferred and most sought after provider of hand protection wear in the world



HAND PROTECTION

- Procurement of raw materials
- Research and development
- Quality Assurance
- Packaging
- Global Marketing and Distribution

PLANTATIONS

- Land Management
- Cultivation
- Harvesting
- Processing & Manufacturing
- Marketing and Sales

Corporate Governance (Page - 50)

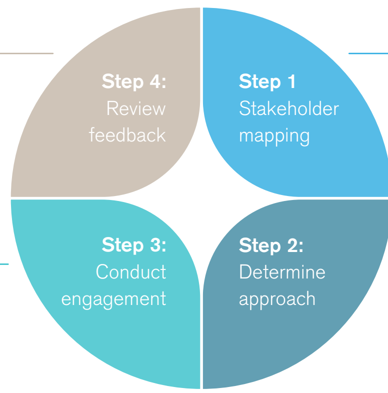
Risk Management (Page - 76)

OUTPUTS	OUTCOMES
Group Revenue **Rs. 73.9 Bn** Group PBT **Rs. 7.6 Bn**	Assets increased by **2% YoY** Dividend payout increased by **9% YoY**
New Employees **3,611** Hours of Training per Employee **33** Payments to Employees **Rs. 15 Bn**	**Rs. 19.35 Mn** Increase in Revenue per Employee **Rs. 11.51 Mn** Value added per Employee
Cost saving from Lean Projects **Rs. 431 Mn** Revenue from Non-Traditional Crops **Rs. 87 Mn**	The first Leed Platinum certified glove manufacturing facility in Sri Lanka Improved productivity Enhanced efficiency High-quality products Sustainable production
New Patents obtained **03** New Products developed in 2023/24 **22**	Advanced technology State-of-the-art manufacturing facilities Cost optimisation
Investment in Community **Rs. 401 Mn** Payment to Suppliers **Rs. 38.2 Bn** Invested in Supplier Development **Rs. 8.3 Mn**	**85%** Local procurement **583,000+** CSR beneficiaries Loyal customer base Sustainable supply chain Empowered communities
Emissions generated **25,735 Mt CO2e** Waste generated **4,999 Mt** Renewable Energy generated **1,944 MJ**	**6.4%** Increase in renewable energy generation **4.3%** Reduction in Carbon Footprint

RESPONDING TO OUR STAKEHOLDERS

We have nurtured extensive relationships with diverse stakeholders who play a vital role in the value-creation process of our Organisation. Continuous engagement with stakeholders keeps us informed about their changing expectations and empowers us to address them proactively. We prioritise stakeholders based on their influence on and susceptibility to our operations. Given below is a high-level overview of the Group's stakeholder engagement activities for the year.

OUR STAKEHOLDER ENGAGEMENT PROCESS



Step 1

Stakeholder mapping

Criteria for identifying and prioritising stakeholders

Step 2

Determine the engagement approach and mechanisms

Determine the intensity, frequency, and logistics

Step 3

Conduct engagement

Step 4

Review feedback

Identify risks/opportunities from feedback and determine actions

Level of engagement (H/M/L)	Stakeholder	Engagement channel and Frequency of	Key concerns raised	Our response
HIGH	Shareholders	▪ Annual General Meeting (annually) ▪ Annual Report (annually) ▪ Interim financial statements (quarterly) ▪ Announcements to the Colombo Stock Exchange (ongoing) ▪ Corporate website (ongoing) ▪ Press releases (when required) ▪ One-to-one engagement (when required)	▪ Implications of macroeconomic stress on performance ▪ Opportunities for growth ▪ Strength of corporate governance and risk management practices ▪ Clear, accurate and timely communication ▪ Share price performance ▪ Effective allocation of capital ▪ Resilience and effectiveness of the strategy ▪ Delivering ESG commitments	▪ Prudent financial management ▪ Capacity expansion to cater to emerging demand ▪ Exploring opportunities in new markets ▪ Effective implementation of a robust strategy, which led to strong earnings growth ▪ Proactive risk management practices ▪ Focus on preserving balance sheet strength and liquidity ▪ Strong corporate governance ▪ Implementation of DPL Pulse ESG roadmap
HIGH	Customers	▪ Customer Satisfaction Surveys (annual) ▪ Customer Relationship Management (ongoing) ▪ Corporate website (ongoing) ▪ Buyer visits to estates and factories (upon request) ▪ Participation in trade fairs (ongoing) ▪ Customer grievance mechanism (ongoing)	▪ Uninterrupted availability of products ▪ Price competitiveness ▪ Superior product quality ▪ Assurance of processes, systems and products ▪ Ease of transactions ▪ Responsible and sustainable business practices ▪ Social and environmental consciousness	▪ Ongoing investments in innovation and value addition ▪ Invested in enhancing distribution efficiencies ▪ Ongoing compliance to quality, safety, and environmental certifications ▪ Sustained focus on product and process sustainability ▪ Embedding sustainable practices into processes and decision-making

Level of engagement (H/M/L)	Stakeholder	Engagement channel and Frequency of	Key concerns raised	Our response
HIGH	Employees	▪ Engagement through trade unions (ongoing) ▪ Satisfaction surveys (annual) ▪ Performance appraisals (annual) ▪ Staff meetings (ongoing) ▪ Work-life balance initiatives (ongoing) ▪ Grievance mechanism (ongoing)	▪ Financial security given the prevalent crisis ▪ Adequacy of remuneration given escalating inflation ▪ Physical and mental well-being ▪ Attractive reward schemes including medical benefits ▪ Opportunities for skill development and career progression ▪ Job security ▪ Safe and conducive work environment	▪ Financial and non-financial support ▪ Closer engagement with trade unions ▪ Continued emphasis on health, safety and well-being ▪ Invested in improving employee facilities ▪ Significant investments in training and development
MEDIUM	Suppliers	▪ Face-to-face interaction (ongoing) ▪ Supplier forums (annual) ▪ Relationship managers (ongoing) ▪ Firstlight Programme (ongoing)	▪ Financial support in addressing import restrictions ▪ Ease of transaction ▪ Consistent demand for produce ▪ Fair and transparent pricing mechanisms ▪ Ethical business conduct ▪ Competency development and capacity building ▪ Payment on time	▪ Focus on ensuring commercial sustainability of suppliers through financial and other forms of support ▪ Increased visibility of future demand ▪ Supplier development programmes ▪ Timely payment of all dues to ensure continuity of supplier operations
MEDIUM	Communities	▪ CSR and community development initiatives (ongoing) ▪ Grievance mechanisms (ongoing) ▪ Press releases (as and when required)	▪ Community employment generation ▪ Minimising adverse environmental impacts ▪ Community development and corporate philanthropy	▪ Ongoing investment in community engagement initiatives ▪ Focus on reducing environmental implications of operations ▪ Recruiting from local communities
LOW	Government	▪ Engagement at industry forums and corporate engagement platforms (ongoing) ▪ Written communications (ongoing) ▪ Face-to-face interactions (ongoing) ▪ Regulatory reporting (ongoing)	▪ Generation of export income and conversion of proceeds ▪ Tax payments ▪ Compliance with relevant regulations ▪ Contribute positively to the society and environment ▪ Support the achievement of national economic objectives	▪ Compliance with all government regulations and guidelines ▪ Timely payment of taxes ▪ Generation of export income to support the country's balance of payments ▪ Employment generation and community development ▪ Maintaining close and transparent relationships with all relevant regulators

STRATEGIC PRIORITIES AND RESOURCE ALLOCATION

Our strategy is framed by four strategic priorities that underpin our resource allocation decisions across the capitals whilst balancing our business objectives and sustainability objectives to achieve triple bottom-line growth.

	Profitable Growth	Customer Focus
HAND PROTECTION	▪ Set up a new production facility for precision-engineered sports gloves manufacturing. ▪ Increase in capacity to accommodate high value product categories such as electrician gloves. ▪ Regional expansion - expanded our market reach to include growing regions such as India, the Middle East and Africa, alongside our established presence in the USA and Europe. ▪ Focused on further developing our existing customer base, particularly in the US market, where there is a significant demand for speciality products. ▪ Consolidating the acquired facilities in France and Poland to facilitate a transition towards increase the footprint of strategic marketing. We aim to enhance our presence and strengthen our operations by extending our supply chain. ▪ Invested in rooftop solar power and increased capacity of rainwater harvesting to increase water recycling to address the increased utility costs.	▪ Opened a sales office in Dubai and established a company in Mumbai, with a sales office in April 2024. ▪ Invested in an electrician glove testing facility in India to meet local demand and enhance market validity. ▪ Continued to adhere to production and packaging regulations, encompassing recycling components in our transition towards sustainable packaging solutions. ▪ Enhanced customer interaction to understand evolving requirements. ▪ Complied with a range of quality, environmental, occupational health and safety, and food safety certifications. ▪ Focused on developing high-value, tailor-made products for niche markets. ▪ Expanding the chemical glove offerings to include both supported and unsupported varieties. ▪ Focused on establishing leadership in the entire industrial chemical glove market
PLANTATION	▪ Continued investments in automation and mechanisation, ▪ Ongoing investments in field development. ▪ Strategic emphasis on product quality and productivity. ▪ Ongoing focus on crop diversification.	▪ Allocation of chemical-free fields for growing premium tea. ▪ Adopting RA ™ certified field management practices. ▪ Compliance with product quality and responsibility guidelines and standards. ▪ Product innovation and enhanced customer proposition at Mabroc Teas. ▪ A dedicated team to ensure quality and food safety management system.

	Innovation and Digitalisation	Inspired and Dedicated Team	Climate Action	Value Chain and Community Development
	▪ Established the new state-of-the-art Innovation Centre. ▪ Substantial investments in plant technology, including the implementation of robotic systems and plant upgrades. ▪ Strengthened cyber security by implementing antivirus defences and enhancing data backup protocols. ▪ Implementation of Total Productive Maintenance (TPM).	▪ Collaborated with academic and private institutions to attract top talent. ▪ Nurtured a multi-skilled workforce capable of adapting to changing order requirements and work patterns. ▪ Fostered strong employee relations by providing learning and development opportunities and offering career guidance, including avenues for advancement. ▪ Implemented a HR compliance monitoring system.	▪ Continued compliance with production and packaging regulations. ▪ Integrated recycling components in the transition towards sustainable packaging solutions. ▪ Commenced due diligence process for EUDR compliance.	▪ Expansion of the local farmer base. ▪ Entered into strategic partnerships for volume discounts. ▪ Established direct contracts with shipping lines to secure the volumes. ▪ Implemented cost-saving optimising and cost-saving measures. ▪ Ongoing engagement in community development programmes. ▪ Ongoing engagement with both local and international suppliers. ▪ Supplier development programmes.
	▪ Integration of new technologies to reduce labour costs and improve productivity. ▪ Emphasising the significance of knowledge dissemination and collaboration, KVPL spearheaded the inaugural International Sustainable Plantations Summit in Sri Lanka in 2023. Drawing the participation of over 700 attendees from 26 nations, this milestone event also holds the distinction of being the world's first Carbon Neutral summit organised by a plantation sector entity.	▪ Implemented the revenue-sharing model. ▪ Implemented the female supervisor programme. ▪ Providing career development opportunities. ▪ Offering youth empowerment programmes with higher education support.	▪ Rigorous screening and due diligence to verify their social and environmental credentials. ▪ Increased focus on crop diversification. ▪ Commitment to biodiversity conservation and ecosystem restoration. ▪ Integrated Environment Conservation Model for managing material usage, energy, water consumption, emissions, and waste. ▪ Adopting environmentally friendly agricultural practices. ▪ Commitment to Science-Based Target initiative (SBTi) to achieve Net Zero emissions by 2050.	▪ Ongoing investments in supporting the well-being of our estate communities through the "Home for Every Plantation Worker" programme. ▪ Signed a pledge to take part in the "Mother and Child-Friendly Seal for Responsible Business" (Seal Initiative).

STRATEGIC PRIORITIES AND RESOURCE ALLOCATION

Profitable Growth	Customer Focus	Innovation and Digitalisation
Resource Allocation	**Resource Allocation**	**Resource Allocation**
Rs. 4.3 Bn CAPEX Investment	**Rs. 1.9 Bn** Sales and Marketing Expenditure	**Rs. 76.4 Mn** Investment in IT (Hand Protection)
55 Estates in Sri Lanka	**116** Number of Employees for Sales and Marketing (Hand Protection)	**Rs. 77 Mn** CAPEX Investment in the Innovation Centre
02 New Marketing Offices	**06** Number of Product Technology Platforms	**Rs. 385 Mn** Investment in R&D (Hand Protection)
Measuring Progress	**Measuring Progress**	**Measuring Progress**
USD 231 Mn Revenue Reported	**54** New Customers (Hand Protection)	**Rs. 431 Mn** Annual Savings from TPM
15.4% Return on Equity	**04** New Countries Reached (Hand Protection)	**167** No of Projects on TPM Savings
Rs. 7.47 Earnings Per Share	**87%** Customer Satisfaction Score (Hand Protection)	**22** New Products (Hand Protection)
Rs. 2.25 Dividend Per Share	**100** Number of New Customers Acquired (Plantation)	**03** New Patents (Hand Protection)
Rs. 48.24 Net Asset Per Share	**80,000** Average Interaction on any Digital Marketing Platforms for FY 23/24	**10** New Products in the Pipeline (Hand Protection)

Inspired and Dedicated Team

Resource Allocation

Rs. 15 Bn
Payments to Employees

Rs. 37.8 Mn
Investment in Training

3,611
New Recruitments

Measuring Progress

84%
Retention Ratio (Hand Protection)

Rs. 19.4 Mn
Revenue per Employee

Rs. 11.5 Mn
Value added per Employee

54%
Female Representation (Plantation)

71,534
Training Hours (Hand Protection)

Climate Action

Resource Allocation

Rs. 19 Mn
Investment in Process Automation

05
Solar Projects

Rs. 1.2 Bn
Investment in Solar Generation

Measuring Progress

4.31%
Reduction in Carbon Footprint (Hand Protection)

80%
Non Hazardours Waste Circularity (Hand Protection)

93.3%
Reliance on Renewable Energy (Hand Protection)

1.493 M3 Mn
Volume of Rain Water Harvested (Hand Protection)

117 Mn Lts
Volume of Rain Water Harvested (Plantation)

Value Chain and Community Development

Resource Allocation

Rs. 382 Mn
Investment in Community Development (Plantation)

Rs. 38.2 Bn
Payments to Suppliers

Rs. 8.3 Mn
Investment in Supplier Development (Hand Protection)

Measuring Progress

85%
Local Natural Latex Procurement (Hand Protection)

6,000
Firstlight Local Farmers Supported (Hand Protection)

93%
Percentage of Small Scale Suppliers (Hand Protection)

10,000+
CSR Beneficiaries (Hand Protection)

573,257
CSR Beneficiaries (Plantation)

MANAGING OUR TRADE OFFS

Balancing resource allocation among strategic priorities necessitates making trade-offs between various capitals and entails balancing the short-term gains and long-term objectives. The subsequent section presents an overview of the capital trade-offs, both short-term and long-term, inherent in our strategic priorities.

	Financial Capital	Human Capital	Intellectual Capital
Profitable Growth	Capex investments to boost production capacity and distribution capabilities reduce financial capital in the short run. However, these investments would yield higher revenues and profits in the medium to long term.	The expansion of operations creates additional employment opportunities and fosters development and growth.	Profit growth facilitates more investment in Research and development (R&D) which enhances intellectual capital.
Customer focus	Customer-focused product offerings boost revenue growth favourably impacting financial capital.	New opportunities arise for employees in sales, marketing, and customer relationship management.	A customer-focused approach enables obtaining deep customer insights contributing to enhancing intellectual capital.
Innovation & Digitalisation	Research & Development and digitisation require a significant financial outlay in the short run. However, these investments can yield significant returns in the long term through product innovations and process efficiencies, ultimately enhancing financial returns.	Improves employee productivity.	Strong R&D capabilities contribute significantly to the company's intellectual capital.
Inspired and dedicated team	Investing and supporting people deplete financial resources in the short run. However, these investments yields long-term benefits for the organisation through enhanced efficiency, productivity and motivation.	Investments that enhance employee value proposition help attract and retain top talent.	Engaged and motivated employees play a significant role in shaping the company's brand reputation.
Climate action	Investments in sustainable energy sources such as biomass and solar power require a significant outlay of financial resources in the short run. However, these investments derive long-term benefits in terms of cost savings.	Improves the working environment for employees.	R&D into sustainable products such as compostable and bio-degradable gloves are pioneering technologies in the industry that contribute to environmental sustainability.
Value chain and community development	Investing in value chain development fosters greater supply chain efficiencies positively impacting financial capital in the medium to long term.	Involvement in CSR initiatives improve employee engagement levels contributing to increased employee satisfaction levels.	The partnerships the Group has fostered enable it to have a broader impact in the communities it is involved in.

Natural Capital	Social and Relationship Capital	Manufactured Capital
Investments in state-of-the-art technology reduce the negative impact on the environment.	Sustainable profitable growth ensures stakeholders receive consistent returns through dividends, salaries, and payments, fostering stronger relationships.	Investment in capacity enhancements and improved distribution builds manufactured capital.
Adhering to product certifications and industry standards ensures consistent maintenance of environmental and social best practices.	Closer engagement with customers strengthens customer relationships.	Enhancement of sales and digital infrastructure in response to evolving customer needs.
Innovation and digitalisation facilitate environmentally friendly operations.	Operational efficiencies through digitalisation improve customer satisfaction.	Improved digital infrastructure.
Productive employees contribute to reducing wastage and engaging in responsible consumption of resources.	Employee engagement in CSR activities and delivery of enhanced customer service nurtures social and relationship capital.	Enhanced investments in employee facilities yield improved infrastructure for employees.
Mitigate environmental impact by reducing emissions and promoting responsible resource consumption.	Progressive action towards climate action improves brand reputation.	Energy-efficient buildings and technology enhance the quality of manufactured capital.
Supplier and community engagement fosters a sustainable value chain.	Stronger relationships with the community.	Stronger partnerships with the value chain and community enable the company to streamline its supply chain infrastructure, including vehicle fleets and warehousing, for enhanced efficiency and sustainability.

DETERMINING MATERIAL MATTERS

The Group's material topics encompass the organisation's most notable impacts on the economy, environment, and society, encompassing impacts on human rights.

MATERIALITY ASSESSMENT PROCESS

The Group conducts an annual materiality assessment, aligning with the methodology adopted by the Hayleys Group. This comprehensive analysis entails a meticulously defined seven-step filtration process. Materiality assessments are carried out individually for both the Hand Protection and Plantation Sectors. Subsequently, the results are amalgamated through a scoring mechanism, facilitating the identification of topics relevant to the entire DPL Group.

Step 1: Define process parameters based on

Group's business model	Strategic aspirations	Discussions with Heads of divisions	Reporting frameworks (GRI and IR)

Step 2: Filtration of the extensive list of identified topics based on organisational impact and stakeholder impact

FINANCIAL IMPACT	INNOVATION OPPORTUNITY	REPUTATION	EXTERNALITIES	LINK TO STRATEGY	RISK	STAKEHOLDER IMPACT
Potential impact on Group's short, medium, and long-term financial performance, cash flow generation, and financial stability.	Opportunity for new product or process development arising from the relevant material issue that could potentially enhance the Company's competitive advantage.	Potential impact on the Company's reputation, image, branding value and competitive advantage.	Potential impacts from external variables including (but not limited to) exchange rates, interest rates, commodity prices, climate change etc.	Matters related to value creation which form the basis of boardroom discussions.	The magnitude and likelihood of exposure to both external and internal risk factors.	The magnitude and likelihood of exposure to both external and internal risk factors.

Organisational impact

Stakeholder impact

Step 3: Evaluate the importance of each matter through a scoring system

Each factor is scored from 1 (low impact) to 3 (high impact) and aggregated to obtain a consolidated score

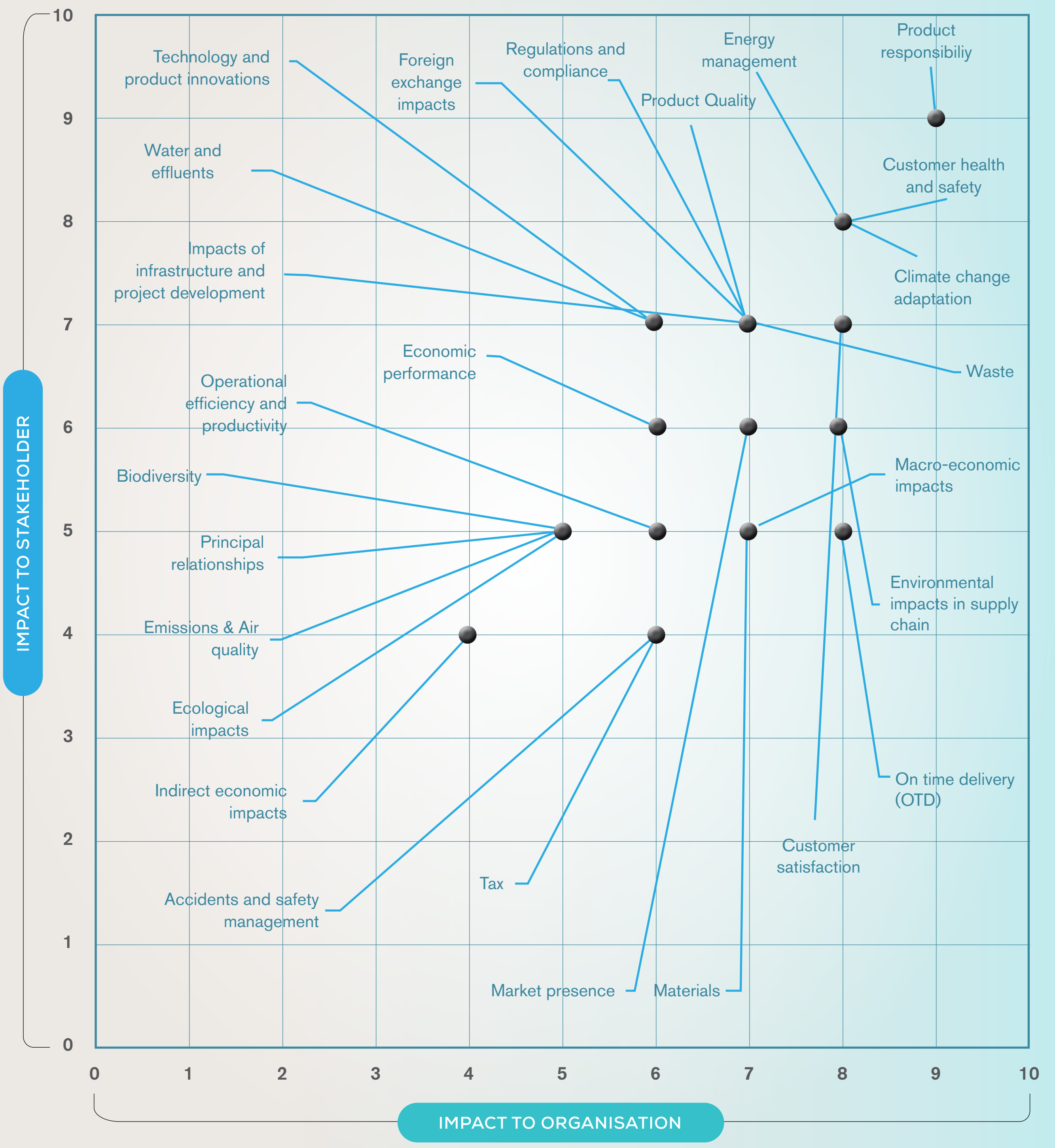
Step 4: Set reporting boundaries based on

Group operations	Industry dynamics, risks and opportunities discussions with Heads of divisions	External stakeholders

Step 5: Determine disclosures based on

IR Framework	GRI Standards	Performance Management/KPI Framework

Our Material Topics



DETERMINING MATERIAL MATTERS

Material Topic	Local suppliers	Materiality Compared to the Previous Year	Relevant GRI/SASB Standard	SDG
Product Responsibility	Economic	New Topic	GRI 416	12
Energy Management	Environmental	New Topic	GRI 302, SASB FB-AG-130a.1	7
Customer Health and Safety	Social	High		12
Environmental Impacts in the Supply Chain	Environmental	New Topic	GRI 308	12
Customer Satisfaction	Social	High		12
Climate Change Adaptation	Environmental	New Topic		13
On-time Delivery (OTD)	Economic	High		12
Waste	Environmental	New Topic	GRI 306	12
Materials	Environmental	High	GRI 301/SASB CG-HP-410a.2, CG-HP-410a.2	12
Impacts of Infrastructure and Project Development	Economic/Social/ Environmental	New Topic		12
Macro-Economic Impacts	Economic	New Topic		8
Regulations and Compliance	Economic/Social/ Environmental	New Topic	GRI 2-27, 205	
Product Quality	Economic	High		12
Foreign Exchange Impacts	Economic	New Topic		8
Water and Effluents	Environmental	New Topic	GRI 303/ SASB FB-AG-140a.1, FB-AG-140a.2, CG-HP-140a.1, CG-HP-140a.2, CG-HP-410a.2	6, 13
Technology and Product Innovations	Economic	New Topic		
Biodiversity	Environmental	Low	GRI 304	13,15
Government Policy	Economic	Low		8
Market Presence	Economic	High	GRI 202	
Principal Relationships	Social	Law		
Accidents and Safety Management	Social	New Topic	GRI 403	3, 8
Operational Efficiency and Productivity	Economic	New Topic		
Emissions & Air Quality	Environmental	New Topic	GRI 305/ SASB FB-AG-130a.1	13
Tax	Economic	New Topic	GRI 207	8
Ecological Impacts	Environmental	New Topic		13
Indirect Economic Impacts	Economic	Low	GRI 203	12
Economic Performance	Economic	Low	GR1 201	8

A SYMBOL OF SAFETY

We are built and structured to mitigate risks, while protecting and safeguarding the diverse stakeholders within our range of influence.

Shells are perfectly designed and structured to withstand external stresses and protect the core entity that resides within. Today, these natural frameworks and structures inspire the designs of disaster-resilient buildings.

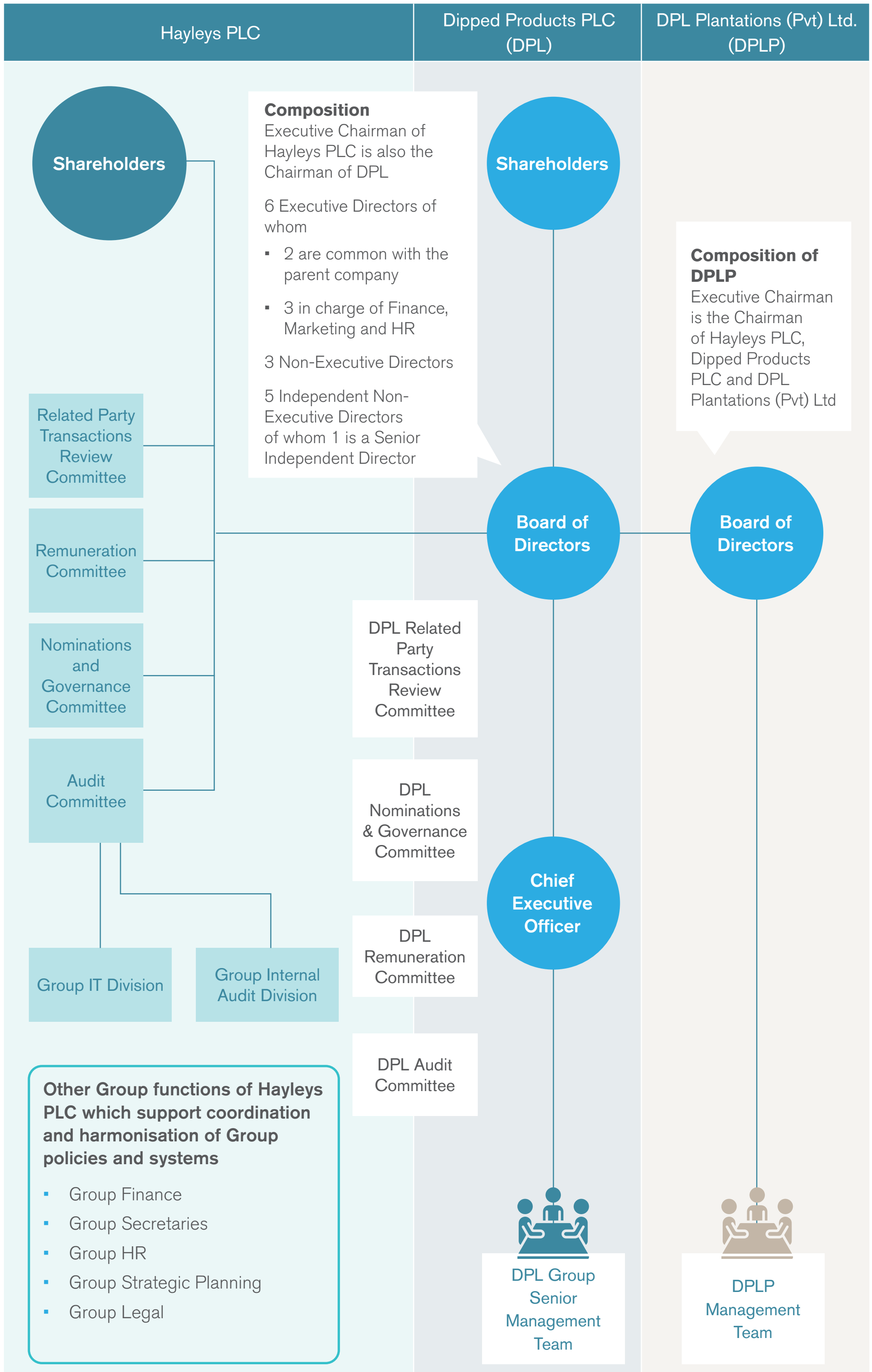
CORPORATE GOVERNANCE

GRI : 1: 2-9

Dipped Products Group relies on sound corporate governance to realise its goals in accordance with its values, regulatory requirements and corporate responsibilities. As part of the Hayleys Group, DPL also benefits from the mature governance systems which have developed over more than a century of sustainable growth. DPL aims to be future ready with regard to governance and goes beyond regulatory compliance to adopt voluntary standards of best practice, differentiating itself through sound corporate governance, ethical business conduct and sustainability.

HIGHLIGHTS 2023/24

- Appointment of following Independent Non-Executive Directors:
    - Mr. M.N.R. Fernando – January 2024
    - Prof. A.P.de Silva – January 2024
    - Mr. Yohan Perera – April 2024
- Appointment of Mr. K.D.G. Gunaratne as Senior Independent Director
- Mr. Faiz Mohideen reclassified as a Non-Independent Non-Executive Director
- Appointed the following Committees of the Board
    - Related Party Transactions Review Committee
    - Nominations & Governance Committee
    - Remuneration Committee
- Resignation of following directors:
    - Mr. G. Molinari - October 2023
    - Mr. S.P. Peiris - December 2023



KEY DEVELOPMENTS IN 2023/24

There were several significant regulatory and authoritative publications that impacted corporate governance frameworks and structures, to assist companies navigate an increasingly dynamic and complex business environment. These are set out below together with their impact on DPL.

Document		Impact on DPL
1.	Revised CSE Listing Rule Section 9 on Corporate Governance	Compliance with CSE Rule Section 9 is mandatory with dates set for specific provisions continuing till 1st January 2025.
2.	Revised Code of Best Practice on Corporate Governance by the Institute of Chartered Accountants of Sri Lanka	Voluntary adoption
3.	European Sustainability Reporting Standards by the European Commission	Impact will be mainly from customers requiring additional information to comply with standards. We will continue to assess the requirement of compliance.
4.	IFRS Sustainability Standards by the International Sustainability Standards Board and their adoption by the Institute of Chartered Accountants of Sri Lanka	These become mandatory for the top 100 by market capitalisation for reporting periods commencing after 1st January 2025. DPL is commencing its journey to comply as processes need to be established and tested appropriately prior to disclosure of detailed qualitative and quantitative non-financial information. The following improvements evince our commitment: ▪ Reporting on Sustainability Accounting Standards Board (SASB) Standards for Household and Personal products and Agricultural Products

A FRAMEWORK FOR GOVERNANCE

The governance structure conforms to that of the parent company, Hayleys PLC as set out above and comply fully with the regulatory and voluntary requirements set out below.

MANDATORY

- The Companies Act No.7 of 2007 and regulations
- Listing Rules of the Colombo Stock Exchange (CSE)
- Securities and Exchange Commission of Sri Lanka Act No. 19 of 2021, including directives and circulars

VOLUNTARY

- Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) (2023)
- Gender Parity Reporting Framework (2019) of CA Sri Lanka
- Integrated Reporting Framework published by the International Integrated Reporting Council (IIRC)
- Global Reporting Standards of the Global Reporting Initiative
- SASB Standards for Household and Personal products and Agricultural Products

INTERNAL POLICIES

- Board Committees
- Corporate Governance
- Nominations
- Remuneration
- Internal Code of Business Conduct and ethics
- Risk Management and Internal Control
- Relations with Shareholders and Investors
- Environment, Social Governance and Sustainability
- Anti Bribery and Corruption

CORPORATE GOVERNANCE

The Board provides direction and leadership and assumes collective responsibility for the overall governance, performance, strategy and affairs of the Company. Until May 2024, DPL had only established the Audit Committee and the Nominations Committee, Related Party Transactions Committee and Remuneration Committee of the parent company, Hayleys PLC, served as the respected committees of the Company. In May 2024, the Board strengthened the governance structure by appointing a Remuneration Committee, Related Party Transactions Review Committee and a Nominations & Governance Committee with clear Terms of Reference in compliance with Listing Rule 9.

Appointing 3 new Committees of the Board

ROLE OF THE BOARD

GRI : 2-12

The Board's primary governance roles and responsibilities are summarised below:

STRATEGIC DIRECTION

- Approves strategy
- Considers trends and business landscape
- Monitor stakeholder concerns

APPROVES POLICY & RESOURCE ALLOCATION

- Articulates policy framework
- Approves resource allocation

OVERSIGHT & MONITORING

- Performance against plans
- Consider external operating environment
- Risk management
- Accountabiltiy

SET CORPORATE VALUES AND PROMOTE ETHICAL BEHAVIOURS

- Ensure effective functioning of internal controls
- For organisational performace through reporting and discolsure, engagement

The Chairman, the Deputy Chairman and Mr.Sarath Ganegoda are members of the Hayley's Board and the Hayleys Group Management Committee. They act as a conduit between the DPL Group and the Hayleys Group, ensuring there is an alignment of values and culture. The multi layered oversight by DPL's Board and sub committees as well as Hayleys Group Management Committee and Board results in a high level of probity and rigour. The Managing Director leads the corporate management team in the design and implementation of the Company's strategic plan. Regular reporting on key matters enables effective oversight by the Hayleys Group.

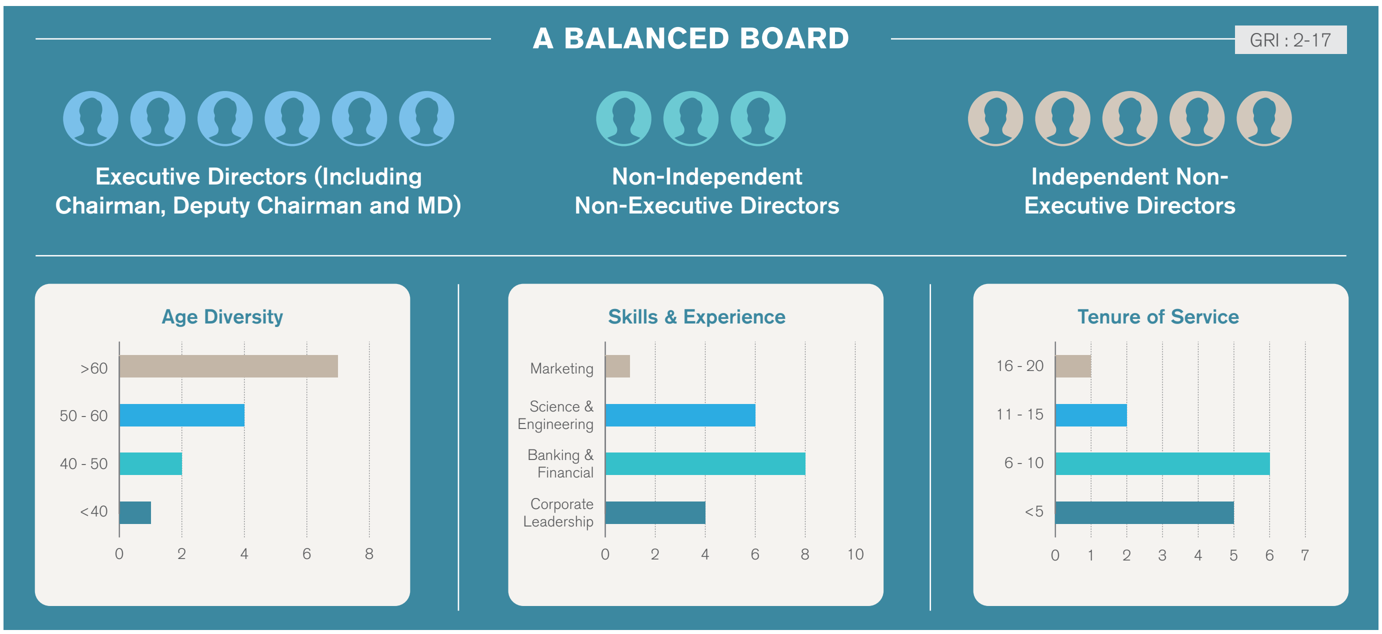
Strategically aligned Key Performance Indicators (KPI) drive performance and the achievement of objectives of DPL and these have been cascaded to the KMPs and their teams to align personal and organisational goals.

AN EFFECTIVE BOARD

The Board of Directors continues to provide ethical and effective leadership, carefully balancing stakeholder interests in creating and distributing sustainable value through effective resource allocation.

BOARD COMPOSITION

Composition is key to sound corporate governance as a balance of power, skills, experience and perspectives broaden the collective knowledge of the Board, enhancing the objectivity of discussions and deliberations on matters set before the Board. The following table sets out the diversity and strengths of the Board.



The Board comprises 6 Executive Directors and 8 Non-executive Directors of whom 5 are independent. The 5 Independent Non-Executive Directors meet the criteria for independence set out in the CSE Rule 9. All directors are reputed professionals or business leaders who exercise sound judgement on matters set before the Board. The current composition of Executive Directors is balanced by the number of Independent Directors and Non-Executive Directors and the appointment of a Senior Independent Director. The directors ensure a sufficient balance of power within the Board, well beyond the minimum level for compliance.

Number of Directors and Independent directors is in line with Section 9.8.2 of CSE Rule 9

The collective background of the Board of Directors provides a balanced mix of skills, experience and tenures to enable the Board to objectively and effectively fulfill its roles and responsibilities. Non-Executive Directors are eminent professionals in their respective fields, who bring varied perspectives to Board deliberations and constructively challenge management. The Board, through the Nominations and Governance Committee reviews the composition on an ongoing basis. All Directors have provided declarations confirming that they satisfy the fit and proper criteria set out in Section 9.7.4 of the CSE Listing Rule 9.

Six directors including the Chairman of the Audit Committee, are finance professionals ensuring sufficient financial acumen within the Board.

BOARD REFRESHMENT

GRI : 2-10

Board refreshment allows for the introduction of members with new skills, insights and perspectives, while retaining valuable industry knowledge and maintaining continuity. The Board is refreshed periodically through new appointments, retirement, resignation, and Re-election /Re-appointment of Directors. There were three new Directors appointed during the year.

APPOINTMENTS

- Directors are appointed by the shareholders at the Annual General Meeting, following a formal and transparent process and based on recommendations made by the Board of Directors.
- The Nominations & Governance Committee will make recommendations to the Board in this regard having considered the combined knowledge, experience and diversity of the Board in relation to the Company's strategic plans and any gaps thereof.
- Appointments are communicated to the shareholders through the CSE with a brief resume of the director.

RE-ELECTION/RE-APPOINTMENT

- In compliance with the Articles of Association of the Company, 1/3 of the Directors excluding Managing Director will retire from office at each Annual General Meeting.
- These Directors are eligible to stand for re-election by the shareholders at the Annual General Meeting.
- The Nominations and Governance Committee recommends the Directors for re-election, for approval by the Board.
- A director appointed by the Board to fill a casual vacancy arisen since the previous AGM, will offer himself for re-election at the next AGM.

RETIREMENT/RESIGNATION & DIRECTOR TENURE

- Directors may resign by submitting a letter to the Board. On acceptance of the resignation by the Board, the CSE is informed of the same together with any reasons for resignation provided by the Board member.

BOARD SUB-COMMITTEES

The Company has established an Audit, Related Party Transactions Review, Nominations & Governance and Remuneration Committees. The Chairman of the Board does not hold positions as chair of any Board Committee in accordance with the provisions of Section 9.3.3 of the CSE Listing Rule 9.

Chairman of the Board does not chair any board committee in accordance with section 9.3.3 of CSE Rule 9

Board Committee	Areas of Oversight	Composition	Impact on DPL
Audit Committee	▪ Financial Reporting ▪ Internal Controls ▪ Internal Audit ▪ External Audit	Comprises wholly of Non-Executive Directors of whom 3 are independent including the Chair.	Report of the Audit Committee on page 168
Nominations and Governance Committee	▪ Appointment of Key Management Personnel/ Directors ▪ Succession Planning ▪ Effectiveness of the Board and its Committees	Chaired by the Senior Independent Director, an Independent Director and a Non-Executive Director	Report of the Nominations and Governance Committee on page 164
Remuneration Committee	▪ Remuneration policy for Key Management Personnel ▪ Goals and targets for Key Management Personnel ▪ Performance evaluation	Chaired by the Senior Independent Director, an Independent Director and a Non-Executive Director	Report of the Remuneration Committee on page 166
Related Party Transactions Review Committee	Review of related party transactions	Chaired by the Senior Independent Director, an Independent Director and a Non-Executive Director	Report of the RPRT Committee on page 167

MEETINGS & MINUTES

Board meetings are held on a quarterly basis with the flexibility to arrange any additional meetings to supplement these when required. An annual calendar is prepared by the Company Secretaries and dates and times are agreed at the commencement of the calendar year. Meeting agendas are set by the Chairman in consultation with the MD and the Company Secretary. Board agendas and papers are made available to the Directors seven days before the meeting allowing members sufficient time to review the papers, seek clarification and make their observations in preparation for the meeting. Care is taken to ensure that the Board spends sufficient time considering matters critical to the Company's success, as well as compliance, risk and administrative matters.

BOARD APPOINTMENTS

- Directors are appointed by the shareholders at the Annual General Meeting, following a formal and transparent process and based on recommendations made by the Board of Directors.
- The Nominations & Governance Committee will make recommendations to the Board in this regard having considered the combined knowledge, experience and diversity of the Board in relation to the Company's strategic plans and any gaps thereof.
- Appointments are communicated to the shareholders through the CSE and include with a brief resume of the director.

RESOLUTIONS BY CIRCULATION

- Resolutions concerning business matters may be passed by circulation, within regulations.

PROVISION OF INFORMATION

- In the effective discharge of duties, Directors are provided accurate, relevant and timely information on which they base their decisions.
- Executive Directors and the Key Management Personnel (KMP) attend Board meetings, increasing contact between the Board and the Management. the Management is open and transparent with the Board and brings to attention any matters of concern in a timeous manner.

Attendance At Meetings

Directors	Executive / Non-Executive / Independent Non-Executive	Attendance	
		Board	Audit
Mr. A. M. Pandithage	Executive	04/04	N/A
Mr. R. Kariyawasan	Executive	04/04	N/A
Mr. P. Janadheera	Executive	04/04	N/A
Mr. S. C. Ganegoda	Non-Executive	04/04	N/A
Mr. F. Mohideen	Non-Executive	04/04	04/04
Mr. R. Nanayakkara	Executive	04/04	N/A
Mr. S. Rajapakse	Independent Non-Executive	04/04	04/04
Mr. S. Peiris (resigned w.e.f December 2023)	Independent Non-Executive	02/02	02/02
Mr. K.D G. Gunaratne	Independent Non-Executive	04/04	N/A

Attendance At Meetings

Directors	Executive / Non-Executive / Independent Non-Executive	Attendance	
		Board	Audit
Mr. I. Prasad	Executive	04/04	N/A
Mr. G. Molinari (resigned w.e.f October 2023)	Executive	01/01	N/A
Mr. C. Rathnasiri	Executive	04/04	N/A
Ms. K.A.D.B. Perera	Non-Executive	04/04	N/A
Mr. N. Fernando (appointed w.e.f . January 2024)	Independent Non-Executive	02/02	02/02
Prof. A. De Silva (appointed w.e.f . January 2024)	Independent Non-Executive	02/02	N/A
Mr. Y. Perera (appointed w.e.f. April 2024)	Independent Non-Executive	01/01	01/01

ROLES & RESPONSIBILITIES

GRI : 2-11

The Chairman of Hayleys PLC (parent company) serves as Chairman of DPL and the roles of the Chairman and MD are segregated facilitating a balance of power.

CHAIRMAN

Role

Leads the Board, preserving good corporate governance and ensuring that the Board works ethically and effectively.

Responsibilities

- Setting the ethical tone for the Board and Company;
- Setting the Board's annual work plan and the 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 between Executive and Non Executive Director (NED).
- Monitoring the effectiveness of the Board.

Company Secretary

The office of the Company Secretary is integral to the effective functioning of the Board. Secretarial services to the Board are provided by Hayleys Group Services (Private) Limited. The Company Secretary guides the Board on discharging its duties and responsibilities, promoting best practices in Corporate Governance.

Responsibilities include;

- Ensuring the conduct of Board and General Meetings in accordance with the Articles of Association and relevant legislation.
- Maintaining statutory registers and the minutes of Board Meetings.
- Prompt communication to regulators and shareholders.
- Filing statutory returns and facilitating access to legal advice in consultation with the Board, where necessary.
- All Directors have access to the advice and services of this group function as necessary. Appointment and removal of the Company Secretary is a matter for the Board.

MD

Role

Accountable for implementation of DPL strategic plan and driving performance.

Responsibilities

- Appointing and ensuring proper succession planning of the corporate management team, and assessing their performance;
- Developing the Company's strategy for consideration and approval by the Board;
- Developing and recommending to the Board budgets supporting the Company's long-term strategy.
- Monitoring and reporting to the Board on the performance of the Company and its compliance with applicable laws and Corporate Governance principles.
- Establishing an organisational structure for the Company which is appropriate for the execution of strategy;
- Ensuring a culture that is based on the Company's values;
- Ensuring that the Company operates within the approved risk appetite.

Senior Independent Director

The responsibilities of the Senior Independent Director are as follows:

- Convene and chair and meeting of the Independent Directors at least once a year or as often as deemed necessary at a meeting chaired by the SID without the presence of the other Directors to discuss matters and concerns relating to the Entity and the operation of the Board. The SID shall provide feedback and recommendations from such meetings to the Chairperson and the other Board Members.
- Convene and chair a meeting of the Non-Executive Directors without the presence of the Chairperson at least annually, to appraise the Chairperson's performance and on such other occasions as are deemed appropriate.
- The SID shall be entitled to a casting vote at the meetings specified in Rules 9.6.3. (b) and (c) above.
- Make a signed explanatory disclosure in the Annual Report demonstrating the effectiveness of duties of the SID.

Directors' Independence

Directors are experienced leaders in their respective fields and exercise independent judgement, promoting constructive board deliberations and objective evaluation of matters set before them.

DEFINITION	Independence is determined in accordance with the criteria set out in the CSE Listing Rule 9.8.3
ASSESSMENT	Independent assessment of directors is conducted annually by the Board, based on annual declaration and other information submitted by Non Executive Directors
OUTCOME	All directors classified as independent meet the criteria set out in Section 9.8.3 of the CSE Listing Rule 9, except one director whom the Board has determined as nevertheless independent since he is able to make independent judgements and does not exert any control over the operations of the Company.

Independence of Directors determined in accordance with section 9.8.3 of CSE Rule 9

Directors Interests and Related Party Transactions

Directors declare their business interests at appointment and quarterly 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. Directors have no direct or indirect interest in a contract or a proposed contract with the Company other than those disclosed on page 159 to 163.

The Related Party Transactions Review Committee of the parent Company considered all transactions that require approval, in line with the Group's Related Party Transactions Policy and in compliance with regulations, ensuring transactions are fair and in the best interest of DPL. Related party transactions are disclosed in Note 33 to the financial statements on page 235. Moving forward, this will be done by DPL's newly formed Related Party Transactions Review Committee.

The Board is satisfied that all directors allocate sufficient time to enable them to discharge their duties and responsibilities.

CONFLICT OF INTEREST

GRI : 2-15

A Director or KMP is prohibited from using his or her position, or confidential or price-sensitive information, for personal benefit or benefit of any third party, whether financially or otherwise. Directors notify the Board promptly of any conflicts of interest they may have in relation to particular items of business or other Directorships. Directors do not participate in and excuse themselves from the Meeting when the Board considers matters in which a conflict may arise. The Company Secretaries maintain a register of director's interests and update this regularly.

Informed Decision making

Sufficient information is key to informed and objective decision-making, facilitating effective risk management and resource allocation. DPL's reporting and information systems ensures the Board receives relevant and objective information, in a timely manner.

Supply of Information

The Board pack is generally circulated seven (7) days in advance of a Board Meeting and provides sufficient qualitative and quantitative information on items included in the agenda of the meeting. This includes reports on the Company's performance against strategic value drivers and reports on key focus areas such as Sales pipelines, capacity utilisation, working capital management, risk assessment and other key matters regarding DPL's operations. Further, Corporate Management and external experts make regular presentations regarding the business environment, strategy and operations of the Company and ensure that the Board is apprised of developments impacting the Company.

Access to Information

Directors have unrestricted access to Management, organisation information, and resources to facilitate discharge of their duties. Directors are entitled to seek independent professional advice, co-ordinated through the Company Secretary, at the Company's expense. Copies of such advice obtained are circulated to Directors who request for it.

Training & Orientation of Directors

On appointment, directors are provided with an orientation pack with all relevant external and internal regulation documents and a tour of the factory premises. Directors are briefed of developments and changes to applicable legislation and regulation, relevant sector developments and changes in the risk and general business environment on an on- going basis. Directors undertake training and professional development as they consider necessary, which requirements are coordinated through the Company Secretary. Many are Members of the Sri Lanka Institute of Directors and attend sessions from time to time. Directors also undertake other Continuous Professional Development (CPD) programmes in their personal capacity to update their knowledge on relevant and emerging topics.

Corporate Management

MD	The MD is accountable for the implementation of strategy and performance and is supported by the Corporate Management Team.
CORPORATE MANAGEMENT TEAM	Led by the MD, Corporate Management develops and implements corporate strategy and is responsible for the daily management of the Company. All functional departments are headed by competent individuals and are adequately resourced. Management is open and transparent with the Board and escalates concerns to its attention in the appropriate forums and in a timely manner.
EXECUTIVE COMMITTEES	These committees include HR, Finance, Planning and Production, Compliance, Environmental, Health and Safety, and Sustainability which are responsible for delivering strategic goals. The Committees meet monthly and make executive decisions including risk management and allocation of capital, technical and human resources in managing the business. These cross functional teams are managed through delegation and reporting obligations and are key to enhancing employee engagement and empowerment.

Appraisal of MD

The Board assesses the performance of the MD annually using criteria aligned to the short, medium and long-term objectives of DPL which are agreed with the MD at the beginning of the financial year. Performance is reviewed at the end of the financial year against the backdrop of the operating environment, and remuneration revised based on performance.

RESPONSIBLE AND FAIR REMUNERATION

GRI : 2-19, 20

The Board strives to ensure that remuneration is fair, responsible and transparent.

Remuneration Policy

Remuneration of KMP and Executive Directors is linked to sustainable value creation objectives in line with DPL's strategy and is based on clear performance targets that have adequate stretch and benchmarked to local market rates. The Remuneration Committee (RC) consisting of 3 Non-Executive Directors (NED) is responsible for making recommendations to the Board regarding the remuneration of the Executive Directors. Please refer page 166 for the Report of the Remuneration Committee.

The Board as a whole determines the remuneration of the NEDs who receive a fee for being a Director of the Board and additional fee for being a Member of a Committee. Remuneration for NEDs reflects the time commitment and responsibilities of their role, taking into consideration market practices. They do not receive any performance related / incentive payments. Services of HR professionals are sought when required, by the Board and RC in discharging their responsibilities. NEDs who are employed by Hayleys do not receive a fee.

Level and Make Up of Remuneration

The Remuneration packages of Executive Directors are designed to attract eminent professionals as directors with the requisite skills and experience. Remuneration of Executive Directors are compliant with the provisions of Schedule E of the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka in 2023 and comprises fixed and variable components with the variable component linked to performance. No special early termination clauses are included in the contract of employment of Executive Directors that would entitle them to extra compensation. However, such compensation, if any, would be determined by the Board of Directors. Please refer page 160 for the total Directors' Remuneration.

BOARD ACCOUNTABILITY

Compliance

Directors are required to comply with laws, regulations, regulatory guidelines, internal controls and approved policies in accordance with the Board Charter which is part of the Hayleys LifeCode. DPL takes significant measures to ensure compliance with all relevant legal and statutory requirements on an ongoing basis.

Risk Management and Internal control

The Board is responsible for formulating and implementing effective risk management and internal control systems to safeguard shareholder interests and the assets of the Company. These systems cover all controls, including financial, operational and compliance and are monitored and regularly reviewed for effectiveness by the Board. The Board increased the rigor of oversight functions in managing risks as the environment continued to be uncertain and challenging. The Hayleys Group Internal Audit Department supports the Audit Committee, reviewing the adequacy and effectiveness DPLs internal control systems and reporting to the Audit Committee on a regular basis. The Board is satisfied with the integrity of financial information and the soundness of the internal controls and systems of DPL.

Accountability & Audit

Every effort has been made to present a balanced assessment of the Company's financial position, performance and prospects in compliance with the various legal enactments applicable, the Sri Lanka Financial Reporting Standards, the GRI Standards on Sustainability Reporting published by the Global Reporting Initiative and the Integrated Reporting Framework published by the International Integrated Reporting Council. The Company's position and prospects have been discussed in detail in the following sections of this annual report.

- Chairman's Review pages 21 to 25.
- Managing Director's Review pages 21 to 25.
- Management Discussion & Analysis on pages 36 to 163.
- A Positive Outlook on page 72 to 74.
- Managing Risk on page 75 to 81.

The Company has also complied with the requirements of the Colombo Stock Exchange and published Interim Reports on the Company website within15 days of first three quarters and within 2 months of the last quarter. Price sensitive information, which may have an impact on the shares of the Company, has been disclosed in a comprehensive but concise manner to the Colombo Stock Exchange on a timely basis. Reports required by regulators including the Department of Inland Revenue, Sri Lanka Accounting & Auditing Standards Monitory Board, and the Colombo Stock Exchange have been filed in a timely manner in compliance with specified requirements. The following reports set out further information required by the Code:

- The Directors' Report on pages 159 to 163.
- The Statement of Directors' Responsibility on page 72.
- Report of the Auditors on page 175.

External Auditor

The External Auditor is appointed in line with the provisions of the Companies Act. The Audit Committee (AC) makes recommendations to the Board for the appointment, re-appointment or removal of the External Auditor in-line with professional & ethical standards and regulatory requirements. The AC monitors and reviews the External Auditor's independence, objectivity and the effectiveness of the audit process considering relevant professional and regulatory requirements.

In assignment of non-audit services to External Auditors, the AC 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.

On the recommendation of the Board, the shareholders approved the reappointment of Messrs. Ernst & Young (Chartered Accountants) as the External Auditor for 2023/24 at the last AGM. In compliance with Section 163 (3) of the Companies Act, the External Auditors submit a statement annually confirming their independence in relation to the external audit.

Code of Conduct and Ethics

DPL is committed to conducting its business operations with honesty, integrity and with respect to the rights and interests of all stakeholders. The Company is bound by the " The Hayleys Way"- The Code of conduct developed by Hayleys PLC (Parent Company) for the Group. It applies to all employees including key management personnel and Directors, and is reinforced at all levels through structured communication. The Code fosters an ethical culture and promotes compliance with relevant laws and legislation, an imperative to retaining the trust of stakeholders. The Board is not aware of any material violations of any of the provisions of the Code by any Director or employee of DPL.

Whistle Blowing /Grievance Handling Mechanism

Mechanisms are in place for employees and other stakeholders to seek advice or report concerns about unethical or unlawful behaviour. DPL's Whistle-blower policy enables anonymous reporting of matters of concern regarding possible inappropriate financial reporting, internal controls or other issues that may require internal investigation. Information on accessibility, anonymity, processes and the policy relating to the whistle-blowing service is communicated to all employees.

GRI : 102-33

Innovation Governance

DPL's ability to continually innovate is critical to remaining relevant to the changing needs of customers. The Board and Management are aware of their role in innovation governance and to this end, encourages the creativity and flexibility that promotes innovative thinking, while managing risk within the agreed appetite.

Information Technology & Cyber Security Governance

The Board understands the advantages of flexibility, adaptability, and creativity that digital platforms offer and makes sure that a strong and well-funded technology strategy is in place that creates excellent client and employee experiences. The Board also cares about protecting the Company's information assets and operational systems and spends a lot on cyber risk management systems.

Hayleys Group IT department is responsible for implementing the Groups digital strategy including adopting IT policies and safeguarding against cyber threats. The Group Head of IT functions as the CISO. Coverage and scope of related Group policies and guidelines are given below.

Cybersecurity is an agenda item of the monthly Group Management Committee meetings with matters escalated to the Board where deemed necessary considering risk, impact and other prudential measures.

Group IT Policy	Group Information Security Policy	Principles	Guidelines for Corporate Websites
▪ Group Connectivity ▪ Access requirements /Resource utilisation ▪ Individual Sector Networks/System Management ▪ Backup & Recovery/Software Modification ▪ IT Equipment & Software & Third Party Involvement ▪ IT Assets & Media disposal and procurement ▪ Responsibility for Adherence	▪ Protection of information from unauthorised access ▪ Confirmation of information ▪ Confidentiality, availability and integrity of information ▪ Regulatory requirements ▪ Business continuity plans ▪ Information security training ▪ Reporting breaches of information security ▪ IT policy embedded in to employee induction programme	▪ Acceptable IT Use ▪ Password Protection Standards ▪ Email Usage ▪ Internet Usage ▪ Monitoring ▪ Enforcement	▪ Guidelines for web hosting ▪ Guidelines for secure web development ▪ Enforcement

RELATIONS WITH SHAREHOLDERS

The Board is conscious of their responsibility towards stakeholders and is committed to fair disclosure, with emphasis on the integrity, timeliness and relevance of the information provided. Information is communicated accurately and in such a manner as to avoid the creation of a false market.

Communication with Shareholders

Shareholders are engaged through multiple channels of communication, including the Annual General Meeting (AGM), Annual Report, interim financial statements, a dedicated investor relations page on the Company's website and notification of key events through announcements in the CSE.

The Annual Report presents a fair and balanced review of DPL's financial position, performance and prospects combining narrative and visual elements to facilitate readability and comprehension. The Annual Report and the interim financials have been reviewed and recommended by the Audit Committee and approved by the Board of Directors, prior to publication.

DPL posts price sensitive information on its website as soon as practicable after they have been released to the stock exchange. Price sensitive information includes annual reports, interim reports, stock information, stock exchange announcements, shareholder circular etc.

Shareholders also have the opportunity to ask questions, comment or make suggestions to the Board through the Company Secretaries. All significant issues and concerns of Shareholders are referred to the Board with the views of the Management.

Constructive use of Annual General Meeting (AGM)

The Board ensures that proactive engagement with shareholders is encouraged by the Group, including engagement at Company AGMs. Board Sub-Committee Chairmen, Directors and key members of management, are available at the AGM to interact with and respond to questions raised by the Shareholders. The external auditors also attend to address any queries raised.

Notice of the AGM, the Annual Report and Accounts and any other resolution that may be set before the shareholders are uploaded to the CSE website atleast 15 working days before the AGM. Notices and Proxy forms are posted to all shareholders. Shareholders can request for printed copies of the Annual Report.

DPL proposes a separate resolution for each item of business, giving shareholders the opportunity to vote on each of such issue, separately. Voting procedures at the AGM are circulated to the shareholders in advance.

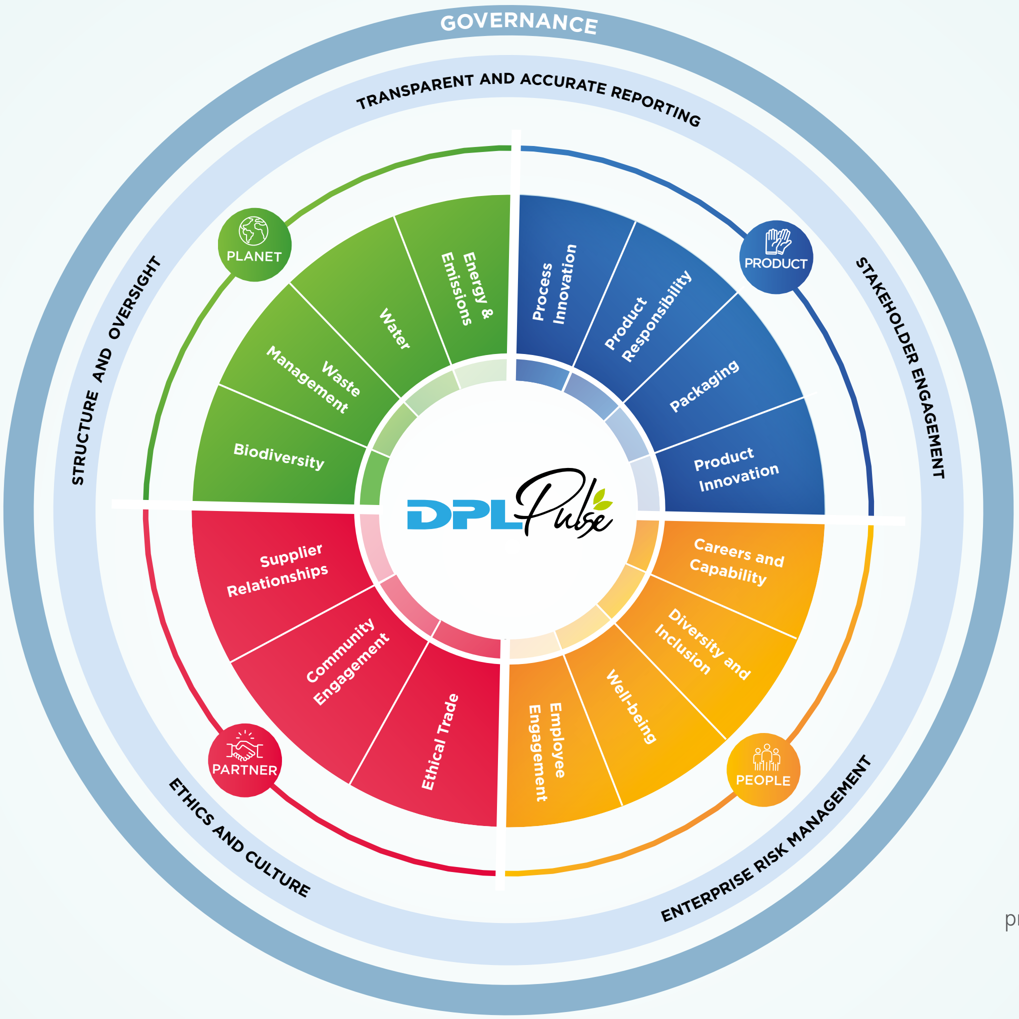
All Shareholders are encouraged to exercise their voting rights. The Company has an effective mechanism to record and count all proxy votes lodged for each resolution. In the event there is a significant proportion of the votes cast against a resolution, the Board will take steps to understand the reasons behind the vote results and determine if any actions are required. The outcome of the vote on each resolution is informed to the CSE, soon after conclusion of the AGM.

CORPORATE GOVERNANCE

INTEGRATING ESG AT DPL

Integration of ESG

Dipped Products PLC launched its ESG Framework DPL Pulse in August 14, 2023 which is aligned to the framework of our parent company, the Hayleys Lifecode. It codifies the ESG practices and processes that evolved over the years and was done in consultation with the leadership of entities within the DPL Group and approved by the parent company. Pulse communicates our ESG roadmap to 2030 and sets out the strategies that we will pursue on material topics that are relevant for DPL Group as set out graphically overleaf. It builds on the existing infrastructure to capture ESG information, the Cube, which is updated monthly enabling review of ESG performance by the Senior Management and DPL Boards, Group Management Committee of the parent and its Board of Directors.



Please refer our Capital Report for progress on targets

Policy Architecture

Environment	▪ Material and Waste Management Policy Energy and Emissions Management Policy ▪ Water Management Policy ▪ Biodiversity Conservation Policy ▪ Chemical Management Policy ▪ Sustainability Compliance Guideline	
Human Capital	▪ Industrial Relations Policy ▪ Disciplinary Policy ▪ Grievance Handling Policy ▪ Recruitment Policy ▪ Learning & Development Policy ▪ Talent Management and Succession Planning Policy	▪ Performance Management Policy ▪ Human Rights Policy ▪ Whistleblower Policy ▪ Anti-Sexual Harassment Policy ▪ Health and Safety Policy

ESG Governance

DPL

Board of Directors

Director in charge of ESG

DPL ESG Division

Principles for Governance

Structure & Oversight
Compliance with relevant laws and regulations

Stakeholder Engagement
Meaningful and impactful stakeholder relationships

Transparent & Accurate Reporting
Internal and external reporting on ESG factors

Enterprise Risk Management
Holistic process to identify, measure and mitigate ESG risks

Ethics & Culture
Compliance to the Hayleys way

Our Goals & Targets 2030

Environment	95% reliance on renewable energy sources	7, 13
	30% sustainable water sourcing	6
	Zero landfill waste	12
	Increase the biodiversity enhancing program to cover 5 times the area occupied by the Group	15
People	Average training hours of 40 hours/employee/annum	8
	Anti-discriminatory training covering 100% of employees to build an inclusive, equitable, safe and respectful organisational culture	5, 10
	100% prevention of accidents, injuries and ill health to maintain high standards of occupational heath and safety	3
	Achieve employee satisfaction rate of 80%	8
Product	Process innovation and digital transformation to improve operational environmental footprint	12
	10% product portfolio to have eco-ratings	12
	100% recyclable packaging	12, 13
	30% use of renewable and recycled raw material	12, 13
Partner	Promote sustainable procurement practices across the supply chain and 40% of suppliers to complete social and environmental screening	12, 13
	Increase CSR beneficiaries by 50% uplifting livelihoods and empowering communities	1, 2, 3, 4, 10
	Collaborate with business partners to advance sustainabillity efforts and achieve a customer satisfaction level of 95%	8, 12

Social & Relationship Capital

- Customer Management Policy
- Procurement Policy
- CSR Policy

Governance

- Board Charter
- Board Committee Charters
- Stakeholder Engagement
- Information Disclosure Policies
- IT Policy
- Intellectual Capital Policy
- Information Security Policy
- Business Data Back-up Policy
- Anti bribery, Anti Corruption Policy

APPENDIX I - COMPLIANCE WITH THE CONTINUING LISTING RULE 7.6 ON CORPORATE GOVERNANCE RULES FOR LISTED COMPANIES ISSUED BY THE COLOMBO STOCK EXCHANGE.

CSE Rule Reference	Corporate Governance Principles	Compliance Status	Page
7.6 (i), (ii)	Names of persons who during the financial year were Directors and principal activities during the year	Compliant	Report of the Board of Directors Pages 159 to 163
7.6 (iii), (iv)	Twenty largest Shareholders, float adjusted market capitalisation, public holding percentage, no. of public shareholders and minimum required public shareholding	Compliant	Share Information page 250
7.6 (v)	Directors' and CEO's(MD's) holding in shares	Compliant	Report of the Board of Directors Pages 159 to 163
7.6.(vi)	Material foreseeable risk factors of the entity	Compliant	Risks and Opportunities on page 75
7.6 (vii)	Details of material issues pertaining to employees and industrial relations of the Entity	Compliant	Human Capital on page 112
7.6 (viii)	Extents, locations, valuations, number of buildings	Compliant	Statement of Value of Real Estate Pages 211
7.6 (ix)	Number of shares representing the Entity's stated capital	Compliant	Report of the Board of Directors Pages 159 to 250
7.6 (x)	Shareholder Distribution Schedule including percentage of total holding in given categories	Compliant	Share Information page 146
7.6 (xi)	Ratios and Market Price Information	Compliant	Refer Pages 248
7.6(xii)	Changes in Entity's and subsidiaries fixed assets and market value of land	Compliant	Please refer pages 182
7.6 (xiii)	If during the financial year the entity has raised funds either through a public issue, rights issue or private placement.	N/A	N/A
7.6(xiv)	Information in respect of Employee Share Ownership or Stock Option Schemes	N/A	N/A
7.6 (xv)	Disclosures pertaining to Corporate Governance practices in terms of Section 9 of the Listing Rules	Compliant	Corporate Governance Report Page 50
7.6 (xvi)	Related party transactions exceeding 10% of Equity or 5% of total assets of the Entity as per audited financial statements, whichever is lower	Compliant	Refer Related party transactions on pages 235

APPENDIX II - COMPLIANCE WITH THE CONTINUING LISTING RULE 9 ON CORPORATE GOVERNANCE RULES FOR LISTED COMPANIES ISSUED BY THE COLOMBO STOCK EXCHANGE.

CSE Rule Reference	Corporate Governance Principles	Compliance Status	Extent of Adoption
9.2.1	Policies	Compliant	The Company has established and continues to maintain policies on Corporate Governance, Nominations, Remuneration, Internal Code of Business Conduct and Ethics (the 'Hayleys Way'), Risk Management and Internal Control, Matters relating to Board of Directors and Board Committees (Board Charter) Relations with Shareholders and Investors, Environment, Social Governance and Sustainability ('DPL Pulse'), Whistle Blowing and Anti Bribery and Corruption. The Company is in the process of establishing and adopting the other regulatory policies.
9.3	Board Committees	Compliant	The Company has its own Audit Committee which met 4 times during the year. The Nominations and Governance Committee, Remuneration Committee and Related Party Transactions Review Committee of the Parent Company Hayleys PLC acted as the Company's Committees. On 16th May 2024 the Company established its own Nominations and Governance Committee, Related Party Transactions Review Committee and Remuneration Committee.
9.3.3	Chairperson of Board Committees	Compliant	Chairperson of Board Committees is not the Chairperson of the Board
9.4.1	Meeting Procedures	Compliant	Company maintains records of all resolutions passed at General Meetings.
9.4.2	Communication and Relations with shareholders	Compliant	The Company has a Shareholder Communication and Relations policy and it is published on the corporate website. The contact person is mentioned. The policy includes a process whereby Directors are informed of major issues and concerns of shareholders.
9.5.	Policy on matters relating to the Board of Directors	Compliant	The Company maintains a Policy on Matters relating to the Board of Directors.
9.6. 2	Chairperson and MD	Compliant	The Chairperson and the MD of the Company are not the same person.
9.6.3	Senior Independent Director	Compliant	The Company appointed a Senior Independent Director (SID) since the Chairperson is an Executive Director.
9.6.3. (b)	Senior Independent Director	Compliant	The SID holds a meeting once a year with the Independent Directors without the presence of other Directors to discuss matters and concerns relating to the Company.
9.6.3. (c)	Senior Independent Director	Compliant	The SID holds a meeting once a year with the Non Executive Directors without the presence of the Chairperson to appraise the Chairperson's performance.
9.6.3. (e)	Senior Independent Director	Compliant	The SID has made a disclosure demonstrating the effectiveness of duties of the SID in the Report of the SID on page 171.

CSE Rule Reference	Corporate Governance Principles	Compliance Status	Extent of Adoption
9.7.1	Fitness of Directors and CEO	Compliant	The Company ensures that the persons recommended by the Nominations and Governance Committee fulfill the assessment criteria set out in the Listing Rules
9.7.4	Fitness of Directors and CEO	Compliant	The Directors have provided declaration confirming that they satisfy the Fit and Proper Assessment Criteria during the year.
9.7.5	Disclosure in the Annual Report	Compliant	Page 54 of the Annual Report provides the relevant disclosure.
9.8.1	Minimum number of Directors	Compliant	The Board consisted of 13 Directors up to 31st March 2024. On 1st April 2024, as additional Independent Director was appointed.
9.8.2	Independent Directors	Compliant	Five Directors are Independent
9.8.3	Independent Directors	Compliant	All NEDs have submitted their confirmations on Independence as per the criteria set by the Company, which is in line with the regulatory requirements.
9.8.5	Disclosure relating to Directors	Compliant	Each NED signed and submitted a declaration regarding his/her independence. The Board assessed the independence declared by the Director. The Board having considered that the Independent Directors who have served over 9 years do not exert control over the Company and are capable of acting in an impartial and independent manner, determined that they are nevertheless independent. The same is disclosed in item on page 164.
9.9	Alternate Directors	Not Applicable	None of the Directors have appointed Alternate Directors
9.10.(1)	Disclosure relating to Directors	Compliant	As per Company's Policy on maximum number of Directorships, a Director can hold in listed companies is twenty (20).
9.10.2	Disclosure relating to Directors	Compliant	Disclosed the appointments of new Directors to the Colombo Stock Exchange, together with a brief resume of Director, capacity of directorship and if they hold any relevant interest in shares of the Listed Entity. Appointments are reviewed by the Nominations and Governance Committee and recommended to the Board. Please refer pages 26 to 30 for the brief resume of each Director.
9.10.3	Disclosure relating to Directors	Compliant	All changes to Board Committees were immediately informed to the Colombo Stock Exchange.
9.10.4	Disclosure relating to Directors	Compliant	Pages 50 to 71 of the Annual Report contains the relevant information
9.11.1-3	Nominations and Governance Committee	Compliant	The Parent Company's Nominations and Governance Committee acted as the Nominations and Governance Committee of the Company. The Company established its own Committee on 16th May 2024. The Committee has written Terms of Reference. Refer the Nominations and Governance Committee Report on pages 164
9.11.4	Composition of the Nominations and Governance Committee	Compliant	The Nominations and Governance Committee of the Parent Company comprised 3 Independent Non Executive Directors. Current Committee of the Company comprises 2 Independent Non Executive Directors and 1 Non Executive Director. The Chairperson is an Independent Director. Refer the Nominations and Governance Committee Report on pages 164

CSE Rule Reference	Corporate Governance Principles	Compliance Status	Extent of Adoption
9.11.5	Functions of the Nominations and Governance Committee	Compliant	Refer the Nominations and Governance Committee Report on pages 164
9.11.6	Disclosures in Annual Report	Compliant	Refer the Nominations and Governance Committee Report on pages 164
9.12. 1	Remuneration Committee	Compliant	Refer the Remuneration Committee Report on page 166
9.12.6	Composition of the Remuneration Committee	Compliant	The Parent Company's Remuneration Committee acted as the Remuneration Committee of the Company. The Company established its own Committee on 16th May 2024. The Committee has written Terms of Reference. Refer the Remuneration Committee Report on page 164
9.12.7	Functions of Remuneration Committee	Compliant	The Remuneration Committee recommends the remuneration payable to the Executive Directors and the MD. The aggregate remuneration paid to Directors is given in note 06 to the financial statements on page 208.
9.12.8	Disclosure in the Annual Report relating to Remuneration Committee	Compliant	
9.13.1	Composition of Audit Committee	Compliant	Refer Audit Committee Report on pages 168 to 170.
9.13.4	Audit Committee Functions	Compliant	Refer Audit Committee Report on pages 168 to 170.
9.13.5	Disclosure in the Annual Report relating to Audit Committee	Compliant	Refer Audit Committee Report on pages 168 to 170.
9.14. 2	Composition of the Related Party Transactions Review Committee (RPTRC)	Compliant	The RPTRC of the Parent Company acted as the RPTRC of the Company. The Company established its own Committee on 16th May 2024. The Committee has written Terms of Reference. The current Committee comprises 3 Directors out of which 2 Directors are Independent. Please see the Report of RPTRC in page 67
9.14.3	Functions of RPTRC	Compliant	Please refer the Report of the RPTRC in page 67.
9.14.4	RPTRC Meetings	Compliant	RPTRC met 04 times during the year.
9.14.7	Immediate Disclosures	Compliant	Please refer Note 33 of the Notes to the Accounts on pages 235 to 236
9.14.7	Disclosure of Non-Recurrent and Recurrent Related Party Transactions	Compliant	Please refer Note 33 of the Notes to the Accounts on pages 235 to 236
9.14.8	The Report by the Related Party Transaction Review Committee	Compliant	Please refer the Report of the RPTRC on page 167
9.14.8 (4)	An affirmative declaration by the Board of Directors	Compliant	Please refer the Annual Report of Board of Directors for an affirmative statement of compliance of the Board on page 161
9.16	Additional Disclosures	Compliant	Please refer the Report of the Board of Directors on pages 159 to 163

APPENDIX III - COMPLIANCE WITH THE CODE OF BEST PRACTICE ON CORPORATE GOVERNANCE ISSUED BY THE INSTITUTE OF CHARTERED ACCOUNTANTS OF SRI LANKA IN 2023.

As requirements of the Code have been discussed in the Corporate Governance Report, we have provided the relevant references to the report.

CSE Rule Ref.	Requirement	Complied	Reference within the Report	Page
A Directors				
A.1 An effective Board should direct, lead and control the company				
A.1.1	Regular Board meetings, provide information to the Board on a structured and regular basis	Yes	Meetings & Minutes	55
A.1.2	Role and Responsibilities of the Board	Yes	Governance Structure	56
A.1.3	Act in accordance with laws of the Country Independent professional advice	Yes	Compliance Informed Decision Making	57
A.1.4	Access to advise and services of the Company Secretary	Yes	Company Secretary	55
A.1.5	Independent judgement	Yes	Directors Independence	57
A.1.6	Dedicate adequate time and effort to matters of the Board and the Company	Yes	Directors Interests and Related Party Transactions	56
A.1.7	Calls for resolutions by at least 1/3rd of Directors	Yes	Meetings & Minutes	54, 55
A1.8	Board induction and Training	Yes	Informed Decision Making	58
A.2	Chairman and CEO	Yes	Balance of Power	50
A.3	Chairman's role in preserving good corporate governance	Yes	Balance of Power	56
A.4	Availability of financial acumen	Yes	Board Composition	53
A.5	Board Balance	Yes	Board Composition	53
A.5.1	The Board should include sufficient number of NEDs	Yes	Board Composition	56
A.5.2	If the Board includes only 3 NEDs, they should be independent	Yes	Board Composition	59
A.5.3	Independence of Directors	Yes	Director Independence	57
A.5.4	Annual declaration of independence by Directors	Yes	Director Independence	57
A.5.5	Annual determination of independence of NEDs	Yes	Director Independence	171
A.5.6	Alternate Directors	Yes	Board Profiles	66
A.5.7 & A.5.8	Senior Independent Directors	Yes	Board Composition	170
A.5.9	Annual meeting with NEDs	Yes	Chairman and SID respectively, meet with NEDs informally	170
A.5.10	Recording of dissent in minutes	Yes	Meetings and minutes	55

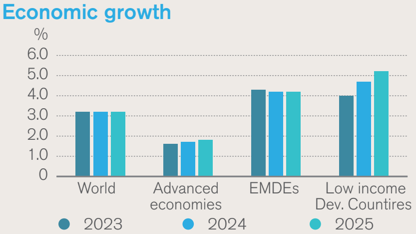
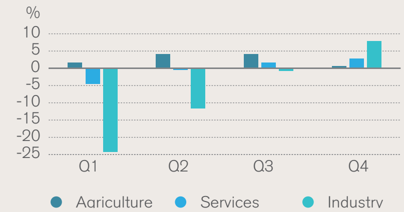
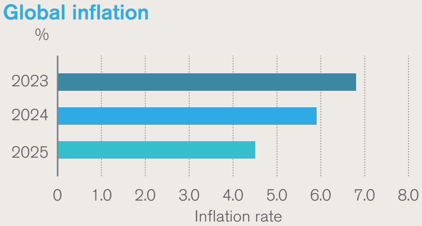
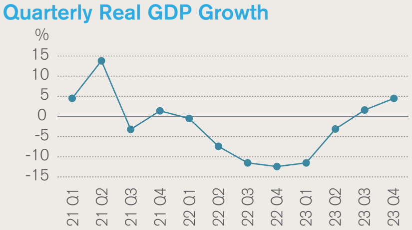
CSE Rule Ref.	Requirement	Complied	Reference within the Report	Page
A.6	Supply of Information	Yes	Informed Decision Making	103
A.7	Appointments to the Board and Re-election	Yes	Board Refreshment	50
A.7.1	Establishing a Nomination Committee, Chairman and Terms of Reference	Yes	Nominations and Governance Committee Report	154
A.7.2	Annual assessment of Board composition	Yes	Board composition is assessed when recommending Directors for Re-election.	55
A.7.3	Disclosures on appointment of new directors	Yes	Board Refreshment	66
A.8	Directors to submit themselves for re-election	Yes	Board Refreshment	54
A.9	Appraisal of Board and sub-Committee Performances	No	Board Appraisal	58
A.10	Annual Report to disclose specified information regarding Directors	Yes	Board Profiles Meetings Attendance Directorships in Other Companies Membership in committees	29, 55, 50
A.11	Appraisal of the MD	Yes	Appraisal of MD	58
B. Directors Remuneration				
B.1	Establish process for developing policy on executive and director remuneration.		Responsible and Fair Remuneration	59
B.2	Level and Make Up of Remuneration	Yes	Responsible and Fair Remuneration	59
B.3	Disclosures related to remuneration in Annual Report ▪ Remuneration Policy statement ▪ Aggregate Board remuneration paid ▪ HRRC report	Yes	Responsible and Fair Remuneration Note 166 to Financial Statements Remuneration Committee report	59
D. Accountability & Audit				
D. 1	Present a balanced and understandable assessment of the Company's financial position, performance and prospects	Yes	Communication with Shareholders	59
D1.1	Balanced Annual Report	Yes	Communication with Shareholders	61
D.1.2	Balanced and understandable communication	Yes	Relations with Shareholders	61
D.1.3	CEO/CFO declaration	Yes	Chief Executive Officer's and Chief Financial Officer's Responsibility Statement	171
D.1.4	Directors Report declarations	Yes	Annual report of the Board of Directors on the Affairs of the Company	159

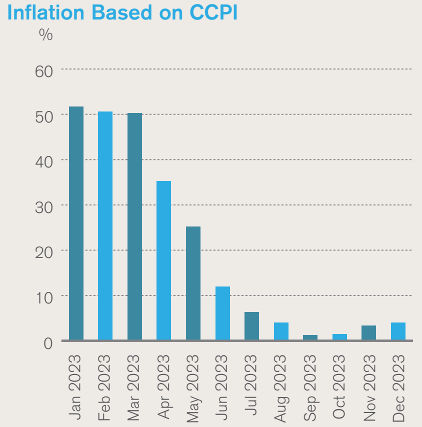
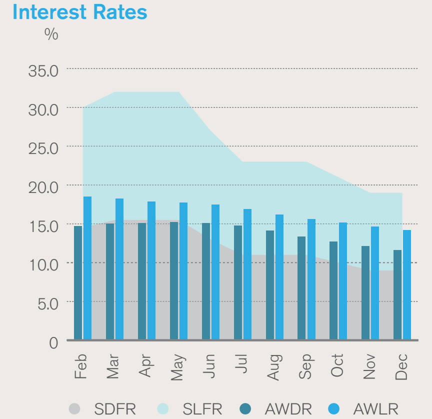
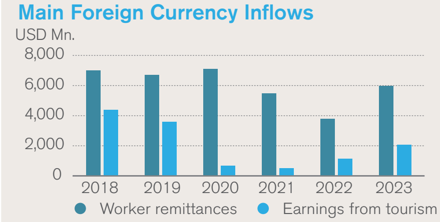
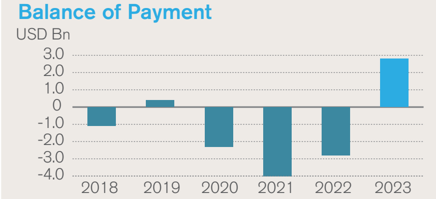
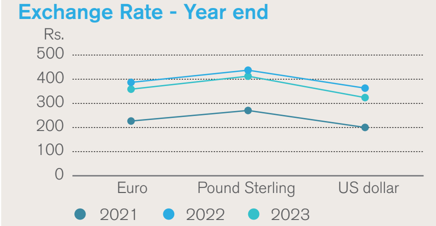
CSE Rule Ref.	Requirement	Complied	Reference within the Report	Page
D.1.5	Financial reporting -statement on board responsibilities, Statement on internal control	Yes	Directors' Responsibility for Financial Reporting Directors' Statement on Internal Control	177
D.1.6	Management Discussion & Analysis	Yes	Capital reports	92 - 157
D.1.7	Net Assets < 50%	Yes	In the unlikely event of the net assets of the company falling below 50% of Shareholders Funds the Board will summon an Extraordinary General Meeting (EGM)to notify the shareholders of the position and to explain the remedial action being taken.	55
D.1.8	Related Party Transactions report	Yes	Directors' Interest in Contracts with the Company	55
D.2.	Process of risk management and a sound system of internal control to safeguard shareholders' investments and the Company's assets	Yes	Risk Management and Internal control Report of the Audit Committee Directors' Statement of Internal Control Risk Review	75, 163, 168 - 170
D.3.	Audit Committee	Yes	Audit Committee Report	168 - 170
D.4	Related Party Transactions Review Committee	Yes	Related Party Transactions Review Committee report	167
D.5	Code of Business Conduct and Ethics	Yes	Code of Conduct & Ethics	60
D.6	Corporate Governance Disclosures	Yes	Corporate Governance Report	50
E/F Institutional and other investors				
	Institutional and other investors,	Yes	Relations with Shareholders	61
G. Internet of Things & Cybersecurity				
G.1	Identify connectivity and related cyber risks	Yes	This function was complied with by the Group Head of IT of the parent company for the year under review. The Board was also updated on the findings.	61

CSE Rule Ref.	Requirement	Complied	Reference within the Report	Page
G.2.	Appoint a CISO and allocate budget to implement a cybersecurity policy	Yes	The Group Information Security Deputy General Manager was recruited for the Hayleys PLC performs this function for the entire Group.	60
G.3	Include cyber security in Board agenda	Yes	It is a regular agenda item for the Board meetings.	61
G.4	Obtain periodic assurance to review effectiveness of cybersecurity risk management	Yes	A firm of external consultants were engaged to review the effectiveness of the Group's cybersecurity risk management during the year.	60
G.5	Disclosures in Annual Report	Yes	Please refer Internet of Things & Cybersecurity.	60
H Environment, Society & Governance				
H.1	Sustainability Reporting Sustainability principles are embedded in our business operations and considered in formulating our business strategy and reported in a holistic manner throughout this report. Information required by the Code is located as set out alongside.	Yes	Principle 1 - Reporting of Economic Sustainability Principle 2 - Reporting on the Environment in the Capital Management Report Principle 3 - Reporting on Labour Practices im the Capital Management Report. Principle 4 - Reporting on Society in the Capital Management Report. Principle 5 - Reporting on Product Responsibility in the Capital Management Report. Principle 6 - Reporting on Stakeholder identification, engagement and effective communication Principle 7 - Sustainable reporting to be formalised as part of the reporting process and to take place regularly (About this Report)	50 - 158

OPERATING CONTEXT

Sri Lanka's economy began to recover in 2023 after facing its most severe economic crisis the previous year. This recovery was driven by a combination of factors, including rapid disinflation, strengthened fiscal balances, improved external resilience, and a stabilised financial system.

	Global growth	The economy shows signs of a rebound
	Global growth remained resilient in 2023, at 3.2% despite declining inflation. This positive performance was driven by a combination of factors, including strong consumer spending fueled by expansionary fiscal policies and a rebound in labour force participation. However, the global economic landscape remains complex. While inflation is projected to decrease further in the coming years, the uneven nature of the recovery is evident, with advanced economies expected to return to their inflation targets sooner than emerging markets. Challenges remain, including high borrowing costs, withdrawn fiscal support, lingering pandemic effects, and weak productivity, all of which could impact future growth prospects.	Sri Lanka's economy began to recover in 2023 after facing its most severe economic crisis the previous year. This recovery was driven by a combination of factors, including rapid disinflation, strengthened fiscal balances, improved external resilience, and a stabilised financial system. The government and central bank's coordinated policy measures, along with structural reforms supported by the IMF-EFF arrangement, reinforced macroeconomic stability. This stability allowed the economy to transition towards growth, ending six consecutive quarters of contraction and recording an expansion in the second half of 2023, ultimately limiting the annual economic contraction to 2.3% compared to the 7.3% contraction in 2022.
	Economic growth 	**GDP Growth** 
	Global inflation 	**Quarterly Real GDP Growth** 
Outlook	Global economic growth is predicted to hold steady at 3.2% through 2025, with inflation gradually declining to 4.5%. However, advanced economies are expected to recover faster than emerging markets. While the overall outlook is balanced, geopolitical conflicts and persistent inflation in some areas pose risks, potentially causing price spikes and impacting interest rates and asset values.	Sri Lanka's Central Bank projects 3% economic growth in 2024. This positive outlook is further bolstered by the potential for an improved sovereign credit rating upon the successful completion of the country's external debt optimisation programme. Such an improvement could strengthen investor confidence and unlock access to more favourable financing terms.
Impact on the Group	▪ Invigorated demand for industrial gloves ▪ Increased lead time for shipment with elevated freight cost	▪ Impact of Rupee appreciation on export earnings
Our response	▪ Market diversification and expansion of our market presence ▪ Entered into strategic partnerships with shipping lines ▪ Proactive demand planning	▪ Maintained an optimal mix of borrowings

Inflationary pressures ease	Policy interest rates reduce	External sector improves
Sri Lanka experienced a rapid disinflationary period in 2023, with inflation, which had reached a historic high in September 2022, settling at lower single-digit levels by year-end. This decline was attributed to a combination of factors, including tight monetary and fiscal policies, the normalisation of domestic supply conditions, a moderation in global commodity prices, and the strengthening of the Sri Lankan rupee. These measures effectively curbed inflationary pressures and contributed to stabilising the domestic economy.	Market interest rates declined significantly in 2023, reversing the high levels observed in 2022. This shift was primarily driven by accommodative monetary policy measures implemented since June 2023. The reduction in lending rates was further supported by administrative measures and moral suasion aimed at curbing excessive interest rates. Moreover, the decline in risk premia associated with government securities, following the Debt Domestic Operations (DDO) programme, contributed to the overall decrease in market interest rates.	Sri Lanka's foreign exchange liquidity crisis, which had reached critical levels in 2022, eased considerably in 2023. This improvement was driven by a resurgence of market confidence following the International Monetary Fund's (IMF) approval of the Extended Fund Facility. Increased inflows from export proceeds, worker remittances, tourist earnings, and import restrictions further bolstered foreign exchange reserves. Budgetary support from the Asian Development Bank and World Bank also contributed to easing liquidity conditions. As a result, the Sri Lankan rupee, which had depreciated sharply in 2022, experienced a notable appreciation and stabilisation throughout 2023.
Inflation Based on CCPI 	**Interest Rates** 	**Main Foreign Currency Inflows**  **Balance of Payment** 
The upward pressure on interest rates is expected to ease in the future, driven by the Central Bank's 5% inflation target (based on the Colombo Consumer Price Index or CCPI), as well as anticipated improvements in macroeconomic conditions and other policy measures.	Market interest rates are anticipated to continue their downward trend, driven by the Central Bank's easing of monetary policy and government initiatives to reduce lending rates.	**Exchange Rate - Year end** 
▪ Reduction in operating cost	▪ Reduction in finance cost	▪ Unfavourable impact of rupee appreciation on export earnings
▪ Continued emphasis on driving cost efficiency	▪ Expanded investment on capacity expansion for high-value-added products	▪ Initiated forward exchange contracts

OPERATING CONTEXT

	Climate risk increases	Geopolitics reshaping global trade	Global commodity prices	Regulatory measures
	Climate change poses a significant threat to global financial stability, with rising temperatures impacting economic activity, leading to price volatility and systemic risk. These risks are categorised as physical and transition: Physical risk stems from climate-related damages, such as extreme weather events, which can decrease production, drive up prices, and impact financial institutions through increased non-performing assets. Transition risk arises from the shift to a low-carbon economy, which can disrupt traditional businesses, potentially leading to financial losses and instability. Sri Lanka is identified as highly vulnerable to climate risks.	Global trade is undergoing significant transformation driven by geopolitical tensions, particularly the war in Ukraine. While shipping costs have stabilised after temporary increases due to geopolitical incidents and climate disruptions, a surge in protectionist measures, with thousands of new trade barriers implemented since 2022, signals a shift towards a more fragmented and uncertain global trade landscape.	Global commodity prices showed a mixed performance between August 2023 and February 2024. Oil prices decreased due to increased supply from the Americas, while food prices rose due to El Niño's impact on crops. Rubber prices increased 39.8% as global output declined in 2023 following the outbreak of a novel leaf disease in Asia. The outlook for commodity prices is uncertain, with potential trade disruptions and export restrictions posing upside risks, while larger harvests could lead to price declines.	During the year, the government significantly eased import restrictions. In the 2022/23 fiscal year, the government implemented tax adjustments, including increases to both Value Added Tax (VAT) and corporate income tax rates. The full economic effects of these fiscal and trade measures became evident in the 2023/24 fiscal year. Simultaneously, businesses faced mounting pressure to meet escalating Environmental, Social, and Governance (ESG) compliance standards, driven primarily by buyers in Europe and the United States.
Outlook	Sri Lanka is fighting climate change by cutting emissions and adapting to its impacts, seeing it as an opportunity for sustainable growth. At COP28, Sri Lanka proposed three initiatives: a Climate Justice Forum for equitable climate action, a Tropical Belt Initiative for solutions tailored to tropical regions, and an International Climate Change University for research and education. The UN supports Sri Lanka's efforts, recognising their global importance.	Global trade is expected to expand by 3.0% in 2024 and 3.3% in 2025. While these figures represent modest growth, they translate to a stable trade-to-GDP ratio of approximately 57%t over the next five years, given the subdued economic outlook. This ratio aligns with the general trend observed since the global financial crisis.	Food commodity prices are forecasted to decline by 2.2% in 2024.	Tax rate changes effected negatively to the top line and bottom line of the performance.
Impact on the Group	▪ Declined yield and quality in ▪ the Plantation sector due to ▪ impacts of climate change and availability of raw materials and ▪ Quality of raw material	▪ Increased demand for electric vehicle (EV) gloves	▪ Increased freight costs and latex costs	▪ Customers placed high importance on ESG considerations
Our response	▪ Reduce reliance on fossil fuels and promote sustainable energy sources, including sustainable firewood ▪ Commitment to biodiversity conservation and ecosystem restoration ▪ Crop diversification in the Plantation Sector ▪ Adoption of sustainable agricultural practices across plantations	▪ Expansion into new markets ▪ Acquiring new customers ▪ Increased focus on the high-value industrial glove sector	▪ Implemented cost-saving optimising and cost-saving measures	▪ Strengthened compliance with local and global standards ▪ Commenced due diligence process for EUDR compliance

MANAGING OPPORTUNITIES & RISKS

Risk management ranks high on the Board agenda due to the dynamic nature of risks and also the recognition that changing dynamics also present opportunities for growth and profit. A structured process is in place to review risks and opportunities facilitating and managing early identification, mitigation, adaptation and resource allocation. DPL continues to evolve its risk management processes each year, keeping pace with the business and regulatory landscape.

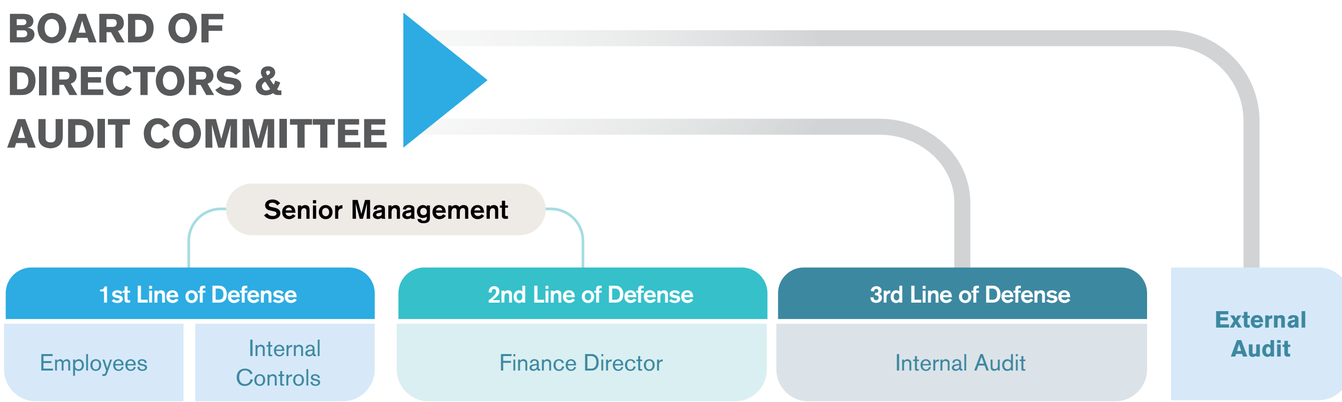
RISK GOVERNANCE

The Board bears ultimate responsibility for managing risk of the DPL Group. They are assisted by the Audit Committee in oversight of risk as set out in its Terms of Reference. DPL's subsidiaries report on risk to their respective Boards and to DPL Finance which presents a consolidated view of risk to the DPL Audit Committee and Board. The executive function led by the Managing Director are responsible for implementing the risk management framework and processes as directed by the respective Boards and Audit Committees.

The Board and Senior Management strive to create a culture of risk awareness throughout the Group as most employees perform duties that result in accepting, increasing, mitigating or adapting risk. Accordingly, it is vital that each function has a sound understanding of the risks that are inherent to their tasks. It is equally important that employees understand that their actions result in accepting, increasing, measuring, monitoring, mitigating and adapting risk in their different roles. This continues to be reinforced through training and various focused initiatives in place to mitigate specific risks that are common to groups of employees. For example, occupational health and safety is a key area of risk for factory employees and they receive training in this specific aspect. Risk awareness is reinforced through discussion of the same at departmental and senior management meetings, ensuring that the Board and Audit Committee instructions and suggestions are cascaded down the organisation.

MANAGING OPPORTUNITIES & RISKS

DPL Adopts three lines of defence model to manage risk as set out below:

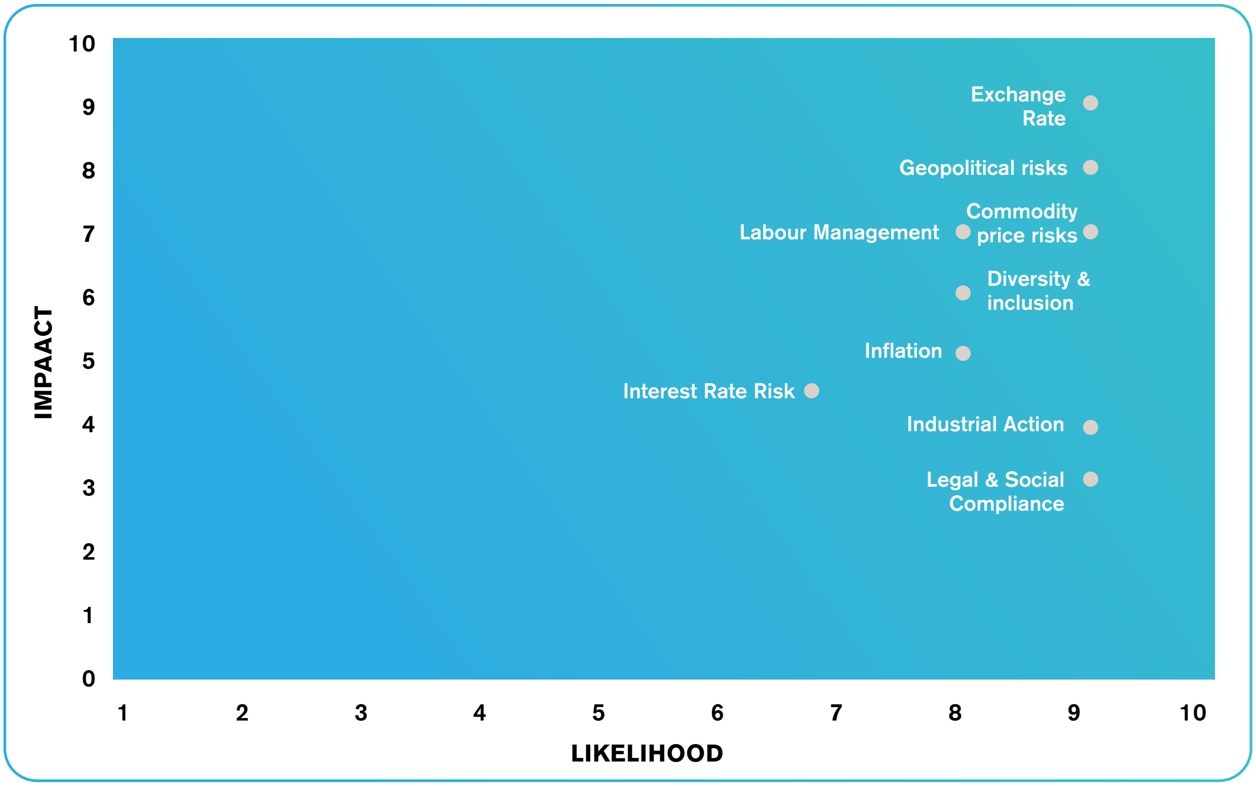


A DYNAMIC LANDSCAPE

DPL's supply chains span the globe and therefore is exposed to both local and global changes that shape our risk environment. Key risk drivers are captured below.

KEY RISKS

The Group maintains risk registers for its key businesses. A consolidated view of the key risks of the Group presented to the Board and the Audit Committee for the last quarter of the year is given below.



DPL's top risks are described below. The Group's climate risks and scenario analysis is captured thereafter as we commenced our journey towards compliance with IFRS S2.

Risk and Developments in 2023/24	Impact	Our Response
Exchange rate volatility Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument that will fluctuate because of changes in foreign exchange rates. The Group is exposed to currency risk on sales, purchases and borrowings and net investments in foreign subsidiaries that are denominated in a currency other than the respective functional currencies of the Group. These currencies primarily are: Euro, US Dollars (USD), Pound Sterling (GBP), Thai Baht (THB) and Chinese Yuan Renminbi (CNY).	Volatility in currency would impact planning of business activities. Adverse fluctuations would impact cost of production and adversely affect the translation of foreign currency.	▪ Foreign currency receivables and payables are matched as much as possible to mitigate the exposure.
Geopolitical Risks Geopolitical tensions leading to active hostilities in multiple markets	Geopolitical risks impact demand, commodity prices, lead times and reliability of supply chains and even sanctioning of key trading partners	▪ Shipments are pre booked and sourced with alternative lines. ▪ Expansion in to new markets ▪ New customer development

MANAGING OPPORTUNITIES & RISKS

Risk and Developments in 2022/23	Impact	Our Response
Commodity Price Risk Raw material price hikes due to limited production supply and demand dynamics.	Direct impact on continuing operations and diminishing talent pools to recruit.	▪ Strengthening the internal employee benefits and hygiene factors. (company bearing taxes/ financial stability, etc) ▪ Keeping a talent pool of employees to mitigate the risk of business continuity as employees typically give short notice and leave the country. ▪ Encourage internal promotions and internal transfers. ▪ Streamline off boarding with notification time.
Diversity and inclusion The need to strengthen diversity and equity, in creating an inclusive environment in which all employees can thrive.	▪ Limited diversity of perspectives can hinder innovation, problem-solving, and creative thinking, potentially leading to missed opportunities and suboptimal solutions. ▪ Adverse implications on organisational culture can impact the Company's employer brand.	▪ Include and implement diversity and inclusion training programs to raise awareness and sensitivity among employees and leaders. ▪ Establish mentorship and sponsorship programs to support the development and advancement of female employees. ▪ Conduct exit interviews to understand reasons for turnover among female employees and address any systemic issues. ▪ Conduct a diversity & inclusion / climate surveys to identify & gauge employee satisfaction.
Interest Rate Risk Interest rates declined by over 1,000 basis points during the year from extremely high levels witnessed in the previous year.	▪ Decrease in interest charges for interest bearing liabilities which account for significant finance cost reduction of the Group.	▪ Negotiate more favourable interest rates. ▪ Monitor interest rates to manage this volatile indicator.
Inflation Inflation climbed down sharply during the year from 49.52% to single digits by July 2023. However, the impact of successive months of high inflation which reached 73.7% in September 2022 continue to exert pressure on costs.	▪ Elevated cost and volatility of the raw material price negatively impact the top and bottom line of the organisational financial performance. ▪ Pressure on Employee's disposable income.	▪ Diversification to high margin products. ▪ On going efforts to drive cost efficiencies. ▪ Continue to evaluate employee rewards and remuneration structures.
Legal and social compliance Company seeks to abide by ethical and legal requirements in line with its corporate values, while mitigating reputation risk.	Customers are demanding more than the country law/standards (ie ILO standards) which has created a challenge to offer a living wage to the employees while complying with the said standards. Non-compliance can cause disruptions to the operation.	▪ Comply with all legal requirements 100% meet all requirements of social and ethical audits. ▪ Finding and implementing new work arrangements etc. ▪ Automation of the compliance monitoring system is under way.

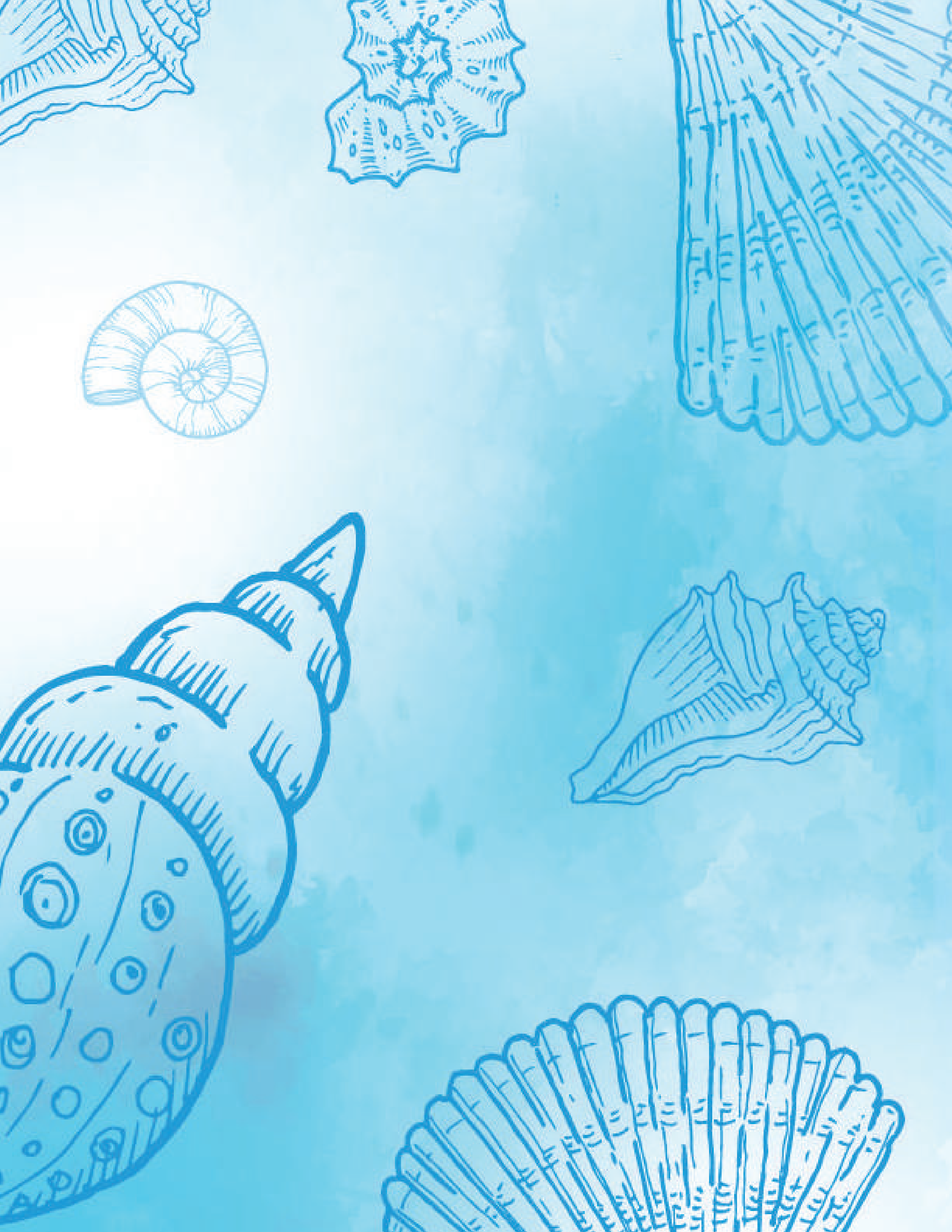
CLIMATE RISK	SCENARIO A - NET ZERO	SCENARIO B-CURRENT PATHWAY	SCENARIO C-DIVERGENCE
	Alignment to 2 degree scenario	Alignment to 3 degree scenario	Alignment to 4 degree scenario
	Sri Lanka meets its climate commitments with rapid decarbonisation **Global scenarios** C3/SSP 1-2.6 Net Zero Emission (NZE) **Local scenarios** Climate Prosperity Plan (CPP)	*The country meets its unconditional NDC commitments* **Global scenarios** C6/SSP 2-4.5 Announced Pledges Scenario (APS) **Local scenarios** National Determined Contributions (NDC)	*Global and local implementation gap, climate commitments not met* **Global scenarios** C7/SSP 3-7.0 Stated Policies (STEPS) **Local scenarios** Business-As-Usual (BAU)
General Impact on Climate Change	Globally there will be increased efforts addressing climate change and there will be actions for rapid decarbonisation leading to better performance in climate change parameters. Sri Lanka with its intention to maximise on the opportunity will drive for a low carbon economy with rapid changes and pressurising all stakeholders to align with best practices.	Globally temperatures continue rise and global warming alerts are issued, climate crisis is discussed but action taken isn't adequate and timely. In this scenario, Sri Lanka - a tropical country currently with seasonal rainfall will continue to face the risk of irregular rainfall, changes in patterns and expecting non-seasonal rainfall leading to floods and landslides especially in areas such Kegalle and Rathnapura with heavy rubber plantations spread.	In this scenario, globally temperatures will increase at a faster pace and the potential risk of rainfall will continue to show destructive trends with unusual rainfall patterns, excessive raining leading to dangers of flooding and landslides. Due to the climate change affecting temperatures and seasonal weather patterns, Sri Lanka being heavily prone to floods and landslides due to heavy rainfall, will face natural disasters that affect agriculture
Pressure from customers to green supply chains	There will be fast paced shift to lower carbon economy globally, therefore increased efforts will be made to produce sustainable products at a faster pace given increased demand from customers and consumers in the market. Sri Lanka will face an aggressive demand for low carbon products which will be catered with low carbon production processes.	The pressure from global economy and markets will continue for businesses to adhere and adopt sustainable production. Given the Sri Lankan economy will be gradually transitioning to a lower carbon economy there will be moderate efforts to align on the requirement.	There will be consumer demand but with slow-paced transition to low carbon economy there will be slower paced adherence and adoption by businesses. Sri Lanka not making/meeting any commitments and continuing business as usual will lose its competitive edge to cater export business for foreign markets.
Increased regulation	In the Net Zero scenario, globally there will be smooth transition to lower carbon economy resulting in better understanding and adherence to follow the policies and regulations. In the Sri Lankan context there will be better readiness to adapt the new policies and regulations and implement them in an effective manner.	▪ Elevated cost and volatility of the raw material price negatively impact the top and bottom line of the organisational financial performance. ▪ Pressure on Employee's disposable income.	▪ Diversification to high value products ▪ On going efforts to drive cost efficiencies ▪ Continue to evaluate employee rewards and remuneration structures
Time Horizon used	**2050**	**2030**	**2030**
Climate related policies in the jurisdiction	▪ Conference of the Parties (COP) - Paris Agreement ▪ National Determined Contributions ▪ National Climate Change Policy of Sri Lanka ▪ Ministry of Environment Sri Lanka - Policies ▪ Ministry of Finance, Economic Stabilisation & National Policies - National Policies ▪ Department of National Planning - Policies for Sectors		
Sources of information	World Bank - Climate Change Knowledge Portal - Global Status and Country Profile - Sri Lanka Specific Data Third National Communication of Sri Lanka to the UNFCCC Department of Census and Statistics - Chapter - Area & Climate - Rainfall, Temperature, Climate Change Department of Meteorology - Climate > Seasonal Forecast, Weekly Rainfall Anomaly		

MANAGING OPPORTUNITIES & RISKS

The table below provides the impacts of risks related to climate change under the three scenarios and their mitigation and adaptation measures on the same.

Risk Category		Climate Change
Risk Description		Potential risk to production process, raw material pricing and people due to impacts of climate change such as changes in seasonal precipitation patterns, cyclones, thunder storms, heavy rainfall, floods and landslides.
Physical or Transition Risk		Physical (Acute & Chronic)
Scenario A - Net Zero		Rainfall patterns will show low - medium changes without major disruptions with expectation of seasonal rainfall as usual with less impact to the Hand Protection sector raw material sourcing to production process and people.
Scenario B - Current Pathway		The Sector relies heavily on natural raw material such as rubber and will see rainfall and related disasters from floods to landslides disrupting raw material sourcing, production processes and people.
Scenario C - Divergence		Hand Protection sector relying on natural raw material and majority of the operating locations based in Sri Lanka will see increased irregular rainfall, floods and landslides.
Impacts	Raw Material	▪ Disruption to raw material yields and storing result in importing raw material at a higher cost. ▪ Discouraging people from growing rubber due to potential economic viability concerns leading to lesser expansion of rubber plantations.
	Processing	▪ Adverse implications on access to energy source ex: firewood, will disrupt operations. ▪ Disruption to operation locations and damages to equipment within the location resulting in heavy financial costs.
	Logistics	▪ Disruptions to delivery of raw material due to road infrastructure blockages. ▪ Delays in delivery of final goods to customers can cause reputational damage.
	People	▪ Damage to lives and personal housing will lead to disruption in workforce attendance to continue operations. ▪ Impact of temperature increase on labour productiity. ▪ Increased costs to support employees for re-building or health conditions.
	Revenue	▪ Disruptions result in loss of competitive edge in the market due to increase in price of product and negative effect on financial position.
Response to the Scenario/Mitigation Plans ▪ Changes to business model ▪ Changes to product/portfolio mix ▪ Investments required- in technology /capabilities/ infrastructure		1. Strategic planning and budgeting processes to consider short, medium and long term impacts and construction of appropriate scenario to analyse impact of extreme weather and chronic climate change. 2. Provide additional support to farmers in other areas where there is lower risk from heavy rainfall and also has a more sunshine hours per day encouraging moving rubber plantation from wet zone to intermediate zone with moderate rainfall will reduce the risk of landslides as well. 3. Explore alternative options that will safeguard livelihood of farmers to have alternative incomes when rubber tapping is not possible during rainy seasons. 4. Invest to develop infrastructure adaptability including supporting farmers. 5. Investments in R&D to look for innovative solutions on replacing raw materials, extended storage capabilities, diversifying product portfolio and raw materials used. This can include supporting government efforts on researching new rubber varieties which can sustain for extreme climate using Biotechnology and testing to identify suitable land and climatic areas that are compatible with such new rubber varieties. 6. Finding logistics solutions to face such natural disasters and continue uninterrupted supply chain or procurement with readiness with backup plans to adapt as a Rapid Response. 7. Capacity building of employees and overall supply chain on understanding the scenario and how to address or cope up with it in their personal and professional spaces that will help continue business operations.

	Market risks- customers' increasing demands on sustainability	Increased Regulation
	Due to fast paced transition to a lower carbon economy, market changes in consumer preferences lead to increased pressure from customers to transform entire business value chain at the same pace to offer environmentally sustainable products	New policies and regulations introduced locally or internationally to transition to a lower carbon economy in different markets demanding for alignment or compliance (Ex: Deforestation regulations from European Union etc)
	Transition Risk	Transition Risk
	Significant efforts across the Hand Protection value chain to drive emission reductions in meeting Net Zero requirements at a faster pace than the usual changing rate.	As the Hand Protection sector caters to global markets, the net zero context will help the adoption and implementation of new policies and regulations at a faster rate.
	Growing emphasis on customer demand for sustainable products as it is an export-oriented business with own business initiatives to adopt the changes at its own pace.	but lack of local infrastructure and technology will lead to challenges in adopting the policies and regulations and implementing it effectively.
	Hand protection sector being in the export market will be required to meet the market changes, but actions will take slower path and less investments for sustainable initiatives leading to ineffective results.	Hand Protection sector will be required to adopt and implement such policies at its own pace and create its own mechanism to meet the requirement as local support and infrastructure will be inadequate.
	▪ R&D for sustainable raw materials to cater the requirements of products.	▪ Strict adherence required on sourcing natural raw materials such as Rubber due to EUDR. ▪ Limited extraction and consumption of fossil fuels and increase in pricing.
	▪ Increased cost of innovations to produce more sustainable products. ▪ Testing of new products resulting in failures leading to lost opportunities due to limitations in producing sustainable products. ▪ Increased cost of acquiring the relevant technology and equipment. ▪ Increased investments on transitioning to renewable energy sources required for production.	▪ Increased costs for infrastructure development to adopt certain practices. ▪ Introducing best practices in the market can be expensive.
	Constant battle to minimise the carbon emissions in the logistics from raw material procurement to delivery of final goods.	▪ Increased costs for data gathering and conduct audits of suppliers for compliance to policies and regulations.
	▪ Increased costs to develop capacities and hiring talents in the R&D teams and other departments on finding solutions to address the requirement.	▪ Leads to increased requirement for advanced knowledge and skills on the subject.
	▪ Overall costs will impact the financial performance of the organisation. ▪ Inability to cater to the market demand will result in losing business orders and lead to loss of revenue.	▪ Demand for new technology and innovative solutions lead to increased costs of capital. ▪ Non-compliance and late adoption will result in losing business opportunities and fines charged for existing orders impacting the overall financial performance.
	Extensive work on developing existing suppliers and onboarding new sustainable raw material suppliers. Investments in new technology to support the requirement and expedite the R&D work. Build capacity of functional teams to facilitate the requirement and provide more sustainable solutions. Increased investments in infrastructure development such solar panels, water treatment plants and waste management to align with low-carbon economic policies. Research on new market trends and consumer preferences to increase the readiness of the organisation's products/supply chains/business model to cater to those market changes.	▪ Raising awareness and education on the new policy or regulation to all levels of the organisation and ensuring leadership commitment to adopt and implement. ▪ Develop action plan and allocate resources to adopt and implement the policy or regulation on a timely manner including introduction of new technology and infrastructure development. ▪ Investments in capacity building among related departments to find solutions that are cost-effective and with a less GHG emission in order to adopt the policies and regulations. ▪ Strict adherence to the policies and regulations in our procurement and logistics suppliers and communicating negative effects for non-compliance. ▪ Monitor the changing environment and climate related policies and regulations to be able to adopt them and be flexible in the changes needed to make in the business model and value chain to implement the requirements.



BUSINESS REVIEW

THE STRENGTH OF DIVERSITY

At Dipped Products, we celebrate the power of diversity – creating an inclusive environment that is strengthened by the unmatched array of strengths, capabilities, and expertise that we have nurtured over the years.

With a potential 200,000 types of mollusks found across the world, seashells are a true representation of diversity. Each shell represents a unique shape, size and colour, yet they all serve the singular purpose of protecting and safeguarding their core

BUSINESS LINE REVIEWS

HAND PROTECTION SECTOR

DPL is a global leader in protective hand-wear, serving nearly 12% of the global demand for natural and synthetic-latex-based household and industrial gloves. With our products reaching over 70 countries, we have built a strong reputation for innovation, manufacturing capabilities, and product quality.

Value Chain

RAW MATERIAL SOURCING

Key raw materials include natural latex procured from an extensive network of rubber smallholders and farmers

Other raw materials include synthetic latex, chemicals, liners and yarn and packing materials.

QUALITY ASSURANCE

Compliance to a range of quality, environmental,and occupational health and safety certifications strengthened by rigorous processes and stringent controls

MANUFACTURING AND PACKAGING

The Sector manufactures a comprehensive range of gloves:

- Supported
- Unsupported
- Disposable
- Electrician
- Sports
- Sleeves

GLOBAL MARKETING AND DISTRIBUTION

The products are sold to global distributors and end-consumers in more than 70 countries

CONTRIBUTION TO GROUP

13%	58%	49%	53%	49%
Employees	Revenue	PBT	Assets	Carbon footprint

VALUE CREATION HIGHLIGHTS FY 2023/24

Financial Capital

Revenue	Rs. 43 Bn
Operating Profit	Rs. 4.5 Bn
PAT	Rs. 4 Bn

Manufactured Capital

Capacity Utilisation	81%
Investment in CAPEX	Rs. 2.7 Bn
Overall Quality Level	96%

Intellectual Capital

New Products Launched	22
Certifications Obtained in Sri Lanka and Thailand	13

Social and Relationship Capital

Payments to Suppliers	Rs. 24 Bn
No. of New Customers	54
No of Local Farmers Contributing to Natural Latex	6,000+
CSR Beneficiaries	10,000+
Investments in CSR	Rs. 18.6 Mn

Human Capital

Employees	2,224
Payment to Employees	Rs. 6.3 Bn
Investment in Training	Rs. 7.4 Mn
Total Training Hours	71,534
Proportion of Females Promoted	46%

Natural Capital

Volume of Rainwater Harvested	1.494 M3 Mn
Solar Rooftop Installed Capacity	4.8 MWp
Energy Intensity	6.07 MJ/ Pair
Adoption of Sustainable Agricultural Practices	

SWOT Analysis

POSITIVE | NEGATIVE

INTERNAL FACTORS

STRENGTHS
- Cutting-edge manufacturing capabilities and technology
- Robust research and development capabilities
- In-depth scientific and technical expertise
- Long-standing customer relationships
- Stable supply chain through partnerships with local farmers

WEAKNESSES
- Exposure to foreign exchange fluctuations
- Dependence on key markets
- Exposure to commodity price movements

EXTERNAL FACTORS

OPPORTUNITIES
- Rising demand for industrial glove categories
- Expanding demand in emerging markets, including the Middle East, Asia, Africa, and India
- Increasing opportunities in specialised, high-value products such as electrician's gloves and sports gloves
- Increased emphasis on sustainable products and packaging solutions

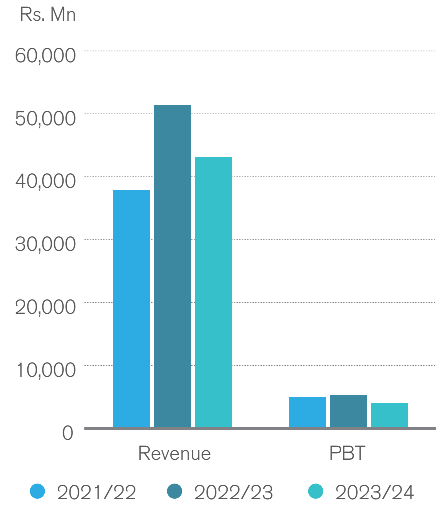
THREATS
- Impact on margins due to inflationary pressures
- Exchange rate volatility
- Competitive threats
- Global economic implications
- Implications of climate change
- Shortage of labour
- Fluctuations in agricultural output and raw material prices

HAND PROTECTION SECTOR

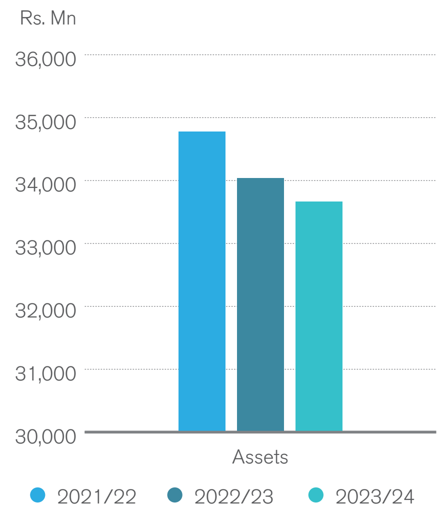
STRATEGY AND PERFORMANCE

- The softening of demand for gloves during the first half of the FY resulted in a 16% decline in revenue and a 15% decrease in PAT.
- Strategic emphasis was placed on shifting to a higher-value product mix by increasing focus on synthetic-latex, supported and specialised gloves.
- To cater to the growing demand for precision-engineered sports gloves, DPL has established a state-of-the-art sports glove factory dedicated to manufacturing top-tier products.
- Developed 22 new products and secured 3 patents while 7 pending certificates.
- As part of the ongoing commitment to enhancing customer service and satisfaction, a marketing office in the Middle East was opened. This strategic move enables DPL to strengthen its presence in the Middle Eastern and African markets and provide improved support and solutions to customers in the region.
- Established a company in Mumbai, India with a sales office in April 2024 to capture new markets and cater to the demand for electrician gloves in India. Moreover, an electrician glove testing facility was opened in India.
- Research and development efforts were focused on integrating sustainable principles into product design and packaging. In particular, on utilising renewable and recycled input materials, as well as biodegradable packaging, among other initiatives.
- By aligning with the global trend towards sustainability and carbon-friendly practices, DPL partnered with Hayleys Solar to achieve energy self-sufficiency by harnessing solar power on-site. This move aligns with its ambitious goal of reaching 95% renewable energy usage by 2030.
- Emphasising its commitment to responsible business practices and environmental stewardship, DPL initiated DPL Pulse and formed an ESG Steering Committee to oversee and implement sustainability objectives. The committee is headed by the Managing Director and comprises two executive directors.

Performance



Assets



The sector is led by three prominent regional plantation companies (RPC), Kelani Valley Plantations (KVL), Talawakelle Tea Estates (TTE), and Horana Plantations. Together, they are the largest RPC, cultivating over 13,800 hectares of tea and rubber across 55 estates, and employing over 15,300 individuals. Mabroc Teas focuses exclusively on tea exports, while other plantation companies within the sector engage in both export sales through the auction system and direct local sales.

The three companies stand out as true pioneers in plantation management and sustainability, earning recognition locally, regionally, and globally for their commitment to excellence in sustainability within the plantation sector.

Value Chain

FIELD DEVELOPMENT

Over 14,000 hectares of land cultivated with tea, rubber, and various other crops

VALUE-ADDED TEA EXPORTS

Exporting both bulk and value-added tea products through Mabroc Teas

SUSTAINABLE AGRICULTURE PRODUCTS

Harvesting tea, rubber, and other crops in compliance with the guidelines of numerous domestic and international certifications obtained by both KVPL , TTEL and HPL.

VALUE-ADDED TEA EXPORTS

Key products include:

- Orthodox black tea, green tea, speciality tea and seasonal flavored tea
- Sole crepe, latex crepe, centrifuged latex, scrap crepe and skim crepe
- Cinnamon
- Spices
- Value-added black tea, green tea, herbal tea, and specialty tea

CONTRIBUTION TO GROUP

87%	42%	51%	47%	51%
Employees	Revenue	PBT	Assets	Carbon Footprint

VALUE CREATION HIGHLIGHTS FY 2023/24

Financial Capital

Revenue	Rs. 31.1 Bn
Operating Profit	Rs. 3.9 Bn
PAT	Rs. 4.3 Bn

Manufactured Capital

Sri Lankan Production	4.6% Tea Production
	4.1% Rubber Production
Estates	55

Intellectual Capital

New Products Launched	28
National and International Certifications	19

Social and Relationship Capital

Payments to Local Suppliers	Rs. 11.6 Bn
No. of New Customers	100
No. of Suppliers	552
Beneficiaries of Community Development Programmes	573, 257

Human Capital

Employees	15,360
Payment to Employees	Rs. 9 Bn
Investment in Training	Rs. 30.4 Mn
Great Place to Work Certification	
Mother and Child-Friendly Seal for Responsible Business	

Natural Capital

Volume of Rainwater Harvested	117 Mn. Litres
Renewable Energy Usage	54%
Energy Intensity	13.21%
Adoption of Sustainable Agricultural Practices	

SWOT Analysis

POSITIVE | NEGATIVE

INTERNAL FACTORS

STRENGTHS

- Strong reputation for quality with TTE, KVPL and Horana Plantations consistently
- Ranking as top price takers at the Auction
- Capable leadership team
- Diversified crop base

WEAKNESSES

- Exposure to erratic weather patterns
- Low productivity of agriculture sector workers
- Relatively high cost of production and low yields in Sri Lanka's Plantation Sector in comparison to regional counterparts

EXTERNAL FACTORS

OPPORTUNITIES

- Strong tea and rubber prices
- Increased global demand for tea and rubber
- Increased opportunities for value-added products
- Increasing prevalence towards healthy beverages
- Enhancing employee productivity through a revenue-share model

THREATS

- Increased cost of production due to rising energy, fertilizer, and labour costs
- Inconsistent policy on chemical fertilizer
- Growing impact of climate change on crop quality and yield
- Fluctuations in tea and rubber prices

PLANTATION SECTOR

STRATEGY AND PERFORMANCE

In FY 2022/23, tea prices soared to unprecedented heights, partly due to inflation caused by exchange rate depreciation and production shortfalls. However, this year, the prices have returned to more stable levels, aligning with market performance. Despite this normalisation, production costs remain elevated, mainly due to rising energy and fertilizer expenses, especially since the fertilizer ban. As a result, the overall cost of production has significantly risen.

Despite the decline in overall tea prices compared to the previous year, our plantations have upheld relatively high prices due to our strong reputation in the market. However, this has resulted in a decrease in revenue and profits, largely attributed to the normalisation of the exchange rate. While Sri Lanka's crop yield decreased, our plantations saw an increase in production. This is a result of our proactive efforts to mitigate the impact of labour shortages. Despite challenging industry conditions, including adverse weather and fluctuating exchange rates, our ability to maintain and even enhance productivity is commendable.

FY 2023/24 marked a strategic reset for our plantation companies as they are undergoing a major shift from traditional practices to a dynamic business model known as "plantation agribusiness". The strategy is based on five key areas: Plant, Plot, Product, People, and Process. The strategy is intertwined with sustainability, recognising the significant environmental and social impacts inherent in the plantation sector.

PLANT

Emphasise sustainable agriculture practices to increase yield and product quality

PRODUCT

Quality and sustainability remain key elements of our competitive edge strengthened by compliance with numerous social, environmental, and quality standards while investing in community and environmental initiatives

PLOT

Efforts to enhance soil and land quality by reducing reliance on chemical fertilizer and improving productivity

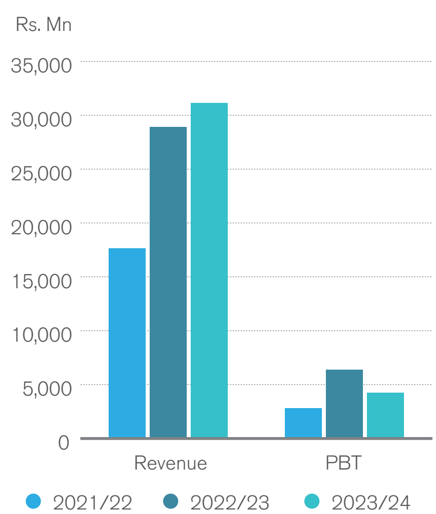
PROCESS

Adopt technology and precision agriculture to enhance performance management, manufacturing efficiencies, and better visibility of field-level information

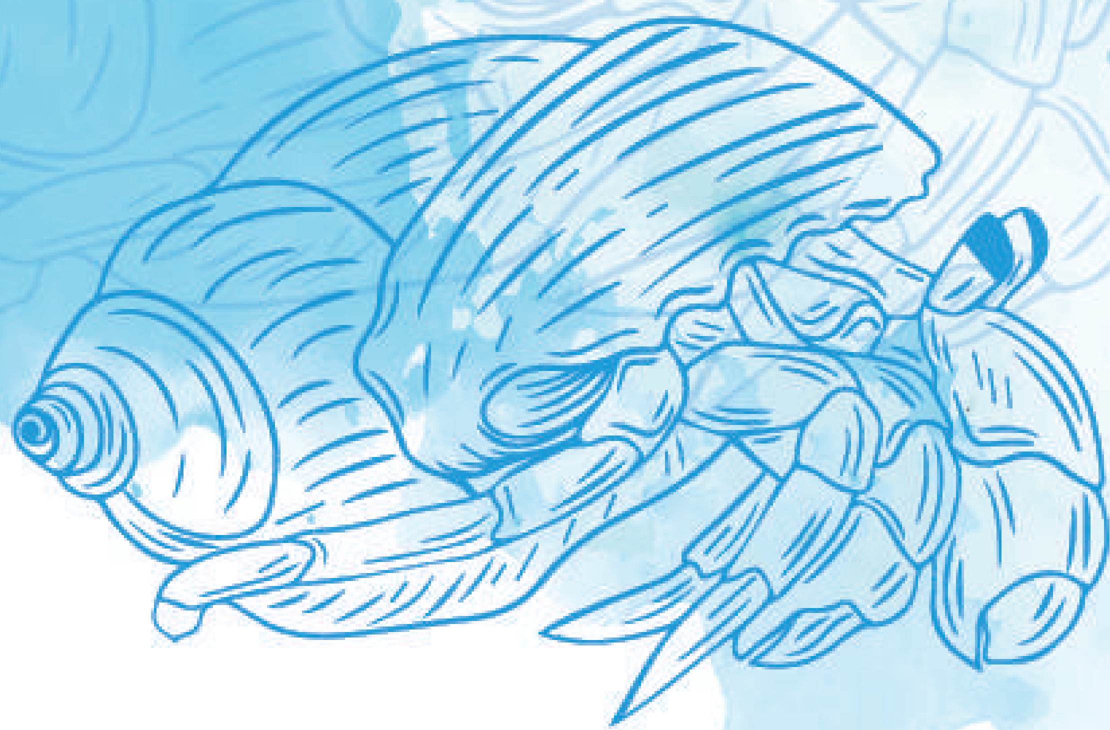
PEOPLE

Labour shortages and dignity hinder the plantation sector performance. Implementation of the revenue-sharing model and entrepreneurial incentives aim to empower workers, despite resistance to change driven by educational barriers. These initiatives are geared to uplift the industry in the long term

Performance



Assets



THE PRINCIPLE OF PRESERVATION

We firmly integrate tenets of responsible resource consumption and sustainable practices across our operations, thereby ensuring the longevity and continuity of our surroundings for the foreseeable future.

Discarded shells are often repurposed by other species, thereby demonstrating their capacity for sustainability and resilience. Hermit crabs are nature's recyclers, and often use these shells as a home and a source of protection, while humans collect and use them as a form of organic fertilizer or alternately redesign them in a manner that best showcases their aesthetic value.

FINANCIAL CAPITAL

Despite a turbulent year characterised higher interest rates, inflationary pressure, currency fluctuation, and global economic uncertainty, the Group achieved a commendable performance, recording a profit of Rs. 5.7 Bn. while reaffirming its commitment to shareholder value. This success was driven by a multifaceted approach, encompassing cost-efficiency initiatives, robust quality management practices, and a strengthened supply chain.

Value Creation Highlights

HAND PROTECTION

- Rs. 43 Bn Revenue
- Rs. 33.6 Bn Assets

PLANTATION

- Rs. 31.1 Bn Revenue
- Rs. 30.4 Bn Assets

Material Topics

- Tax
- Foreign exchange impacts
- Energy cost
- Economic performance

SDG Impact

Stakeholder Impact

- Customers
- Business Partners
- Government and Regulators
- Communities
- Employees
- Investors

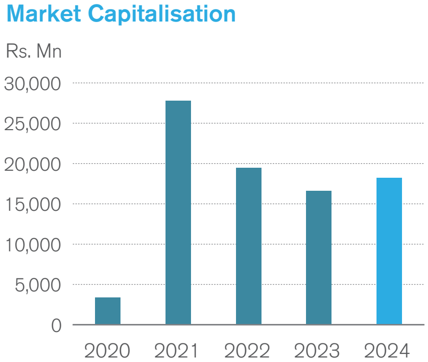
MANAGEMENT APPROACH

We engage in responsible financial stewardship, maximising shareholder value while fulfilling our obligations and contributing positively to society. Our financial management efforts focus on sustainable growth, asset optimisation, and a strong financial position to deliver long-term value for all stakeholders.

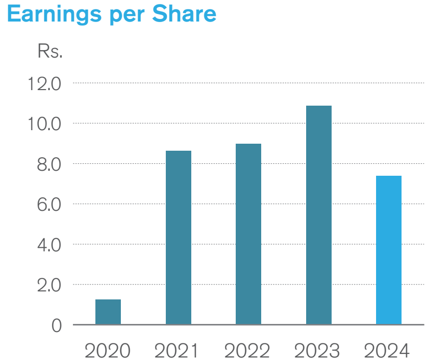
Responding to risks and opportunities

Risks and opportunities	Our response
▪ Exchange rate volatility ▪ Foreign exchange restrictions imposed by the CBSL ▪ Cost escalations due to inflationary pressures ▪ Continued margin pressure	▪ Close monitoring of expenses to identify and eliminate unnecessary costs. ▪ Maintaining close engagement with banks to secure favourable financing terms. ▪ Closely monitoring and adjusting pricing strategies to optimise profitability. ▪ Implementing efficient working capital management practices to ensure efficient use of funds. ▪ Making strategic investments that contribute to long-term growth and profitability.

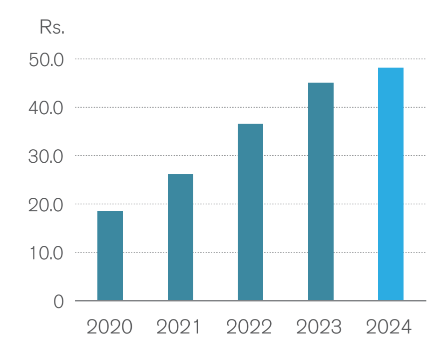
Market Capitalisation



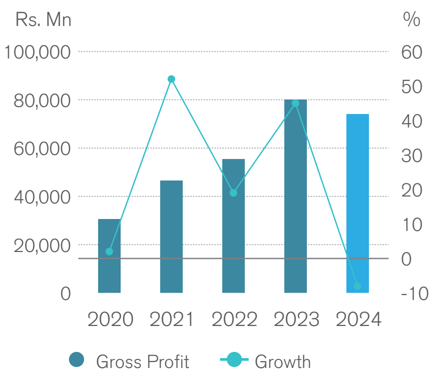
Earnings per Share



Net Asset Per Share



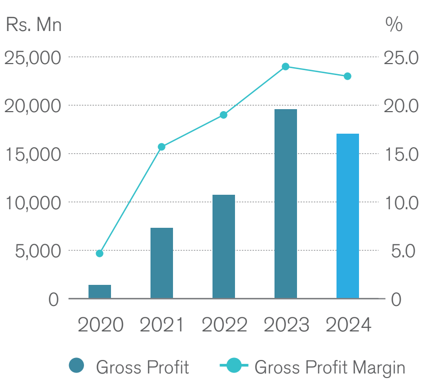
Revenue



Group revenue for 2024 declined by 8% year-on-year (YoY) to Rs. 74 billion, down from Rs. 80 billion the previous year. This decline was primarily attributed to two factors: the appreciation of the Sri Lankan rupee during the financial year, which impacted rupee revenue, and the continued decline in glove prices following the post-COVID period. Additionally, excess glove stocks in Europe and the USA during the first half of the financial year led to a decrease in demand and further impacted revenue.

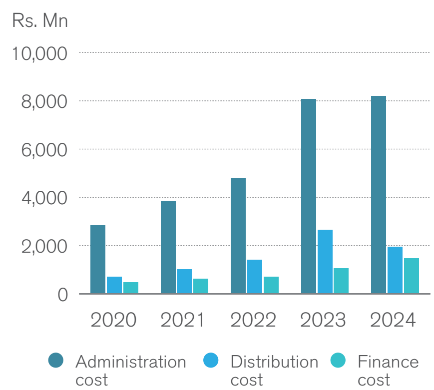
In the Plantations sector, the revenue increased by 8% YoY, bolstered by the consolidation of Horana Plantations during the financial year.

Gross Profit and Gross Profit Margin



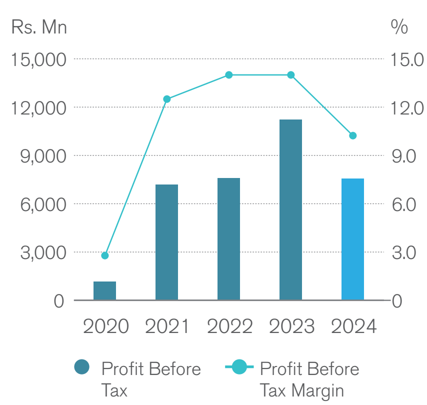
Despite a YoY decline in revenue, the Group maintained its gross profit margins. Consolidated gross profits decreased by 13% to Rs. 17.1 Bn. in 2024, down from Rs. 19.6 Bn. in the previous year. To mitigate the impact of higher costs, DPL strategically shifted its focus to higher-value-added products, enabling the Group to maintain its gross profit margin at 23%, slightly down from 24% in the previous year.

Operating Expenses



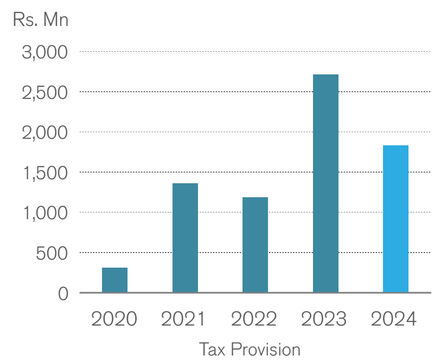
Distribution costs reduced by 26% YoY in 2024. Despite increased wage expenses, administration costs remained stable at Rs. 8.1 Bn, highlighting the Group's efficiency in managing operational costs and favourable currency conversion rates. Finance costs, however, rose to Rs. 1.5 Bn. in 2024, compared to Rs. 1.1 Bn. the previous year. This increase was primarily attributed to exchange losses incurred during the current financial year, in contrast to the exchange gain during the last year.

Profit Before Tax



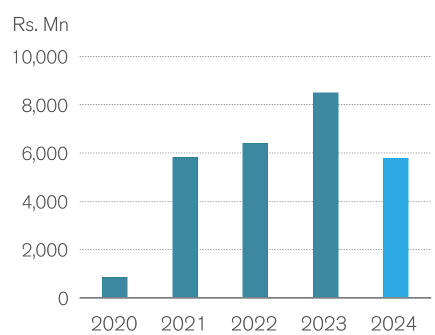
Profit before tax (PBT) declined by 33% YoY, falling from Rs. 11.2 Bn. in FY 2023 to Rs. 7.6 Bn. in 2024. Decreases in both Hand Protection and Plantation segments drove this decline. PBT from Hand Protection dropped by 24% (from Rs. 5.3 Bn. to Rs. 4 Bn.), while PBT from the Plantation segment fell by 33% (from Rs. 6.4 Bn. to Rs. 4.3 Bn.).

Taxation



Although the effective tax rate increased from 14% to 30% in Sri Lanka, the tax expense decreased to Rs. 1.8 Bn. in 2024, down from Rs. 2.7 Bn. in the previous year. This reduction was primarily due to enhanced capital allowances claimed during the year and the overall decline in PBT.

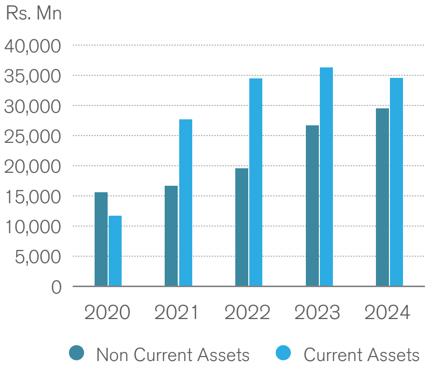
Profit After Tax



PAT declined by 33% YoY to Rs. 5.7 Bn. in 2024 compared to Rs. 8. 5 Bn. in the previous year.

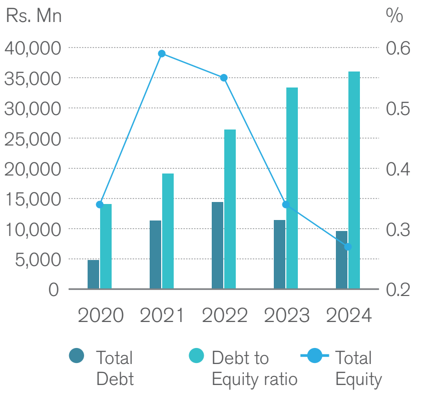
Despite the decline in PAT, the Group maintained its commitment to shareholder value by upholding dividend payments.

Asset Growth



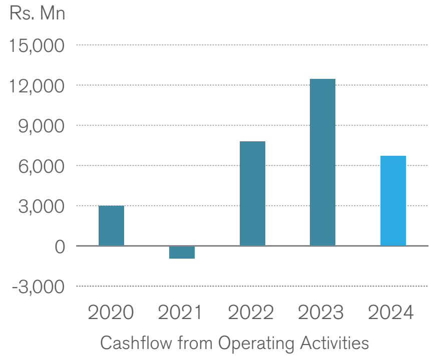
Group assets increased by Rs. 1.2 Bn. to Rs. 64.1 Bn. from Rs. 63.0 Bn. as of the end of FY 2023/24. This was due to investment in Property, plant and equipment.

Funding Profile



The Group's total debt decreased by 16% to Rs. 9.6 Bn. at the end of FY 2023/24, while total equity increased by 8% YoY to Rs. 36 Bn. This resulted in an improved debt-to-equity ratio, declining from 34% in 2022/23 to 27% in 2023/24.

Cashflow and Liquidity



The Group generated an operating cash flow of Rs. 6.7 Bn. during the year, aided by a net inflow of Rs. 1.5 Bn. from working capital improvements.

Investing activities resulted in a net outflow of Rs. 3.5 Bn. primarily due to capital expenditures for PPE additions in the Hand Protection Sector.

Financing activities resulted in a net outflow of Rs. 2.7 Bn. driven by repayments of long-term and short-term borrowings, as well as dividend payments.

Consequently, net cash flow for the period amounted to an inflow of Rs. 0.4 Bn. compared to a net inflow of Rs. 2.3 Bn. in the previous year.

Other Comprehensive Income

The Group's Other Comprehensive Income recorded loss of Rs 1.2. Bn , compared to gain of Rs.0.6.Bn in the previous year, mainly due to the net of exchange differences on translation of foreign operations and previous years revaluation surplus of PPE. As a result, the Group's Total Comprehensive Income amounted to Rs.4.5 Bn, a decline of 51% compared to the previous year.

Performance of the Share

The Dipped Products PLC share mirrored the performance of the broader market, recording significant volatility during the year under review. The share price traded between a low of Rs. 24.50 and a high of Rs. 35.70, closing the year at Rs. 30.40 a Increase of 10% compared to the beginning of the year. The share volume traded amounted to 52,617,997 shares under the 34,977 share transactions during the financial year.

Shareholder Returns

The Group continued to deliver on its shareholder commitments, supported by robust performance and healthy dividend payout. Shareholder returns as measured by Earnings per share declined from Rs.10.87 to Rs.7.47 during the year, as the increase in tax impacted profitability. Meanwhile, Net Asset Value per share increased from Rs.45.06 to Rs.48.09 depicting the growing value of the Group's non-monetised capital including innovation capabilities, deep rooted relationships with suppliers and communities, strong brand equity as well as our ability to attract the country's top talent.

Future outlook

The Group anticipates continued pressure on margins due to rising raw material prices, wage costs, and utility costs. Additionally, exchange rate volatility is expected to impact Group revenue. To navigate these challenges, the Group will maintain a strategic focus on market and product innovation, while simultaneously pursuing cost efficiencies across its operations.

SOCIAL & RELATIONSHIP CAPITAL

The strong relationships we have nurtured with our stakeholders, including our suppliers, customers, and communities are a key strength and a differentiator. Over the years, we have continued to share our success through these relationships, driving socio-economic empowerment across Sri Lanka. These crucial connections in effect represent our social license to operate now and in the future.

Value Creation Highlights

HAND PROTECTION

- 85% of natural latex sourced from 6,000 local farmers
- Rs. 3 billion payments to farmers under the Firstlight programme
- 87% Customer satisfaction rate
- Expanded into 4 new countries

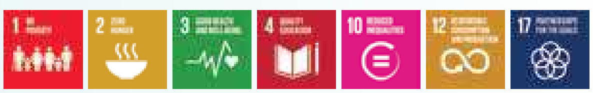
PLANTATION

- Rs. 14.2 Bn Payments to Suppliers
- 42% Small Scale Suppliers supported
- Initiated the woman supervisor programme – a first in the plantation industry
- Rs. 382 Mn invested in Community Development

Material Topics

- Product Responsibility
- Product and packaging lifecycle
- Environmental impacts on supply chain
- Child labour
- On-time delivery
- Regulations and compliance
- Customer satisfaction
- Product Quality
- Market presence
- Principal relationships

SDG Impact



Stakeholder Impact

- Customers
- Business Partners
- Government and Regulators
- Communities
- Employees

MANAGEMENT APPROACH

Our management approach emphasises strong engagement with customers, suppliers, and communities. We strive to build, enhance, and sustain these relationships upholding transparency and business ethics.

SUPPLIER CAPITAL

Our supplier partnerships are fundamental to our value creation process, as they enable us to secure a steady flow of quality raw materials but also contribute significantly to our overarching social mission of fostering sustainable livelihoods within our first-light farmer network.

SUPPLIER PROFILE

HAND PROTECTION

Includes a network of over 6,000+ local and global suppliers to source essential raw materials like natural and synthetic latex, chemicals, fabric liners, and packaging materials

PLANTATION

Comprise of Bought Leaf/Bought Latex suppliers, fertilizer suppliers, packing material providers, fuel suppliers, and other utility suppliers.

OUR SUPPLIER ECOSYSTEM

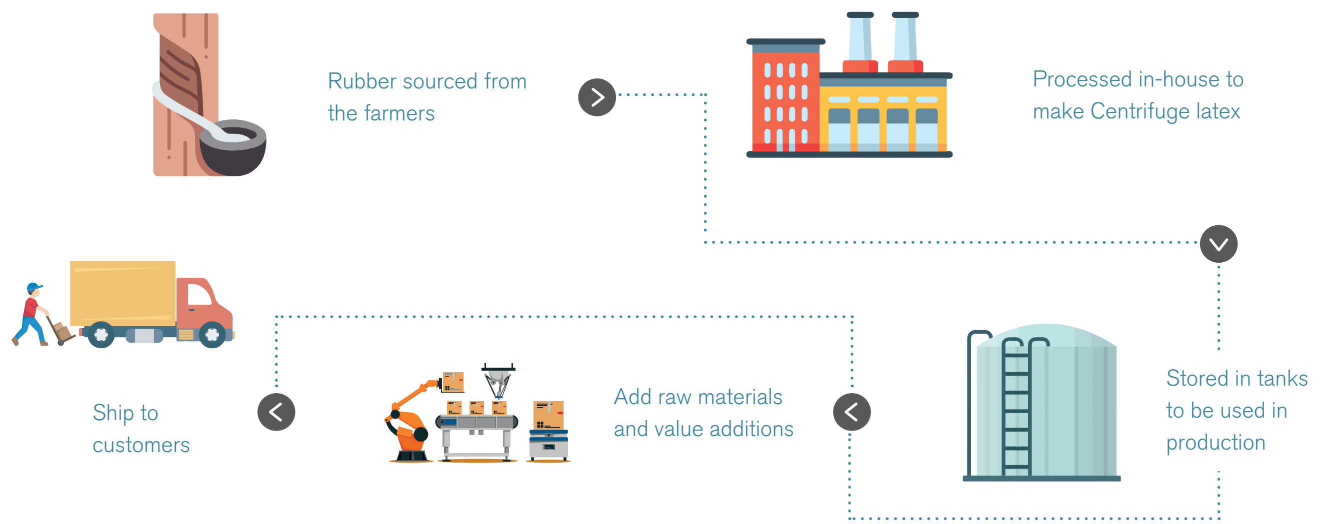
HAND PROTECTION	Local		Global	
	Suppliers (Nos.)	% of Quantity	Suppliers (Nos.)	% of Quantity
Nitrile latex	Nil	N/A	6	100
Natural latex	6,000 local farmers	85	3	15
Chemicals	30	30	110	70
Liners and yarn	20	30	30	70
Packing materials	60	98	10	2
Logistic partners	17	95	1	5

OUR APPROACH TO SUPPLIER MANAGEMENT

We adopt a collaborative approach working as a team with our strategic suppliers, spanning both local and overseas partners. Functioning as a unified team we are dedicated to meeting the diverse needs of our customers. Every quarter, we convene to strategise on areas such as enhancing logistics, optimising inventory management, and elevating quality standards. Our collaborative efforts extend beyond conventional business dealings as we engage in Environmental, Social, and Governance (ESG) initiatives together, aligning our supply chain practices with our commitment to sustainability. By proactively planning shipments well in advance for our strategic partners, we effectively address and resolve any challenges or pain points that may arise, ensuring a streamlined and efficient operation.

SUPPLY CHAIN

HAND PROTECTION



PLANTATION

FIELD OPERATIONS

- Tea Smallholders
- Fertilizer
- Agro-chemicals
- Fuel

TEA PROCESSING OPERATIONS

- Firewood
- Fuel
- Factory Machinery and Equipment

PACKAGING

- Sustainable Packing Material

STORAGE

- Warehousing

TRANSPORT

- Logistics Providers and Transporters

BUYERS

- Colombo Tea Auctions

SOCIAL & RELATIONSHIP CAPITAL

RESPONDING TO RISKS AND OPPORTUNITIES

RISKS AND OPPORTUNITIES

OUR RESPONSE

First 6 months of the FY 2023/24

- The global demand for gloves was low due to customers overstocking during the COVID-19 period
- The demand for rubber was low from other industries and raw material prices were stabilised
- The freight rates gradually decreased, to pre-COVID levels

- Adapting to the lower demand, our factories operated at 70-75% capacity

The second 6 months of the FY 2023/24

- The demand for gloves picked up
- The freight cost soared due to issues in the Red Sea
- Latex supply was insufficient due to the impact of the rain
- Latex prices increased by 15% YoY
- Electricity and water costs increased substantially
- The Sri Lanka Rupee appreciated against the US Dollar

- Factories operated at 85% capacity
- To mitigate the impact of rising rubber prices we have expanded our farmer base by incentivising a 20% increase in local farmer participation.
- Entered into strategic partnerships for volume discounts and sought alternative suppliers.
- Established direct contracts with shipping lines to secure the volumes.
- Implemented cost-saving optimising and cost-saving measures

- Increased price competition, leading to a 25% reduction in prices
- Increased customer orders for high value added gloves
- Customers placing increasing importance on sustainability considerations

- Adoption of smart manufacturing methods to rationalise costs and launch value-added products
- Expanded plant capacities
- Set up offices in India and the Middle East
- Setting up an electrician glove testing facility in India to cater to the demand
- Manufacturing gloves using sustainable materials
- Increased focus on the high-value industrial glove sector

OUR SUPPLIER STRATEGY

GRI : 204-1 GRI : 414-1 GRI : 414-2 GRI : 308-1 GRI : 308-2

Strengthening the supplier base

- We continued diversifying our supplier base to reduce the risk of supply chain disruptions. The diversification of suppliers also enabled us to negotiate more favourable prices with suppliers.
- During the year 2023/24, 7 new strategic partners were onboarded.
- Our supplier diversification strategy involved increasing the proportion of local suppliers and ensuring a pool of suppliers for each raw material.
- We support farmers by providing fertilizer and rubber plants as part of the supplier development progrmmes.
- We procure 85% of our natural latex from 6,000 local farmers through our Firstlight programme. Ensuring fair prices, we directly pay them, with payments made twice a week, totalling approximately Rs. 3 billion annually.

Driving greater supply chain efficiencies

Amidst persistent cost pressures affecting margins, our focus was on enhancing cost efficiencies across our supply chain. Key initiatives undertaken include:

- Established Electrician glove testing facility in India to expand market share.
- Expanded Marketing presence in Middle East, Africa and India.
- Establishing an in-house printing facility generating cost savings of up to Rs. 1 Mn. per month.
- Expanded supplier base in the synthetic latex range and achieved price reductions.
- The centralised warehousing facility in Biyagama enabled the reduction of fuel costs, waiting times, and labour requirements.
- Implementing Total Productive Maintenance (TPM) enabled reduced waste and increased efficiency, resulting in annual savings of Rs. 431 million. Initiatives of the supervisors in cost reduction and productivity enhancement further contribute to savings.

Prioritising ESG considerations in the supply chain

- With our key buyers increasingly prioritising ESG considerations, establishing a sustainable supply chain is imperative. Efforts to streamline logistics operations yielded a 12% reduction in fuel consumption.
- Collaborating with farmers, we commenced geo-mapping of protected areas to ensure responsible land use and conservation under the European Union Deforestation Regulation (EUDR).
- We maintain close collaboration with suppliers to ensure social and environmental compliance, with 25% screened using relevant criteria. No negative social or environmental impacts, nor risks of child or forced labour, were identified in our supply chain this year.
- In the Plantation sector suppliers undergo rigorous screening and due diligence to verify their social and environmental credentials. All suppliers undergo periodic audits to assess their ability to align the RA™ certification and the ISO 14000: Environmental Management Standard guidelines. This enables us to maintain traceability from the final product to the specific fields through unique invoice numbers.
- Our Rainforest Alliance certification guarantees that the year's production originates from certified sources.

Strengthening the supplier Eco System

- We view our suppliers as integral parts of our ecosystem, cultivating a deep understanding of their challenges and actively seeking solutions together.
- Supplier development programmes were conducted tailored for local suppliers, particularly for packing material suppliers. To address the high packing costs, we provided support in identifying areas for improvement and extending financial assistance for acquiring machinery to enhance production volumes.
- Awareness programmes were conducted for local natural rubber farmers on rubber tapping techniques that help them increase productivity with the available resources in order to both increase the volume shared with the organisation that effects in increasing the income earned.

Future outlook

Moving forward, with increasing volumes and demand, our focus remains on addressing challenges such as the Red Sea tension and rubber shortages in the market. We will continue to prioritise ESG compliance and cost optimisation. Amidst rising rubber prices, we will focus on expanding our farmer base and engaging in cost optimisation measures. In preparation for EUDR compliance, we will map the locations of 6,000 farmers and work towards full compliance by January 2025. Revamping our TPM programme aims to consolidate synergies and foster industry partnerships, while process automation remains a priority for efficiency.

SOCIAL & RELATIONSHIP CAPITAL

CUSTOMER CAPITAL

Our sustained market leadership hinges significantly on our customer relationships. We strive to nurture mutually beneficial connections. We are committed to nurturing mutually beneficial connections that deliver increased value.

CUSTOMER PROFILE

HAND PROTECTION	PLANTATION
Comprise over 300 global distributors in 70 countries	Comprise three main groups - tea brokers, local buyers, and overseas buyers

OUR APPROACH TO CUSTOMER MANAGEMENT

We have built a solid customer base with enduring relationships; 80% have stayed with us for over 20 years. We always prioritise delivering an exceptional service, ensuring on-time orders with the highest quality. Our focus is on retaining existing customers while also expanding our clientele.

OUR CUSTOMER STRATEGY

Diversification of the customer base

During the year we expanded our customer base to include Kosovo, Dominican Republic, Paraguay and Guatemala. Furthermore, we gained 54 new customers worldwide from our existing customer marketplace. Two offices were opened in the Middle East and India to expand our presence. Moreover, we participated in several trade exhibitions to acquire new customers.

Strengthening distribution

Ensuring dependable and timely product distribution remains a key concern for customers, especially amid concerns about supply chain disruptions. Establishing DPL France and ROZENBAL POLSKA strengthened our presence in these pivotal markets and broadened our marketing reach across Europe. During the year, we opened offices in the Middle East and India to capture new markets and cater to the demand for electrician gloves in India in particular. Moreover, an electrician glove testing facility was opened in India.

Expanding the range of our offering

We continued to expand our product lineup by introducing 22 new product offerings to the market. Additionally, our ongoing research and development endeavours are focused on meeting the increasing demand for environmentally sustainable products. (Please refer to page 135 for the list of new products developed)

OUR CUSTOMER STRATEGY

GRI : 416-1 GRI : 416-2 GRI : 417-1 GRI : 417-2 GRI : 417-3 GRI : 418-1

PRODUCT RANGE

- Our portfolio comprises over 700 product varieties tailored to meet the diverse hand protection needs of our customers. (For our complete product lineup, please refer to Page 10).
- The product portfolio of the Plantation sector includes 28 new products in FY 2023/24.

PRODUCT COMMUNICATION

- We uphold responsible marketing practices by furnishing accurate and reliable information, and empowering customers to make informed decisions.
- The Plantation sector strictly adheres to all product labelling guidelines of the Sri Lanka Tea Board and the Colombo Tea Traders Association.

PRODUCT SAFETY

- Before being released to the market, all our products undergo rigorous safety and quality assessments. Each package includes clear safety and handling instructions.
- The implementation of best agricultural practices and voluntary adoption of global manufacturing standards ensures the quality of the products in the Plantation sector.

PRODUCT QUALITY

- Our products adhere to numerous international and local quality certifications and accreditations. (For a full list, please refer to page 143)
- Adherence to Quality and Food Safety Policies enables to preserve the quality and safety efficacy of the product value chain from cultivation, fertilizer application, harvesting, weighing, drying, withering, sifting, grading and all the way up to packing and dispatch in the Plantation sector.

OUR TRACK RECORD FOR FY 2023/24

- **ZERO** - incidents of non-compliance related to health and safety impacts of products and services
- **ZERO** - incidents of non-compliance with regulations concerning product labelling and information
- **ZERO** - complaints regarding breaches of customer privacy and losses of customer data
- **ZERO** - incidents of non-compliance concerning marketing and communication

CUSTOMER COMPLAINT HANDLING MECHANISM

Sales executive enters complaint into the internal system

Alerts trigger further analysis to gather more details

Examination of product runs for similar problems

If issues are found:

- Solutions are provided
- Detailed responses are prepared, including corrective and preventive actions

If it is an isolated incident:
Investigation to determine if carelessness was a factor

Research and Development team thoroughly examines the matter using samples from past product runs

Managing customer relationships

We have a structured approach to managing customer relationships led by six regional business development managers overseeing customer interactions. Each manager is supported by marketing executives within their region, ensuring localised attention to customer needs across various countries. Additionally, a business development manager provides overarching supervision, addressing customer inquiries, complaints, and general support. Furthermore, regular monthly and weekly meetings are held to track progress and ensure seamless coordination within the sales team.

Future outlook

Looking ahead, our primary aim is to recapture lost volume within the retail sector while simultaneously securing new accounts, particularly focusing on large retail clients, with shipments set to commence in the upcoming fiscal year. Leveraging our marketing offices, we aim to penetrate B2C markets effectively. To optimise our distribution network, we plan to establish DPL warehouse facilities in strategic locations. For products currently outside our range, we will explore outsourcing options to meet market demands comprehensively. Additionally, we are committed to actively pursuing new customer acquisitions through targeted initiatives. To bolster our customer service capabilities, we will implement a new Customer Relationship Management (CRM) system, ensuring an enhanced experience for our clients.

COMMUNITY CAPITAL

We maintain strong relationships with the communities surrounding our operations. Investing in communities enhances our brand reputation, improves the calibre of potential employees, enhances literacy levels, and drives economic development.

COMMUNITY PROFILE

HAND PROTECTION

Comprise communities surrounding our factories and a farmer community of over 6,000 Firstlight farmers

PLANTATION

Comprise an estate community of over 750,000 individuals

GRI : 413-2

MANAGEMENT APPROACH

We consider it our responsibility to protect the well-being of the communities who surround our factories and are in our estates. Accordingly, we invest in equipping and educating our communities, empowering them to thrive and contribute meaningfully to society. Our community investment strategy centers on four key pillars: Enhancing Living Environments, Promoting Health & Nutrition, Building Community Capacity, and Empowering the community. There were no incidents of negative impacts on Local communities during the year.

FIRSTLIGHT PROGRAMME

GRI : 413-1

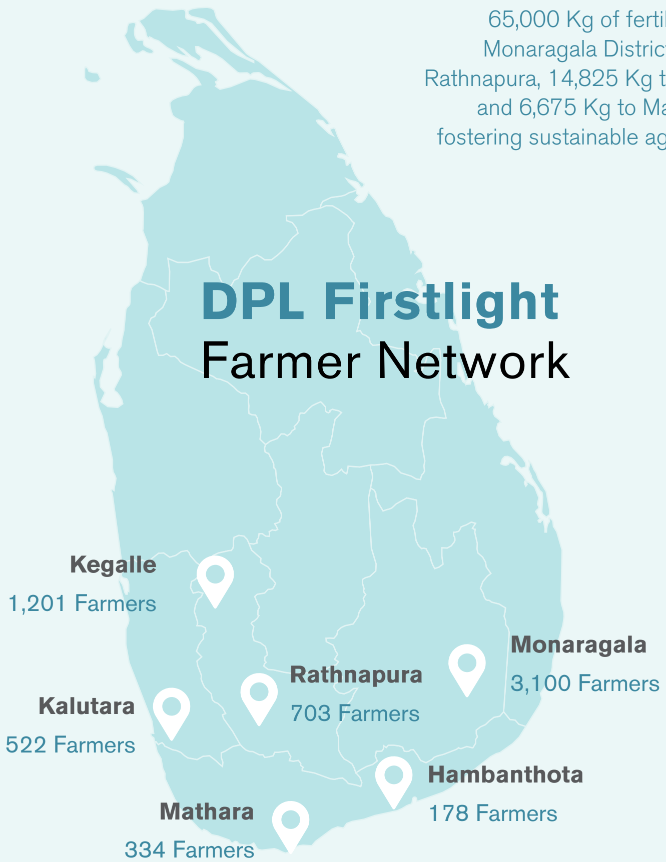
Firstlight" represents DPL's CSR initiative dedicated to enhancing the quality of life for disadvantaged farmers throughout Sri Lanka. This award-winning programme empowers over 6,000 farmers nationwide, fostering their socio-economic advancement while ensuring sustainable profitability for all stakeholders. Moreover, this is achieved without compromising the delicate ecosystems of our planet.

Visit the Firstlight website to read more about our sustainability story.

Initiatives during the year:

65,000 Kg of fertilizer was distributed to farmers in the Monaragala District, 31,000 Kg to Kegalle, 9,750 Kg to Rathnapura, 14,825 Kg to Kalutara, 4,350 Kg to Hambantota and 6,675 Kg to Matara empowering local communities, fostering sustainable agricultural practices, and ensuring the prosperity of smallholder farmers.

Firstlight is dedicated to ensuring fair compensation for rubber latex. By guaranteeing rubber smallholders a price indexed to RSS1, the highest grade of consumed rubber, Firstlight supports smallholder livelihoods. Additionally, DPL contributes a certain amount of earnings from every pair of gloves sold, funding education, health, and infrastructure projects to enhance the well-being of smallholders and their families.



IMPACT

USD 9.3 Mn
Savings of Annual Foreign Outflow for the country

Rs. 3.56 Mn
Investment in Community Development

Rs. 7.75 Mn
worth of Fertilizer Distributed to Farmers

600+
farmers Participated in Farmer Education Programmes

Farmer training on latex tapping, natural rubber collection techniques, nursery development etc.

SOCIAL & RELATIONSHIP CAPITAL

COMMUNITY ENGAGEMENT

GRI : 203-1

The group engaged in several community development initiatives as given below:

Access to Proper Nourishment

Month/Year : Apr 2023 – Mar 2024

CSR Initiative

Providing mid-day meals to students from communities vulnerable to malnourishment affecting their overall health, well-being, and education.

No. of beneficiaries: **2,800** Students

Amount: **Rs. 11.27 Mn**

Locations

1. Siri Sumanajothi Maha Vidyalaya - Thunnana
2. Deepangoda Sri Medhananda Maha Vidyalaya
3. Vidyadeepa Maha Vidyalaya, Matthegoda
4. Subashi Primary School - Biyagama
5. Yatihena Vidyalaya - Biyagama

Issues Addressed

Challenges faced by vulnerable school children:

- **Rising Malnutrition and Educational Disruption:** The current economic crisis has led to a concerning increase in malnutrition among school children, resulting in school dropout and significant disruptions to their education, perpetuating a cycle of poverty.
- **Lack of Basic Resources:** Children from vulnerable communities in urban areas often lack access to necessities, such as shoes, creating barriers to school attendance and participation, further exacerbating existing inequalities.
- **Unequal Educational Experiences:** The lack of resources and support for children from vulnerable communities results in a poor and unequal educational experience, leaving them feeling excluded and limiting their opportunities for future success.

Impact Made/National Contribution

Positive Impact as Reported by Beneficiaries and Organisations:

- **Strengthening national development:** The initiative directly contributed to national development by providing educational opportunities for children from vulnerable communities in urban schools, fostering a more inclusive and prosperous future.
- **Bridging the educational gap:** By supporting accessibility to education in rural villages, the project addressed disparities in educational opportunities, ensuring that all children, regardless of location, have access to quality learning.
- **Enhanced learning experiences:** The program demonstrably improved attendance and the quality of the educational experience, leading to better learning outcomes and increased opportunities for personal and professional growth.

Promotion of Peace, Unity & Harmony through Culture, Religion, Sports & Entertainment

Month/Year : Apr 2023 – Mar 2024

CSR Initiative

Fostering peace and unity by promoting cultural and religious harmony, leveraging the power of sports, culture, and religion to build bridges, and collaborating with local organisations to deliver charitable programmes.

No. of beneficiaries: **1,745** persons

Amount: **Rs.1.26 Mn**

Activities

- Supporting cultural and religious festivals and traditional practices
- Volleyball & Cricket Tournaments
- Shramadana & Infrastructure Upliftment

Issues Addressed:

The community faces a growing disconnect, marked by:

- **A lack of investment in unity:** Efforts to foster a multi-religious and multi-ethnic community remain insufficient, leaving divisions unaddressed.
- **Erosion of cultural heritage:** Traditional practices and cultural values are fading away due to a lack of support and investment.
- **Neglected potential of sports:** The community's potential to harness sports for social good remains untapped, failing to utilise its unifying power.educational experience, leaving them feeling excluded and limiting their opportunities for future success.

Impact Made/National Contribution

Positive Impact as Reported by Beneficiaries and Organisations:

- **Preserving cultural heritage:** The initiative actively promoted and preserved traditional cultural and religious practices, ensuring their continuity for future generations, and safeguarding the rich heritage.
- **Building community harmony:** By utilising sports and cultural practises, the project fostered a sense of harmony and unity among diverse communities.
- **Investing in community infrastructure:** Through the provision of financial and non-financial resources, the initiative facilitated the development of essential community spaces, creating vibrant hubs for social interaction, cultural expression, and community development.

Access to Educational Material

Month/Year : Apr 2023 – Mar 2024

CSR Initiative

Distributed school stationary items packages as per the required school checklist for each grade's requirements and donated books to the library.

No of beneficiaries: **960** Students

Amount: **Rs. 1.73 Mn**

Locations

- Parangiyawadiya Maha Vidyalaya
- Welikanna R.C.K Vidyalaya

Issues Addressed

Poverty and economic hardship in rural areas have a devastating impact on education, leading to:

- **Lack of basic school supplies:** Students often lack school bags, stationery, and even textbooks.
- **Increased dropout rates:** Financial struggles force many children to leave school.
- **Limited access to reading materials:** Rural schools often lack sufficient books in their libraries, hindering students' learning.

Impact Made/National Contribution

Impact as Reported by Beneficiaries and Organisations:

- **Increased access to education:** Providing essential school supplies has not only enabled more rural children to attend school but has also empowered them to thrive in their learning journey.
- **Improved educational outcomes:** Increased attendance and a more engaging learning environment, fueled by access to resources, have led to measurable improvements in educational results, such as higher test scores and graduation rates.
- **Fostering a love of reading:** Providing access to books and promoting reading has ignited a passion for learning among children who previously lacked these resources, creating a generation of avid readers and lifelong learners.

Access to Health Services

Month/Year : December 2023

CSR Initiative

Sponsored cataract surgeries collaborating with HelpAge Sri Lanka, under the "Give the Gift of Sight" project. Furthermore, we provided essential dry ration packages to these individuals and their families

No. of beneficiaries: **20** Senior Citizens

Amount: **Rs. 0.5 Mn**

Issues Addressed

- **Limited Access to Medical Services:** Senior citizens with limited income and from underprivileged or vulnerable communities face significant barriers to accessing essential healthcare services.
- **Lack of Free Services for Preventable Conditions:** The absence of free medical services for preventable diseases, such as eyesight problems, contributes to a decline in quality of life and hinders their ability to engage in daily activities. This results in unnecessary suffering and diminished independence.

Location

- HelpAge Sri Lanka

Impact Made/National Contribution

Impact as Reported by Beneficiaries and Organisations:

- **Reduced social exclusion:** The initiative effectively prevented vulnerable seniors from being marginalised due to preventable health issues, allowing them to actively participate in their communities.
- **Empowered senior citizens:** The project provided vital support to senior citizens with limited resources, enabling them to access crucial medical care and improve their overall well-being.
- **Fostered equity and inclusion:** The initiative demonstrably promoted a more equitable society where everyone, regardless of background or income, can access essential medical and health services, fostering inclusivity and a stronger sense of community.

Access to Basic Personal Material

Month/Year : Apr 2023 – Mar 2024

CSR Initiative

Provided basic personal material packages with essential items to children and senior citizens from less-privileged communities

No. of beneficiaries: **97** Students

Amount: **Rs. 0.12 Mn**

Issues Addressed

The economic crisis has driven a surge in poverty, leaving more individuals struggling to meet basic needs. This lack of access to financial resources results in:

- **Inability to afford essential items:** Many are unable to purchase necessities like shoes, lunchboxes, and umbrellas, impacting their health and well-being.
- **Increased vulnerability:** Without these essential items, individuals face a heightened risk of injuries, diseases, and poor health. This further hinders their ability to participate in daily life and pursue opportunities.

Locations

- Subashi Royal College, Biyagama
- Pipena Kusum Nursery, Hanwella
- Apeksha Elders Society, Hanwella

Impact Made/National Contribution

Impact as Reported by Beneficiaries and Organisations:

- **Reduced social exclusion:** The initiative effectively prevented vulnerable seniors from being marginalised due to preventable health issues, allowing them to actively participate in their communities.
- **Empowered senior citizens:** The project provided vital support to senior citizens with limited resources, enabling them to access crucial medical care and improve their overall well-being.
- **Fostered equity and inclusion:** The initiative demonstrably promoted a more equitable society where everyone, regardless of background or income, can access essential medical and health services, fostering inclusivity and a stronger sense of community.

Multi-stakeholder engagement through Community Development Initiatives

Month/Year : Apr 2023 – Mar 2024

CSR Initiative

Supporting the efforts of governmental authorities, providing crucial infrastructure development assistance to organisations working on the ground. This commitment to community upliftment goes beyond mere resource allocation; it includes promoting awareness through initiatives like factory visits, fostering a deeper understanding of industry operations, and ultimately empowering individuals with the knowledge they need to thrive.

No. of beneficiaries: **552** persons

Amount: **Rs. 0.16 Mn**

Issues Addressed

The community struggles with a disconnect between business and its stakeholders, leading to:

- **Limited engagement:** Business entities fail to actively engage with other community stakeholders, hindering collaboration and understanding.
- **Resource disparities:** Financial and resource constraints faced by community stakeholders limit their ability to participate effectively and contribute to solutions.
- **Fragmented efforts:** A lack of collaborative initiatives hinders the community's ability to address shared challenges and leverage collective strength.
- **Lack of transparency:** Inadequate awareness about the business and its operations creates a sense of disconnect and mistrust, hindering constructive engagement.

Impact Made/National Contribution

Collaborative Success as Reported by Beneficiaries and Organisations:

- **Enhanced collaboration:** The initiative fostered improved communication and collaboration among stakeholders, creating a stronger network for addressing community challenges and fostering shared goals.
- **Sharing expertise and resources:** The project facilitated the sharing of best practices and support for incorporating innovative solutions, enabling organisations to learn from each other and amplify their impact.
- **Joint resource allocation:** The initiative enabled the pooling of financial resources for the common good, maximising their impact and supporting projects that benefit the entire community.
- **Collective action for community well-being:** The initiative created a strong network and facilitated collective efforts to address community issues, demonstrating the power of collaboration in tackling complex challenges and achieving lasting change.

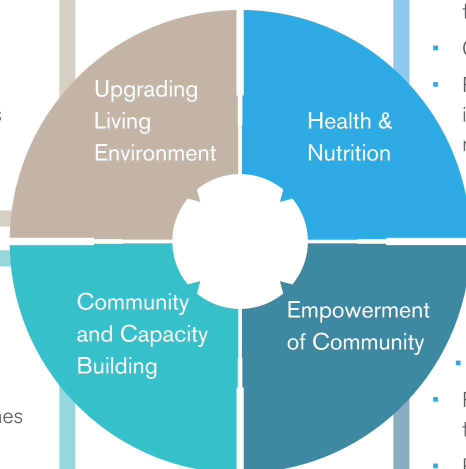
Entities Engaged with.

- Divisional Secretariat – Seethawaka
- Labour Department – Avissawella
- Media Society – Seethawaka
- Police Station – Padukka
- Police Station – Hanwella
- University of Sri Jayewardenepura
- MOH Office - Kahathuduwa
- Maithree Elder's Society - Hanwella

HOME FOR EVERY PLANTATION WORKER

Entering its 16th year, the 'Home for Every Plantation Worker' initiative represents a comprehensive effort by our plantation group companies to elevate the living standards of estate communities.

- Upgrading and rehabilitation of traditional worker houses,
- Provision of factory and field rest-rooms,
- Electrification of housing and living quarters
- Upgrading existing water supply schemes



- Signatory to "Mother and Child- Friendly Seal for Responsible Business
- Conducting periodic medical camps
- Regular health and nutrition checks including immunisation and child growth development monitoring
  - Provision of ambulance facilities on estates

- Provision of micro financing facilities
- Preschool and nursery education programmes

- Monitoring of child development from ages 5 to 18, according to International Labour
- Organisation (ILO) standards,
- Projects for skill-building, including vocational training,, and computer classes,
- Providing of guidance & assistance for higher education programmes

SOCIO-ECONOMIC COMPLIANCE

GRI : 415-1 GRI : 419-1

A robust governance framework, coupled with ongoing compliance monitoring conducted by the Internal Audit function, ensures adherence to all relevant laws and regulations. Additionally, clear whistleblowing policies and grievance mechanisms are in place to assess risks related to corruption or any other unethical behaviour. All employees receive training on the company's anti-corruption policies and procedures. Importantly, there were no confirmed incidents of corruption or legal actions related to anti-competitive behaviour, anti-trust, or monopoly practices during the year. As a matter of policy, DPL abstains from contributing to any local or foreign political party, individual, or affiliate.

Future outlook

We will continue to invest in our communities to support Sri Lanka's economic development through socio-economic empowerment. As a responsible business organisation, we strive to address national concerns and issues identified in our communities. Our community development initiatives aims to achieve ambitious targets and contribute to national development.

HUMAN CAPITAL

Our team of over 17,500 employees, engaged in local and overseas operations, drives the Company's strategic agenda, powering its growth, innovation, and sustainability aspirations.

Value Creation Highlights

HAND PROTECTION

- Rs. 6.3 Bn Payments to Employees
- 32% Female Participation
- Rs. 7.4 Mn Investment in Training and Development
- 84% Employee Retention Ratio

PLANTATION

- Rs. 9 Bn Payments to Employees
- Total Employees of 15,360
- 54.27% Female Workforce
- Rs. 30.4 Mn Investment in Training and Development

Material Topics

- Employee well-being
- Employee relations

SDG Impact

Stakeholder Impact

Government and Regulators

Communities

Employees

EMPLOYEE PROFILE

HAND PROTECTION

A full-time workforce of 2,224

PLANTATION

A full-time workforce of 15,360 of which approximately 90.7% comprised the estate employees

MANAGEMENT APPROACH

We strengthen employee relationships by taking proactive steps to support our employees and deepen engagement levels. This allows us to maintain uninterrupted operations delivering value for our customers.

Risks and opportunities	Our response
▪ Employee migration at all levels of the organisation due to the country's economic situation ▪ Attracting the required talent, especially from the younger generation ▪ Addressing fluctuating order demands by managing our existing human resource capacity efficiently ▪ Maintaining cordial relations with the trade unions ▪ Meeting the high standards and compliance requirements of international markets, government authorities and customers	▪ Fostered strong employee relations by providing learning and development opportunities and offering career guidance, including avenues for advancement ▪ Nurtured a multi-skilled workforce in our factories to adapt to changing order requirements and work patterns ▪ Provided subsidised meals to our employees ▪ Foster strong relationships with state and private universities to recruit top candidates
▪ Labour shortages in the plantations, with younger generations increasingly pursuing opportunities outside the estates	▪ Implemented the revenue-sharing model ▪ Implemented the female supervisor programme ▪ Provide career development opportunities ▪ Youth empowerment programme with higher education support

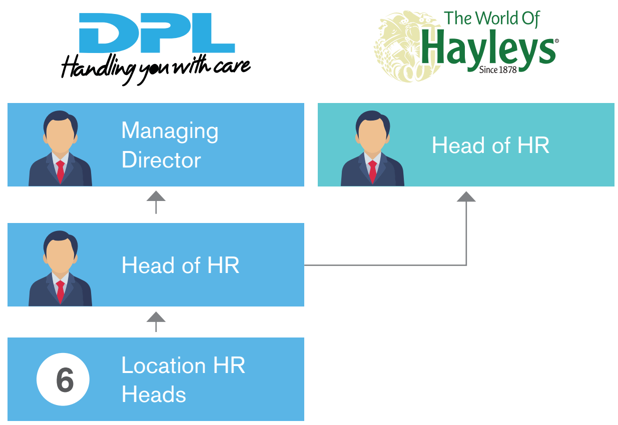
HR GOVERNANCE

GRI : 406-1 GRI : 408-1 GRI : 409-1

We integrate HR best practices through a comprehensive policy framework, robust processes, and a strong governance structure. Our HR policies and governance structures mirror those of our parent company and are aligned with the Group's 2030 social aspirations outlined in the Hayleys Lifecode and DPL Pulse-ESG Roadmap 2030. The Human Resources Department oversees the implementation of our HR and CSR strategies and ensures their alignment with our overall business objectives.

We have maintained strict adherence to all laws and regulations preventing child labour, forced/compulsory labour, modern day slavery, human trafficking and there were no cases reported during the year in consideration. Additionally, our stringent policies prohibit any form of discrimination, and no incidents of discrimination were reported during the year.

DPL HR GOVERNANCE STRUCTURE



HR STRATEGIC FOCUS AREAS

Our strategic focus areas encompass upskilling our workforce, enhancing employee engagement with the company, and fostering strong relationships with unions.

SHORT-TERM

- Ensuring employees' financial and emotional well-being
- Enhance the quality of work life by engaging employees in the productivity improvement process.
- Enhance employee benefits and welfare activities to keep employees motivated.
- Automation of HR processes and functions such as Training and Development.
- Compensation and benefits with Oracle Fusion HCM.
- Enhance the quality of the training and development process.
- Improve technical knowledge and supervisory capabilities of all production personnel to improve productivity.
- Develop core competencies which would be decided for each level and conduct job evaluation for executive grade
- Introduce an effective performance-based reward and recognition scheme per the Company's growth strategy.
- Conduct an annual salary survey within Hayleys Group of companies to benchmark the remuneration package of all entry positions for all executive job roles and adjust salary scales if necessary to attract and retain high performers.
- Complete the job grading system for Operations Assistants.
- Address issues in employee retention at all levels.
- Re-visit existing policies and procedures.

LONG-TERM

- Develop skills and build capacities to create a diverse and engaged team
- Continuous learning opportunities
- Leadership programmes to cater different requirements identified within the organisation
- Inclusive and equitable organisational culture
- Create an employer brand and be a preferred choice of potential candidates by enhancing the employee value proposition.
- Build a Learning Organisation through a structured approach to Learning & Development.
- Implement a structured career and succession planning mechanism across all job levels.
- Ensure proper and transparent reward and recognition scheme through the Performance Management System.
- Improve employee retention across all job grades through various employee engagement and welfare initiatives.
- Develop a multi-skilled workforce across the board.
- Drive traditional HR function to a Strategic Business Partnership with the business.
- Introduce industrial engineering and automation-related improvements to improve labour productivity.

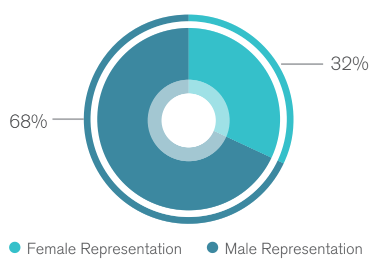
EMPLOYMENT

GRI : 2-7

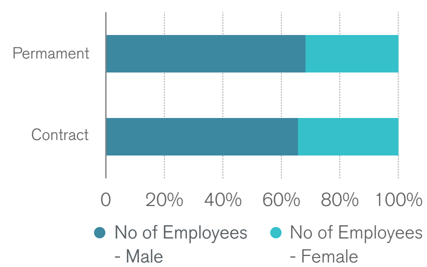
DPL Hand Protection sector comprises of 2,224 employees as of 31 March 2024, of which 100% were full-time employees. We are an equal-opportunity employer, and we nurture a diverse team. Our team profile is given below:

Hand Protection Sector			
By Region	**Male**	**Female**	**Total**
Sri Lanka	1,311	363	1,674
Overseas	201	349	550
By Employment Type			
Full Time	1,512	712	2,224
Part Time	-	-	-
By Contract			
Permanent	1,451	683	2,134
Contract	61	29	90
By Category			
Assistant Manager and above	112	40	152
Executives and Junior Executives	123	64	187
Non-Executives	1,277	608	1,885

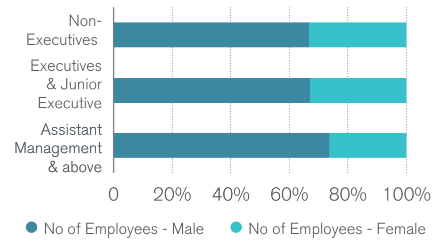
Gender Representation - Hand Protection



Employees by Gender & Contract Type - Hand Protection

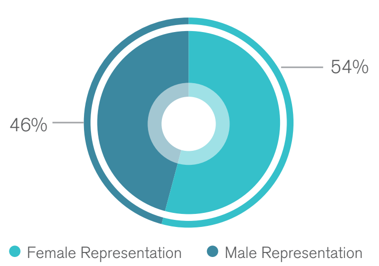


Employees by Gender & Category - Hand Protection

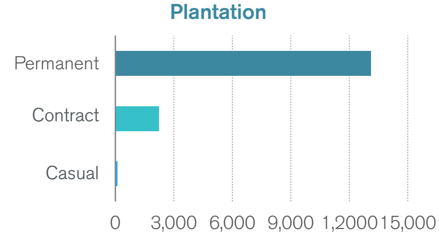


Plantation Sector			
By Region	**Male**	**Female**	**Total**
Total Employees	7,024	8,336	15,360
By Employment Category			
Assistant Manager and above	48	30	78
Executives	913	327	1,240
Clerical & Supervisory	100	8	108
Manual	5,963	7,971	13,934

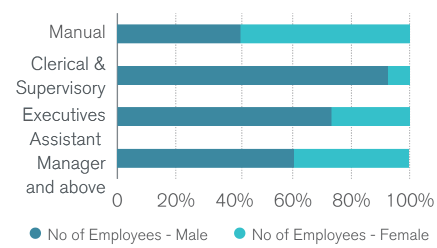
Gender Representation - Plantation



Employees by Contract Type - Plantation



Employees by Gender & Category - Plantation

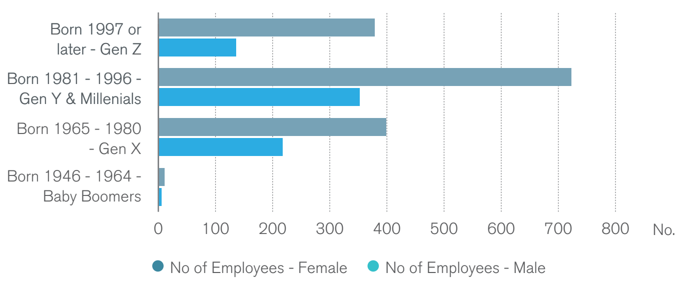


GENERATION ANALYSIS

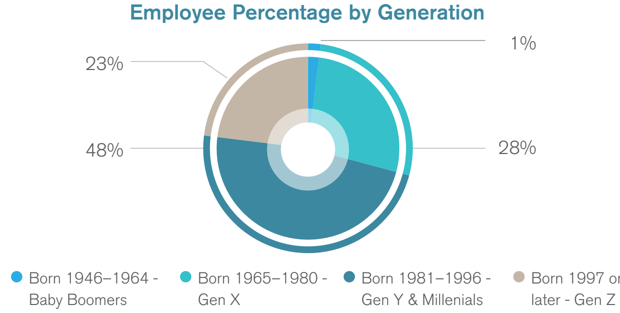
Employee Category	Baby Boomers		Gen X		Gen Y & Millennials		Gen Z		Total	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Assistant Managers & above	8	4	63	22	41	15	0	0	112	41
Executives	1	0	28	12	82	36	12	15	123	63
Non-Executives	2	2	308	184	600	301	367	121	1,277	608
Total	**11**	**6**	**399**	**218**	**723**	**352**	**379**	**136**	**1,512**	**712**

As a business that is continuously adapting to the changing external markets and consumer behaviours patterns, we strive to carefully look within the organisation to understand the generational requirements. Therefore analysing the employees in generations beyond the standard age categorisation assist us in making decisions that best address employee requirements . We strive to bridge the generational gap within the organisation by creating an inclusive working environment that enable all employees to meaningfully engage and contribute.

Employees by Generation and Gender



Employee Percentage by Generation



Service Period Analysis of Employees

Employee Category	Less than 5 years		6-10 years		Over 11 years		Total	
	Male	Female	Male	Female	Male	Female	Male	Female
Assistant Managers & above	34	14	30	8	48	19	112	41
Executives	63	44	27	9	33	10	123	63
Non-Executives	774	345	247	160	256	103	1,277	608
Total	**871**	**403**	**304**	**177**	**337**	**132**	**1,512**	**712**

GRI : 401-2

REMUNERATION AND BENEFITS

In response to the substantial increase in the cost of living, we implemented proactive measures to alleviate the financial strain on our employees. Total payments to employees amounted to Rs. 6.3 Bn., inclusive of various forms of assistance to support them during this challenging period. This included subsidised meals for families of employees in both the Hand Protection and Plantation Sectors.

Non-executive cadre of the Hand Protection Sector and Plantation sector received negotiated remuneration annually based on their respective collective agreements. Furthermore, we award salary increments and bonuses according to these agreements, taking into account the increased cost of living. During the year under review, a significant bonus was provided to all Hand Protection employees in recognition of their contribution to the financial performance of the Organisation.

Our executive compensation comprises a fixed pay component and a variable component tied to performance. To maintain competitiveness, we regularly review our pay structures against market rates. Additionally, employees in both sectors enjoy a comprehensive benefits package, including medical coverage, vehicle and fuel allowances, shift allowances, loans, long service awards, educational assistance, personal accident cover, group term life assurance, and uniforms, in addition to the statutory benefits.

In the Plantation sector, the wages offered to our estate workforce are in line with the Wages Board Ordinance and the minimum guaranteed wage per worker per day and additionally other incentives according tho the labour law.

GRI : 202-1

Remuneration and Benefits		
	Hand Protection	Plantation
Total Payments in FY 2023/24 (Rs. Bn)	6.3	9.0
Ratios of entry-level wage to Minimum Wage	1:1	1:1

GRI : 401-1

MOVEMENT IN OUR HUMAN RESOURCES

Our comprehensive talent acquisition process identifies and selects the most competent individuals. We prioritise a fair and inclusive hiring process, ensuring our managers utilise best practices that promote equal opportunity and eliminate unconscious bias. Our open and transparent onboarding process communicates our organisational culture and fosters a supportive environment that empowers each employee's career growth.

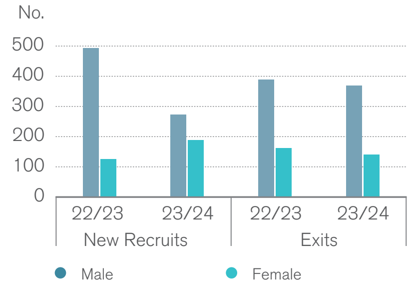
We maintain strong relationships with state and private universities to attract top talent. Our talent acquisition team collaborates closely with these institutions to identify and recruit the best candidates. Our internship programme offers hands-on training to a large group of young professionals. This programme has successfully identified and recruited top talent for permanent positions upon completion. The programme benefits both the organisation, by attracting skilled individuals, and the interns, by providing valuable experience and career development opportunities.

Additionally, we utilise licensed recruitment packages from digital platforms such as LinkedIn to locate the right talent for our organisation. During the year under review, the Hand Protection sector recruited 460 individuals and the Plantation sector 3,151 individuals. Moreover, there were 510 employee exits in Hand Protection and 3,662 exits in the Plantation sector during the year. The growing number of Sri Lankans leaving the country to work abroad has had a substantial impact on employee retention within the nation.

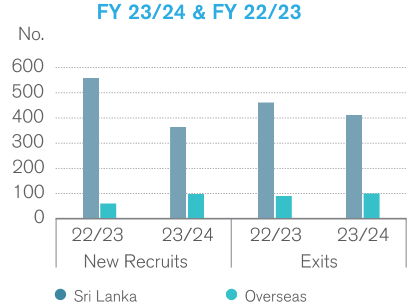
Analysis of Recruitment and Exits of Employees - Hand Protection

Employee Category	Recruitment		Exits	
	2023/24	2022/23	2023/24	2022/23
By Gender				
Male	272	493	369	389
Female	188	125	141	161
By Region				
Sri Lanka	363	558	411	461
Overseas	97	60	99	89
By Employment Type				
Full Time	460	618	510	550
Part Time	-	-	-	-
By Age (Years)				
Less than 30	335	478	345	379
30 - 50	120	137	139	162
More than 50	5	3	26	9
By Category				
Assistant Manager & above	13	11	17	15
Executives & Junior Executives	37	36	26	31
Non-Executives	410	571	467	504

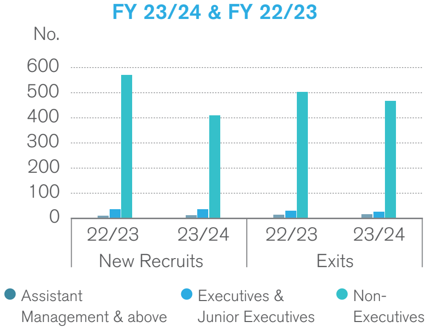
Recruitments & Exits by Gender in FY 23/24 & FY 22/23



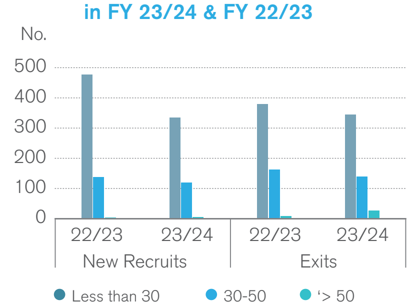
Recruitments & Exits by Region in FY 23/24 & FY 22/23



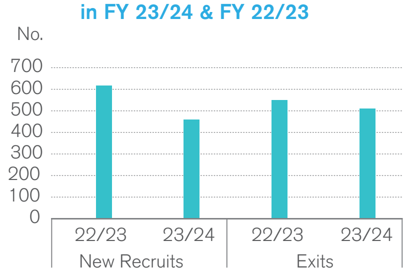
Recruitments & Exits by Category in FY 23/24 & FY 22/23



Recruitments & Exits by Age of Employees in FY 23/24 & FY 22/23



Recruitments & Exits in FY 23/24 & FY 22/23



OCCUPATIONAL HEALTH AND SAFETY (OHS) AND EMPLOYEE WELL-BEING

GRI : 403-1 | GRI : 403-2 | GRI : 403-3 | GRI : 403-4 | GRI : 403-5 | GRI : 403-6 | GRI : 403-7 | GRI : 403-8 | GRI : 403-9 | GRI : 403-10

Hand Protection

Plantation

All employees in the Plantation Sector are provided healthcare from cradle to grave. This includes maternity benefits, childcare, immunisation programmes, nutrition support and reproductive health among others. Moreover, our health and safety initiatives extend to our direct employees and the broader estate community. Our Plantation Sector companies have increased their efforts to uphold the welfare of families and children within the tea sector. This was signified by their commitment to the Mother and Child-Friendly Seal for Responsible Business; a pledge to prioritise the well-being of our workforce and their families.

Furthermore, our health and safety agenda extend beyond physical safety and wellness to include mental wellness. During FY 2023/24, employees were offered emotional and mental wellness programmes.

Kelani Valley Plantations, Talawakele Tea Estates and Horana Plantations have maintained the "Great Place to Work" (GPTW) certification during the year.

Occupational Health and Safety records - Hand Protection	Nos.
Lost Working Man Days	22
Work-related Fatalities	0
First Aid Cases	38
Occupational Injuries - Resulting Lost Days	1

Occupational Health and Safety records - Plantation	Nos.
Lost Working Man Days	56
Work-related Fatalities	0
First Aid Cases	151
Occupational Injuries - Resulting Lost Days	7

Physical well-being	Mental well-being
▪ Access to on-site medical facilities ▪ Annual medical check-ups ▪ Breast Cancer Awareness	▪ Counselling facilities ▪ "Talking Helps: Listening Heals" Drug Prevention Awareness Programmes ▪ Sessions on Personal Money, Time and Stress Management
▪ Recreational Activities	▪ Best Practices for Health and Safety
Hayleys Group offers; ▪ Yoga ▪ Zumba ▪ Gym ▪ Swimming ▪ Sports	▪ Provision of PPE ▪ Safety measures in the factory floors ▪ Safe chemical handling training ▪ First Aid training ▪ HIV awareness training

STAFF ENGAGEMENT ACTIVITIES

Throughout the year we conducted several staff engagement activities including but not limited to

- Cultural Festive activities
- Religious festive activities
- Annual staff day outings
- Long service awards ceremony
- Cricket Tournament
- Year-end get-together

PERFORMANCE MANAGEMENT

GRI : 404-3

We conduct annual performance appraisals systematically for both executive and non-executive employees. Executive evaluations adhere to pre-defined SMARTER (Specific, Measurable, Achievable, Relevant, Time-bound, Evaluated, and Reviewed) goals, which are meticulously monitored through our online performance management system, both mid-year and year-end. Non-executive assessments are based on productivity targets and are reviewed on an annual basis as well. 100% of employees received regular performance and career development reviews during the FY.

Performance Appraisal Process for Executive and above

Goal Setting	Goals established at the beginning of the year
Mid-Year Assessment	Evaluation of progress and providing feedback to employees
Year-End Review	Rating the performance and providing feedback to employees
Normalisation and Calibration Meeting	Meeting with General Management Committee (GMC) to ensure fairness
Finalisation of Performance Management	Performance management process is concluded
Extraction from PMS and Training Needs Identification	Extract relevant data from the Performance Management System (PMS) and determine training and development needs of the employees

Female Supervisor Programme

Talawakale Plantations initiated the Female Supervisor Programme to provide a career path and promote female supervisors within the plantation company. We received 500+ applications from the community, and 24 were selected as female supervisors. They completed a six-month training programme and are now involved in field operations, working alongside male officers. This initiative has greatly increased motivation among female pluckers.

Traditionally, our business structure didn't offer career advancement for pluckers, who often remained at the same level throughout their careers. However, the implementation of this performance-based programme enables pluckers to progress within our organisation.

LEARNING AND DEVELOPMENT

GRI : 404-1 GRI : 404-2

Learning and development are essential tools for equipping our employees with the necessary skills to drive our organisation forward. Throughout the year, we prioritised employee development with a strong emphasis on enhancing leadership skills, productivity management, and sales force proficiency. The key training initiatives for the year included:

	Hand Protection	Plantation
Number of Total Training Hours (Hrs)	71,543	189,497
Number of Employees Trained (Nos)	6,936	119,198
Average Training Hours per Employees (Hrs)	33	13
Total Investment in Training (Rs. Mn)	7.4	30.4

Employee Category - Hand Protection	Training hours
Assistant Manager and above	3,934
Executives	4,826
Non-Executives	62,783
Total	**71,543**

DPL Trainers Club

This is a pioneering initiative within our Organisation where employees with specific expertise are identified and undergo a comprehensive train-the-trainer programme. This approach aims to leverage the extensive tacit knowledge held by our employees.

GENDER PARITY

GRI : 405-1

We continued to foster a diverse, equitable, and inclusive workplace culture, particularly by encouraging greater participation of women in the workforce and by refining our policies, procedures, codes, and work practices.

In 2022, we launched the "Abimansa" initiative, demonstrating our commitment to diversity, equity, and inclusion. Building upon this foundation, the DPL Pulse ESG Roadmap 2030, launched in August 2023, identified a need to proactively promote gender equality and women's empowerment. This led to the revamp of our initiative, now titled "Choose to Challenge," which aims to create a gender-equal environment within the organisation and beyond.

The "Choose to Challenge" initiative focuses on challenging societal norms and transforming existing practices to empower employees of all diversities. Our action plan is built upon six key pillars:

1. Talent Acquisition, Recruitment, Retention, and Remuneration
2. Knowledge & Skills Development
3. Career Progression, Leadership & Representation in Decision-Making
4. Safe, Respectful & Supportive Workplace
5. Reporting & Recognition of Achievements
6. Impact on a Wider Community

DPL is implementing this programme aimed at confronting and dismantling certain entrenched beliefs and stereotypes, by rallying everyone towards a common goal of fostering inclusivity and gender equality in the workplace.

In conjunction with this initiative, the "EMBRACE programme" was implemented for all executives and above. This programme aims to address unconscious bias prevalent within the Company. At the junior level, participants gain insight into the concept of DEI, while at the senior level, the focus shifts towards identifying and mitigating unconscious biases.

Codes and Standards

Diversity and inclusion are a key area of focus

Targets

Build an Inclusive and Equitable Organisational Culture by providing suitable training and awareness on anti-discrimination for employees

Policy Framework

- Hayleys Way - Code of Business Principles
- Equal Opportunity
- Anti Sexual Harassment Policy
- Social Accountability Policy
- Non-Discrimination Policy
- Human Rights Policy
- Pregnant Mothers' Policy

Best practices

- Flexible work arrangements
- Awareness programmes to address gender bias
- Awareness programmes on sexual harassment
- "EMBRACE" Gender Exclusivity related Awareness

Gender Parity

Gender Parity Indicators	2023/24	2022/23
Female representation at the Board level (%)	8	8
Female representation Assistant manager and above level (%)	23	19
Female representation at the Executive level (%)	35	32
Female representation at the Non-Executive level (%)	32	30
Female Recruits (Nos.)	188	125
Training hours for females (Hrs)	18,874	12,213
Proportion females trained (%)	27	30
Proportion female exits (%)	28	29
Proportion females recruited (%)	41	20
Proportion females promoted (%)	46	31
Departmental - Wise Female Representation (Executive and above)		
HR and Administration (Nos.)	8	9
Finance (Nos.)	9	8
Sales and Marketing (Nos.)	31	23
Procurement (Nos.)	11	11
R&D and Technical (Nos.)	24	18
Operations (Nos.)	2	5
Engineering (Nos.)	3	3

INDUSTRIAL RELATIONS

GRI : 402-30 GRI : 402-1 GRI : 407-1

We have continued to maintain a close and ongoing dialogue with trade union during the year to ensure an uninterrupted operation. We operate five factories in Sri Lanka, three of which have six unions. Managing such a diverse environment is challenging, as disruptions can occur if not handled effectively. However, despite these challenges, we are pleased to report a successful year with no labour disputes. Furthermore, we have achieved significant milestones, including the signing of three collective agreements with DPL Premier Gloves, each spanning three years. Moreover, our Kottawa factory successfully signed agreements with two unions during the FY.

Future outlook

Going forward, we aim to improve our ability to attract and retain top talent by fostering a more productive workforce and passing on the resultant benefits to our employees through bonuses and competitive salaries.

Focusing on succession planning, we will implement a succession planning module and launch supervisory and leadership development programmes.

Our commitment to DEI is an ongoing journey and we will implement measures to embrace inclusivity or a more cohesive and thriving workplace.

MANUFACTURED CAPITAL

Our manufactured assets are a key strategic advantage that sets us apart in the hand protection and plantation sectors. Through prudent investments, we have nurtured these assets to boost revenue, elevate service standards, enhance productivity, and minimise our environmental impact.

Value Creation Highlights

HAND PROTECTION

- Rs. 431 Mn Cost Saving from Lean Projects
- 4% Decrease in Carbon Footprint through Solar Investment
- Rs. 2,697 Mn Investment in CAPEX

PLANTATION

- Contribute 4.6% National Tea Production
- Contribute 4.1% National Rubber Production
- Rs. 87 Mn Revenue from Non-traditional Crops
- The Newly Constructed Thiruwanaganga Tea Factory will be the First Green Building-rated Tea Factory in Sri Lanka

Material Topics

- Technology and product innovations
- Market presence

SDG Impact

12

Stakeholder Impact

- Customers
- Business Partners
- Government and Regulators
- Communities
- Employees

OUR MANAGEMENT APPROACH

In the context of the challenging operating environment marked by low volume orders, escalated freight costs, utility expenses, and notable turnover in junior employee ranks, we have directed our efforts towards cost optimisation and production capacity enhancement. We aim to achieve greater cost savings by streamlining our distribution operations. Additionally, we are recruiting seasoned professionals to fortify our workforce. Having discerned the promising prospects within our operational sectors, we continued to expand our manufacturing capacity within high-value, niche product segments. Furthermore, we are focused on enhancing manufacturing and distribution efficiencies to uphold excellence in our operations. Moreover, we embraced renewable energy and automation in our processes to enhance sustainability and efficiency in the long run.

MANUFACTURED CAPITAL

OUR MANUFACTURED CAPITAL

Our supplier partnerships are fundamental to our value creation process, as they enable us to secure a steady flow of quality raw materials but also contribute significantly to our overarching social mission of fostering sustainable livelihoods within our firstlight farmer network.

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MANUFACTURE CAPITAL PROFILE

HAND PROTECTION

5 Manufacturing Facilities in Sri Lanka

1 Manufacturing Facility in Thailand

PLANTATION

55 Estates

Operates in 4 Districts

HAND PROTECTION

Company	Location	Product
Dipped Products PLC	Kottawa	Unsupported household and industrial gloves Supported household and industrial gloves, Electrician gloves
Hanwella Rubber Products Ltd	Hanwella	Unsupported household and industrial gloves
DPL Premier Gloves Ltd	EPZ block B, Biyagama	Unsupported household and industrial gloves
DPL Universal Gloves Ltd	EPZ block A, Biyagama	Supported household and industrial gloves
DPL Sports Glove Facility	EPZ block B, Biyagama	Sports Gloves
Dipped Products (Thailand) Ltd	Khun Nieng, Songkhla (Thailand)	Disposable Gloves

PLANTATION

Company	Location	Crop
Kelani Valley Plantations PLC	Island wide	Tea and Rubber
Talawakelle Tea Estates PLC	Island wide	Tea and Rubber
Horana Plantations PLC	Island wide	Tea and Rubber

RESPONDING TO RISKS AND OPPORTUNITIES

Risks and opportunities	Our response
During the post-COVID-19 period, many customers faced overstocking issues, leading to a decline in orders placed.	Pursued new customers to mitigate the impact of reduced orders from existing clients. Increasing capacity in high-volume and high-margin product categories like electrician and sports gloves.
Rising utility costs including electricity and water, and the increased price of firewood	Implemented solar power systems across four of the five operational locations and initiated water reuse practices, recycling up to 50% of water for production purposes. Additionally, we established wetlands to purify and reuse water and introduced chemical-absorbing plants in our ponds. In Hanwella, we achieved a 32% water reuse rate, while in Kottawa, we attained 15%. Implemented a new manufacturing process aimed at significantly reducing water consumption. Through this method, we have successfully decreased water usage in glove manufacturing by up to 90%.

Risks and opportunities	Our response
New customers placing small order quantities affecting production capacities	Implemented measures to reduce plant downtime during changeovers by 10% by brainstorming solutions.
The increase in prices of latex, both natural and synthetic variants with the increased cost not being able to be passed on to our customers.	Implemented a centralised warehouse management system in Biyagama to optimise costs, reduce internal transfers, and streamline operations. Automation of processes has further improved efficiency.
High labour turnover among junior recruits due to migration	Partnered with universities and private institutions to assess recruits' backgrounds, offer internal education for ongoing learning, arrange regular training sessions, and recruit experienced individuals to executive roles over hiring fresh juniors.
Growing attention from end customers towards sustainable manufacturing practices and Environmental, Social, and Governance (ESG) factors.	Installing solar panels in our factories and implementing water recycling and reusing water in chlorination operations. Constructed a new sports glove factory which is Platinum LEED-certified

CAPACITY IMPROVEMENTS DURING THE YEAR

Sports Glove Facility

Expanded to four lines by incorporating additional machinery

DPL Universal Gloves Limited

Established a new plant to produce chemical-resistant glove variants

DPL Premier Gloves Limited

15%

productivity improvements by implementing employee suggestions

Dipped Product PLC

The Capacity for long cuff IG nitrile gloves increased by

40%

DPL Universal Gloves Limited

15%

Knitted glove Production capacity increased

MANUFACTURED CAPITAL

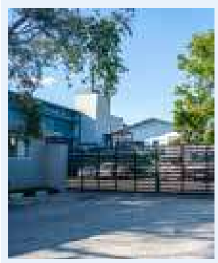
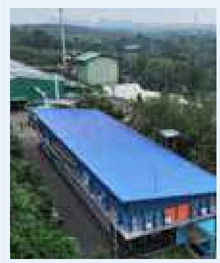
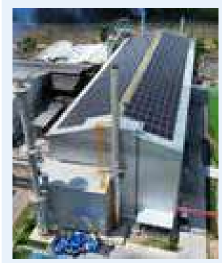
DPL POWERS 05 MANUFACTURING FACILITIES WITH 93.3% RENEWABLE ENERGY, SETTING NEW INDUSTRY STANDARD

Demonstrating our commitment to a sustainable future, we have increased our renewable energy use, a key pillar in our ESG Roadmap for 2030, which targets 95% renewable energy usage. This year, we commissioned new rooftop solar initiatives across all our manufacturing facilities in Sri Lanka and Thailand.

With a new 3.8 MWp PV solar project deployed across our Sri Lankan factories and a 1 MWp system added in Thailand, our total solar installed capacity by now stands at 4.8 MWp. With the expected completion of the ongoing projects in Sri Lanka and Thailand, it will stand at 5.5 MWp. This means DPL's glove manufacturing locations will be powered by clean, sustainable energy.

This shift to solar power significantly reduces our reliance on carbon-intensive grid electricity, minimising our environmental footprint. Furthermore, our rooftop PV systems contribute surplus energy back to the grid, further offsetting carbon-emitting sources and supporting a cleaner energy mix.

At DPL, we believe energy is not just a commodity, but a responsibility. We are proud to lead by example, investing in a sustainable future for our business and the planet.

Location	Sport Glove Facility	Dipped Products PLC	Premier Gloves LTD	Hanwella Rubber Products Ltd	Dipped Products (Thailand) Ltd
Contribution to value creation					
	The operating location requires 166,000 kWh of electrical energy annually, with 94,740 kWh (57%) dedicated to value creation and 317,853 kWh contributed to the national grid.	The operating location requires 5,900,000 kWh of energy annually, with 2,357,900 kWh (40%) dedicated to value creation and contributed to the national grid, supporting both operational needs and national infrastructure.	The operating location requires 5,500,000 kWh of electrical energy annually, with 1,387,000 kWh (25%) dedicated to value creation. This same amount is also contributed to the national grid, highlighting its dual role in supporting both operational needs and the national energy infrastructure.	The operating location requires 4,400,000 kWh of energy annually, with 1,080,473 kWh (25%) allocated to value creation and contributed to the national grid, supporting both operational needs and national infrastructure.	The operating location requires 12,900,000 kWh of energy annually, with 1,320,000 kWh (10%) dedicated to value creation. This amount is also contributing to the national grid serving both operational needs and national energy infrastructure.
Installed Capacity in FY23/24	**326 kWp**	**1.7 MWp**	**1 MWp**	**779 kWp**	**1 MWp**
Total investment	**Rs. 74 Mn.**	**Rs. 513 Mn.**	**Rs. 258 Mn**	**Rs. 185 Mn**	**Rs. 190 Mn**
Commissioned date	**19 July 2023**	**10 February 2024**	**4 March 2024**	**5 January 2024**	**10 May 2024**
Carbon footprint reduction per year	**320 Mt CO2e**	**1,669 Mt CO2e**	**982 Mt CO2e**	**765 Mt CO2e**	**620 Mt CO2e**
Expected Solar Generation per year	**452,162 kWh**	**2,357,900 kWh**	**1,387,000 kWh**	**1,080,473 kWh**	**1,320,000 kWh**

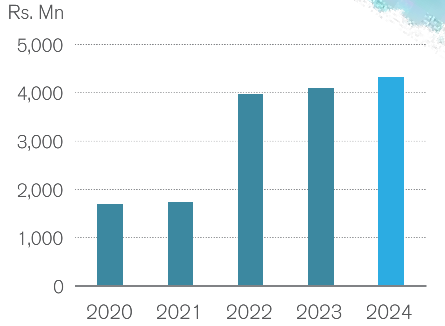
CENTRALISED WAREHOUSE FACILITY

Our centralised finished good warehouse operations operated at full scale. This has enabled to direct all our finished goods to one location for shipment. The 20 million glove capacity warehouse with 4,100 pallet slots includes a barcode system to facilitate easy tracking of the goods from packing to loading. Furthermore, automation has significantly reduced the required manual labour.

MANUFACTURING EFFICIENCY

We have persistently pursued organisation-wide measures to improve manufacturing efficiencies and boost productivity. Initiatives include initiatives to optimise resources, increase productivity, and minimise waste. The improvement in the Turnover/PPE ratio across the Company stands as evidence of the success of these efforts.

Investment in CAPEX



Future outlook

We plan to expand the electrician glove capacity by through modifications to our plants. Furthermore, we will establish new capacity to produce Electrical vehicle (EV) gloves. We also aim to implement robotics to enhance productivity in our manufacturing processes, previously reliant on manual labour. Our packing materials distribution will be centralised to streamline packing operations.

Additionally, we aim to increase chlorination capacity. At the DPL Premier Gloves facility in Biyagama, the production capacity will be enhanced for both natural and nitrile products.

While most of our packing processes are outsourced, we are focusing on improving the environment and standards at these locations, particularly in TSP (Trimming, Sorting, Packing) operations. To optimise efficiency, we aim to minimise the number of TSP locations by increasing the number of belts processing these operations.

INTELLECTUAL CAPITAL

Our Intellectual Capital encompasses the DPL brand, products, standards and certifications, and other knowledge-based assets and processes that create an ecosystem for us to create value.

Value Creation Highlights

HAND PROTECTION

- Introduced 22 New Products
- 10 New Products in the Pipeline
- 3 Patents Obtained and 7 Pending Patent Certificates
- 19 Technically Sound Industry Experts
- Opened the Innovation Centre

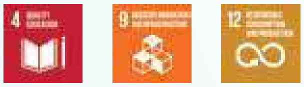
PLANTATION

- Accreditations and Certifications
- Tacit Knowledge
- Integration of Technology

Material Topics

- Regulations and compliance
- Product Quality
- Technology and product innovations

SDG Impact



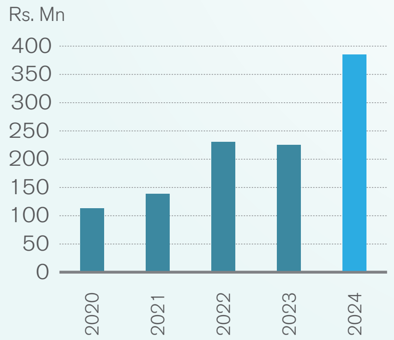
Stakeholder Impact

Customers

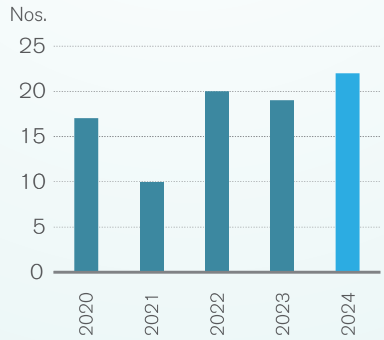
Employees

Government and Regulators

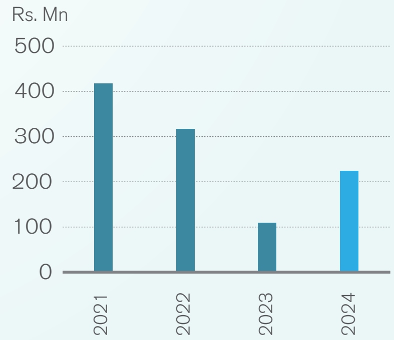
Investment In R&D



New Product Development



Revenue from New Products



Rs. 385 Mn

Investment in R&D FY 23/24

22

New Products Introduced for FY 23/24

Rs. 224 Mn

Revenue from New Products FY 23/24

INTELLECTUAL CAPITAL

OUR MANAGEMENT APPROACH

We strive to enrich our intellectual capital by elevating the calibre of our team by encouraging our employees to pursue higher qualifications and expand their knowledge. Our recruitment initiatives target attracting high-calibre individuals, whom we then nurture through a blend of education and practical experience. This approach enables us to continuously elevate our talent pool, foster innovation, strengthen competitiveness, sustain growth and stand out in the competitive and dynamic business environment.

OUR INTELLECTUAL CAPITAL

Intellectual Capital

BRAND VALUE

- DPL is a globally renowned player in the Hand Protection Sector with a global presence in over 70 countries
- KVPL, TTE and Horana Plantations are internationally renowned suppliers of top-quality tea and rubber products

RESEARCH AND DEVELOPMENT

- DPL established a new Innovation Centre
- KVPL, TTE and Horana Plantations have developed high-yielding and specialty tea cultivars, as well as innovative solutions for weed and soil management
  - Tacit knowledge of 19 industry experts

PATENTS

- 12 Local and International Patents in the Hand Protection Sector
- 7 Local and International Patent Certificates pending

CERTIFICATIONS AND ACCREDITATION

- 13+ certifications and accreditations in the Hand Protection Sector
- 20+ certifications and accreditations in the Plantation Sector

RESPONDING TO RISKS AND OPPORTUNITIES

RISKS AND OPPORTUNITIES

1. Cyber security
2. Data Protection
3. Rising input costs, increasing production costs, yield decline, ageing tea bushes, and high labour costs

OUR RESPONSE

1. Implemented next-gen anti-virus guards, improved data backup procedures, and provided regular security awareness training to employees
2. With the national legislation – Sri Lanka Personal Data Protection Act, work in progress to implement the procedures and systems to support data protection
3. Integration of new technologies to reduce labor costs and improve productivity

OUR DIGITAL TRANSFORMATION JOURNEY

As an organisation that uses technology to continuously evolve in all aspects of our business, it is important to us that we are ready to adapt when technology evolves. We are in the process of using advanced digital technologies to create new and to transform existing traditional and non-digital business processes and services to cater to our customer requirements and market expectations. This journey supports the organisation to manage the change in operations and how we deliver value to all our stakeholders. We will explore the progress and achievements in two sections;

1. Presence in Digital Marketing Platforms
2. Digital & IT Infrastructure Development

Presence in Digital Marketing Platforms

As an organisation that adapts to new trends to make maximum use of the opportunities that come our way, we see the use of Digital Marketing Platforms as an opportunity to make a positive mark and bring benefits to the business. The below insights about our reach, impressions, and other metrics are purely organic without any paid boosts and helps us recognise the authentic, loyal community and active follower base we have created over the last few years.

Digital Marketing Platforms such as the Organisation's Website, LinkedIn, Facebook, Instagram and YouTube are not restricted to promoting only our products, but rather to communicate about our sustainability initiatives, CSR projects and educational content on safety and other important topics that matter.

The content developed are screened prior to publishing for strict adherence and compliance with the policies, standards and guidelines of ethical marketing practices, responsible promotion and branding, data protection and privacy. As a responsible organisation, we ensure the content released through our official platforms are informative, accurate, and respectful.

Our Performance on Digital Marketing Insights for the Financial Year 2023/24;

www	Total Organic Traffic **21K**	Total Clicks **31K**	Total Impressions **650K**	Visit our Website:
in	Total No of Posts **120**	Total Reach for Posts **12.8K**	Total Post Interactions **30.4K**	Join our LinkedIn Community:
f	Total No of Posts **116**	Total Reach for Posts **63.9K**	Total Post Interactions **18.3K**	Join our Facebook Community:
Instagram	Total No of Posts **104**	Total Reach for Posts **3.2K**	Total Post Interactions **933**	Join our Instagram Community:
YouTube	Total No of Videos **29**	Increase in Views Compared to FY 22/23 **34%**	Total Impressions **79.7K**	Join our YouTube Community:

DIGITAL AND INFORMATION TECHNOLOGY (IT) INFRASTRUCTURE DEVELOPMENT

During the year, we focused on enhancing IT delivery by rolling out SAP for newly started businesses and implementing a new system for finished goods tracking. Moreover, we strengthened data security and advanced our digitalisation efforts.

Rs. 76.4 Mn

Investment in IT and Digitalisation

STRENGTHENING DATA PROTECTION

The following initiatives were implemented to strengthen cyber security.

1. Implemented a robust Disaster Recovery Plan and a Business Continuity Plan for IT
2. Implemented thorough security awareness training programmes to educate employees on the significance of data protection and cybersecurity best practices
3. Improved data backup procedures to ensure the secure and reliable restoration of critical data, reducing the risk of loss or corruption
4. Implemented disk data protection measures to prevent theft for all PCs and laptops
5. Implemented next-gen antivirus guard with real-time AI driven threat monitoring

DIGITALISATION INITIATIVES DURING FY 2023/24:

- Initiated the modernisation of the existing ERP support application, Manufacturing Execution System (MES) including Demand Management, and Production Planning.
- Added CRM to the digitisation roadmap.
- Benchmarked MS Co-pilot for decision-makers for AI-driven support
- Rolled out SAP ERP system to DPL Sports glove business
- Rolled out SAP ERP system to DPL India and DPL Middle East for glove trading businesses
- Implemented a new Central Warehouse System for Finished Goods tracking.
- SAP S4/HANA version upgrade 2022 and FIORI Apps initiation.

OUR TECHNOLOGY PLATFORMS

We have 6 technological platforms to distinguish our latest products from competitors. These are specifically designed for the unsupported glove range.

DPL Technology Platforms

DPL COMFORT TECHNOLOGY	DPL SUPER GRIP TECHNOLOGY	DPL GREEN TECHNOLOGY	DPL SKIN SAFE TECHNOLOGY	DPL SUPER CHEM TECHNOLOGY	DPL FOOD SAFE TECHNOLOGY
Gloves with enhanced comfrot and flexibility	Gloves with a superior grip for all conditions; dry, wet and oil	Eco-friendly gloves made from sustainable materials and efficient production	Gloves free of latex chemical allergy and aslo free of extractable chemicals	Gloves with enhanced chemical resistance	Gloves made from non- toxic, accelerator-free materials to ensure 100% food safety

NEW PRODUCT DEVELOPMENTS

We continued to leverage our deep customer insights with our R&D capabilities to design innovative solutions to suit emerging customer needs. In particular, we focused on developing high-value, tailor-made products for niche markets. During the year 22 new products were introduced to the market as listed below.

New Products	R & D - Unsupported	R & D - Supported	R & D - Disposable
No. of new products developed – 2023-24	06	12 products in three categories	04
New products in the pipeline	04	03	03

Unsupported Gloves

Interface ChemPro

High chemical resistance glove developed under Super Chem Technology Platform, with chloroprene/nitrile composite layers to provide chemical protection to both oxidizing chemicals and petroleum derivatives

Fathom 33 and Fathom 43

A flexible unlined natural rubber product with the highest grip/friction performance, targeting especially the food and meat industry

EVPRO

Specially designed electrical insulting glove of Class 00 and 0 with better hand-fit and flexibility with a surface texture on the working area to achieve enhanced grip/friction to cater Electrical Vehicle industry

Interface Touch

A coloured nitrile glove with touch screen property, introducing nanomaterial technology

Interface Plus 28 – FL

The thinnest flock-lined nitrile glove (0.28 mm, thickness) within the DPL nitrile product portfolio with good mechanical and chemical performances

Frontier Lite

A thinner chloroprene/neoprene flock-lined glove compared to conventional gloves but with similar mechanical and chemical performance

1st glove crafted for the Electric Vehicle (EV) Industry, featuring improved dexterity and a unique textured surface for superior grip

The EVPRO Glove range is poised to become a cornerstone of safety and efficiency in EV manufacturing and maintenance. Available in Class 0 and Class 00, they elevate worker safety and efficiency in EV manufacturing with improved dexterity, excellent grip, and class-specific protection.

TEXTURED PALM

The special roughened surface improves grip performance, enabling better tool control, ensuring worker safety,and maximizing productivity.

IMPROVED DEXTERITY

Thinner than standard electrician gloves, these gloves have a more flexible hand fit, making them more ergonomical

SUPERIOR INSULATION

Made with highly pure grade natural rubber latex, they offer protection against electric currents and arc flashes.

Class Catergory	Maximum Use Voltage (AC)	Maximum Use Voltage (DC)
Class 00	500V	750V
Class 0	1000V	1500V

Disposable Gloves

Powder-Free Accelerator Free Nitrile Disposable Glove

1st Type B (CAT III) NBR 5mil accelerator Free Glove tested for fentanyl & gastric acid. Both Type I & IV allergy-free

Powder-Free Nitrile Disposable ICP Glove

Flexible and superior comfortable Type B (CAT III) glove tested for 18 chemicals and able to protect 8 aggressive & corrosive acids and solvents for more than >480min

Powder-Free High-Risk Latex Disposable Glove

Type A –Lowest thickness Type A (CAT III) & EN 388:2016+A1:2018 mechanical property 1010X NR Glove with Superior Grip & very low extractable protein <50ug/g

Powder-Free Nitrile ESD Gloves

Specially designed to dissipate static charge in potentially explosive atmospheres prevent ignition of explosive mixtures and protect hands from hazardous chemicals while handling

Supported Gloves

XtraChem Glove series, four products

The first CAT III, Type A (high chemical resistance) and cut resistance, seamless fabric-supported glove range developed by DPL, targeting both chemical protection and cut protection during applications

Lepto Glove series, three products

Very cost-effective nitrile glove range, with the thinnest nitrile coating developed as an alternative PU-coated glove. Cut protection is also provided

Coreless Glove series, five products

High-cut resistance glove range from cut B to F, with the introduction of engineered yarn of HPP and covering technology. This new high-cut resistance glove range was developed without any glass or steel yarn

Export market penetration and product innovation remained the key focus areas in the Hand Protection Sectors 'innovation-led' growth agenda.

PATENTS

Our portfolio of patented products and technologies stands as a testament to our commitment to innovation. As of FY 2022/23, the Hand Protection Sector had 9 patented products and obtained 3 new patents in FY 2023/24.

Product Name	Awarded Year	Awarding body
Knock It	2010	National Intellectual Property Office
Trak 45	2011	National Intellectual Property Office
NoSweat	2010	National Intellectual Property Office
Stick Grip	2010	National Intellectual Property Office
	2015	United States Patent and Trademark Office
ESD Pro	2017	National Intellectual Property Office
Neotherm	2019	National Intellectual Property Office
Keto resistor	2022	National Intellectual Property Office
Interface Ultra grip	2022	National Intellectual Property Office

Patent Obtained in FY 23/24		
Product Name	Awarded Year	Awarding body
Bloom Free Glove	2023	National Intellectual Property Office
Keto Resistor	2023	United States Patent and Trademark Office
Interface Ultra Grip	2023	National Intellectual Property Office

OUR RESEARCH AND DEVELOPMENT (R&D) FOCUS AREAS

Expand our chemical glove offerings to include both supported and unsupported varieties. While we currently excel in the unsupported range, our goal is to establish leadership in the entire industrial chemical glove market.

Our R&D Capabilities

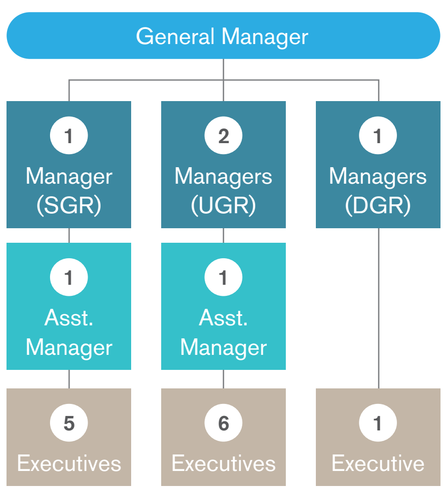
The group's R&D capabilities are a cornerstone of its competitive edge, driving innovation, and maintaining leadership in the hand protection market. We maintain a distinct advantage with in-house technical expertise and advanced R&D facilities. Committed to continuous improvement, we offer customised, sustainable hand protection solutions tailored to the requirements of renowned brands across household, industrial, and medical sectors across the globe.

During the year, we established our new state-of-the-art Innovation Centre. This centre comprises three main sections: the Instrument Laboratory, equipped with sophisticated instruments essential for our research endeavours; the Processing Laboratory, which has been upgraded to align with our stage gate process for product development; and additionally, the Wet Chemistry Laboratory, which has undergone enhancements to support our rigorous product development processes.

Our R&D Team

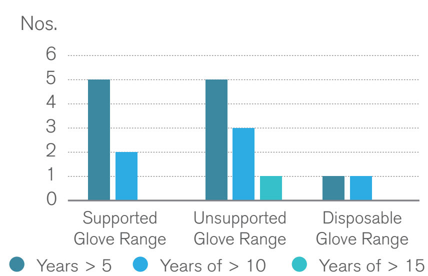
We have three R&D teams for the supported, unsupported and disposable glove ranges. The structure is given below:

Structure of Our R&D Department

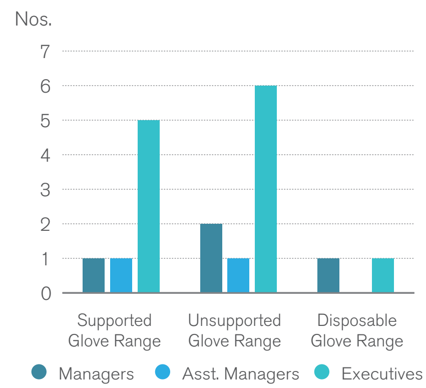


Supported Glove Range (SGR)
Unsupported Glove Range (GUR)
Disposable Glove Range (DGR)

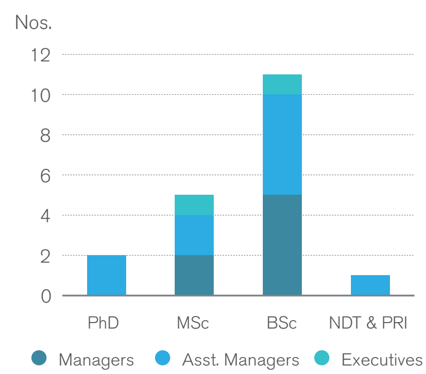
Experience in DPL (Years)



Strength of the R&D Team



Qualification of the R&D Team



The Innovation centre comprises three main sections: the Instrument Laboratory, the Processing Laboratory and the Wet Chemistry Laboratory.

Business Ethics and Compliance

Our directors and employees adhere to the Hayley's Group's Internal Code of Conduct, known as the Hayleys Way. This code explicitly outlines the expected behaviour for employees, reinforcing the organisational values of the Group

HAND PROTECTION

Commitment to Quality - Certifications and Standards

	Certifications	Sri Lanka				Thailand
		Dipped products PLC	Hanwella Rubber Products Limited	DPL Premier Gloves Limited	DPL Universal Gloves Limited	Dipped Products (Thailand) Limited)
1	ISO 9001:2015 Quality Management System	Available	Available	Available	Available	Available
2	ISO 13485:2016 Quality Management in Medical Devices	Unavailable	Unavailable	Unavailable	Unavailable	Available
3	Forest Stewardship Council (FSC) COC Certification	Available	Available	Available	Unavailable	Unavailable
4	ISO 14001:2015 Environment Management System	Available	Available	Available	Available	Available
5	ISO 17025:2017 Laboratory Accreditation Certification	Available	Unavailable	Available	Unavailable	Unavailable
6	British Retail Consortium Global Standard for Consumer Products Personal Care and Household Certification	Available	Available	Available	Unavailable	Unavailable
7	ISO 45001:2018 Occupational Health and Safety Management System	Available	Available	Available	Available	Available
8	Regulation (EU) 2016/425 Module D Certification	Available	Available	Available	Available	Unavailable
9	Recycle Claim Standard (RCS) (Version 2.0) Certification	Unavailable	Unavailable	Unavailable	Available	Unavailable
10	Responsible Wool Standard (Version 2.2) Certification	Unavailable	Unavailable	Unavailable	Available	Unavailable
11	amfori BSCI (Business Social Compliance Initiative) - Audit Result Certificate	Available	Available	Available	Available	Available
12	SMETA (Sedex Members Ethical Trade Audit) - Result Certificate	Available	Available	Available	Available	Unavailable
13	Regulation (EU) 425/2016, Module C2	Unavailable	Unavailable	Unavailable	Unavailable	Available

Membership in Associations

HAND PROTECTION

1	The Ceylon Chamber of Commerce
2	The Industrial Association of Sri Lanka
3	The Ceylon National Chamber of Industries
4	International Chamber of Commerce Sri Lanka
5	The Federation of Exporters Association of Sri Lanka
6	National Chamber of Exporters of Sri Lanka
7	Exporters Association of Sri Lanka
8	Export Development Board
9	Sri Lanka Association of Manufacturers & Exporters of Rubber Products
10	Sri Lanka Business Council
11	Plastic and Rubber Institute of Sri Lanka
12	European Chamber of Commerce
13	Council for Business with Britain
14	Sri Lanka – Mekong Business Council
15	Sri Lanka – USA Business Council
16	Sri Lanka Philippines Business Council
17	Sri Lanka Vietnam Business council
18	Malaysian Rubber Glove Manufacturers Association
19	The Employers' Federation of Ceylon
20	SA-Connect (Shippers' Academy)
21	Free Trade Zone Manufacturers' Association (FTZMA)
22	The National Chamber of Commerce of Sri Lanka
23	ICC Sri Lanka
24	United Nations Global Compact

INTELLECTUAL CAPITAL

Commitment to Quality - Certifications and Standards

PLANTATION	Certifications	Sri Lanka		
		Kelani Valley Plantations PLC	Talawakele Tea Estate PLC	Horana Plantations PLC
1	Rainforest Alliance	Available	Available	Available
2	Eco Label Certification	Available	Available	Available
3	ISO 22000:2018 Food Safety Management System	Available	Available	Available
4	ISO 14001:2015 Environmental Management System	Unavailable	Available	Available
5	ISO 14064-1: 2018 Organisation Level Quantification and Reporting of Greenhouse Gas Emissions and Removals	Available	Available	Available
6	ISO 50001:2018 Energy Management System	Unavailable	Available	Unavailable
7	ISO 45001:2018: Occupational Health & Safety Management System	Available	Unavailable	Available
8	ISO 9001:2015 Quality Management System	Unavailable	Available	Available
9	Forest Stewardship Council	Available	Unavailable	Available
10	Certificate of Ethical Trading from National Chamber of Exporters of Sri Lanka (NCE)	Unavailable	Available	Unavailable
11	Great Place to Work Certification	Available	Available	Available
12	Mother and Child friendly Seal for Responsible Business	Available	Available	Available
13	Science Based Targets Intiative	Committed (Pending Verification)	Committed and Verified	Committed (Pending Verification)
14	Certified Ecosystem Restoration Projects (Kirulu and St. Clair) Standard by Preferred by Nature	Unavailable	Available	Available
15	Sustainability Framework Standard by Preferred by Nature	Available	Unavailable	Unavailable
16	Organic Rubber (USDA/NOP, EU Organic)	Available	Unavailable	Unavailable
17	Global Organic Latex Standard (GOLS)	Available	Unavailable	Unavailable
18	Fair Rubber Certification	Available	Unavailable	Available
19	Fair Trade Certification	Unavailable	Unavailable	Available

Membership in Associations

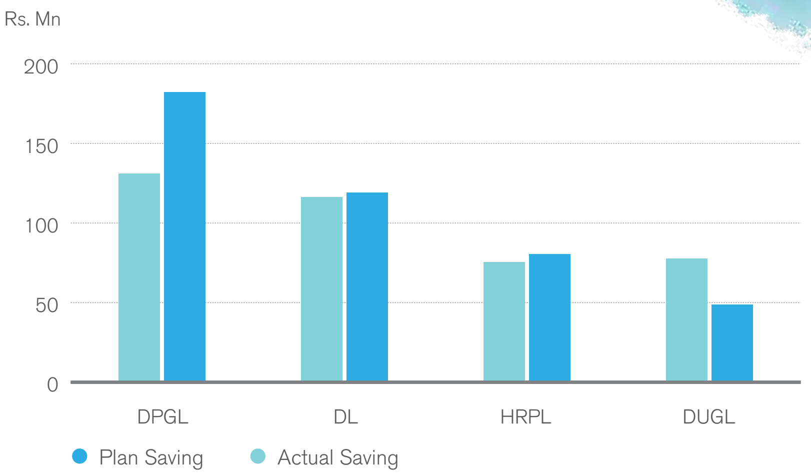
PLANTATION

1	The Planters' Association of Ceylon
2	The Ceylon Chamber of Commerce
3	Colombo Tea Traders' Association (CTTA)
4	Ceylon National Chamber of Industries (CNCI)
5	National Chamber of Exporters of Sri Lanka (NCE)
6	United Nations Global Compact (UNGC)
7	Biodiversity Sri Lanka (BSL)
8	Wildlife and Nature Protection Society (WNPS)
9	Plantation Human Development Trust
10	Employers' Federation of Ceylon

OUR JOURNEY OF CONTINUOUS IMPROVEMENT: REALISING COST SAVINGS THROUGH LEAN, TPM, AND KAIZEN

We embarked on a journey of continuous improvement in 2019/20, implementing Lean, TPM, and Kaizen principles to enhance our quality and operational efficiency. This strategic initiative has yielded significant cost savings over the years. We witnessed a surge in active projects, rising from 129 in 2019/20 to 167 in 2023/24, accompanied by actual cost savings of Rs. 431 million, surpassing the planned target of Rs. 401 million in 2023/24. This demonstrates our commitment to operational excellence and our ability to deliver tangible results through continuous improvement initiatives.

TPM Savings - FY 2023/24



OUR PROGRESS OVER THE YEARS

2020-2021	2021-2022	2022-2023	2023-24
PM Training ▪ Executives, Managers (Refresher training in all factories)	**TPM Training & Process Mapping Training** ▪ Executives, Managers (Refresher training in all factories) ▪ DPL Premier Gloves Ltd Executives & Managers	**TPM Training** ▪ Executives, Managers (Refresher training in all factories)	**TPM Training** ▪ Executives, Managers (Refresher training in all factories) **Lean Yellow Belt Training** ▪ All supervisors, Technicians, Key-Man
Six Sigma Green Belt Training Executives, Managers ▪ SSGB Graduation for Executives & Managers	**Lean Yellow Belt Training** ▪ All supervisors, Technicians, Key mans	**Lean Yellow Belt Training** ▪ All supervisors, Technicians, Key mans ▪ DPL Universal Gloves Ltd Lean transformation	**Six Sigma Green Belt Training** ▪ Executives, Managers ▪ Six Sigma Black Belt Training ▪ Executives, Managers
Lean Yellow Belt & Kaizen Training ▪ Yellow belt training completed ▪ Kaizen training completed	**Lean White Belt & Kaizen Training** ▪ All new comers	**Lean White Belt & Kaizen Training** ▪ All new comers	**Lean White Belt & Kaizen Training** ▪ All new comers

Future outlook

New product development will remain a key focus area as we aim to expand our market reach and develop environmentally sustainable, high-value product alternatives. To achieve this, we will continue strengthening our R&D capabilities, refining manufacturing processes, and fostering innovation to enhance product and brand value. We aim to expand our chemical glove range, encompassing both supported and unsupported varieties, to establish leadership in the industrial chemical glove segment.

In terms of our digital transformation journey, we aim to expand our IT service offerings by leveraging cloud computing and AI, introducing new software applications, enhancing IT infrastructure, implementing mobile device management solutions, and improving cybersecurity services. Furthermore, we will accelerate our digital transformation initiatives on digitising business processes, implementing agile methodologies, and establishing collaboration and innovation hubs to adapt and benefit from the rapid digital and technological transition. Additionally, we aim to strengthen data protection protocols through encryption and enhanced data classification mechanisms.

NATURAL CAPITAL

As a business relying significantly on natural resources, our organisation is inherently linked with the natural environment. This connection offers opportunities to create positive impacts and minimise our environmental footprint through innovative approaches and the allocation of necessary resources.

Value Creation Highlights

HAND PROTECTION

- One of the first companies in Sri Lanka to commence due diligence process for EUDR compliance
- Increased rainwater harvesting capacity by 265%
- Installed rooftop solar in 05 factories increasing the installed capacity to 4,805 kWp
- 2.64% increase in energy intensity
- Established a new wetland in the Kottawa facility

PLANTATION

- 88% renewable materials used
- 26,122 MtCO2e GHG emissions
- 220,805 M^3 water consumption
- 594 MnMJ energy usage
- Implementation of regenerative agriculture practices

*Volumes are calculated with the amalgamation Horana Plantation PLC acquired on March 29, 2023.

Material Topics

- Water and effluents
- Environmental impacts in the supply chain
- Waste
- Emissions and air quality
- Materials
- Biodiversity
- Ecological impacts
- Chemicals management

Stakeholder Impact

Customers

Employees

Government and Regulators

Communities

SDG Impact

Agricultural inputs are crucial for both the Hand Protection and Plantation Sectors. Hence, it is vital to nurture our natural capital by responsibly consuming resources and minimising negative impacts. Throughout the year, we made significant strides in advancing our DPL Pulse by implementing proactive measures to reduce our environmental footprint across our value chain.

NATURAL CAPITAL

RESPONDING TO RISKS AND OPPORTUNITIES

Hand Protection Sector

RISKS AND OPPORTUNITIES

- High temperatures coupled with heavy rainfall negatively impact latex production, leading to decreased yield.
- Rising energy and water prices including electricity costs.
- As an industry with high water consumption, challenges in collecting significant volumes of water.
- Climate change and its impact on water availability.
- Customers place increasing importance on ESG considerations.

OUR RESPONSE

- Transitioned away from utilising furnace oil for boilers.
- Ongoing investments in solar energy.
- Greater focus on fuel efficiency.
- Expanding the rainwater harvesting capacity.
- Developing less water-intensive products.
- Using recycled packaging materials.
- Commenced due diligence process for EUDR compliance.

Plantation Sector

RISKS AND OPPORTUNITIES

- Loss of revenue due to lower yields and higher cost of production
- High rainfall affecting rubber yield
- Potential physical damage to employees, fields, factories, and estate communities

OUR RESPONSE

- Increased focus on crop diversification
- Commitment to biodiversity conservation and ecosystem restoration
- Insurance covers to safeguard against physical damage caused by natural disasters
- Integrated Environment Conservation Model for managing material usage, energy, water consumption, emissions, and waste
- Adopting environmentally friendly agricultural practices

OUR ENVIRONMENTAL MANAGEMENT FRAMEWORK

Our environmental management framework is aligned with “DPL Pulse”, which outlines the Group’s overarching ESG (Environmental, Social, and Governance) agenda for 2030 and the detailed roadmap and action plan. This framework sets forth specific objectives and targets in critical areas such as energy and emission management, water and effluent management, material and waste management, and biodiversity conservation.

POLICY AND STANDARDS ARCHITECTURE

POLICIES

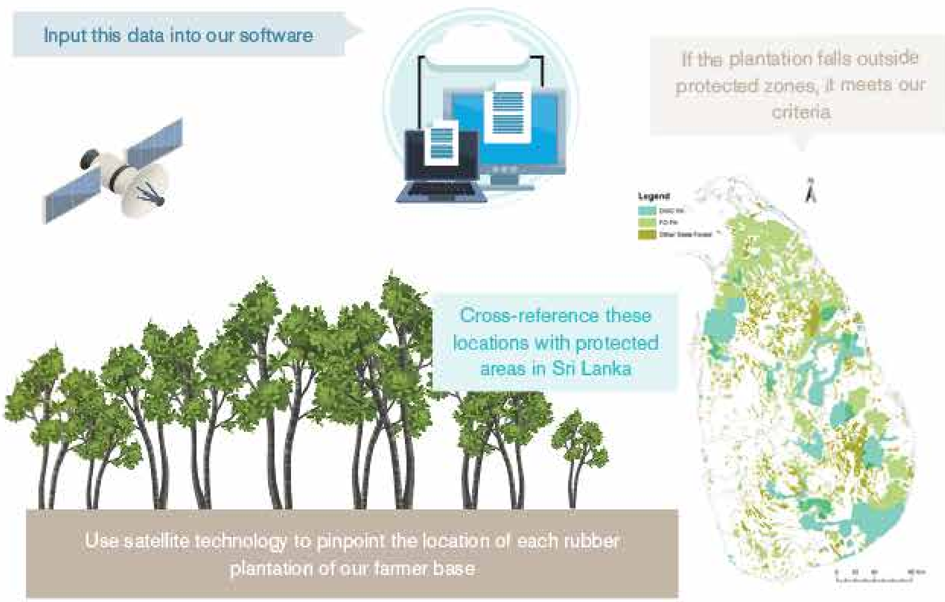
- Material and Waste Management Policy
- Energy and Emissions Management Policy
- Water Management Policy
- Biodiversity Conservation Policy
- Chemical Management Policy
- Sustainability Compliance Policy

EXTERNAL STANDARDS AND CERTIFICATIONS

- ISO 14001:2015 Environment Management System
- Forest Stewardship Council Certification
- Rainforest Alliance Certification

EUDR REPORTING

The European Union Deforestation Regulation (EUDR) is focused on combatting global deforestation and forest degradation, by targeting key goods such as timber and rubber, along with their derivative products, which are either imported to or exported from the EU market. Since the EU is one of our key export markets, we have begun the due diligence process required by the EUDR, focusing on rubber extracted from plantations where no deforestation has occurred since 2020. This regulation will be enforced from December 2024, and we are proactively preparing to meet its requirements.



ENERGY AND EMISSIONS MANAGEMENT

Energy efficiency drive gradually shift from non-renewable energy sources and increase reliance on renewable energy such as solar, wind and biomass energy etc. ensuring that purchased biomass is sustainably sourced and does not result in deforestation.

ENERGY EFFICIENCY DRIVE

GRI : 302-1 GRI : 302-4 GRI : 302-5

The centralised warehouse has improved fuel efficiency

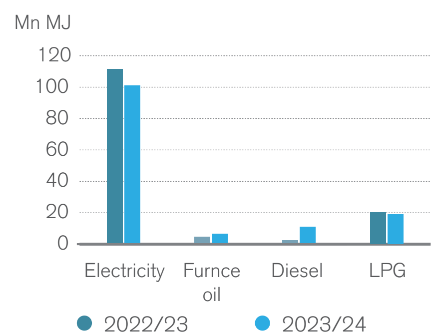
Converted all the boilers and heaters from furnace oil to biomass, cutting down furnace oil consumption.

Manufacturing locations 05 in Sri Lanka & 01 in Thailand

The ongoing initiatives in Hand Protection Sector has led to a 13 Mn MJ reduction in energy saving.

Non-Renewable Energy Usage						
			Hand Protection		Plantations	
Description			2023/24	2022/23	2023/24	2022/23
Non-renewable sources	Electricity	MJ Mn	111.6	101.0	54.99	36.8
	Furnace oil	MJ Mn	4.7	6.6	-	-
	Diesel	MJ Mn	2.5	11.0	20.2	21.6
	Petrol	MJ Mn	-	-	8.0	4.7
	LPG	MJ Mn	20.1	19.0	0.7	0.31

Non Renewable Energy Usage



RENEWABLE ENERGY DRIVE

The Hand Protection Sector has made significant strides in the Group's renewable energy initiative by successfully transitioning all thermal plants to biomass energy sources in 2018/19. At present, 93.31% of the sector's energy needs are met through renewable sources. We have also shifted to efficient biomass sources like rubber wood and implemented process improvements to optimise boiler and heater efficiency.

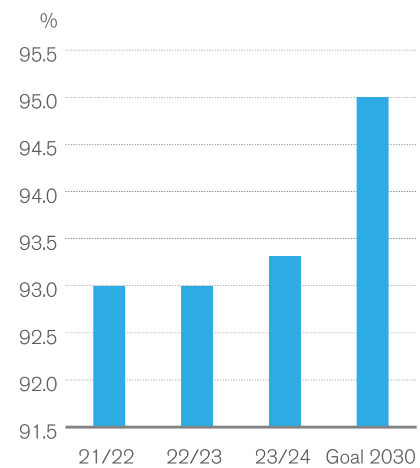
Furthermore, we are expanding our solar generation capacity by installing rooftop solar panels at our factories in Sri Lanka and Thailand. Installed capacity in FY 2023/24 is 4,805 kWp. Currently, 93.31% of the sector's energy requirements are fulfilled through renewable sources such as solar and biomass.

The Plantation Sector also uses various energy sources in its daily activities, including biomass generated on-site, diesel and gasoline sourced externally, and electricity purchased from the national grid. Furthermore, in achieving self-sufficiency in energy, Kelany Valley Plantations, Talawakelle Plantations and Horana Plantations have accelerated its investments in renewable energy by commissioning rooftop solar infrastructure at factories and mini hydro systems in selected estates located in hydro catchment areas. Moreover, the Plantation sector has created a framework to promote responsible energy consumption and improve energy intensity across all its operations.

Renewable energy consumption						
			Hand Protection		Plantations	
Energy consumption			2023/24	2022/23	2023/24	2022/23
Renewable sources	Solar Energy	Mn MJ	2	-	-	-
	Firewood	Mn MJ	1,943	1,821	493	312
	Hydro	Mn MJ	-	-	1	4
	Total Renewable Energy consumed	Mn MJ	1,945	1,821	494	316

	2021/22	2022/23	2023/24	Goal 2030
Sustainable biomass sourcing	43%	44.1%	46.2%	100%
Progress of renewable energy usage	93%	92.9%	93.3%	95%
Reduction in energy intensity	2.9%	8.2%	10.9%	25%
Reduction in absolute GHG emissions Scope 1 & 2	0.7%	5.6%	8.9%	20%
Reduction in absolute GHG emissions Scope 3	1.8%	(1.8%)	5.4%	8%

Progress Towards Renewable Energy



ENERGY EFFICIENCY DRIVE

GRI : 305-1 | GRI : 305-2 | GRI : 305-3 | GRI : 305-4 | SASB 3FB-AG-110a.2 | SASB 3FB-AG-110a.1

Our focused transition to renewable energy sources and concentrated efforts to improve energy efficiency throughout our operations have enabled us to decrease our carbon footprint and carbon intensity levels across both the Hand Protection and Plantation Sectors significantly. Specifically, Plantation Sector have pledged to the Science-Based Target initiative (SBTi) to achieve NetZero emissions by 2050.

			Hand Protection		Plantation	
			2023/24	2022/23	2023/24	2022/23
Emissions	Scope 1 emissions	MtCO2e	6,671	6,958	17,433	11,447
	Scope 2 emissions	MtCO2e	13,530	13,978	5,747	5,164
	Scope 3 emissions	MtCO2e	5,534	5,958	2,941	2,100
	Total Emissions	MtCO2e	25,735	26,894	26,122	18,710
	Emission Intensity	kgCO2e/pair	0.10	0.11	-	-

SCIENCE BASED TARGETS INITIATIVE (SBTi)

The Science Based Targets initiative is a collaborative effort among the Carbon Disclosure Project (CDP), the United Nations Global Compact, World Resources Institute and the World Wide Fund for Nature. As DPL Group, we are in the process of having our subsidiaries commit and verify the Science-Based Targets. The process requires the identification of our most significant impacts across the value chain and dependencies across our key geographies. We wish to establish comprehensive data gathering for increased accuracy and to better establish measurable targets to mitigate our environmental impact.

Success Story - Talawakelle Tea Estates PLC

TTEL PLC (Talawakelle Tea Estates PLC) is recognised as the first plantation company in the world, and the first organisation in Sri Lanka to have committed to and completed the verification process towards achieving the Science Based Targets Initiative (SBTi) targets. The efforts to reduce our carbon footprint in line with globally accepted practices and processes are already showing tremendous progress with a 5% linear annual reduction compared to the base year 2018/19.

TARGET

Drive a 50% reduction in Scope 01 & 02 and a 30% reduction in Scope 03 greenhouse gas emissions by 2030.

- In 2021, we set greenhouse gas (GHG) reduction targets approved by the Science Based Targets initiative (SBTi) and have since taken action to reduce emissions across our value chain while accelerating our adoption of more sustainable energy sources.
- In 2023, we revised our existing science-based targets to align with SBTi's Net-Zero Standard and updating our baseline to reflect increased primary data availability and align with carbon accounting best practices.
- TTEL PLC recognises that partnerships are essential to influence the climate policies and reporting standards that will guide systemic change across businesses and beyond.

Scope 1 & 2 Emissions

(Direct and indirect emissions from our own operations)

- Implemented energy efficiency initiatives and sourced renewable energy to achieve a 50% reduction of Scope 1 and 2 emissions from our 2018 baseline.

Scope 3 Emissions

(All other indirect emissions from upstream and downstream activities)

- 30% decrease in Scope 3 emissions by engaging in reduction measures such as increased use of environmentally sustainable materials, improved logistics operational efficiency and capacity building with suppliers.
- Reduced emissions from upstream and downstream in transportation and distribution by implementing improved demand planning and more streamlined logistics operations.
- Required all suppliers to calculate their GHG emissions footprint, set a GHG reduction target, and define an action plan for improvement enabling meaningful engagement with supply chain partners and allowing us to better track progress toward Scope 3 emissions reductions across our supply chain.
- Evolved our carbon accounting methodology in adherence with industry best practices and continued to improve our data quality to yield a more accurate estimation of our Scope 3 emissions data.

GHG EMISSIONS - 2018 – 2023 (Mt CO2e)

Scope	2018/19 Base Year	2019/20	2020/21	2021/22	2022/23	2023/24	Percentage of the Total Emissions Reduction compared to the Base Year
Scope 1	10,319	10,382	10,006	6,293	5,661	7,668	25.7%
Scope 2	3,515	3,536	3,408	2,144	2,335	2,205	37.3%
Scope 3	1,749	1,760	1,696	1,067	1,089	1,171	33.1%
Total	**15,583**	**15,678**	**15,110**	**9,504**	**9,085**	**11,044**	**29.1%**

Following the third-party assurance of our GHG inventory under ISO 14064 (1): 2018, the scope, computation method and factors have been improved and refined. As such, the Group's carbon footprint for 2022/23 has been restated to reflect these changes.

MANAGING OUR CARBON FOOTPRINT

GRI : 305-5

We have successfully brought down our carbon footprint by 4.31% in FY 2023/24.

In 2017, our journey began our mission to transition away from fossil fuels towards sustainable biomass for thermal energy production. By 2020, this conversion was accomplished. In our subsequent expansions, we focused on adopting renewable energy. Our planned capacity for solar energy stands at 5.5 MWp, of which 80% has already been realised. This shift in strategy reflects structural changes at the organisational level. Our investments have been directed towards sustainable ventures, aligning with our long-term vision for environmental stewardship contributing to reducing our carbon footprint. Furthermore, we have implemented operational enhancements including the installation of highly efficient electrical equipment to reduce our footprint across the Organisation. In FY 2023/24 the hand protection sector generated 733,838 kWh of electricity from rooftop solar. This enabled to offset Scope 2 emissions attributed to imported energy. The plantation sector too, generated 18,330,280 kWh of electricity from renewable energy sources, exceeding the annual volume purchased from the Ceylon Electricity Board by 55%.

CLIMATE-RELATED DISCLOSURES

Climate-related disclosures reflect our commitment to transparency and sustainability. We have embraced the Task Force on Climate-related Financial Disclosure (TCFD) framework as a comprehensive tool for assessing and communicating climate-related risks and opportunities. Our journey with TCFD commenced last year marking a pivotal step towards aligning our business practices with global climate goals and ensuring stakeholders are informed about our climate-related strategies and initiatives.

GOVERNANCE

A comprehensive ESG governance framework ensures oversight from both the board and management, ensuring stringent assessment and strategic management of climate-related risks and opportunities.

Refer to page 50 (Corporate Governance)

STRATEGY

Climate change exerts a substantial influence on the operations of both the Hand Protection and Plantation Sectors. Therefore, we identify climate-related risks and opportunities and integrate them into our strategic priorities.

Refer to page 50 (Corporate Governance)

RISK MANAGEMENT

We closely monitor climate-related risks, including the availability and quality of raw materials, across short, medium, and long-term horizons and implement measures to address these supply chain risks effectively. Additionally, climate-related risks are identified and addressed at the enterprise level.

Refer to page 75 (Risk Management)

METRICS AND TARGETS

The emission targets that are defined within the DPL Pulse framework are continuously monitored to ensure accountability and progress.

Refer to page 147 (Energy and Emission Management)

WATER AND EFFLUENT MANAGEMENT

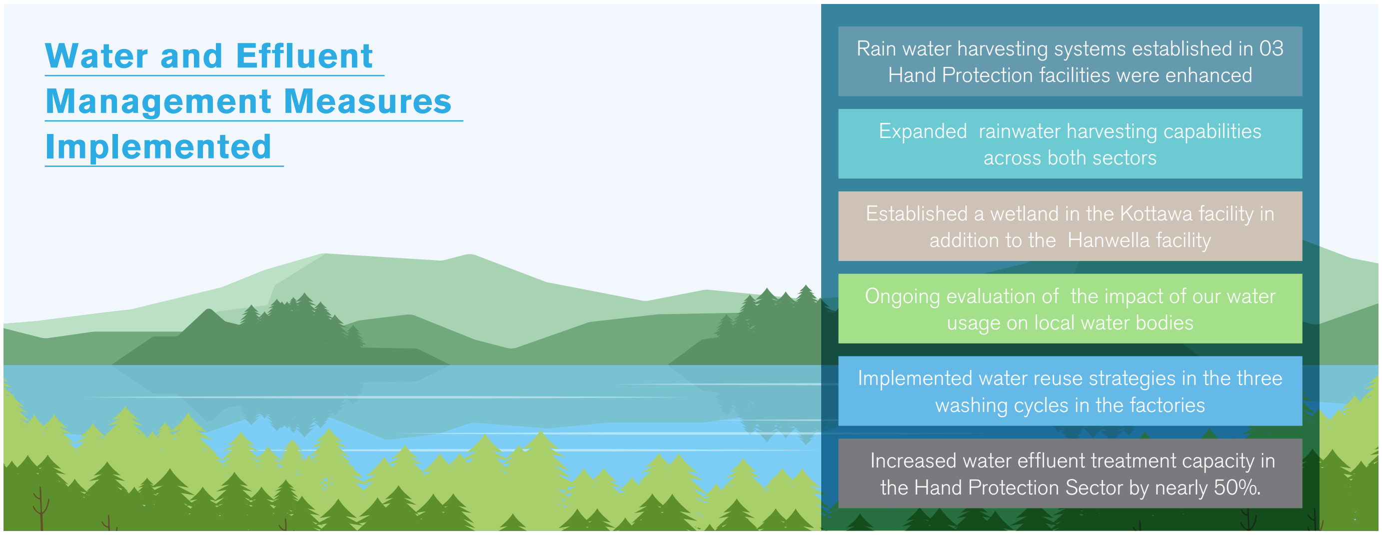
GRI : 303-1 | GRI : 303-2 | GRI : 303-3 | GRI : 303-4 | GRI : 303-5 | SASB 8FB-AG-140a.2 | SASB 7FB-AG-140a.1 | SASB 6CG-HP-140a.2

Identify, clearly map and measure all water inputs (classified by source), water applications (process and non-process water), water distribution plans and waste water generation (hazardous and non-hazardous) within the defined boundaries.

Sri Lanka being a water-stressed country is experiencing escalating water costs. We are a high-water-intensity industry as both the Hand Protection and Plantation Sectors are engaged in water-intensive operations. With the growing concerns over water scarcity, our Group has been prioritising efforts to reduce water consumption by increasing water recycling and rainwater harvesting throughout our operations. We aim to achieve a 55% water recycling target by 2030, a significant increase from our current 20%. To achieve this, we are implementing process improvements and other measures aimed at reducing water consumption.

Over the past couple of years, we have enhanced the water effluent treatment capacity in the Hand Protection Sector by nearly 50%. Additionally, we have invested in expanding rainwater harvesting capabilities across both sectors. It's important to note that our Group operates in areas where water stress isn't an issue, and we consistently evaluate the impact of our water usage on local water bodies.

Water and Effluent Management Measures Implemented



The Plantation sector follows the UN CEO Water Mandate Principle, Rainforest Alliance certification programme, Ecolabel - Tea, and ISO 14001:2015 to manage water as a shared resource with focused efforts to monitor and protect all water sources and bodies within their estates. Furthermore, water used in the factory operation is mainly for cleaning and washing purposes, and the resulting runoffs are free of harmful contaminants. Moreover, the water management system implemented by the plantations includes rainwater harvesting and the protection of all-natural water bodies.

			Hand Protection		Plantation	
			2023/24	2022/23	2023/24	2022/23
Water Withdrawal	Surface water	M3	1,000,665	964,700	103,878	90,910
	Groundwater	M3	63,655	87,341	40	-
	Rainwater	M3	1,494	409	116,886	-
	Municipal lines	M3	807,051	679,918	-	3,625
	Other sources	M3	175,902	167,000	-	-
	Total Water Withdrawn	M3	2,048,768	1,899,368	220,805	94,535

	2021/22	2022/23	2023/24	Goal 2030
Sustainable water sourcing	10.61%	8.39%	8.40%	30% sustainable water sourcing (rain water / water recoveries / recycled water use)
Reduction in water intensity	(11.14%)	3.70%	8.50%	30% water intensity reduction
Water recycled and reused	10.51%	8.37%	8.32%	55% re-use of treated waste water

EFFLUENT MANAGEMENT

We have established Effluent Treatment Plants (ETPs) at each of our production facilities aligned with the regulatory requirements. This is to ensure that discharged wastewater meets stringent regulatory standards. Regular sample testing is carried out to ensure continuous assessment of water quality, with a particular focus on parameters such as Biological Oxygen Demand (BOD) and Chemical Oxygen Demand (COD) to ensure compliance. Moreover, we have implemented chemical-free buffer zones across our plantations to proactively prevent water contamination originating from chemical fertilizers.

			Hand Protection		Plantation	
			2023/24	2022/23	2023/24	2022/23
Water discharged to	Surface water body	M3	671,596	713,266	97	-
	Internal Treatment Plant	M3	866,849	781,412	81,899	92,245
	Sewerage System	M3	-	-	3,490	-
	Total Effluents Generated	M3	1,538,445	1,494,678	85,486	92,245

MATERIAL AND WASTE MANAGEMENT

GROUP MATERIAL MANAGEMENT POLICY

Establish a material management programme to prioritise sustainable material sourcing while increasing the use of recycled and reclaimed material inputs where ever possible

SUSTAINABLE RAW MATERIAL SOURCING

GRI : 301-1 | GRI : 301-2 | GRI : 301-3 | SASB CG-HP-410a.2

Approximately, 85% of our natural latex needs for the Hand Protection Sector are sourced locally via our Firstlight farmer network. During the year under review, we purchased Rs. 3 Bn worth of natural latex. Our commitment to sustainable sourcing entails ongoing collaboration with the Firstlight farmer network to promote sustainable agricultural practices. Additionally, compliance with rigorous procurement and supplier standards guarantees responsible and sustainable sourcing of all raw materials.

We have enhanced our packing materials by incorporating recycled and reclaimed options. Our suppliers are screened to ensure they meet our ESG (Environmental, Social, and Governance) requirements.

The plantations have challenges in integrating recycled raw materials into the production processes as the core product is primarily exported. Therefore, there are limited opportunities for reclaiming and reusing packaging materials. To address this, plantations use recycled paper sacks for packaging materials and prioritise suppliers that offer solutions with minimal material consumption.

LEADING THE CHARGE TOWARDS SUSTAINABLE PACKAGING

In our commitment to reducing plastic pollution, we have collaborated with our business partners to implement several initiatives aligned with the 3R principle (Reduce, Reuse, Recycle). These efforts focus on eliminating unnecessary plastic consumption and preventing its release into the environment and oceans.

We strive to make a positive difference in reducing plastic waste and contributing to a greener future. Accordingly, we are reducing our plastic footprint by transitioning to eco-friendly paper-based packaging.

PAPER-BASED PACKAGING

Replaced most of our plastic packaging with sustainable paper alternatives, significantly reducing the amount of plastic released into the environment

Our collection of paper-based packaging provides a practical solution to the challenges of plastic pollution

MAKING EVERY DETAIL COUNT:

In 2023 alone, we:

Converted
17%
of our plastic sample bags to reusable kraft paper bags with cotton string closures

Replaced
9Mt
of plastic poly bags with 3Mt cardboard hang cards.

DESIGN FOR SUSTAINABILITY

We recognise that packaging design plays a crucial role in minimising environmental impact. From the initial design stage, we optimise our packaging to minimise plastic consumption and prioritise sustainable materials.

Prioritising sustainability in our designs, we offer customers eco-friendly options like recyclable materials and recycled plastics. This approach benefits both the environment and our customers.

From the very start, we prioritise recyclable materials and design for ease of recycling.

Embracing Recycled Plastics

We are incorporating post-consumer recycled (PCR) materials whenever possible. In 2023, we successfully converted 5% of our customer bags to PCR LDPE, sourced from verified third-party suppliers.

Clear Recycling Guidance

Providing clear recycled resin codes on our packaging to help consumers properly recycle

Mono-Material Packaging:

Using single-layer materials for poly bags and minimising multi-layer laminates that can hinder recycling.





EFFICIENT RESOURCE CONSUMPTION

Efficient resource management is integral to our cost management strategy by adopting continuous TPM (Total Productive Maintenance) initiatives and process enhancements, we have continued to increase efficiency and minimise waste. Moreover, we continuously research product formulations to optimise our raw material consumption. Additionally, we're increasingly prioritising the use of renewable and recycled materials in both our products and packaging.

83%

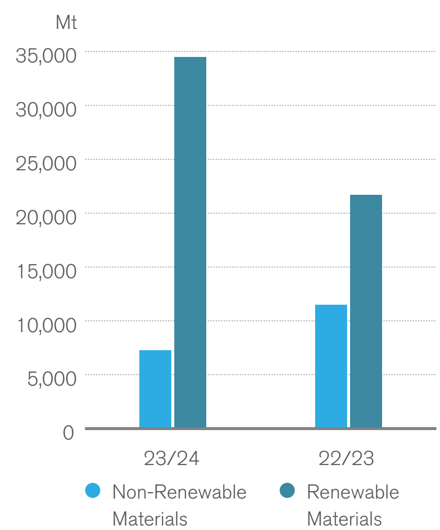
Percentage of renewable raw material used in the production process

Rs. 6.45 Mn

Total Savings from Waste Circularity

			Hand Protection		Plantation	
			2023/24	2022/23	2023/24	2022/23
Materials Consumed	Non-Renewable Materials	Mt	7,274	11,456	32,221	21,177
	Renewable Materials	Mt	34,458	21,660	4,456	1,971

Materials Consumed



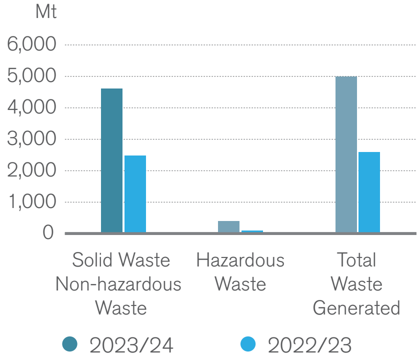
RESPONSIBLE WASTE DISPOSAL

GRI : 306-1 GRI : 306-2 GRI : 306-3 GRI : 306-4 GRI : 306-5

We adhere to strict waste management protocols in both sectors to minimise our environmental footprint. In our Hand Protection operation, recyclable waste such as rubber particles is reintegrated into the production process, while other recyclable materials are responsibly managed through third-party recycling services. Hazardous chemical sludge is sent to GeoCycle for safe incineration, and biological sludge is supplied to compost manufacturers for proper disposal. Furthermore, we have increased our composting percentage to reach our zero-landfill target. Additionally, the solvents we utilise are recycled and repurposed within the paint industry.

The plantation factory operations generate minimum waste and a significant portion of the generated waste is recycled for productive use across factory operations. The briquettes used as biomass fuel are produced from recycled agricultural waste and the biodegradable waste generated by estate communities is composted and added to tea fields and home garden plots.

Responsible Waste Disposal



			Hand Protection		Plantation	
			2023/24	2022/23	2023/24	2022/23
Solid Waste	Solid Waste Non-hazardous Waste	Mt	4,607	2,487	161	321
	Hazardous Waste	Mt	391	101	2	2
	Total Waste Generated	Mt	4,999	2,588	164	323

		Hand Protection		Plantation	
		2023/24	2022/23	2023/24	2022/23
Waste to landfill	Mt	1,200	920	13	171

GREEN MANUFACTURING

We have increasingly focused on enhancing our green manufacturing processes and sustainable product range. Under our DPL Green Technology Platform, we focus on developing sustainable gloves incorporating biodegradable material and recycled material while prioritising environmental considerations.

BIODIVERSITY CONSERVATION

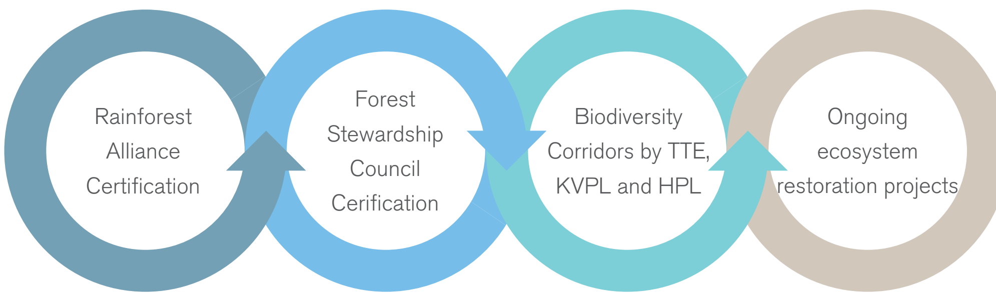
We are committed to the Hayleys Lifecode goal of increasing biodiversity by fivefold within the Group's occupied area. To achieve this, we are actively engaged in various biodiversity conservation.

'Kirulu' Biodiversity Conservation

As part of Kirulu biodiversity conservation efforts, the Hand Protection and Plantation Sectors collectively planted over 50 trees during the year under review. The Kirula Project is Hayleys Group's premier biodiversity endeavour, dedicated to rejuvenating biological ecosystems and safeguarding natural habitats within High Conservation Value Areas (HCVAs).

Furthermore, to avoid natural ecosystem conversions, the plantation sector implements sustainable land-use practices to minimise the impact on natural ecosystems, avoids the conversion of natural ecosystems for agricultural purposes, implements a zero-deforestation policy, and is committed to zero loss of biodiversity. Accordingly, high emphasis is given to sustainable and regenerative agricultural practices to preserve soil quality, reduce reliance on fossil-fuel energy sources, and preserve biodiversity. During the year, significant Kg of biochar was applied to improve the soil health in the plantations. Precision agriculture techniques were adopted to optimise agricultural inputs and maximise yield and land productivity through crop diversification and more effective use of land.

CERTIFICATIONS



COMPLIANCE

We comply with all environmental laws, regulations, and standards, ensuring strict compliance at all times. Our compliance efforts are continuously monitored through the group's MIS system, CUBE, with oversight from the respective Audit Committees within the Hand Protection and Plantation Sectors. We source our raw materials exclusively from lands where deforestation has not occurred. Furthermore, we emphasise data collection, ensuring comprehensive records of our operations. We also invest in farmer awareness programmes to educate and empower them. Upholding human rights and land rights is fundamental to our operations, and we actively safeguard these rights throughout our supply chain.

Notably, there were no reported instances of non-compliance with any environmental regulations during the review period.

Future outlook

We will remain committed to achieving our Lifecode objectives. Our primary focus is on reducing our carbon footprint by minimising our dependence on non-renewable energy sources. We will continue to implement process enhancements and product refinements to decrease the carbon intensity of our offerings. Recognising the increasing significance of resource scarcity, we will intensify our efforts in water and raw material management to maximise the efficiency of these critical resources.

Moreover, we are advancing our rooftop solar project to further strengthen our commitment to renewable energy. Additionally, we are transitioning from LP gas to biomass to minimise our environmental impact. Emphasising our dedication to water conservation, we are expanding our projects to incorporate more recycled water usage. Additionally, we will continue to collaborate with our suppliers to source sustainable materials, with a particular focus on sustainable packaging solutions.

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

1. GENERAL

The Board of Directors of Dipped Products PLC (The Company) takes pleasure in presenting its Annual Report to the shareholders together with the audited Financial Statements of the Company and of the Group for the year ended 31st March 2024.

The details set out herein provide the pertinent information required by the Companies Act No.07 of 2007 (The Companies Act), the Colombo Stock Exchange Listing Rules and are guided by the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka.

2. REVIEW OF THE BUSINESS

2.1 Principal Business Activities of the Company and the Group consist of manufacturing and marketing of industrial, general purpose, sports and medical rubber gloves and management of tea and rubber plantations.

There were no material changes in the nature of business of the Company and the Group during the financial year.

The directors hereby confirm that the Company and the Group have not engaged in any activities that contravene laws and regulations.

2.2 Review of Operations of the Company and the Group

The Group's businesses and their performance during the year, with comments on financial results, as well as future business developments are appraised in the joint letter from Chairman and the Managing Director on page 21 of this Report. Those also provide an overall assessment of the state of affairs of the Group and the Company with details of important events that took place during the period.

The segment wise contribution to Group revenue, profit, result, assets and liabilities are provided in Note 30 to the Financial Statements.

2.3 Financial Statements of the Company and the Group

The Financial Statements of the Company and the Group are given on pages 179 to 246 of this report.

2.4 Independent Auditor's Report

Independent Auditors' Report on the Financial Statements is given on page 175

2.5 Accounting Policies and Changes During the Year

The accounting policies adopted by the Company and its subsidiaries in the preparation of the Financial Statements are given on pages 187 to 205.

2.6 Entries in the Interests Register

The Company, in compliance with the Companies Act, maintains an Interest Register. As further required by the Act, particulars of entries in the Interest Register of the Company and those subsidiaries, which have not dispensed with the requirement to maintain Interest Register, as permitted under Section 192 (2) of the Companies Act are detailed in note 33 in page 236.

2.6.1 Directors' Interest in Transactions

Directors of the Company and its subsidiaries have made the general disclosures provided for in Section 192(2) of the Companies Act. Note 33 to the Financial Statements dealing with related party disclosures include details of their interests in transactions.

2.6.2 Directors' Interests in Shares

Details of Directors' Shareholdings in the Company is as follows.

	No of Shares	
	As at March 31, 2024	As at April 1, 2023
Mr. A.M. Pandithage	-	-
Mr. H.S.R. Kariyawasan & K.H.S. Kariyawasan - 4,150,850 Mr. H.S.R. Kariyawasan & H.B. Kariyawasan - 799,860	4,950,710	4,950,710
Mr. R.H.P. Janadheera	440,000	350,000
Mr. F. Mohideen	-	-
Mr. S.C. Ganegoda	270,000	270,000
Mr. S. Rajapakse	-	-
Mr. N.A.R.R.S. Nanayakkara	350,000	350,000
Mr. S.P. Peiris (Resigned w.e.f. 31.12.2023)		61,000
Mr. K.D.G. Gunaratne	-	-
Mr. K.M.D.I. Prasad	-	-
Mr. B. K. C. R. Ratnasiri	-	-
Mr. G. Molinari (resigned w.e.f. 1.10.2023)	-	-
Ms. K.A.D.B. Perera	-	-
Mr. M.N.R. Fernando (Appointed w.e.f. 03.01.2024)	-	-
Prof. A.P. De Silva (Appointed w.e.f. 03.01.2024)	-	-
Mr. P.Y.S. Perera (Appointed w.e.f. 01.04.2024)	5,000	-

** At the time of appointment Mr. P.Y.S. Perera had 5,000 Shares.

90,000 shares were purchased during the year by Mr. R.H.P. Janadheera

2.6.3 Directors' Remuneration

The Executive Directors' remuneration is established within an established framework. The total remuneration of Executive Directors of the Company for the year ended 31st March 2024 is Rs. 172,493,420 (2023 - Rs. 282,365,129) which includes the value of perquisites granted to them as part of their terms of service. The total remuneration of Non-Executive Directors for the year ended 31st March 2024 is Rs. 9,300,000 (2023 - Rs. 7,324,500) determined according to scales of payment decided upon by the Board. The Board is satisfied that the payment of this remuneration is fair to the Company.

Remuneration paid to the Directors of the subsidiary companies for financial year ended 31st March 2024 is Rs. 353,912,148 (2023- Rs. 205,463,921).

2.6.4 Insurance & Indemnity

The ultimate Parent of the Company, Hayleys PLC has obtained a Directors & Officers liability insurance from a reputed insurance company in Sri Lanka providing worldwide cover to indemnify all past, present and future Directors and Officers of the Group.

2.7 Corporate Donations

No donations were made for the year ended March 31, 2024. (2023 - Nil).

3. FUTURE DEVELOPMENTS

Future developments are discussed in the joint letter from Chairman and the Managing Director on page 20 of this Report.

4. GROUP REVENUE AND INTERNATIONAL TRADE

The gross turnover of the Group during the year was Rs. 73,941,959,941 (2023 - Rs. 80,099,311,486). The Group turnover from international trade in Hand Protection Sector amounted to Rs. 43,043,870,007 (2023 - Rs. 51,384,330,970). Further information on Group turnover is detailed in Note 3 to the Financial Statements.

The Group's exports from Sri Lanka, amounted to Rs. 37,648,409,261(2023 - Rs. 41,576,404,720) in the year under review.

The Group's revenue from International Trade, which includes the revenue of overseas subsidiaries in addition to exports from Sri Lanka, amounted to Rs. 20,162,315,000 in the year under review. (2023- Rs. 20,629,549,709).

Trade between Group companies our conducted at fair market prices.

Profits	2024 Rs.'000	2023 Rs.'000
After making provisions for all known liabilities and depreciation on property, plant & equipment the profit earned by the Group before taxation was	7,567,448	11,218,692
And taxation on Group profits amounting to were deducted	(1,788,403)	(2,716,267)
The Group was left with a profit of	5,779,045	8,502,424
And the amount attributable to non-controlling interest of	1,307,229	1,995,341
And other comprehensive income attributable to parent was	(198,021)	(12,726)
And the balance of the previous year net of final dividend and appropriations were adjusted	19,675,210	15,180,015
The profit before appropriation was	23,864,291	21,674,372
Appropriations		
Your Directors have made appropriations as follows:		
First Interim dividend authorised	598,615	748,269
Second Interim dividend authorised	299,308	598,615
Third Interim dividend authorised	149,654	359,169
Total appropriations	1,047,587	1,706,053

5.2 Reserves

The total Group reserves as at March 31, 2024 amount to Rs.28,277,213,138 (2023- Rs..26,376,445,640) comprising capital reserves of Rs. 609,913,472 (2023 – Rs. 610,315,315), available-for-sale reserve of Rs. 88,161,169 (2023- Rs. 69,139,000) and revenue reserves of Rs. 27,579,138,496 (2023 - Rs. 25,696,991,325). The composition of reserves is shown in the Statement of Changes in Equity in the Financial Statements.

5.3 Dividend

First Interim Dividend of Rs. 1/- per share was paid to the shareholders on October 23,2023. The second Interim Dividend of Cents Fifty (Rs. -/50) per share was paid to the shareholders on January 24, 2024. Third Interim Dividend of Cents Twenty Five (Rs.-/25) per share was paid to the Shareholders on April 25, 2024.

6. PROPERTY, PLANT AND EQUIPMENT

Group expenditure on Property, Plant and Equipment during the year amounted to Rs. 4,325,219,000 (2023 - Rs. 4,105,781,000).

The movement in Property, Plant and Equipment during the year is set out in Note 10 to the Financial Statements.

7. MARKET VALUE OF FREEHOLD

The freehold land of the Group has in general been subjected to routine revaluation by independent qualified valuers. The most recent revaluations of the lands were carried out as at 31st March 2022. Details of revaluations, carrying values and market values are provided in Note 10 to the Financial Statements.

8. ISSUE OF SHARES AND DEBENTURES

8.1 Issue of Shares and Debentures by the Company

The Company did not issue any shares or debenture during the year ended 31st March 2024.

8.2 Stated Capital and Debentures

The stated capital of the Company, consisting of 598,615,120 ordinary shares, amounts to Rs. 598,615,120 as at 31st March 2024.

There was no change in the stated capital during the year and there was no debenture as at 31st March 2024.

9. SHARE INFORMATION

Information relating to earnings, dividend, net assets per share and share trading are given on pages 250 to 251.

10. SUBSTANTIAL SHAREHOLDINGS

10.1 Major Shareholdings

The Twenty major shareholders as at 31st March 2024 are given on page 251 in this Report.

10.2 Public Holding

There were 14,295 (2023 – 15,236) registered shareholders as at 31st March 2024. The percentage of shares held by the public, as per the rules of the Colombo Stock Exchange is 40.99% (2023 – 41.00%). Details are given on page 251.

11. DIRECTORS

The names of the Directors who held office during the financial year are on page 26.

With a view to improving the collective effectiveness and performance of the Board, Board and Sub-committee evaluations were carried out during the year, including an assessment of the systems and processes which are in place.

During the financial year Mr. M.N.R. Fernando and Prof. A.P. De Silva were appointed to the Board on 3rd January 2024 and Mr. P.Y.S. Perera was appointed on 1st April 2024. In terms of Article 27(2) of the Articles of Association, the shareholders will be requested to re-elect all three Directors at the Annual General Meeting.

in terms of Article 29(1) of the Articles of Association of the Company, Mr. H S R Kariyawasan, Mr. K D G Gunaratne, Mr. K M D I Prasad retire by rotation and being eligible offer themselves for re-election.

Pursuant to Section 211 of the Companies Act, ordinary resolutions will be placed before the shareholders for the re appointment of Mr. A M Pandithage and Mr. F Mohideen not withstanding the age limit of seventy years stipulated by Section 210 of the Companies Act.

The Directors of the Subsidiaries are given on page 256.

12. DISCLOSURE OF DIRECTORS' DEALING IN SHARES AND DEBENTURES

Directors' dealings and Directors' holdings in ordinary shares are given under Note 2.6.2 of this Report.

13. EMPLOYEE SHARE OPTION PLANS

The Company does not operate any share option schemes

14. DIRECTORS' DISCLOSURE OF INTEREST

Disclosure of interest by the Directors of the Company are detailed in Note 2.6.2 of this Report.

15. RELATED PARTY TRANSACTIONS

The related party transactions of the Company during the financial year have been re-viewed by the Related Party Transactions Review Committee of Hayleys PLC, the parent Company and are in compliance with Section 09 of the CSE Listing Rules regarding related party transactions. The Company established its own Related Party Transactions Review Committee on 16th May 2024. Please refer page number 164 for the Related Party Transactions Review Committee Report.

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

16. ESG RISKS AND OPPORTUNITIES

The Group's efforts to conserve scarce and non-renewable resources, as well as its environmental objectives and key initiatives, are described in the Natural Capital on pages 146 to 158. Please refer the Risks and Opportunities and Climate Risk Report on pages 79 for further details.

17. STATUTORY PAYMENTS

The Directors, to the best of their knowledge and belief are satisfied that all statutory payments due to the Government, other regulatory institutions and those related to employees have been made on time.

18. EVENTS AFTER THE REPORTING DATE

No circumstances have arisen since the reporting period end which would require adjustment to or disclosure in, other than those disclosed in Note 38 to the Financial Statements.

19. GOING CONCERN

The Directors, after considering the financial position, operating conditions, regulatory and other factors including matters addressed in the Corporate Governance Code, have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Therefore the going concern basis has been adopted in the preparation of the Financial Statements.

20. EXPOSURE TO RISK

The Group has a structured risk management process in place to support its operations. The Audit Committee plays a major role in this process. The Risk Management section of this report elaborates these practices and the Group's risk factors.

21. APPOINTMENT OF AUDITORS

A resolution for the re-appointment of Messrs Ernst & Young, Chartered Accountants, as Auditors of the Company for the year 2024/2025 will be proposed at the Annual General Meeting.

22. AUDITORS' REMUNERATION AND INTEREST IN CONTRACTS

The Auditors, Messrs Ernst & Young, Chartered Accountants, will be paid Rs. 3,383,300 (2023 – Rs. 3,308,140) and Rs. 23,515,160 (2023-Rs. 19,868,401) as audit fees by the Company and its Subsidiaries respectively. Messrs Ernst & Young, Chartered Accountants will be paid Rs. 2,923,720 (2023 – Rs. 621,992) and Rs.8,874,522 (2023- Rs. 2,683,287) by the Company and the Group, for non-audit related work, which consisted mainly of tax consultancy services.

In addition to the above, Rs. 15,927,481 (2023 – Rs. 11,887,634) for ICOGUANTI S.p.A ,Rs. 2,473,745 (2023 - Rs. 2,361,034) for Dipped Products (Thailand) Ltd, Rs.11,312,771 (2023- Rs.6,581,296) for DPL France SAS, Rs. 1,235,575 (2023- Rs.2,626,815) for ROZENBAL POLSKA Sp.z.o.o were paid as audit fees respectively.

As far as the Directors are aware, the Auditors of the Company and of the subsidiaries do not have any relationships (other than that of an Auditor) with the Company or any of its subsidiaries other than those disclosed above. The Auditors also do not have any interests in the Company or any of its Group Companies.

A resolution authorising the Directors to determine the remuneration of the Auditors will be submitted at the Annual General Meeting.

23. RATIOS AND MARKET PRICE INFORMATION

The ratios relating to equity and debt as required by the Listing Rules of the Colombo Stock Exchange are given on page 248 of this Report.

24. EMPLOYEES & INDUSTRIAL RELATIONS

The Group has a structure and a culture that recognises the aspirations, competencies and commitment of its employees. The Group encourages career growth and advancement within the Group. Details of the Group's human resource practices and employee and industrial relationships are given in the Social Performance section of the Sustainability Review.

25. SHAREHOLDERS

It is the Group's policy to endeavour to ensure equitable treatment to its shareholders. The Company has an established Policy on Relations with Shareholders and Investors and it is published on the Company's website.

26. POLICIES

The Company has adopted the policies established by the Parent Company on Matters relating to the Board of Directors and Board Committees, Corporate Governance, Nominations and Re-election, Remuneration, Risk Management and Internal Control, Whistleblowing and Anti-Bribery and Corruption. 'The Hayleys Way' serves as the Internal Code of Business conduct and Ethics for all Directors, Key Management Personnel and other employees. The 'Hayleys Lifecode' includes a suite of environmental, social and governance related policies which are applicable across the Group. The Company is in the process of formulating the other required policies.

27. INTERNAL CONTROLS

The Directors acknowledge their responsibility for the Group's system of internal control. The system is designed to give assurance, inter alia, regarding the safeguarding of assets, the maintenance of proper accounting records, reliability of financial information generated and cyber security.

All internal controls which include financial controls, operational and compliance controls and risk management have been reviewed by the Board of Directors and they have obtained reasonable assurance of the effectiveness of the existing controls. The successful adherence to existing controls has been ascertained and improvements have been carried out where necessary. The Board is satisfied with the Group's adherence to and the effectiveness of these controls.

28. BOARD SUBCOMMITTEES

Other than the Audit Committee of the Company, the Parent Company's Sub Committees acted as the Remuneration Committee, Nominations and Governance Committee and Related Party Transactions Review Committee of the Company during the Financial year. The Company on 16th May 2024, established its own Board Sub Committees. Please refer the Sub Committee Reports on pages number 159 to 172.

29. CORPORATE GOVERNANCE

The Company has complied with the revised Corporate Governance rules laid down under the Listing Rules of the Colombo Stock Exchange and the recommendations provided in the Code of Best Practice on Corporate Governance 2023, issued by the Institute of Chartered Accountants of Sri Lanka. The Corporate Governance Report on pages 50 discusses this further.

Mr. K.D.G. Gunaratne was appointed as the Senior Independent Director on 1st November 2023 in accordance with the Corporate Governance requirements. The Board was of the opinion that Mr. A.M. Pandithage should remain as the Executive Chairman of the Company due to his extensive experience, deep insights and domain knowledge evidenced through the leadership provided to the Group. Please refer the Senior Independent Director's Report on page 171.

All the Directors including the Managing Director satisfy the Fit and Proper Assessment Criteria stipulated in the Listing Rules of the Colombo Stock Exchange. There were no non-compliances by any Director or the Managing Director during the financial year.

The Directors have declared all material interests in contracts involving the Company and the Group and they refrain from voting on matters in which they have a material interest.

The Board has updated themselves with the applicable laws, rules and regulations and are aware of the changes to the Listing Rules and other regulatory requirements.

There have been no non-compliances with laws or regulations and the Directors to the best of their knowledge and belief confirm that the Company nor the Group have engaged in any activity that contravenes applicable laws and regulations. There have been no material fines imposed on the Company and the Group by the Government or any regulatory authority in any jurisdiction where the Group companies operate.

30. ANNUAL GENERAL MEETING

The Annual General Meeting will be held at the Registered office No. 400, Deans Road, Colombo 10, Sri Lanka on Thursday 27th June 2024 at 11.00 a.m. The Notice of the Annual General Meeting appears on page 270.

For and on behalf of the Board,

Mohan Pandithage
Chairman

Pushpika Janadheera
Managing Director

Hayleys Group Services (Private) Limited

Secretaries
400, Deans Road,
Colombo 10

16th May 2024

NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

The Nominations and Governance Committee of Hayleys PLC, the Parent Company functioned as the Nominations and Governance Committee of the Company. In terms of the Corporate Governance Rules of the Colombo Stock Exchange, on 1st November 2023, the Nominations Committee of the Parent Company was renamed as the Nominations and Governance Committee and the composition was changed to comply with Rule 9.11.4 of the Listing Rules of the Colombo Stock Exchange.

Composition from 1/4/2023 to 1/11/2023

- Mr. A.M. Pandithage*- Chairman- resigned w.e.f.1st November 2023)
- Dr. H. Cabral PC ***
- Mr. M.Y.A. Perera *** – appointed w.e.f. 21st April 2023

Attendance at Committee Meetings

Director	Attendance
Mr. A.M. Pandithage*	7/7
Dr. H.C. Cabral ***	7/7
Mr. M.Y.A. Perera ***	7/7

Composition from 1/11/2023 to 31/03/2024

- Mr. M.Y.A. Perera *** - Chairman
- Dr. H. Cabral PC ***
- Mr. K.D.G. Gunaratne *** - appointed w.e.f. 1st November 2023

Attendance at Committee Meetings

Director	Attendance
Mr. M.Y.A. Perera ***	4/4
Dr. H.C. Cabral ***	4/4
Mr. K.D.G. Gunaratne ***	4/4

The Company established it's own Nominations and Governance Committee on May 16, 2024

The composition of the Committee is as follows

*Mr. K D G Gunaratne - Chairman ****

*Mr. P Y S Perera ****

*Mr. S C Ganegoda ***

** Executive Director*

*** Non-Executive Director*

****Independent Non-Executive Director*

DUTIES OF THE NOMINATIONS AND GOVERNANCE COMMITTEE

- The Nominations and Governance Committee evaluates and recommends the appointment of Directors to the Board and Committees considering the required skills, experience and qualifications necessary.
- Consider and recommend (or not recommend) the re- election of current directors taking into account the combined knowledge, experience, performance and contribution made by the Director to meet the strategic demands of the Company and the discharge of the Boards overall responsibilities and the number of directorships held by the Director in other listed and unlisted companies and other principle commitments.
- Establish and maintain a formal and transparent procedure to evaluate, select and appoint / re appoint Directors of the Company.
- Establish and maintain a set of criteria for selection of Directors such as academic / professional qualifications, skills, experience and key attributes required for eligibility taking into consideration the nature of the business of the Company and industry specific requirements.
- Establish and maintain a suitable process for the periodic evaluation of the performance of Board Directors and the MD of the Company to ensure their responsibilities are satisfactorily discharged.
- Consider if a Director is able to and has been adequately carrying out his or her duties as a Director, taking in to consideration the number of Listed Company Boards on which the Director is represented and other principal commitments.
- Develop succession plans for Board of Directors and Key Management Personnel.
- Review and recommend the overall corporate governance framework of the Company taking into account the Listing Rules and other applicable regulatory requirements and industry best practices. Review and update the corporate governance policies/ framework in line with regulatory and legal developments relating to same.
- Receive reports from the Management on compliance of the corporate governance framework of the Company including the Company's compliance with provisions of the SEC Act, the Companies Act, Listing Rules of the Colombo Stock Exchange and other applicable laws and reasons for any deviations or non-compliances.

DISCLOSURE OF ACTIVITIES

The Board performance evaluation has been carried out and discussed at Board meetings. Any major issues relating to the Company are updated to the Independent Directors by the Chairman or Managing Director. Special Board meetings are called if the need arises to discuss an important or critical matter with the Board.

Newly appointed Directors are given an induction to the Company. The orientation programme includes inviting the Directors to the manufacturing facilities to gain an understanding of the operations of the Company and its subsidiaries. Requirements as per the Listing Rules and applicable rules and regulations are informed to the new Directors. Existing Directors are regularly updated with corporate governance requirements, Listing Rules and other applicable laws.

Non Executive Directors have submitted declarations regarding their independence / non independence. The Board has declared that Directors who have served on the Board for over 9 years are nevertheless independent, after taking into consideration the fact that they do not exert any control over the day to day activities of the Company and are capable of acting in an impartial and independent manner on matters deliberated by the Board.

The fitness and proprietary of the Directors were examined.

RE-APPOINTMENTS / RE- ELECTIONS

One Third (1/3) of all the directors except the Managing Director, retire by rotation in terms of the Articles of Association and being eligible submit themselves for re-election at the Annual General Meeting (AGM).

Accordingly, the Committee has recommended to re-elect Mr. H S R Kariyawasan , Mr. K D G Gunaratne, Mr. K M D I Prasad to the Board at the Annual General Meeting to be held on 27th June 2024, based on their performance and the contribution made to achieve the objectives of the Board.

Mr. Kariyawasan was appointed to the Board in May 2016, and last re-appointed as a Director in June 2022. His directorships and other principal commitments are given in his profile on page 28.

Mr. Gunaratne was appointed to the Board in August 2015, and last re-appointed as a Director in June 2022. His other directorships and other principal commitments are given in his profile on page 29.

Mr. Prasad was appointed to the Board in October 2018 and last re-appointed as a Director in June 2022. His other directorships and other principal commitments are given in his profile on page 29.

Directors Mr. M N R Fernando and Prof. A P De Silva who were appointed to the Board on 3rd January 2024 and Mr. P Y S Perera who was appointed on 1st April 2024 will come up for re-election by the shareholders at the AGM. Their profiles in pages 29 set out their other principal commitments and directorships.

Due to the invaluable contribution made to the Board as a result of their many years of experience, industry knowledge and business acumen, the Committee has recommended to reappoint Mr. A M Pandithage and Mr. F Mohideen who are over seventy years and who retire in terms of Section 210 of the Companies Act No. 7 of 2007.

None of the Directors who are being proposed for re-election or their family members, have any relationship with the Directors of the Company or shareholders having more than 10% of the shares of the Company.

Hayleys Group Services (Private) Limited, the Company Secretaries act as the Secretaries of the Committee.

The Corporate Governance requirements stipulated under the Listing Rules of the Colombo Stock Exchange are met by the Company and details are given in pages 50 to 71.

K D G Gunaratne

Chairman

Nominations and Governance Committee

16th May 2024

REMUNERATION COMMITTEE REPORT

The Remuneration Committee of Hayleys PLC, the parent Company functioned as the Remuneration Committee of the Company.

The Remuneration Committee held two meetings during the year.

Composition and Attendance at Committee Meetings

Attendance at Committee Meetings

Director	Attendance
Dr. H. Cabral, PC **	2/2
Mr. M.Y.A. Perera **	2/2
Mr. M.H. Jamaldeen **	2/2
Mr. K.D G. Gunaratne ** (appointed w.e.f. 1/4/2023)	1/1

***Independent Non-Executive Director*

The Chairman assists the Committee by providing relevant information and participating in its analysis and deliberations, except when his own compensation package is reviewed.

The Remuneration Committee has well defined Terms of Reference. The Members of the Committee are Independent Directors and are free from business, operational, personal or other relationships which may interfere with their independent, unbiased judgement.

The Company established it's own Remuneration Committee on May 16, 2024

The composition of the Committee is as follows

*Mr. K D G Gunaratne - Chairman***

*Mr. P Y S Perera***

*Mr. S C Ganegoda **

** Non-Executive Director*

***Independent Non-Executive Director*

RESPONSIBILITIES OF THE REMUNERATION COMMITTEE

The Committee is responsible to the Board to determine the policy of the remuneration package of the Directors.

The Committee evaluates, assesses and recommend to the Board of Directors on any matter that may affect Human Resources Management of the Company and the Group and specifically include:

- Determining the compensation of the Chairman, Managing Director, Executive Directors and the Members of the Group Management Committee.
- Lay down guidelines and parameters for the compensation structures of all management staff within the Group taking into consideration industry norms.
- Formulate guidelines, policies and parameters for the compensation structures for all Executive staff of the Company.
- Review information related to executive pay from time to time to ensure same is in par with the market/industry rates.
- Evaluate the performance of the Chairman & Chief Executive and Key Management Personnel against the predetermined targets and goals.
- Assess and recommended to the Board of Directors of the promotions of the Key Management Personnel and address succession planning.
- Approve annual salary increments and bonuses.

REMUNERATION POLICY

The remuneration policy of the Company/ Group is to attract, motivate and retain a highly qualified and experienced executive team, and reward performance accordingly in the backdrop of industry norms. These compensation packages provide compensation appropriate for each business within the Group and commensurate with each employee's level of expertise and contributions, bearing in mind the business' performance and shareholder returns.

The remuneration packages which are linked to individual performances are aligned with the Company's/ Group's short term and long term strategy.

All Non Executive Directors (other than Directors who are employed by Hayleys PLC) receive a fee for serving on the Board and serving on sub committees. They do not receive any performance related incentive payments.

ACTIVITIES IN 2023/2024

During the year the Committee reviewed the performance of the Chairman, Managing Director and Group Management Committee based on the targets set in the previous year and determined the bonus payable and the annual increments.

Reviewed Executives' compensation and implemented market corrections to Executives total compensation in line with the market median.

Recommended the bonus payable and annual increments to be paid to Executive and Non-Executive staff based on the ratings of the Performance Management System.

The aggregate remuneration of the Executive and Non Executive Directors for the Financial Year amounted to Rs. 172,493,420/-.

K D G Gunaratne

Chairman

Remuneration Committee

16th May 2024

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

Composition of the Committee

The Related Party Transactions Review Committee (RPTRC) of the Parent Company functioned as the RPTRC of the Company. It comprised two Independent Non-Executive Directors and one Executive Director.

The RPTRC met 4 times during the year.

Attendance at Committee Meetings

Director	Attendance
Dr H Cabral, PC (Chairman)***	4/4
Mr. M.Y.A.Perera***	4/4
Mr. S C Ganegoda**	4/4

The Chairman, the Group Chief Financial Officer, Group Head of Legal and HR and any other Officers as may be required by the Committee attend the meetings by invitation.

The Company Secretaries act as the Secretaries to the Committee. The minutes of the RPTRC meetings are tabled at the Board meetings thereby providing all Directors access to the deliberations of the Committee.

The Company established its own RPTRC on 16th May 2024, in order to comply with the requirements of the Listing Rules of the Colombo Stock Exchange. The new members are as follows

Mr. K D G Gunaratne***

Mr. P Y S Perera***

Mr. S C Ganegoda**

**** Independent Non Executive*

***Non Executive*

Hayleys Group Services (Private) Limited, the Company Secretaries act as the Secretaries of the Committee.

The RPTRC of Hayleys PLC, the parent Company functioned as the Committee of the Company in terms of Section 9.14 of the Listing Rules of the Colombo Stock Exchange during the year under review. The Company established its own RPTRC on 16th May 2024.

The Committee of the Parent Company as well as the RPTRC of the Company complies with the rules and regulations promulgated by the Securities and Exchange Commission of Sri Lanka, the Listing Rules of the Colombo Stock Exchange and the 2023 Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

THE RESPONSIBILITIES OF THE COMMITTEE

- To review in advance all proposed related party transactions of the group either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such review, prior to the completion of the transaction.
- Seek any information the Committee requires from management, employees or external parties with regard to any transaction entered into with a related party.
- Obtain knowledge or expertise to assess all aspects of proposed related party transactions where necessary, including obtaining appropriate professional and expert advice from suitably qualified persons.
- To recommend, where necessary, to the Board and obtain their approval prior to the execution of any related party transaction.
- To monitor that all related party transactions of the Company are transacted on normal commercial terms and ensure that there is no 'more favourable treatment' given to related parties which may be prejudicial to the interests of the Company/ Group and its minority shareholders.
- Meet with the management, Internal Auditors/External Auditors as necessary to carry out the assigned duties.
- To review the transfer of resources, services or obligations between related parties regardless of whether a price is charged.
- To review the economic and commercial substance of both recurrent/non recurrent related party transactions
- To monitor and recommend the acquisition or disposal of substantial assets between related parties, including obtaining 'competent independent advice' from independent professional experts with regard to the value of the substantial asset of the related party transaction.
- To ensure that there is an adequate and effective process in place to capture information which is relevant to its review function.

TASK OF THE COMMITTEE

The Committee reviewed the related party transactions and their compliance and communicated the same to the Board.

The Committee in its review process recognised the adequacy of the content and quality of the information forwarded to its Members by the management.

DISCLOSURES

A detailed disclosure of all the related party transactions including recurrent and non-recurrent related party transactions which are required to be disclosed under section 9.14.8 of the Listing Rules of the Colombo Stock Exchange has been made in note 33 to the Financial Statements given in page 235 to this report.

Mr. K D G Gunaratne

Chairman

Related Party Transactions Review Committee

16th May 2024

AUDIT COMMITTEE REPORT

The Audit Committee, appointed by and responsible to the Board of Directors, comprises the following Directors:

Mr. S Rajapakse (Chairman)**

Mr. F Mohideen*

Mr. M N R Fernando**

* Non-Executive Director

**Independent Non-Executive Director

The Chairman of the Committee, Mr. S Rajapakse is an Independent Non - Executive Director. He is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and holds an MBA from Postgraduate Institute of Management, University of Sri Jayewardenepura.

Brief profiles of each member are given on pages 28 to 30 of this report. Their individual and collective financial knowledge and business acumen and the independence of the Committee, are brought to bear on their deliberations and judgments on matters that come within the Committee's purview.

Hayleys Group Services (Private) Limited, Company Secretaries act as the Secretary to the Audit Committee. The Chairman, the Managing Director, Hayleys Group Chief Finance Officer, Finance Director of the Company and the Head of Group Management Audit & System Review attend meetings of the Committee by invitation.

The Audit Committee Charter is periodically reviewed and revised with the concurrence of the Board of Directors to make sure that new developments relating to the function of the Committee are captured. The Charter of the Committee was last reviewed and approved by the Board in November 2023. The terms of reference of the Committee are clearly defined in the Charter of the Audit Committee.

'Rules on Corporate Governance' under Listing Rules of the Colombo Stock Exchange, 'Code of Best Practice on Corporate Governance' issued by Institute of Chartered Accountants of Sri Lanka in 2023 , further regulate the composition, roles and functions of the Audit Committee.

MEETINGS OF THE AUDIT COMMITTEE

The Audit Committee met 4 times during the year. The attendance of the members at these meetings is as follows:

Director	Attendance
Mr. S Rajapakse (Chairman)	4/4
Mr. F Mohideen	4/4
Mr. S P Peiris (Resigned w.e.f 31.12.2023)	2/2
Mr. M N R Fernando (Appointed w.e.f 03.01.2024)	2/2

Other members of the Board, as well as the External Auditors were present at discussions where it was appropriate. The proceedings of the Audit Committee are reported to the Board of Directors.

THE AUTHORITY OF THE AUDIT COMMITTEE

- Recommend appointment, dismissal, service period and audit fee of the External Auditors.
- Establish and maintain a direct communication channel with the External Auditors.
- Resolve any issues regarding financial reporting between the management and the External Auditor.
- Pre-approve all audit and non-audit services performed by the External Auditors and internal audit service providers.
- Seek any information it requires from employees or external parties relating to investigations.
- Meet with the management, external auditors as necessary to carry out the assigned duties.

ACTIVITIES IN 2023/24

FINANCIAL REPORTING SYSTEM

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

INTERNAL AUDITS

The Committee reviewed the process to assess the effectiveness of the Internal Financial Controls that have been designed to provide reasonable assurance to the Directors that assets are safeguarded and the financial reporting system can be relied upon in preparation and presentation of Financial Statements.

The Group Management Audit & Systems Review Department (MA & SRD) reports on key control elements and procedures in Group companies that are selected according to a group annual audit plan. The Committee obtained significant findings and recommendations together with management's responses on the review of the internal controls carried out by internal auditors and provide recommendations for improvement.

Follow up reviews were scheduled to ascertain that audit recommendations are being acted upon.

The Committee evaluated the Internal Audit Function covering key areas such as scope, quality of internal audits, independence and resources. The Committee appraised the independence of the Group MA&SRD, in the conduct of their assignments.

RISK MANAGEMENT

The Committee obtained and reviewed statements from the Heads of Business Sectors identifying their respective major business risks, mitigatory action taken or contemplated for management of these risks. The COSO Enterprise Risk Reporting Process is presently being implemented within the Group.

The Audit Committee also conducted ESG risk assessments during the year, thereby identifying, prioritising and monitoring sustainability-related-risks and opportunities.

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

SUBSIDIARY COMPANY AUDIT COMMITTEES

Kelani Valley Plantations PLC , Talawakelle Tea Estates PLC and Horana Plantations PLC the other quoted companies in the Group have Independent Non-Executive Directors in their own Audit Committees to review activities. Their terms of reference are similar to the terms of the DPL Group Audit Committee and reports from these committees are forwarded to the DPL Group Audit Committee.

EXTERNAL AUDITS

The Committee held meetings with the External Auditors to review the nature, approach, scope of the audit and the Audit Management Letters of Group Companies. Actions taken by the management in response to the issues raised, as well as the effectiveness of the internal controls in place, were discussed with the heads of business units. Remedial action was recommended wherever necessary.

The Audit Committee has reviewed the other services provided by the External Auditors to the group to ensure that their independence as External Auditors has not been impaired.

The Audit Committee provides the opportunity to External Auditors to meet Audit Committee Members independently, if necessary.

APPOINTMENT OF EXTERNAL AUDITORS

The Audit Committee recommended to the Board of Directors that Messers Ernst & Young; continue as External Auditors for the financial year ending March 31, 2024 after evaluating the scope, delivery of the audit, resources and the quality of the assurance initiatives taken during the year FY 2022/23

COMPLIANCE

The Committee obtained representations from respective MDs and CFOs of Group Companies on the adequacy of provisions made for possible liabilities and reviewed reports tabled by Group Companies certifying their compliance with relevant statutory requirements. Further, the Committee obtained regular updates from Head of HR and Legal regarding compliance matters.

ETHICS AND GOOD GOVERNANCE

The Committee continuously emphasised on upholding ethical values of the staff members. In this regard, Code of Ethics, Whistle-Blowers Policy and Anti-corruption Policy were put in place and followed educating and encouraging all members of the staff. All appropriate procedures are in place to conduct independent investigations into incidents reported through Whistle-Blowing or identified through other means. The Whistle-Blower Policy guarantees strict confidentiality of the identity of the Whistle-Blowers.

SUPPORT TO THE COMMITTEE

The Committee received information and support from management during the year to enable it to carry out its duties and responsibilities effectively.

EVALUATION OF THE COMMITTEE:

An independent evaluation of the effectiveness of the Committee was carried out by the other Members of the Board during the year. Considering the overall conduct of the Committee and its contribution on the overall performance of the Group, the Committee has been rated as highly effective.

INTERNAL AUDITS

The Committee reviewed the process to assess the effectiveness of the Internal Controls that have been designed to provide reasonable assurance to the Directors that assets are safeguarded and that the financial reporting system can be relied upon in preparation and presentation of Financial Statements. The Hayleys Group MA & SRD reports on key control elements and procedure in Group companies that are selected according to an annual plan. Internal Audits are outsourced wherever necessary, to leading audit firms in line with an agreed annual audit plan. Follow up reviews are scheduled to ascertain that audit recommendations are being acted upon. The Committee appraised the independence of the Group MA & SRD and other internal auditors, in the conduct of their assignments.

The Committee reviewed statements that indicated major business risks, mitigating actions or contemplated for management of these risks.

SRI LANKA ACCOUNTING STANDARDS

Committee reviewed the revised policy decisions relating to adoption of new and revised Sri Lanka Accounting Standards (SLFRS/LKAS) applicable to the Group companies and made recommendation to the Board of Directors. The Committee would continue to monitor the compliance with relevant Accounting Standards and keep the Board of Directors informed at regular intervals.

The Committee has pursued the assistance of Messers Ernst and Young to assess and review the existing SLFRS policies and procedures adopted by the Group.

Sujeewa Rajapakse
Chairman

Audit Committee
May 13, 2024

STATEMENT BY THE SENIOR INDEPENDENT DIRECTOR

In order to comply with Section 9. 6. 3 of the Listing Rules of the Colombo Stock Exchange, the Board of Directors of the Company designated me as the Senior Independent Director (SID) of the Company with effect from 1st November 2023.

Section 9.6.3 of the Listing Rules and the Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka provide that in situations where the Chairman and CEO are the same person or where the Chairman is not an Independent Director, a Senior Independent Director (SID) shall be appointed. At Dipped Products PLC although the Chairman is not the CEO, he is not an Independent Director.

ROLE OF THE SENIOR INDEPENDENT DIRECTOR

The Senior Independent Director (SID) provides guidance to the Chairman on matters of governance of the Company.

The role of the SID also provides emphasis to transparency on matters relating to governance and calls for a review of the effectiveness of the Board.

The SID makes himself available to any Director or any employee to have confidential discussions on the affairs of the Company, should the need arise.

ACTIVITIES DURING THE YEAR

In line with the regulatory requirements, I presided over the following meetings and exercised my voting rights where necessary.

Meetings were held with the Non Executive Directors without the presence of the Executive Directors. At these meetings the performance of the Chairman and the Executive Directors were appraised.

A meeting was held with only the Independent Directors. Discussions were held on matters relating to the Company and the operation of the Board.

The outcome of these meetings together with recommendations was duly informed to the Chairman and the Board.

The Company follows a policy of strict compliance with mandatory requirements while embracing voluntary adherence, in order to enhance stakeholder acceptance and making a positive impact on value creation.

I believe that I have fulfilled the obligations entrusted to the SID in accordance with the Corporate Governance guidelines.

K. D. G. Gunaratne

Senior Independent Director

May16, 2024

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible under sections 150 (1), 151, 152 (1) & 153 of the Companies Act No. 7 of 2007 (The Companies Act.), to ensure compliance with the requirements set out therein to prepare financial statements for each financial year giving a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and of the profit & loss of the Company and the Group for the financial year.

The Directors are also responsible, under section 148 of the Companies Act to ensure that proper accounting records are kept to enable, determination of the financial position with reasonable accuracy, preparation of financial statements and audit of such statements to be carried out readily and properly.

The Board accepts responsibility for the integrity and objectivity of the financial statements presented. The Directors confirm that in preparing the financial statements, appropriate accounting policies have been selected and applied consistently while reasonable and prudent judgments have been made so that the form and substance of transactions are properly reflected.

They also confirm that the financial statements have been prepared and presented in accordance with the Sri Lanka Accounting standards, the Companies Act and the Listing Rules of the Colombo Stock Exchange.

The Directors are of the opinion, based on their knowledge of the company, key operations and specific inquiries that adequate resources exist to support the Company on a going concern basis over the next year. These financial statements have been prepared on that basis.

The Directors have taken proper and sufficient measures to safeguard the assets of the Group and, in that context, have instituted appropriate systems of internal control and accounting records to prevent and detect frauds and other irregularities. These have been reviewed, evaluated and updated on an ongoing basis.

The Directors have confirmed that the Company satisfies the solvency test requirement under Section 56 of the Companies Act for the interim dividends paid and final dividend proposed. Also a solvency certificate was obtained from the Auditors in respect of the said interim dividends paid and will be obtained for final dividend proposed.

The External Auditors, Messrs Ernst & Young chartered Accountants who were re-appointed in terms of the Companies Act were provided with every opportunity to undertake the inspections they considered appropriate to enable them to form their opinion on the Financial Statements. The report of the Auditors, shown on page 135 sets out their responsibilities in relation to the Financial Statements.

COMPLIANCE REPORT

The Directors confirm that to the best of their knowledge, all statutory payments relating to employees and the Government that were due in respect of the Company and its Subsidiaries as at the Balance Sheet date have been paid or provided where relevant.

By order of the Board

HAYLEYS GROUP SERVICES (PVT) LTD

Secretaries

May 16, 2024

FINANCIAL STATEMENTS

THE EPITOME OF VALUE

Since inception, we have structured ourselves to transform adversity into opportunity, and nurtured unmatched value for our stakeholders.

Representing timeless beauty and elegance, shells have been a source of value across millennia, with cowrie shells in particular being used as a form of currency in ancient cultures and across key trade networks. The mollusks that reside within many shells are also known to either create pearls or surround themselves with layer of nacre (mother of pearl) in order to protect themselves against external threats.

FINANCIAL CALENDAR

Interim Reports	
Quarter ended June 30, 2023	August 9, 2023
Quarter ended September 30, 2023	November 9, 2023
Quarter ended December 31, 2023	February 12, 2024
Quarter ended March 31, 2024	May 16, 2024

Annual Report - 2023/24	June 03, 2024
Forty Eighth Annual General Meeting	June 27, 2024
First Interim dividend paid	October 23, 2023
Second Interim dividend paid	January 24, 2024
Third Interim dividend paid	April 25, 2024

INDEPENDENT AUDITOR'S REPORT

Building a better working world

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Chartered Accountants
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TO THE SHAREHOLDERS OF DIPPED PRODUCTS PLC

Report on the audit of the Financial Statements

Opinion

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

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31 March 2024, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key audit matter	How our audit addressed the key audit matter
Revenue The Group recognized revenue from contracts with customers amounting to Rs. 73,942Mn, as disclosed in Notes 3 and 2.18.1 to the financial statements Revenue was a key audit matter due to: ▪ the materiality of revenue reported for the year; and ▪ considerations to be made on terms of sales arrangements relating to the timing of transfer of control of the goods and services.	Our audit procedures included the following key procedures: ▪ Assessed whether the Group's accounting policy for revenue recognition has been appropriately applied. ▪ Evaluated the design and tested the relevant key controls over revenue. Our procedures included testing the general IT control environment and the relevant key IT application controls relating to the most significant IT systems relevant to revenue. ▪ Obtained an understanding of the nature of revenue contracts entered in to by the Group. ▪ Performed analytical procedures to understand and assess the reasonableness of the reported revenues. ▪ Tested revenue transactions to sales contracts and other supporting documents. Our procedures included testing: - Revenue transactions around the year-end to determine whether transactions have been recorded in the proper period and to the proper accounts; In particular, we tested how terms of sales arrangements were considered within the revenue recognition process. - Journal entries recognized to revenue. We also assessed the adequacy of the related disclosures set out in Notes 3 and 2.18.1 to the financial statements.

Key audit matter	How our audit addressed the key audit matter
Measurement of Retirement Benefit Obligation As disclosed in note 25 to the financial statements, the Group's retirement benefit obligation amounted to Rs. 4,006 Mn and represented 14% of the Group's total liabilities as of 31 March 2024. The value of retirement benefit obligation was based on the actuarial valuations carried out by an external valuer engaged by the Group. This was a key audit matter due to: ▪ The materiality of the reported retirement benefit obligation balance; and ▪ The degree of management judgements, assumptions and estimation uncertainties associated with measurement of the retirement benefit obligation. Key areas of significant judgements, assumptions and estimates used in assessing the value of the retirement benefit obligation included ascertaining the discount rate and future salary / wage growth rate as disclosed in Note 25 to the financial statements.	Our audit procedures included the following key procedures: ▪ Assessed the competence, capability and objectivity of the external actuary engaged by the Group. ▪ Checked the completeness and accuracy of the data used in the valuation of retirement benefit obligations by agreeing key information to source documents and accounting records. ▪ Read the external actuary's report and identified the key estimates made and the approach taken by the actuary in determining the value of the retirement benefit obligation. ▪ Assessed the reasonableness of the significant judgements, assumptions and estimates made by the external actuary such as discount rate and future salary/ wage growth rate in measuring the value of the retirement benefit obligation. We also assessed the adequacy of the disclosures made in Note 25 to the financial statements.
Measurement of Bearer Biological Assets As of 31 March 2024, the Group's bearer biological assets amounted to Rs. 8,757 Mn and represented 14% of the Group's total assets. Bearer Biological Assets comprised of Rs. 6,737 Mn Mature Plantations and Rs 2,020 Mn of Immature plantations, as disclosed in Note 10 to the financial statements. This was a key audit matter due to: ▪ The materiality of the reported bearer biological asset balance; and ▪ The degree of management's judgement involved in the identification of the point at which transfers are to be made from immature plantations to mature plantations and possible indicators of impairment, as disclosed in Notes 2.7 and 10 to the financial statements.	Our audit procedures included the following key procedures: ▪ Obtained an understanding of management's expense allocation process and evaluated the design of relevant key controls over the identification of expenses to be capitalized in relation to immature plantations. ▪ Tested expenses incurred by examining related invoices, capital expenditure authorizations and other corroborative evidence. ▪ Tested transfer of immature plants to respective matured plantation categories by examining ageing profile of immature plantations. ▪ Assessed the reasonableness of depreciation provided on the matured plantations by performing independent computations. ▪ Inspected the ageing profile of the immature biological assets as of the reporting date to ensure that possible indictors of impairment have been identified, assessed for probable impairment charges/ losses accounted for in the financial statements. We also assessed the adequacy of the disclosures made in Notes 2.7 and 10 to the financial statements.

Other Information included in the 2024 Annual Report

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

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

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

Responsibilities of the management and those charged with governance for the financial statements.

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional 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 internal controls of the Company and the Group.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other legal and regulatory requirements

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 2440.

Ernst & Young

16 May 2024
Colombo

STATEMENT OF PROFIT OR LOSS

Year ended March 31,	Notes	Group 2024 Rs.'000	Group 2023 Rs.'000	Company 2024 Rs.'000	Company 2023 Rs.'000
Revenue from contracts with customers	3	73,941,960	80,099,312	9,003,205	10,589,861
Cost of sales		(56,882,914)	(60,490,240)	(6,086,685)	(6,982,555)
Gross profit		17,059,046	19,609,072	2,916,520	3,607,306
Other income and gains	4	819,820	766,748	754,572	2,747,078
Distribution costs		(1,956,362)	(2,660,512)	(132,032)	(315,972)
Administrative expenses		(8,193,104)	(8,087,179)	(1,459,515)	(1,384,231)
Finance cost	5.1	(1,466,345)	(1,054,716)	(371,414)	(449,490)
Finance income	5.2	1,296,256	2,645,279	254,374	1,436,940
Share of profit from equity accounted investee (Net of tax)	17	8,137	-	-	-
Profit before tax	6	7,567,448	11,218,692	1,962,505	5,641,631
Tax expense	7	(1,788,403)	(2,716,268)	(162,336)	(339,212)
Profit for the year		5,779,045	8,502,424	1,800,169	5,302,419
Attributable to:					
Equity holders of the parent		4,471,816	6,507,083	1,800,169	5,302,419
Non-controlling interest		1,307,229	1,995,341	-	-
		5,779,045	8,502,424	1,800,169	5,302,419
Basic earnings per share (Rs.)	8	7.47	10.87	3.01	8.86
Diluted earnings per share (Rs.)	8	7.47	10.87	3.01	8.86
Dividends per share (Rs.)	9	2.25	3.00	2.25	3.00

Figures in brackets indicate deductions.

The Notes on pages 187 to 246 form an integral part of the Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME

Year ended March 31,	Notes	Group 2024 Rs.'000	Group 2023 Rs.'000	Company 2024 Rs.'000	Company 2023 Rs.'000
Profit for the year		5,779,045	8,502,424	1,800,169	5,302,419
Other comprehensive income (OCI)					
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax)					
Currency translation of foreign operations		(971,030)	689,335	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax)					
Actuarial gain/(loss) on defined benefit plans and agents' indeminity fund	25.2/26	(484,428)	(43,701)	(42,792)	(9,519)
Tax effect on actuarial gain/(loss)	7.2/18.2	147,722	31,133	12,837	2,856
Net gain on equity instruments designated at Fair Value through Other Comprehensive Income	16.1/ 16.2.1	26,260	6,024	-	-
Tax effect on land revaluation	7.2/18.2	-	(27,542)	-	(17,508)
Other comprehensive income for the year (net of tax)		(1,281,476)	655,249	(29,955)	(24,171)
Total comprehensive income for the year (net of tax)		4,497,569	9,157,673	1,770,214	5,278,248
Attributable to:					
Equity holders of the parent		3,330,895	7,156,488	1,770,214	5,278,248
Non-controlling interest		1,166,674	2,001,185	-	-
Total comprehensive income for the year (net of tax)		1,497,569	9,157,673	1,770,214	5,278,248

Figures in brackets indicate deductions.

The Notes on pages 187 to 246 form an integral part of the Financial Statements.

STATEMENT OF FINANCIAL POSITION

As at March 31,	Notes	Group 2024 Rs.'000	Group 2023 Rs.'000	Company 2024 Rs.'000	Company 2023 Rs.'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	10	23,971,323	21,976,520	2,043,185	1,385,791
Formers (moulds)	11	729,505	608,431	207,694	122,950
Biological assets	12	1,506,271	1,313,068	-	-
Right of use assets	13	1,798,682	1,469,092	-	9,974
Intangible assets	14	683,449	646,363	-	11,826
Investments in subsidiaries	15.1	-	-	7,347,658	7,352,658
Other non-current financial assets	16	426,349	397,711	522	678
Investments in equity accounted investee	17	139,858	-	-	-
Deferred tax assets	18.1	233,926	258,614	62,700	57,629
		29,489,363	26,669,799	9,661,759	8,941,506
Current Assets					
Inventories	19	11,685,227	12,648,602	1,227,962	1,253,196
Trade and other receivables	20	12,193,920	12,131,102	1,931,850	1,646,294
Advances and prepayments		1,568,917	1,571,793	316,532	278,614
Amounts due from subsidiaries	21	-	-	1,325,931	203,361
Cash and short term deposits		8,975,940	9,659,763	1,212,006	2,397,144
		34,424,004	36,011,260	6,014,281	5,778,609
Total assets		63,913,367	62,681,059	15,676,040	14,720,115
EQUITY AND LIABILITIES					
Equity					
Stated capital	22	598,615	598,615	598,615	598,615
Capital reserves		610,315	610,315	266,277	266,277
Fair value reserve of financial assets at fair value through OCI		88,159	69,139	-	-
Revenue reserves		27,579,766	25,696,991	9,489,811	9,066,481
Equity attributable to equity holders of the parent		28,876,855	26,975,061	10,354,703	9,931,374
Non-controlling interest		7,203,020	6,540,249	-	-
Total equity		36,079,875	33,515,310	10,354,703	9,931,374
Non-Current Liabilities					
Interest-bearing loans and borrowings	23.1	4,300,664	3,576,522	400,308	-
Deferred income	24	886,703	896,440	-	-
Defined benefit obligations	25.2	4,006,968	3,464,696	837,589	737,427
Agents' indemnity fund	26	131,779	135,865	-	-
Deferred tax liabilities	18.2	2,526,532	2,277,368	-	-
		11,852,646	10,350,891	1,237,897	737,427
Current Liabilities					
Trade and other payables	27	10,146,063	9,742,403	2,288,667	1,294,352
Interest-bearing loans and borrowings	23.2	5,290,534	7,860,179	860,629	731,876
Amounts due to subsidiaries	28	-	-	877,047	1,508,812
Income tax payable	29.2	544,249	1,212,276	57,097	516,274
		15,980,846	18,814,858	4,083,440	4,051,314
Total liabilities		27,833,492	29,165,749	5,321,337	4,788,741
Total equity and liabilities		63,913,367	62,681,059	15,676,040	14,720,115

Figures in brackets indicate deductions.

These financial statements are in compliance with the requirements of the Companies Act No : 07 of 2007

The Notes on pages 187 to 246 form an integral part of the Financial Statements.

Ramesh Nanayakkara
Director - Finance

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

Mohan Pandithage
Chairman

Pushpika Janadheera
Managing Director

Colombo
May 16, 2024

STATEMENT OF CHANGES IN EQUITY

Year ended March 31,	Stated Capital	Attributable to Equity holders of the Parent										Non-Controlling Interest	Total Equity
		Capital Reserves			Total Other Components of Equity	Revenue Reserves					Total		
		Reserve on Scrip Issue	Revaluation Reserves	Other Capital Reserves	Fair Value Reserve of Financial Assets at Fair Value Through OCI	General Reserve	Timber Reserve	Bearer Biological Produce Reserve	Retained Earnings	Exchange Fluctuation Reserve			
Group	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at April 1, 2022	598,615	167,409	330,075	83,289	64,776	1,190,950	227,109	20,985	15,368,413	3,855,179	21,906,800	4,452,442	26,359,243
Adjustment for surcharge tax levied under surcharge tax act.	-	-	-	-	-	-	-	-	(292,382)	-	(292,382)	(29,282)	(321,664)
Adjusted Balance as at April 1, 2022	598,615	167,409	330,075	83,289	64,776	1,190,950	227,109	20,985	15,076,031	3,855,179	21,614,418	4,423,161	26,037,579
Profit for the year	-	-	-	-	-	-	58,350	11,826	6,436,907	-	6,507,083	1,995,341	8,502,424
Other comprehensive income													
Currency translation of foreign operations	-	-	-	-	-	-	-	-	-	682,544	682,544	6,791	689,335
Net gain/(loss) on equity instrument designated at fair value through OCI	-	-	-	-	4,363	-	-	-	-	-	4,363	1,661	6,024
Actuarial gain/(loss) on defined benefit plans	-	-	-	-	-	-	-	-	(36,724)	-	(36,724)	(6,977)	(43,701)
Tax effect on actuarial loss on defined benefit plans	-	-	-	-	-	-	-	-	23,998	-	23,998	7,135	31,133
Tax effect on land revaluation	-	-	(24,776)	-	-	-	-	-	-	-	(24,776)	(2,766)	(27,542)
Total other comprehensive income	-	-	(24,776)	-	4,363	-	-	-	(12,726)	682,544	649,405	5,844	655,249
Total comprehensive income for the year	-	-	(24,776)	-	4,363	-	58,350	11,826	6,424,181	682,544	7,156,488	2,001,185	9,157,673
Transactions with owners, recorded directly in equity													
Dividends to equity holders	-	-	-	-	-	-	-	-	(1,795,845)	-	(1,795,845)	(638,735)	(2,434,580)
Transfers	-	-	-	54,318	-	-	-	-	(54,318)	-	-	-	-
Total contributions by and distributions to owners	-	-	-	54,318	-	-	-	-	(1,850,164)	-	(1,795,845)	(638,735)	(2,434,580)
Changes in ownership interests in subsidiaries													
Net investment by non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	74,508	74,508
Adjustment due to change in holding												680,130	680,130
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	754,638	754,638
Balance as at March 31, 2023	598,615	167,409	305,299	137,607	69,139	1,190,950	285,459	32,811	19,650,048	4,537,723	26,975,061	6,540,249	33,515,310

Other Capital Reserve comprises legal reserve of ICOGUANTI S.p.A and Dipped Products (Thailand) Ltd.
Revaluation Reserve relates to the revaluation of land.
Fair Value Reserve of Financial Assets at FVTOCI relates to change in fair value of financial assets at FVTOCI.
General Reserve comprises profits set aside for future distribution and investment.
Timber Reserve relates to changes in fair value of managed trees and commercial timber plantations cultivated on estates
Bearer Biological Produce Reserve relates to the changes in the fair value of agricultural produce of bearer biological assets on plantation estates.
Exchange Fluctuation Reserve comprises all foreign currency differences arising from translation of the Financial Statements of foreign operations.
Figures in brackets indicate deductions.
The Notes on pages 187 to 246 form an integral part of the Financial Statements.

Year ended March 31,	Stated Capital	Attributable to Equity holders of the Parent									Total	Non-Controlling Interest	Total Equity
		Capital Reserves			Total Other Components of Equity	Revenue Reserves							
		Reserve on Scrip Issue	Revaluation Reserves	Other Capital Reserves	Fair Value Reserve of Financial Assets at Fair Value Through OCI	General Reserve	Timber Reserve	Bearer Biological Produce Reserve	Retained Earnings	Exchange Fluctuation Reserve			
Group	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at April 1, 2023	598,615	167,409	305,299	137,607	69,139	1,190,950	285,459	32,811	19,650,048	4,537,723	26,975,061	6,540,249	33,515,310
Profit for the year	-	-	-	-	-	-	89,184	(4,470)	4,387,102	-	4,471,816	1,307,229	5,779,045
Other comprehensive income											-		-
Currency translation of foreign operations	-	-	-	-	-	-	-	-	-	(961,920)	(961,920)	(9,110)	(971,030)
Net gain/(loss) on equity instrument designated at fair value through OCI	-	-	-	-	19,020	-	-	-	-	-	19,020	7,240	26,260
Actuarial gain/(loss) on defined benefit plans	-	-	-	-	-	-	-	-	(286,261)	-	(286,261)	(198,167)	(484,428)
Tax effect on actuarial loss on defined benefit plans	-	-	-	-	-	-	-	-	88,240	-	88,240	59,482	147,722
Total other comprehensive income	-	-	-	-	19,020	-	-	-	(198,021)	(961,920)	(1,140,921)	(140,555)	(1,281,476)
Total comprehensive income for the year	-	-	-	-	19,020	-	89,184	(4,470)	4,189,081	(961,920)	3,330,895	1,166,674	4,497,569
Transactions with owners, recorded directly in equity													
Dividends to equity holders	-	-	-	-	-	-	-	-	(1,346,884)	-	(1,346,884)	(516,731)	(1,863,615)
Unclaimed dividend written-back	-	-	-	-	-	-	-	-	6,199	-	6,199	6,245	12,444
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-	(1,340,685)	-	(1,340,685)	(510,486)	(1,851,171)
Adjustment due to change in holding									(91,329)	2,914	(88,415)	6,583	(81,832)
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	(91,329)	2,914	(88,415)	6,583	(81,832)
Balance as at March 31, 2024	598,615	167,409	305,299	137,607	88,159	1,190,950	374,643	28,341	22,407,115	3,578,717	28,876,855	7,203,020	36,079,875

Other Capital Reserve comprises legal reserve of ICOGUANTI S.p.A and Dipped Products (Thailand) Ltd.
Revaluation Reserve relates to the revaluation of land
Fair Value Reserve of Financial Assets at FVTOCI relates to change in fair value of financial assets at FVTOCI.
General Reserve comprises profits set aside for future distribution and investment.
Timber Reserve relates to changes in fair value of managed trees and commercial timber plantations cultivated on estates
Bearer Biological Produce Reserve relates to the changes in the fair value of agricultural produce of bearer biological assets on plantation estates.
Exchange Fluctuation Reserve comprises all foreign currency differences arising from translation of the Financial Statements of foreign operations.
Figures in brackets indicate deductions.
The Notes on pages 187 to 246 form an integral part of the Financial Statements.

STATEMENT OF CHANGES IN EQUITY

Year ended March 31,	Stated Capital	Capital Reserves: Revaluation Reserve	Capital Reserves: Other Capital Reserves	Reserves: Retained Earnings	Total Equity
Company	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at April 01, 2022	598,615	283,605	180	5,770,095	6,652,495
Adjustment for surcharge tax levied under surcharge tax act.	-	-	-	(203,525)	(203,525)
Adjusted Balance as at April 01, 2022	598,615	283,605	180	5,566,570	6,448,970
Profit for the year	-	-	-	5,302,419	5,302,419
Other comprehensive income					
Actuarial gain on defined benefit plans	-	-	-	(9,519)	(9,519)
Tax effect on actuarial loss on defined benefit plans	-	-	-	2,856	2,856
Tax effect on land revaluation	-	(17,508)		-	(17,508)
Total other comprehensive income	-	(17,508)	-	(6,663)	(24,171)
Total comprehensive income for the year	-	(17,508)	-	5,295,756	5,278,248
Transactions with owners, recorded directly in equity					
Dividends to equity holders	-	-	-	(1,795,845)	(1,795,845)
Total transactions with owners, recorded directly in equity	-	-	-	(1,795,845)	(1,795,845)
Balance as at March 31, 2023	598,615	266,097	180	9,066,481	9,931,374
Balance as at April 01, 2023	598,615	266,097	180	9,066,481	9,931,374
Profit for the year				1,800,169	1,800,169
Other comprehensive income					
Actuarial gain on defined benefit plans				(42,792)	(42,792)
Tax effect on actuarial loss on defined benefit plans				12,837	12,837
Total other comprehensive income	-	-	-	(29,955)	(29,955)
Total comprehensive income for the year	-	-	-	1,770,214	1,770,214
Transactions with owners, recorded directly in equity					
Dividends to equity holders				(1,346,884)	(1,346,884)
Total transactions with owners, recorded directly in equity				(1,346,884)	(1,346,884)
Balance as at March 31, 2024	598,615	266,097	180	9,489,811	10,354,703

Figures in brackets indicate deductions.

The Notes on pages 187 to 246 form an integral part of the Financial Statements.

STATEMENT OF CASH FLOWS

Year ended March 31,	Notes	Group 2024 Rs.'000	Group 2023 Rs.'000	Company 2024 Rs.'000	Company 2023 Rs.'000
Cash flows from/(used in) operating activities					
Cash generated from operations (Note A)		10,451,438	15,502,530	427,744	5,138,735
Interest paid	5.1	(943,757)	(939,228)	(235,560)	(449,490)
Taxes paid	29.2	(2,050,504)	(1,229,040)	(613,744)	(41,178)
Retiring gratuity paid	25.2	(748,193)	(535,897)	(111,521)	(17,722)
Release in defined benefit obligation due to employee transfers	25.2	(1,685)	-	(1,532)	757
Agents' indemnity paid	26	(2,675)	-	-	-
Surcharge Tax Paid	2.15	-	(321,664)	-	(203,525)
Net cash flow from operating activities		6,704,624	12,476,702	(534,613)	4,427,578
Cash flows from/(used in) investing activities					
Purchase & construction of property,plant and equipment		(4,325,216)	(4,105,781)	(811,947)	(357,677)
Purchase of formers (moulds)	11	(265,708)	(275,472)	(107,108)	(47,009)
Acquisition of intangible assets	14	(145,209)	(90,884)	-	-
Grants received	24	36,551	18,408	-	-
Proceeds from disposal of property, plant and equipment		80,589	34,470	15,104	8,279
Development cost (net) incurred on biological assets net of harvest	12	8,706	16,170	-	-
Interest and dividend received	4/5.2	1,182,718	1,005,288	254,374	367,111
Dividend received from subsidiary companies		-	-	698,500	1,462,603
Net payments to non-controlling interest		-	82,113	-	-
Investment in other non current financial assets		(131,721)	-	-	-
Acquisition of subsidiary net of cash and short term borrowings		-	(1,159,599)	-	-
Net cash flows from investing activities		(3,559,289)	(4,475,287)	48,923	1,433,305
Cash flows from/(used in) financing activities					
Long term loans obtained	23.1.1	2,900,275	3,264,755	1,080,000	-
Repayment of long term loans	23.1.1	(3,385,853)	(2,665,187)	(313,587)	-
Capital payment on lease liabilities	23.1.2	(97,895)	(66,390)	(14,493)	(15,541)
Dividend paid to equity holders of the parent		(1,228,508)	(2,050,579)	(1,228,508)	(2,050,579)
Dividend paid to shareholders with non-controlling interest		(598,023)	(638,735)	-	-
Net movement of short term loans	23.2	(315,476)	(3,518,245)	(43,687)	(3,231,500)
Net cash flows from financing activities		(2,725,480)	(5,674,380)	(520,275)	(5,297,621)
Net increase / (decrease) in cash & cash equivalents		419,855	2,327,034	(1,005,966)	563,262
Cash & cash equivalents at the beginning of the year		7,874,000	5,546,966	2,173,261	1,609,999
Cash & cash equivalents at the end of the year (Note B)		8,293,855	7,874,000	1,167,295	2,173,261

STATEMENT OF CASH FLOWS

Year ended March 31,	Notes	Group 2024 Rs.'000	Group 2023 Rs.'000	Company 2024 Rs.'000	Company 2023 Rs.'000
A Cash Generated from operations					
Profit before tax		7,567,448	11,218,692	1,962,505	5,641,631
Adjustments for:					
Interest cost	5.1	943,757	939,228	235,560	446,732
Share of (profit)/loss of equity accounted investees	17	(8,137)	-	-	-
(Gain) on fair value change in consumable biological assets	19.1	6,472	(17,173)	-	-
(Gain)/Loss on change in fair value of produce on bearer biological assets	12	(206,129)	(138,628)	-	-
Depreciation on property, plant and equipment & write off	10	1,923,403	1,518,079	153,050	130,812
Depreciation on right of use assets	13	145,900	114,512	9,974	14,682
Impairment of formers	11	71,053	70,664	15,471	10,027
Write-off & breakages of formers		65,752	34,555	6,892	4,198
Amortisation of intangible assets	14	87,865	39,346	11,826	11,840
Gain on disposal of property, plant & equipment	4	(35,473)	(3,896)	(13,598)	(1,006)
Impairment loss/(reversal) on investment and other amounts due	15.1.1	-	-	5,000	-
Amortisation of grants	24	(46,288)	(37,526)	-	-
Impairment provision for / (reversal of) bad & doubtful debts	20.1	(196,586)	297,379	(67,722)	113,293
Provision for retiring gratuity	25.2	840,339	581,800	170,424	133,450
Provision for agents' indemnity fund	26	11,938	18,445	-	-
Provision for slow-moving / obsolete inventories	19.2	(173,108)	168,595	11,764	5,456
Interest and dividend income	5.2	(1,182,718)	(1,005,288)	(952,874)	(3,059,193)
Differences of exchange on translation of foreign entities		(879,950)	950,519	-	-
		8,935,538	14,749,303	1,548,272	3,451,922
(Increase) / decrease in trade and other receivables		91,144	(32,790)	(1,193,900)	(243,293)
(Increase) / decrease in advances and prepayments		2,876	(370,509)	(37,918)	(163,124)
(Increase) / decrease in inventories		1,130,011	(243,710)	(108,570)	(77,727)
Increase / (decrease) in trade and other payables		291,869	1,400,236	219,860	2,170,956
		1,515,900	753,227	(1,120,528)	1,686,812
		10,451,438	15,502,530	427,744	5,138,734
B Analysis of cash & cash equivalents at end of the period					
Cash at bank and in hand		3,348,598	2,798,228	1,080,961	672,144
Short term deposits		5,627,342	6,861,535	131,045	1,725,000
Bank overdraft	23.2	(682,085)	(1,785,763)	(44,711)	(223,883)
		8,293,855	7,874,000	1,167,295	2,173,261

The Notes on pages 187 to 246 form an integral part of the Financial Statements.

The figures in brackets indicate deductions

NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

1.1 General

Dipped Products PLC, is a Company incorporated and domiciled in Sri Lanka. The ordinary shares of the Company are listed on the Colombo Stock Exchange of Sri Lanka. The address of the Company's registered office is given on the back inner cover in this report.

The Consolidated Financial Statements of Dipped Products PLC, as at and for the year ended March 31, 2024 encompass the Company and its Subsidiaries (together referred to as the 'Group'). All subsidiaries in the Group are limited liability companies incorporated and domiciled in Sri Lanka other than Dipped Products (Thailand) Ltd., ICOGUANTI S.p.A, DPL France SAS and ROZENBAL POLSKA Sp.z.o.o which are incorporated and domiciled in Thailand, Italy, France and Poland respectively.

Descriptions of the nature of the operations and principal activities of the Company and its Subsidiaries are given on the pages 256 and 257. There were no significant changes in the nature of the principle activities of the Company and the Group during the financial year under review.

The Company's ultimate Parent undertaking and controlling entity is Hayleys PLC which is incorporated in Sri Lanka.

The Financial Statements of all companies in the Group other than those mentioned in Note 36 to the Financial Statements are prepared for a common financial year which ends on March 31.

The Consolidated Financial Statements of the Group for the year ended March 31, 2024 were authorized for issue by the Directors on May 16, 2024.

1.2 Responsibility for Financial Statements

The responsibility of the Directors in relation to the Financial Statements is set out in the Statement of Directors' Responsibility Report.

1.3 Basis of Preparation

1.3.1 Statement of Compliance

The Consolidated Financial Statements have been prepared in accordance with the Sri Lanka Accounting Standards promulgated by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka), and with the requirements of the Companies Act No. 7 of 2007.

1.3.2 Basis of Measurement

The Consolidated Financial Statements have been prepared on a historical cost basis, except for the following items in the Statement of Financial Position:

- Land which is recognized as property plant and equipment is measured at cost at the time of the acquisition and subsequently carried at fair value.
- Financial instruments reflected at fair value through profit or loss and fair value through OCI measured at fair value.
- Consumable biological assets are measured at fair value, less cost to sell.
- Agricultural produce from biological assets are reflected at fair value, less cost to sell.

No adjustments have been made for inflationary factors in the Consolidated Financial Statements.

1.3.3 Functional and Presentation Currency

The Financial Statements are presented in Sri Lankan Rupees which is the Group's functional currency except for certain subsidiaries whose functional currencies are different as they operate in different economic environments. All financial information presented in Sri Lankan Rupees have been given to the nearest thousand (Rs. '000), unless stated otherwise.

1.3.4 Materiality and Aggregation

Each material class of similar items is presented separately in the Consolidated Financial Statements.

Items of a dissimilar nature or function are presented separately unless they are immaterial.

1.3.5 Changes in Accounting Policies

New and Amended Standards and Interpretations

No significant impact resulted on the financial statements of the Group due to changes in Accounting Standards and disclosures during the year.

1.3.6 Comparative Information

Comparative information including quantitative, narrative and descriptive information as relevant is disclosed in respect of previous period in the Financial Statements.

In addition, the Group presents an additional Statement of Financial Position at the beginning of the preceding period when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in Financial Statements.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Significant Accounting Judgments, Estimates and Assumptions

The preparation of Financial Statements in conformity with Sri Lanka Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Judgments and estimates are based on historical experience and other factors including expectations that are believed to be reasonable under the circumstances. Hence actual experience and results may differ from these judgments and estimates.

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

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows.

2.1.1 Going Concern

The Directors have made an assessment of the Group's ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern.

Such includes management's assessment of the existing and anticipated effects of the current state of the national economy and the circumstances surrounding volatility of the external environment on the Company and its subsidiaries. Therefore, the Financial Statements continue to be prepared on the going concern basis.

2.1.2 Taxation

Uncertainties exist with respect to the interpretation of complex tax regulation, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and the complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establish provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the Group companies.

According to The Inland Revenue (Amendment) Bill, to amend the Inland Revenue Act, No. 24 of 2017, Agro Farming is exempt from income tax for a period of 5 years effective from 01 April 2019. Accordingly, exemption given to Agro farming ended in the current financial year. In addition to above the prevailing tax rate up to 31 December 2022 was 14%. This was increased with effect from 01 October 2023 to 30%. Where applicable, the Group has separated its income and expenses as Agro farming and Agro Processing and applied the respective tax rates.

Further, the Group has separated assets and liabilities as at March 31, 2024 as Agro farming and Agro processing for deferred tax purposes.

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

2.1.3 Employee Benefit Liability - Gratuity

The present value of the employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Key assumptions used in determining the defined benefit obligations are given in Note 25 to the Financial Statements. Any changes in these assumptions will impact the carrying amount of employee benefit obligations.

2.1.4 Biological Assets

The group measures consumable Biological Assets at fair value and changes in value being recognised in the Statement of Profit or Loss. Fair valuation involves assumptions which are provided in Note 12. Such estimations are subject to significant uncertainties.

Judgement is also required in relation to bearer biological assets in assessing immature plantation for indicators of impairment and determining the point at which transfers to mature plantation are to be made.

2.2 Basis of Consolidation

The Consolidated Financial Statements (referred to as the 'Group') comprise the Financial Statements of the Company and its Subsidiaries. List of subsidiaries are disclosed in Note 15 to the Financial Statements.

2.2.1 Subsidiaries

Subsidiaries are those entities controlled by the Group. Control is achieved when the Group is exposed, or has rights to variable returns from its involvement with the investee and when it has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

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

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

- The contractual arrangement(s) with the other vote holders of the investee.
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting right.

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

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in Statement of Profit or Loss. Any investment retained is recognised at its fair value.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies include with the Group's accounting policies. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

Investments in subsidiaries are carried at cost less any accumulated impairment in the separate financial statements of the Company.

2.2.2 Investment in Associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investment in its associate and joint venture are accounted for using the equity method.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately. Thus, reversals of impairments may effectively include reversal of goodwill impairments. Impairments and reversals are presented within 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

The statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within 'Share of profit of an associate in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.2.3 Business Combination and Goodwill

Business combinations are accounted for using the acquisition method of accounting. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquire either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Transaction costs, other than those associated with the issue of debt or equity securities that the Group incurs in connection with business combinations are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives In host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss recognised in Statement of Profit or Loss.

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SLFRS 9 financial instruments, is measured at fair value with the changes in fair value recognised in the Statement of Profit or Loss in accordance with SLFRS 9. Other contingent consideration that is not within the scope of SLFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain on bargain purchase is recognized in Statement of Profit or Loss.

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.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed of in this circumstance is measured based on the relative values of the disposed operation and the portion the cash- generating unit retained.

2.2.4 Transactions with Non- Controlling Interests

Profit or loss and each component of Other Comprehensive Income are attributed to equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

2.2.5 Transactions Eliminated on Consolidation

All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and intra-group dividends are eliminated in full in preparing the Consolidated Financial Statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

2.2.6 Companies with Different Accounting Years

The Financial Statements of all subsidiaries in the Group other than those mentioned below are prepared on a common financial year, which ends on March 31.

The subsidiaries with December 31 financial year ends prepare additional financial information as of the same date as the Financial Statements of the Parent for consolidation purpose except for ICOGUANTI S.p.A, DPL France SAS and ROZENBAL POLSKA Sp.z.o.o as explained below.

ICOGUANTI S.p.A, DPL France SAS and ROZENBAL POLSKA Sp.z.o.o statutory financial year ends on December 31. However for the consolidation purposes, financial statements for the 12 months period from March 1 to February 29 has been used.

Dipped Products (Thailand) Ltd's statutory financial year ends on December 31. Financial statements for the 12 months period from April 1 to March 31 has been consolidated.

2.3. Foreign Currency Translation

The Group's Consolidated Financial Statements are presented in Sri Lanka Rupees, which is also the Parent Company's functional currency. Each entity in the Group determines its own functional currency and items included in the Financial Statements of each entity are measured using that functional currency.

2.3.1 Transactions and Balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange at the reporting date. All differences arising on settlement or translation of monetary items are taken to the Statement of Profit or Loss.

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

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income or Statement of Profit or Loss.

2.3.2 Foreign Operations

The results and financial position of all Group entities that have a functional currency other than the Sri Lanka Rupee are translated into Sri Lanka Rupees as follows:

- assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on the acquisition, are translated to Sri Lanka Rupees at the exchange rate at the reporting date;
- income and expenses are translated at the average exchange rates for the period.

Foreign currency differences are recognised in exchange fluctuation reserve through Other Comprehensive Income.

When a foreign operation is disposed of, the relevant amount in the translation reserve is transferred to Statement of Profit or Loss as part of the profit or loss on disposal. On the partial disposal of a subsidiary that includes a foreign operation, the relevant proportion of such cumulative amount is re-attributed to non-controlling interest. In any other partial disposal of a foreign operation, the relevant proportion is reclassified to Statement of Profit or Loss.

Foreign exchange gains or losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely to occur in the foreseeable future and which in substance is considered to form part of the net investment in the foreign operation, are recognised in Other Comprehensive Income in the exchange fluctuation reserve.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.3.3 Current Versus Non-current Classification

The Group presents assets and liabilities in the Statement of Financial Position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to sold or consumed in a normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in a normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- It dose not have a right at the reporting date to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.3.4 Fair Value Measurement

The Group measures financial instruments such as financial assets at fair value through other comprehensive income/

derivatives, and non-financial assets such as owner occupied land, investment property, consumable biological assets and agricultural produce from bearer plants, at fair value. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed are summarised in the following notes:

- Disclosures for valuation methods,estimates and assumptions Note 34.
- Quantitative disclosures of fair value measurement hierarchy Note 34.
- Property (land) under revaluation model Note 10.
- Financial instruments (including those carried at amortised cost) Note 34.
- Biological assets Note 12 and 34.
- Agricultural produce from bearer plants Note 19.1.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non- financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Financial Statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.4 Property, Plant and Equipment

2.4.1 Property, Plant & Equipment

The group applies the requirements of LKAS 16 on 'Property Plant and Equipment' in accounting for its owned assets which are held for and use in the provision of the services or for administration purpose and are expected to be used for more than one year.

2.4.2 Basis of Recognition

Property, plant and equipment is recognised if it is probable that future economic benefits associated with the assets will flow to the Group and cost of the asset can be reliably measured.

2.4.3 Measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any, whilst land is measured at fair value

Owned Assets

The cost of property, plant and equipment includes expenditure that are 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 asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs if it is a qualifying asset.

Purchased software that is integral to functionality of the related equipment is capitalised as a part of that equipment.

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

Revaluation of land is done with sufficient frequency to ensure that the fair value of the land does not differ materially from its carrying amount, and is undertaken by professionally qualified valuers.

Any revaluation surplus is recorded in Other Comprehensive Income and credited to the revaluation reserve in equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case, the increase is recognised in profit or loss. A revaluation deficit is recognised in the Statements of Profit or Loss, except to the extent that it offsets an existing surplus on the same asset recognised in the revaluation reserve. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

2.4.4 Subsequent Costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised in accordance with the derecognition policy given below.

The costs of the day-to-day servicing of property, plant and equipment are recognised in Statement of Profit or Loss as incurred.

2.4.5 Derecognition

The carrying amount of an item of property, plant and equipment is derecognised on disposal; or when no future economic benefits are expected from its use. Gains and losses on derecognition are recognised (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) in Statement of Profit or Loss and gains are not classified as revenue. When revalued assets are sold, any related amount included in the revaluation reserve is transferred to retained earnings.

2.4.6 Depreciation

Depreciation is recognised in the Statement of Profit or Loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The Group reviews its residual values, useful lives and method of depreciation at each reporting date. Judgement by management is exercised in the estimation of these values, rates and methods and hence they are subject to uncertainty.

The estimated useful lives for the current and comparative periods are as follows:

Description	Years
Buildings	20-40
Plant and Machinery	10-30
Stores Equipment	5
Laboratory Equipment	5
Office & Canteen Equipment	5-8
Furniture & Fittings	6-10
Motor Vehicles	4-10

Depreciation of an asset begins when it is available for use and ceases at the earlier of the dates on which the asset is classified as held for sale or is derecognised.

In respect of formers, a 10% provision on the written down value is recognised as an impairment in the Statement of Profit or Loss.

2.5 Leases

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

Right-of-use Assets

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

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment as more fully described In Note 13.

Leasehold Rights of the Plantation Sector

The leasehold rights of assets taken over from JEDB/SLSPC are amortised in equal amounts over the shorter of the remaining lease periods and the useful lives as follows:

Description	Years
Bare land	53
Improvements to land	30
Mature plantations	
(Tea & rubber)	20-33 1/3
Building	25

Lease period of land acquired from JEDB/SLSPC will be expired in year 2045.

Land Development Costs

Permanent land development costs are those costs incurred in making major infrastructure development and building new access roads on leasehold land. The costs have been capitalised and amortised over the remaining lease periods.

Permanent impairments to land development costs are charged to the Statement of Profit or Loss in full or reduced to the net carrying amounts of such assets in the year of occurrence after ascertaining the loss.

Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced. for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Interest-bearing loans and borrowings in Note 23 to the Financial Statements. Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of computer equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.6 Intangible Assets

Basis of Recognition

An Intangible asset is recognised if it is probable that the future economic benefits associated with the assets will flow to the Group and cost of the assets can be reliably measured.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the Statement of Profit or Loss in the year in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

The amortisation period and method are reviewed annually.

2.6.1 Research and Development

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit.

Amortisation is recorded in Statement of Profit or Loss. During the period of development, the asset is tested for impairment annually.

2.6.2 Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure including expenditure on internally generated goodwill is recognised in the Statement of Profit or Loss as incurred.

2.6.3 Amortisation

Amortisation is recognised in Statement of Profit or Loss on a straight-line basis over the estimated useful lives of intangible assets other than goodwill, from the date on which they are available for use. The estimated useful lives for the current and comparative periods are as follows:

- Development Cost - 15 years
- Computer Software - 5 to 8 years

2.6.4 De-recognition of Intangible Assets

Intangible assets are de-recognised on disposal or when no future economic benefits are expected from its use. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit or Loss when the asset is derecognised.

2.7 Biological Assets

Biological assets are classified as either mature biological assets or immature biological assets. Mature biological assets are those that have attained harvestable specifications or are able to sustain regular harvests. Immature biological assets are those that have not yet attained harvestable specifications. Tea, rubber, other plantations and nurseries are classified as biological assets.

Biological assets are further classified as bearer biological assets and consumable biological assets. Bearer biological asset includes tea and rubber trees, those that are not intended to be sold or harvested, however used to grow for harvesting agricultural produce from such biological assets. Consumable biological assets include managed timber trees those that are to be harvested as agricultural produce or sold as biological assets.

2.7.1 Bearer Biological Asset

The bearer biological assets are measured at cost less accumulated depreciation and accumulated impairment losses, if any, in terms of LKAS 16 – Property Plant & Equipment. The cost of land preparation, rehabilitation, new planting, replanting, crop diversification, inter planting and fertilising, etc., incurred between the time of planting and harvesting (when the planted area attains maturity), are classified as immature plantations. These immature plantations are shown at direct costs plus attributable overheads. The expenditure incurred on bearer biological assets (Tea, Rubber) which comes into bearing during the year, is transferred to mature plantations.

2.7.2 Infilling Cost on Bearer Biological Assets

The land development costs incurred in the form of infilling have been capitalised to the relevant mature field, only where the number of plants per hectare exceeded 3,000 plants and, also if it increases the expected future benefits from that field, beyond its pre-infilling performance assessment. Infilling costs so capitalised are depreciated over the newly assessed remaining useful economic life of the relevant mature plantation, or the unexpired lease period, whichever is lower.

Infilling costs that are not capitalised have been charged to the Statement of Profit or Loss in the year in which they are incurred.

Description	Years
Timber content	Estimate based on physical verification of girth, height and considering the growth of the each spices in different geographical regions. Factor all the prevailing statutory regulations enforced against harvesting of timber coupled with forestry plan of the Company.
Economic useful life	Estimate based on the normal life span of each spices by factoring the forestry plan of the Company.
Selling price	Estimated based on prevailing Sri Lankan market price. Factor all the conditions to be fulfil in bringing the trees in to saleable condition.
Planting cost	Estimated costs for the further development of immature areas are deducted.

2.7.3 Consumable Biological Assets

Consumable biological assets includes managed timber trees those that are to be harvested as agricultural produce or sold as biological assets. Expenditure incurred on consumable biological assets (managed timber trees) is measured on initial recognition and at the end of each reporting period at its fair value less cost to sell in terms of LKAS 41. The cost is treated as approximation to fair value of young plants as the impact on biological transformation of such plants to price during this period is immaterial. The fair value of timber trees are measured using Discounted Cash Flow (DCF) method taking into consideration the current market prices of timber, applied to expected timber content of a tree at the maturity by an independent professional valuer. All other assumptions and sensitivity analysis are given in Note 12.

The Main Variables in DCF Model Concerns;

The gain or loss arising on initial recognition of biological assets at fair value less cost to sell and from a change in fair value less cost to sell of consumable biological assets are included in Statement of Profit or Loss for the period in which it arises.

Permanent impairments to Biological Asset are charged to the Statement of Profit or Loss in full and reduced to the net carrying amounts of such asset in the year of occurrence after ascertaining the loss.

2.7.4 Nursery Plants

Nursery cost includes the cost of direct materials, direct labour and an appropriate proportion of directly attributable overheads, less provision for overgrown plants.

2.8 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

2.8.1 Financial Assets - Initial Recognition and Subsequent Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under SLFRS 15.

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

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

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories;

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial Assets at Amortised Cost (Debt Instruments)

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

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

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

The Group's financial assets at amortised cost includes trade receivables and amounts due from related parties.

Financial Assets Designated at Fair Value Through OCI (Equity Instruments)

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

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

Financial Assets at Fair Value Through Profit or Loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the Statement of Financial Position at fair value with net changes in fair value recognised in the Statement of Profit or Loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the Statement of Profit or Loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Derecognition

Financial Assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of Financial Assets

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

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.8.2 Financial Liabilities

Initial Recognition and Measurement

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

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

The Group's financial liabilities include trade and other payables, bank overdrafts, loans and borrowings, financial guarantee contracts, derivatives and amounts due to related parties.

Subsequent Measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by SLFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the Statement of Profit or Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss so designated at the initial date of recognition, and only if criteria of SLFRS 9 are satisfied. The group has not designated any financial liability at fair value through profit or loss.

Financial Liabilities at Amortised Cost (Loans and Borrowings)

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

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

Financial Guarantee Contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

Derecognition

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

2.8.3 Offsetting of Financial Instruments

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

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

2.8.4 Fair Value of Financial Instruments

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

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

Such techniques may include:

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

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 16.

2.8.5 Derivative Financial Instruments

Initial Recognition and Subsequent Measurement

The Group uses derivative financial instruments such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when net cash inflows are expected to be delivered to the entity and as financial liabilities when net cash outflows are expected to be delivered from the entity.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Statement of Profit or Loss.

2.8.6 Non-Current Assets Held for Sale

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property and biological assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in Statement of Profit or Loss. Gains are not recognised in excess of any cumulative impairment loss.

2.9 Inventories

Inventories are measured at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- All inventory items, except manufactured inventories and work- in-progress are measured at weighted average directly attributable cost
- Manufactured inventories and work- in-progress are measured at weighted- average factory cost which includes all direct expenditure and appropriate shares of production overhead based on standard operating capacity but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Finished Goods Manufactured from Agricultural Produce of Biological Assets

These are valued at the lower of cost and estimated net realisable. Net realisable value is the estimated selling price at which stocks can be sold in the ordinary course of business after allowing for cost of realisation and/or cost of conversion from their existing state to saleable condition.

Agricultural Produce Harvested from Biological Assets

Agricultural produce harvested from its biological assets are measured at their fair value less cost to sell at the point of harvest. The finished and semi-finished inventories from agriculture produce are valued by adding the cost of conversion to the fair value of the agricultural produce.

2.10 Impairment of Non-Financial Assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use.

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the Statement of Profit or Loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to other comprehensive income (OCI). For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognized in the Statement of Profit or Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at reporting date and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at reporting date at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

Impairment is determined by assessing the recoverable amount of the cash generating unit to which goodwill relates. Where the recoverable value of the cash generating unit is less than the carrying amount, an impairment loss is recognized. The impairment loss is allocated first to reduce the carrying amount of goodwill allocated to the unit and then to the other assets on a pro-rata basis to carrying amount to each asset in the unit.

2.11 Cash and Short Term Deposits

Cash in hand and at bank and short term deposits in the Statement of Financial Position comprise cash at banks and cash on hand and short term deposits with a maturity of three months or less. For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short term deposits as defined above, net of outstanding bank overdrafts.

2.12 Employee Benefits

2.12.1 Defined Contribution Plans

A 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 further amounts. Obligations for contributions to Provident and Trust Funds covering all employees are recognised as an employee benefit expense in Statement Profit or Loss in the periods during which services are rendered by employees.

The Group contributes 12% and 3% of gross emoluments to employees as Provident Fund and Trust Fund respectively.

2.12.2 Defined Benefit Plans

A defined benefit plan is a post- employment benefit plan other than a defined contribution plan. The defined benefit is calculated by independent actuaries using Projected Unit Credit (PUC) method as recommended by LKAS 19 on 'Employee Benefits'. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability.

Provision has been made for retirement gratuities from the first year of service for all employees, in conformity with LKAS 19 on 'Employee Benefits'. However, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

2.12.3 Short Term Benefits

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

2.12.4 Recognition of Actuarial Gains or Losses

Actuarial gains or losses are recognised in full in Other Comprehensive Income

2.13 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Profit or Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.14 Grants and Subsidies

Grants and subsidies are recognised at their fair value where there is a reasonable assurance the grant / subsidy will be received and all attaching conditions, if any, will be complied with. When the grant or subsidy relates to an income item is recognised as income over the periods necessary to match them to the costs to which it is intended to compensate on a systematic basis.

Grants and subsidies related to assets, including non-monetary grants at fair value are deducted at arriving at the carrying value of the asset (or are deferred in the Statement of Financial Position and credited to the Statement of Profit or Loss over the useful life of the asset).

Grants received for forestry are initially deferred and credited to Statement of Profit or Loss once when the related blocks of trees are harvested.

2.15 Taxation

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the Statement of Profit or Loss except to the extent that it relates to a business combination, or items recognised directly in Equity or in Other Comprehensive Income.

Current Tax

Income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date in the countries where the Group operates and generates taxable income.

Current tax relating to items recognised directly in Other Comprehensive Income is recognised in Other Comprehensive Income and not in the Statement of Profit or Loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Tax withheld on dividend income from Subsidiaries recognised as an expense in the Consolidated Statement of Profit or Loss at the same time as the liability to pay the related dividend is recognised.

Deferred Taxation

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries and equity accounted investees when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

In respect of deductible temporary differences associated with investments in subsidiaries, equity accounted investees deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

Deferred tax relating to items recognised outside the Statement of Profit or Loss is recognised outside the Statement of Profit or Loss. Deferred tax items are recognized in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.

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

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or in the Statement of Profit or Loss.

Sales Tax

Revenues, expenses and assets are recognised net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- Receivables and payables that are stated with the amount of sales tax. The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Surcharge Tax

Surcharge Tax Act No. 14 of 2022 was enacted on April 8, 2022 and is applicable to the Dipped Products PLC Group as the collective taxable income of companies belonging to the Group, calculated in accordance with the provisions of the Inland Revenue Act No. 24 of 2017, exceeds Rs. 2,000 million, for the year of assessment 2020/2021. The liability is computed at the rate of 25 per cent on the taxable income of the individual Group companies, net of dividends from subsidiaries and deemed to be an expenditure in the financial statements in the year of assessment which commenced on April 1, 2020.

Total Surcharge Tax liability of Rs. 322 Mn and Rs. 204 Mn was recognized in the financial statements of financial year 2022-23 for the Group and the Company respectively as an opening adjustment to the April 1, 2022 retained earnings in the statement of Changes in Equity as per the Addendum to the Statement of Alternative Treatment (SoAT) issued by The Institute of Chartered Accountants of Sri Lanka.

The Group and the Company were liable to pay Surcharge Tax on the respective individual entity level. The Group share of total Surcharge Tax liability of Rs. 322 Mn has been included in Surcharge Tax charge recognised in the Group Statement of Changes in Equity as an adjustment to the April 01, 2022 opening retained earnings

2.16 Capital Commitments and Contingencies

Capital commitments and contingent liabilities of the Group are disclosed in the respective Notes 31 & 32 to the Financial Statements.

2.17 Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the Issue of ordinary shares are recognised as a deduction from equity,net of any tax effects.

2.18 Statements of Profit or Loss

For the purpose of presentation of the Statement of Profit or Loss, the function of expenses method is adopted.

2.18.1 Revenue from Contracts with Customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The Group's operating segments are described in Note 30 to these financial statements. In all operating segments, the Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Sale of Goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer. In relation to sales with local customers, this point is generally the delivery of goods, while exports also take in to account the term related to each shipment of goods. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Sale of Plantation Produce

Black tea and Rubber produce are sold at the Colombo tea/ rubber Auction and the highest bidder whose offer is accepted shall be the buyer, and a sale shall be completed at the fall of the hammer, at which point control is transferred to the customer. Revenue from sale of other crops are recognised at the point in time when the control of the goods has transferred to the customer generally upon delivery of the goods to the location specified by the customer and the acceptance of the goods by the customer.

Rendering of Services

The Group recognises revenue from services over time, using an output method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group.

Generation of Hydro Power

Revenue from the generation of hydro energy is recognised at the point of hydro energy releases to the national grid calculated at a pre-determined unit price.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

2.18.2 Other Income

Dividend

Dividend income is recognised in profit or loss on the date the entity's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Grants

Grants are recognised initially as deferred income when there is a reasonable assurance that they will be received and that the Group will comply with the conditions associated with the grant. Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the periods in which the expenses are recognised. Grants that compensate the Group for the cost of an asset are recognised in profit or loss on a systematic basis over the useful life of the asset.

Gains and Losses

Gains and losses on disposal of an item of property, plant & equipment are determined by comparing the net sales proceeds with the carrying amounts of property, plant & equipment and are recognised net within "other income" in profit or loss.

Other Income

Other income is recognized on an accrual basis.

2.18.3 Expenses

Expenses are recognized in the Statement of Profit or Loss on the basis of a direct association between the cost incurred and the earnings of specific items of income.

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 Statement of Profit or Loss in the year in which the expenditure is incurred.

Borrowing Costs

Borrowing costs are recognised as an incurred, except to the extent that they are directly attributable to the acquisition, construction or production of a qualifying asset, in which case they are capitalised as part of the cost of that asset.

Finance Income and Finance Costs

Finance income comprises interest income on funds invested. Interest income is recognised based on the EIR in the Statement of Profit or Loss.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, changes in the fair value of financial assets at fair value through profit or loss, and losses on hedging instruments that are recognised in the Statement of Profit or Loss.

The interest expense component of finance lease payments is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Foreign currency gains and losses are reported on a net basis.

2.19 Statement of Cash Flows

The Cash Flow Statement has been prepared using the 'indirect method'.

Interest paid is classified as an operating cash flow. Grants received, which are related to purchase and construction of property, plant and equipment are classified as investing cash flows. Dividend and interest income are classified as cash flows from investing activities.

2.20 Segment Reporting

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

Segment results that are reported to the Chairman 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 and equipment and intangible assets other than goodwill.

2.21 Events After the Reporting Period

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

2.22 Earnings Per Share

The Group presents basic and diluted Earnings Per Share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

2.23 Related Party Transactions

Terms and Conditions of Transactions with Related Parties

The Group and the Company carried out transactions in the ordinary course of business with related parties and those transactions are made on terms equivalent to those that prevail in arm's length transactions.

Non-recurrent Related Party Transactions

Non-recurrent related party transaction which in aggregate value exceeds 10% of the equity or 5% of the total assets whichever is lower of the company as per March 31, 2023 audited financial statements, which required additional disclosures in the 2023/2024 Annual Report under Colombo Stock Exchange listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act, is disclosed in the annual report under note 33.

Recurrent Related Party Transactions

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

2.24 Standards Issued but not yet Effective

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

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

Amendments to LKAS 1 relate to classification of liabilities with covenants as current or non-current. The amendments clarify that if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants only at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. The requirements apply only to liabilities arising from loan arrangements.

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

Disclosures: Supplier Finance Arrangements - Amendments to LKAS 7 and SLFRS 7

The amendments clarify the characteristics of supplier finance arrangements and require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements.

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

International Tax Reform—Pillar Two Model Rule - Amendments to LKAS 12

The amendments to LKAS 12 introduce a mandatory exception in LKAS 12 from recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. An entity is required to disclose that it has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

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

3 REVENUE FROM CONTRACTS WITH CUSTOMERS

	Group	
Year ended March 31,	2024 Rs.'000	2023 Rs.'000
Hand Protection (Note 3.1)	43,043,870	51,384,331
Plantations (Note 3.2)	31,117,595	28,903,579
	74,161,465	80,287,910
Inter-group sales/services	(219,505)	(188,598)
	73,941,960	80,099,312

3.1 Hand Protection

	Group	
Year ended March 31,	2024 Rs.'000	2023 Rs.'000
Sale of Manufactured Goods		
Dipped Products PLC	8,845,139	10,412,274
Dipped Products (Thailand) Ltd	6,682,236	8,018,099
Hanwella Rubber Products Ltd	5,454,346	6,229,378
D P L Premier Gloves Ltd	7,884,887	9,348,618
D P L Universal Gloves Ltd	2,941,528	2,943,813
	31,808,136	36,952,182
Rendering of Services		
Dipped Products PLC	158,066	177,587
Distribution Operations		
ICOGUANTI S.p.A	8,949,039	12,611,452
DPL France SAS	3,573,420	3,029,045
ROZENBAL POLSKA Sp.z.o.o	956,476	662,576
	45,445,137	53,432,842
Intra-group sales/services	(2,401,267)	(2,048,511)
	43,043,870	51,384,331

3.2 Plantations

	Group	
Year ended March 31,	2024 Rs.'000	2023 Rs.'000
Sale of Plantation Produce	7,974,920	8,449,619
Sale of Manufactured Goods	23,128,042	20,695,462
Generation of Hydro Power	102,918	94,583
Hospitality Services	81,785	33,311
	31,287,665	29,272,975
Intra-group sales/services	(170,070)	(369,396)
	31,117,595	28,903,579

Geographical segmentation of revenue is presented in Note 30.1 and business segment information is presented in Note 30.2.

3.3 Contract Balances

Year ended March 31,	Group 2024 Rs.'000	Group 2023 Rs.'000	Company 2024 Rs.'000	Company 2023 Rs.'000
Contract assets				
Trade receivables (Note 20)	11,347,875	11,287,937	1,950,903	1,736,244
Contract liabilities				
Advances received (Note 27)	1,132,516	723,946	861,964	473,807

Contract liability balance at the beginning of the period is fully realised in the revenue recognized in the reporting period.

4. OTHER INCOME AND GAINS

Year ended March 31,	Group 2024 Rs.'000	Group 2023 Rs.'000	Company 2024 Rs.'000	Company 2023 Rs.'000
Gain on disposal of property, plant and equipment	35,473	3,896	13,598	1,006
Lease rental income	65,649	105,788	-	-
Amortisation of Government grants (Note 24)	46,288	37,526	-	-
Gain on fair value change in consumable biological assets (Note 19.1)	3,375	17,173	-	-
Gain on fair value of produce on bearer biological assets (Note 12)	206,129	138,628	-	-
Dividend income	38,870	25,916	698,500	2,705,763
Facilitation Fee	-	737	-	-
Hydro Power/ Solar Income	15,528	13,737	-	-
Sundry income	408,508	213,657	42,474	40,309
Gain on bargain purchase on Acquisition	-	209,690	-	-
	819,820	766,748	754,572	2,747,078

5. FINANCE COSTS/INCOME

5.1 Finance Cost

Year ended March 31,	Group 2024 Rs.'000	Group 2023 Rs.'000	Company 2024 Rs.'000	Company 2023 Rs.'000
Interest on short-term borrowings	316,755	642,581	66,856	446,732
Interest on long-term borrowings	393,861	140,561	167,704	-
Interest on leases liabilities	233,140	156,086	1,000	2,758
Exchange loss	522,589	115,488	135,854	-
	1,466,345	1,054,716	371,414	449,490

5.2 Finance Income

Year ended March 31,	Group 2024 Rs.'000	Group 2023 Rs.'000	Company 2024 Rs.'000	Company 2023 Rs.'000
Interest income	1,182,712	1,005,283	254,374	367,111
Exchange gain	113,538	1,639,991	-	1,069,829
Dividend Income -Other Group	6	5	-	-
	1,296,256	2,645,279	254,374	1,436,940

6. PROFIT BEFORE TAX

Profit before tax is stated after charging all expenses including the following.

Year ended March 31,	Group 2024 Rs.'000	Group 2023 Rs.'000	Company 2024 Rs.'000	Company 2023 Rs.'000
Directors' emoluments	535,706	495,153	181,793	289,690
Staff costs (Note 6.1)	15,345,187	13,642,315	1,317,699	1,224,578
Staff training and development cost	24,046	26,966	6,818	9,613
Depreciation and amortization of property, plant and equipment (Note 10)	1,923,403	1,518,079	153,050	130,812
Depreciation on right of use assets (Note 13)	145,900	114,512	9,974	14,682
Amortisation of intangible assets (Note 14)	87,865	39,346	11,826	11,840
Impairment of formers (moulds) (Note 11)	71,053	70,664	15,471	10,027
Auditors' remuneration				
Audit services	54,475	46,050	3,383	3,007
Non-audit services	9,241	6,220	2,924	622
Provision for/(reversal of) impairment of trade receivables (Note 20.1)	(196,586)	(12,346)	(67,722)	(1,196)
Provision for impairment of slow moving inventories/obsolete inventories (Note 19.2)	(173,108)	168,595	11,764	5,456
Legal fees	109,876	86,527	26,075	-
Donations	689	2,117	-	-

6.1 Staff Costs

Year ended March 31,	Group 2024 Rs.'000	Group 2023 Rs.'000	Company 2024 Rs.'000	Company 2023 Rs.'000
Defined contribution plan cost	1,198,994	1,132,876	137,804	119,218
Defined benefit plan costs	840,339	581,800	170,424	133,450
Staff costs - others	13,305,854	11,927,639	1,009,471	971,910
	15,345,187	13,642,315	1,317,699	1,224,578
No. of employees at year - end	17,584	18,208	584	618

7. TAX EXPENSE

7.1 Income Statement

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Income tax on current year profits (Note 7.3)	1,180,976	1,569,261	153,467	529,113
Under/(over) provision in respect of previous years	(13,954)	10,669	1,101	(4,244)
	1,167,022	1,579,928	154,568	524,869
Deferred tax expense / (reversal) (Note 18.2)	398,991	852,145	7,768	(185,658)
Withholding tax on dividends	222,390	284,193	-	-
	1,788,403	2,716,268	162,336	339,212

7.2 Statement of Other Comprehensive Income

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Deferred tax effect on actuarial (gain)/loss on defined benefit obligation (Note 18.2)	(147,722)	(31,133)	(12,837)	(2,856)
Land Revaluation (Note 18.2)	-	27,542	-	17,508
	(147,722)	(3,591)	(12,837)	14,652

7.3 Reconciliation of accounting profit to income tax expense

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Profit before tax	7,567,448	11,218,692	1,962,505	5,641,631
Intra-group eliminations	1,029,859	3,294,193	-	-
	8,597,307	14,512,885	1,962,505	5,641,631
Disallowable expenses	3,664,503	4,883,088	391,566	(126,288)
Tax deductible expenses	(7,901,604)	(4,858,075)	(1,007,122)	(209,691)
Tax exempt income	(1,348,633)	(6,494,273)	(835,393)	(2,137,953)
Tax loss brought forward	(858,907)	(1,842,969)	-	-
Tax loss carried forward	1,822,291	2,279,756	-	-
Taxable income	3,974,957	8,480,412	511,556	3,167,700

	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Income tax @ 7%	-	59,378	-	59,378
Income tax @ 14%	-	568,881	-	188,406
income Tax @ 15%	-	47,159	-	2,383
Income tax @ 18%	-	8,003	-	1,642
Income tax @ 20%	13,099	23,505	-	-
Income tax @ 24%	-	120,913	-	29,194
Income tax @ 30%	1,167,136	587,990	153,467	248,110
Income tax @ other tax rates	741	153,432	-	-
Income tax on current year profits	1,180,976	1,569,261	153,467	529,113
Effective tax rate	21%	22%	8%	6%

According to the Inland Revenue (Amendment) Act, No. 45 of 2022, to amend the Inland Revenue Act, No. 24 of 2017 Business Income subject to tax at the rate of 30% other than following entities, Dipped Products (Thailand) Ltd is liable to corporate tax rate of 20%.

ICOGUANTI S.p.A., Italy is liable to a corporate tax rate of 24% and a regional tax of 3.9% on its taxable income. DPL France SAS is liable to a corporate tax rate of 25% and ROZENBAL POLSKA Sp.z.o.o is liable to a corporate tax rate of 19%.

According to The Inland Revenue (Amendment) Bill, to amend the Inland Revenue Act, No. 24 of 2017, Kelani Valley Plantation PLC, Talawakelle Tea Estates PLC and Horana Plantation PLC's business income which is derived from agro farming was exempt from income tax for a period of 5 years effective from 01 April 2019. Accordingly, exemption given to agro farming ended in the current financial year..

8. EARNINGS PER SHARE

Basic Earnings Per Share

Basic earnings per share is calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted - average number of ordinary shares outstanding during the year.

The following reflects the profit and share data used in the basic earnings per share computations:

	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Amount used as the Numerator:				
Net profit attributable to the equity holders of the parent	4,471,816	6,507,083	1,800,169	5,302,419
Number of Ordinary Shares used as the Denominator:				
Weighted-average number of ordinary shares in issue	598,615,120	598,615,120	598,615,120	598,615,120
Earnings per ordinary share - basic (Rs.)	7.47	10.87	3.01	8.86

Diluted Earnings Per Share

There are no potentially dilutive ordinary shares of the Company and as a result, the diluted earnings per share is the same as the basic earnings per share shown above.

9. DIVIDENDS PER SHARE

	Company			
	2024		2023	
	Per share Rs.	Rs.'000	Per share Rs.	Rs.'000
Final dividend - 2022/ 2023	0.50	299,308	0.15	89,792
First Interim dividend	1.00	598,615	1.25	748,269
Second Interim dividend	0.50	299,308	1.00	598,615
Third Interim dividend	0.25	149,654	0.60	359,169
Gross dividend		1,346,885		1,795,845
Number of shares		598,615,120		598,615,120
Dividend per share (Rs.)	2.25	2.25	3.00	3.00

Total Distribution of dividend Rs. 2.25 per share distributed to shareholders comprise redistribution of dividends received by the Company. In 2023, out of the total distribution of dividend Rs. 2.40 per share distributed to shareholders comprise redistribution of dividends received by the Company.

10. PROPERTY, PLANT & EQUIPMENT

10.1 Group

	Group										
	Land	Mature/ Immature Plantations	Buildings	Plant & Machinery	Stores Equipment	Laboratory Equipment	Office and Canteen Equipment	Furniture and Fittings	Motor Vehicles	2024 Total	2023 Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
											(Restated)
Freehold											
Cost/Valuation											
At beginning of the year	1,029,434	11,830,386	5,405,831	15,813,051	1,209,680	192,434	512,317	786,636	1,297,872	38,077,641	28,408,382
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	4,647,825
Remeasurement of fair value (Note 15.2)	-	-	-	-	-	-	-	-	-	-	165,103
Restated balance	-	-	-	-	-	-	-	-	-	-	4,812,928
Effect of movement in foreign exchange	(28,448)	-	(214,814)	(1,013,308)	(64,638)	(8,181)	(18,393)	(8,433)	(3,804)	(1,360,019)	590,314
Additions	205,323	699,599	1,259,632	1,460,476	163,530	54,203	51,862	201,413	201,720	4,297,758	4,411,928
Disposals	-	(30,748)	(1,925)	(100,242)	(60,464)	(2,820)	(90,324)	(95,850)	(49,556)	(431,929)	(137,829)
Write off during the Year	-	(612)	-	-	-	-	-	-	-	(612)	(8,082)
Adjustments	-	65,710	(65,710)	-	-	-	-	-	-	-	-
Transfer from consumable	-	4,220	-	-	-	-	-	-	-	4,220	-
Borrowing cost capitalized	-	87,623	-	-	-	-	-	-	-	87,623	-
At end of the year	1,206,309	12,656,178	6,383,014	16,159,977	1,248,108	235,636	455,462	883,766	1,446,232	40,674,682	38,077,641
Depreciation and Impairment											
At beginning of the year	-	3,519,986	2,144,302	9,823,364	758,156	122,137	365,558	472,497	892,859	18,098,859	14,461,064
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	1,705,867
Effect of movement in foreign exchange	-	-	(117,558)	(783,277)	(60,943)	(6,055)	(16,094)	(6,259)	(3,718)	(993,904)	529,186
Charge for the year	-	407,586	234,023	884,491	95,091	24,101	51,866	103,234	122,399	1,922,791	1,518,079
Disposals	-	(28,093)	(634)	(85,118)	(55,204)	(2,703)	(78,215)	(94,642)	(42,204)	(386,813)	(115,337)
At end of the year	-	3,899,479	2,260,133	9,839,460	737,100	137,480	323,115	474,830	969,336	18,640,933	18,098,859
Net book value at year end	1,206,309	8,756,699	4,122,881	6,320,517	511,008	98,156	132,347	408,936	476,896	22,033,749	19,978,782
Capital work-in-progress (Note 10.3)										1,937,574	1,997,738
Carrying value of freehold property, plant and equipment										23,971,323	21,976,520

10. PROPERTY, PLANT & EQUIPMENT CONTD.

10.2 Company

	Company									
	Land	Buildings	Plant & Machinery	Stores Equipment	Laboratory Equipment	Office and Canteen Equipment	Furniture and Fittings	Motor Vehicles	2024 Total	2023 Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Freehold										
Cost/Valuation										
At beginning of the year	295,265	395,774	1,247,703	125,896	102,483	203,085	53,148	162,684	2,586,038	2,251,372
Additions	-	52,889	557,133	49,613	17,490	23,993	39,606	-	740,724	345,203
Disposals	-	-	(7,891)	(27,278)	(1,054)	(53,073)	-	(18,658)	(107,954)	(10,537)
At end of the year	295,265	448,663	1,796,945	148,231	118,919	174,005	92,754	144,026	3,218,808	2586038
Depreciation and impairment										
At beginning of the year	-	133,605	765,276	92,519	59,771	153,996	20,258	91,698	1,317,123	1,189,576
Charge for the year	-	16,236	70,748	10,318	12,081	16,201	6,489	20,977	153,050	130,812
Disposals	-	-	(7,891)	(26,749)	(1,054)	(53,050)	-	(17,704)	(106,448)	(3,265)
At end of the year	-	149,841	828,133	76,088	70,798	117,147	26,747	94,970	1,363,723	1,317,123
Net book value	295,265	298,822	968,812	72,143	48,121	56,858	66,007	49,056	1,855,085	1,268,915
Capital work-in-progress (Note 10.3)									188,100	116,876
Carrying value of property, plant & equipment									2,043,185	1,385,791

10.3 Capital work in progress

	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At the beginning of the year	1,997,738	2,397,514	116,876	104,401
Addition during the year	2,966,821	1,563,761	764,712	275,362
Acquisition of subsidiary	-	45,634	-	-
Capitalised during the year	(3,026,985)	(2,009,171)	(693,488)	(262,887)
At end of the year	1,937,574	1,997,738	188,100	116,876

10.4 Other Explanatory Information

(i) The value of lands which have been revalued by independently qualified valuers are indicated below together with the last date of revaluation. Valuations were performed by Mr. P. B. Kalugalgedara (Chartered valuation surveyor-UK) for Dipped Products PLC and Mabroc Teas (Private) Limited and S.L Standard Appraisal Company Limited for Dipped Products (Thailand) Limited.

Company	Location & date of last revaluation	Land in Acres	Written up as at 31-Mar-24 Rs.'000	Written up as at 31-Mar-23 Rs.'000
Dipped Products PLC	Brahmanagama, Kottawa (March 31,2022)	10.67	266,104	266,104
Dipped Products (Thailand) Limited	Khuan Niang, Songkhla (March 31,2022)	13.05	13,450	13,450
Mabroc Teas (Private) Limited	New Hunupitiya Road, Kiribathgoda (March 31,2022)	1.94	62,715	62,715

(ii) Cost of revalued lands given above, amounts to Rs. 670,369,125/-

(iii) The cost of fully depreciated Property, Plant & Equipment of the Company which are still in use as at reporting date is Rs. 890,750,899/- (2023 - Rs. 867,122,028/-) and for the Group is Rs. 7,988,655,201/- (2023 - Rs. 8,031,269,012/-)..

(iv) No. of buildings owned by the Company and the Group are 20 and 123 respectively.

(v) Value of immature and mature plantations in the Group as at March 31, 2024 is Rs. 2,019,745,129 and Rs. 10,636,433,269 respectively.

11. FORMERS (MOULDS)

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Cost				
At beginning of the year	1,221,179	962,827	286,297	243,486
Additions	265,708	275,472	107,108	47,009
Write off / breakage of formers	(65,752)	(34,555)	(6,892)	(4,198)
Forex revaluation gain/(loss)	(40,441)	17,433	-	-
At end of the year	1,380,694	1,221,177	386,512	286,297
Impairment				
At beginning of the year	612,746	526,333	163,347	153,320
Charge for the year	71,053	70,664	15,471	10,027
Forex revaluation gain/(loss)	(32,610)	15,749	-	-
At end of the year	651,189	612,746	178,818	163,347
Net book value				
At beginning of the year	608,431	436,494	122,950	90,166
At end of the year	729,505	608,431	207,694	122,950

12. BIOLOGICAL ASSETS

	Group	
	2024 Rs.'000	2023 Rs.'000
At beginning of the year	1,313,068	599,064
Transfer to immature plantations (Note 10.1)	(4,220)	-
Increase due to development	16,417	16,654
Gain arising from changes in fair value less cost to sell	206,129	138,628
Decrease due to harvest	(25,123)	(32,824)
On Acquisition of Subsidiaries	-	591,546
At end of the year	1,506,271	1,313,068

Managed trees include commercial timber plantations cultivated on estates. The cost of immature trees is treated as approximate fair value particularly on the ground of little biological transformation has taken place and impact of the biological transformation on price is not material. When such plantations become mature, the additional investments since taken over to bring them to maturity are transferred from Immature to Mature.

The fair value of mature managed trees were ascertained in accordance with SLFRS 13 & LKAS 41. The valuation of Kelani Valley Plantations PLC was carried out by Messers FRT Valuation Services (Pvt) Ltd using market approach method and valuation of Talawakelle Tea Estates PLC was carried out by Messers FRT Valuation Services (Pvt) Ltd using Discounted Cash Flow (DCF) method. The valuation of Horana Plantations PLC was carried out by Messers Mr.A.A.M.Fathihu- Proprietor of FM Valuers using Discounted Cash Flow (DCF) method. In ascertaining the fair value of timber, a physical verification was carried out covering all the estates on sample basis.

Information about fair value measurements using significant unobservable inputs (Level 3)

Non Financial Asset	Valuation Technique	Unobservable Inputs	Range of Unobservable Inputs (Probability weighted average.)		Relationship of Unobservable Inputs to Fair Value
			2024	2023	
Consumable managed biological assets	DCF/Market approach	Discounting Rate	14.0%-16%	17.5%-19.5%	Higher the discount rate, lesser the fair value
		Optimum rotation (Maturity)	20-25 Years	20-25 Years	Lower the rotation period, higher the fair value
		Volume at rotation	23-190 cu.ft	95-140 cu.ft	Higher the volume, higher the fair value
		Price per cu.ft.	Rs.60/- to Rs.5,250/-	Rs.80/- to Rs.6,600/-	Higher the price per cu. ft., higher the fair value

Key Assumptions Used in Valuation

1 The harvesting is approved by the PMMD and the Forest Department based on the Forestry Development Plan.

2 The price adopted are net of expenditure.

3 Though the replanting is a condition precedent for harvesting, yet the cost is not taken into consideration.

The valuations, as presented in the external valuation models based on net present values, take into account the long-term exploitation of the timber plantations. Because of the inherent uncertainty associated with the valuation at fair value of the biological assets due to the volatility of the variables, their carrying value may differ from their realisable value. The Board of Directors retains their view that commodity markets are inherently volatile and that long term price projections are highly unpredictable.

Sensitivity Analysis

Sensitivity Variation - Sales Price

Values of biological assets are very sensitive to price changes with regard to the average sales prices applied. Simulations made for timber show that a rise or decrease by 10% of the estimated future selling price has the following effect on the net present value of biological assets:

Group	-10%		+10%
Managed Timber	Rs.'000	Rs.'000	Rs.'000
As at March 31, 2024	1,496,398	1,506,271	1,516,144
As at March 31, 2023	1,191,191	1,313,068	1,434,945

Sensitivity Variation - Discount Rate

Values of biological assets are very sensitive to changes of the discount rate applied. Simulations made timber trees show that a rise or decrease by 1% of the estimated discounted rate has the following effect on the net present value of biological assets:

Group	-1%		1%
Managed Timber	Rs.'000	Rs.'000	Rs.'000
As at March 31, 2024	1,538,010	1,506,271	1,478,032
As at March 31, 2023	1,340,422	1,313,068	1,288,905

13. RIGHT OF USE ASSETS

Group Carrying value	Land Rs.'000	Building Rs.'000	Mature/ Immature Plantation Rs.'000	Machinery & Equipments Rs.'000	Office Equipment Rs.'000	2024 Total Rs.'000	2023 Total Rs.'000
Cost							
At beginning of the year	1,505,530	382,179	644,946	35,452	26,850	2,594,957	2,356,920
Addition	10,479	-	-	-	-	10,479	69,184
Re-assessment	420,728	44,283	-	-	-	465,011	10,132
On Acquisition of Subsidiaries	-	-	-	-	-	-	158,721
At end of the year	1,936,737	426,462	644,946	35,452	26,850	3,070,447	2,594,957
Depreciation and Impairment							
At beginning of the year	183,081	321,077	559,756	35,101	26,850	1,125,865	1,011,353
Charge for the year	72,518	53,135	19,896	351	-	145,900	114,512
At end of the year	255,599	374,212	579,652	35,452	26,850	1,271,765	1,125,865
Carrying value of right of use assets	1,681,138	52,251	65,294	-	-	1,798,682	1,469,092

Company	Building Rs.'000	Office Equipment Rs.'000	2024 Total Rs.'000	2023 Total Rs.'000
Cost				
At beginning of the year	52,718	26,850	79,568	79,568
At end of the year	52,718	26,850	79,568	79,568
Depreciation and Impairment				
At beginning of the year	42,744	26,850	69,594	54,911
Charge for the year	9,974	-	9,974	14,683
At end of the year	-	-	79,568	69,594
Carrying value of right of use assets	-	-	-	9,974

14. INTANGIBLE ASSETS

Carrying value	Group						Company		
	Goodwill	Development Cost	Computer Software	Trade Mark	2024	2023	Computer Software	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
						(Restated)			
Cost									
At beginning of the year	532,080	18,297	126,618	90,884	767,879	396,722	71,025	71,025	71,025
On Acquisition of subsidiaries	-	-	-	-	-	443,251	-	-	-
Remeasurement of goodwill (Note 15.2)	-	-	-	-	-	(165,103)	-	-	-
Restated balance	-	-	-	-	-	278,148	-	-	-
Additions	-	-	145,209	-	145,209	90,884	-	-	-
Effect of movement in foreign exchange	-	-	(10,444)	(16,878)	(27,322)	2,125	-	-	-
At end of the year	532,080	18,297	261,383	74,006	885,766	767,879	71,025	71,025	71,025
Amortisation									
At beginning of the year	-	17,482	86,511	17,523	121,516	81,591	59,199	59,199	47,359
Charge for the year	-	622	73,035	14,208	87,865	39,346	11,826	11,826	11,840
Effect of movement in foreign exchange	-	-	(4,610)	(2,454)	(7,064)	579	-	-	-
At end of the year	-	18,104	154,936	29,277	202,317	121,516	71,025	71,025	59,199
Net book value									
At beginning of the year	532,080	815	40,107	73,361	646,363	315,131	11,826	11,826	23,666
At end of the year	532,080	193	106,447	44,729	683,449	646,363	-	-	11,826

Goodwill acquired through business combinations have been allocated to the following cash-generating units (CGUs) for impairment testing:

Carrying value	Group	
	2024	2023
	Rs.'000	Rs.'000
Mabroc Teas (Pvt) Ltd	33,310	33,310
Talawakelle Tea Estates PLC	220,623	220,623
Horana Plantations PLC	278,147	278,147
	532,080	532,080

Recoverable value of goodwill for Talawakelle Tea Estates PLC has been based on market approach which has been determined by market value of share price. Market value of a share at the year end was Rs. 113.75 per share.

14. INTANGIBLE ASSETS CONTD.

The recoverable value of goodwill for Mabroc Teas (Pvt) Ltd and Horana Plantations PLC have been based on Value In Use (VIU) calculations which have been determined by discounting the future cash flows generated from the continuing use of the CGUs. Key assumptions used are given below:

	Discount Rate	Terminal Growth Rate
Mabroc Teas (Pvt) Ltd	13%	6%
Horana Plantations PLC	8%-16%	2%

Terminal Growth Rate

For the purposes of the Group's value in use calculations, a long-term growth rate into perpetuity is applied immediately at the end of the five year forecast period and is based on the lower of

- the nominal GDP growth rate forecasts for the country of operations; and
- the long-term compound annual growth rate in adjusted EBITDA as estimated by the management

Long-term compound annual growth rates determined by the management may be lower than forecast nominal GDP growth rates due to the following market-specific factors: competitive intensity levels, maturity of business, regulatory environment or sector-specific inflation expectations.

Discount rates

Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings; the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

15. INVESTMENTS

15.1 Investments in Subsidiaries (at cost) - Unquoted Investments

	% Holding		No. of Shares		Company	
Carrying value	2024 %	2023 %	2024 No.	2023 No.	2024 Rs.'000	2023 Rs.'000
DPL Plantations (Pvt) Ltd.	100	100	55,000,000	55,000,000	550,000	550,000
Venigros (Pvt) Ltd.	100	100	8,000,000	8,000,000	202,450	202,450
Dipped Products (Thailand) Ltd.	99	99	3,722,184	3,722,184	1,208,854	1,208,854
ICOGUANTI S.p.A.	100	100	3,150,000	3,150,000	624,734	624,734
Feltex (Pvt) Ltd.	100	100	1,500,000	1,500,000	15,000	15,000
Hanwella Rubber Products Ltd.	73	73	18,152,000	18,152,000	151,620	151,620
D P L Premier Gloves Ltd.	100	100	145,000,000	145,000,000	1,450,000	1,450,000
D P L Universal Gloves Ltd.	100	100	350,000,000	350,000,000	3,500,000	3,500,000
					7,702,658	7,702,658
Impairment of investment in subsidiaries (Note 15.1.1)					(355,000)	(350,000)
					7,347,658	7,352,658

15.1.1 Impairment of Investments in Subsidiaries

	Company				
	D P L Universal Gloves Ltd	Dipped Products (Thailand) Ltd.	Venigros (Pvt) Ltd.	2024	2023
Carrying value	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At beginning of the year	100,000	250,000	-	350,000	640,000
Impairment Provision /(Reversal)	-	(100,000)	105,000	5,000	-
Written off on liquidation during the year	-	-	-	-	(290,000)
At end of the year	100,000	150,000	105,000	355,000	350,000

During the year, the company made an impairment provision for Venigros (Pvt) Ltd and the impairment was based on the net asset value of the Venigros (Pvt) Ltd.

15.2 Re-measurement of Goodwill – Horana Plantations PLC

On 29 March, 2023, Hayleys Plantation Services (Pvt) Ltd. acquired a stake of 51% in Horana Plantations PLC for a consideration of Rs. 699.98 Mn. Consequently, a Goodwill of Rs. 443.25 mn. was recorded in the consolidated financial statements. The net assets recognised as of the acquisition date was based on a provisional assessment of the fair value in accordance with SLFRS 3, and the final allocation of purchase price was yet to be finalized by the date the financial statements were approved for issue by the Board of Directors, for the year ended March 31, 2023.

In March 2024 allocation of purchase price was completed and the acquisition date fair values of assets are as follows.

	Horana Plantations PLC (Provisional amounts)	Finalized valuation	Impact of adjustment for finalized valuation
	Rs.'000	Rs.'000	Rs.'000
Property, plant & equipment	2,848,327	3,013,430	165,103
Right-of-use assets	184,743	184,743	-
Biological assets	591,546	591,546	-
Inventories	486,233	486,233	-
Trade and other receivables	206,944	206,944	-
Deferred tax asset/(liability)	(583,026)	(583,026)	-
Employee benefit obligations	(458,832)	(458,832)	-
Differed Income	(106,475)	(106,475)	-
Trade and other payables	(394,609)	(394,609)	-
Interest Bearing Borrowings	(1,385,272)	(1,385,272)	-
Net identifiable assets and liabilities	1,389,579	1,554,682	165,103

The 2022/2023 comparative information was restated to reflect the adjustment to the provisional amounts in accordance with the valuation report obtained from Mr. A.A.M. Fathihu- Proprietor of FM Valuers , Chartered Valuation Surveyor. As a result, there was an increase in the Property, plant & equipment of Rs. 165,102,992/- and corresponding reduction in goodwill of Rs. 165,102,992/- was adjusted retrospectively in the Statment of Financial Position as at March 31,2023.

16. OTHER NON-CURRENT FINANCIAL ASSETS

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Financial assets at fair value through OCI				
Quoted equity shares (Note 16.1)	68	63	-	-
Unquoted equity shares (Note 16.2)	423,225	396,970	-	-
Total financial assets at fair value through OCI	423,293	397,033	-	-
Loan debtors	3,056	678	522	678
Total non-current Financial Assets	426,349	397,711	522	678

16.1 Quoted Equity Shares

	Group	
Royal Ceramic Lanka PLC	2024 Rs.'000	2023 Rs.'000
At the beginning of the year	63	89
Change in fair value	5	(26)
At the end of the year	68	63

16.2 Unquoted Equity Shares

	Group	
	2024 Rs.'000	2023 Rs.'000
Mabroc International (Pvt) Ltd	732	732
Mabroc Japan Ltd.	4,567	4,567
Total short term investments	5,299	5,299
Provision for fall in value of investment	(5,299)	(5,299)
Martin Bauer Hayleys (Pvt) Ltd. (Note 16.2.1)	423,225	396,970
Total long term investments	423,225	396,970

16.2.1 Martin Bauer Hayleys (Pvt) Ltd.

Group - Fair Value Through Other Comprehensive Financial Asset.

		Group	
	No of Shares	2024 Rs.'000	2023 Rs.'000
At beginning of the year	39,091,550	396,970	390,920
Change in fair value	-	26,255	6,050
At end of the year	39,091,550	423,225	396,970

	Group	
As at 31st March	2024 Rs.'	2023 Rs.'
Fair value of a share	10.83	10.15

Based on the valuation performed, per share value of Martin Bauer Hayleys (Pvt) Ltd increased by Rs 0.68 resulting a fair value gain of Rs. 26.25 Mn which is recognised in Other Comprehensive Income.

Information About Fair Value Measurements Using Significant Unobservable Inputs (Level 3)

	Valuation technique	Unobservable inputs	Unobservable inputs	
			2024	2023
Financial Asset	DCF	Discounting rate	15.00%	12.00%
(Investment in shares of Martin Bauer Hayleys (Pvt) Ltd		Growth rate	2.00%	7.30%

Sensitivity Analysis - Based on Discounting Rate

Discount Rate	-1% Rs.'000	1% Rs.'000
As at March 31, 2024	61,438	(3,909)
As at March 31, 2023	132,989	(75,587)

Sensitivity Analysis - Based on Growth Rate

Growth Rate	-1% Rs.'000	1% Rs.'000
As at March 31, 2024	(7,762)	47,856
As at March 31, 2023	(64,706)	115,053

17 INVESTMENTS IN EQUITY ACCOUNTED INVESTEE

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	Holding %	No of Shares	2024 Value Rs '000	2023 Value Rs '000
At the beginning of the year			-	-
Investment	24.0%	564	131,721	-
Group's share of profit for the year			8,137	-
At end of the year			139,858	-

18. DEFERRED TAX ASSETS AND LIABILITIES

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
18.1 Deferred Tax Assets				
At end of the year (Note 18.2)	233,926	258,614	62,700	57,629
18.2 Deferred Tax Liability				
At beginning of the year	2,018,754	606,524	(57,629)	113,377
Recognised during the year				
In Statement of Profit or Loss	398,991	852,145	7,768	(185,658)
In OCI - Actuarial gain/(loss)	(147,722)	(31,133)	(12,837)	(2,856)
Land Revaluation	-	27,542	-	17,508
Effect of movement in foreign exchange	22,584	(14,867)	-	-
Acquisition on subsidiaries	-	578,543	-	-
At end of the year	2,292,607	2,018,754	(62,700)	(57,629)
Deferred tax assets	233,926	258,614	62,700	57,629
Deferred tax liability	2,526,532	2,277,368	-	-

18.3 Recognised Deferred Tax Assets and Liabilities

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	20233 Rs.'000
Deferred tax relates to the following:				
Accelerated depreciation for tax purposes	4,073,922	3,558,655	112,491	66,876
Biological assets	-	64,630	-	-
Defined benefit obligation	(887,205)	(931,135)	(251,277)	(221,228)
Losses available for offset against future taxable income	(320,212)	(167,853)	-	-
Effect of movement in foreign exchange	50,572	218,918	113,128	126,919
Provision for bad debts	(17,251)	(25,463)	(244)	(214)
Right to use of assets	156,594	(47,953)	-	(1,356)
Investment Property	32,827	-	32,827	-
Others	(796,640)	(651,046)	(69,624)	(28,627)
Net deferred tax liability/(assets)	2,292,607	2,018,754	(62,700)	(57,629)

18.4 A deferred tax asset has not been recognised by the Group in relation to carried forward tax losses amounting to Rs. 2,844,577,492 as at March 31, 2024 (2023 Rs. 2,154,212,389) and tax losses amounting to Rs.1,316,145,467 will expire in year 2024/25.

19. INVENTORIES

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Raw materials and consumables	4,758,468	4,971,707	821,767	890,540
Finished goods	4,509,958	5,302,676	202,440	138,146
Work-in-progress	1,463,681	1,486,384	257,018	266,009
Produce stock	1,471,158	1,572,509	-	-
Produce on bearer biological assets (Note 19.1)	54,966	61,438	-	-
	12,258,231	13,394,714	1,281,225	1,294,695
Provision for slow-moving/obsolete inventories (Note 19.2)	(573,004)	(746,112)	(53,263)	(41,499)
	11,685,227	12,648,602	1,227,962	1,253,196

19.1 Produce on Bearer Biological Assets

	Group	
	2024 Rs.'000	2023 Rs.'000
At the beginning of the year	61,438	34,417
Change in fair value less cost to sell	3,375	17,173
On Acquisition of Subsidiaries	-	9,848
Charge to statement or profit or loss	(9,847)	-
At end of the year	54,966	61,438

19.2 Movement in the provision for slow-moving/obsolete inventories

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
At beginning of the year	746,112	577,517	41,499	36,043
Charge/(Reversal) for the year	(173,108)	168,595	11,764	5,456
At end of the year	573,004	746,112	53,263	41,499

20. TRADE AND OTHER RECEIVABLES

	Group 2024 Rs.'000	Group 2023 Rs.'000	Company 2024 Rs.'000	Company 2023 Rs.'000
Trade receivables - Related parties	85,805	68,395	371,416	240,750
- Others	11,262,070	11,219,542	1,579,487	1,495,494
Total trade receivables	11,347,875	11,287,937	1,950,903	1,736,244
Impairment provision for bad and doubtful debts (Note 20.1)	(227,760)	(424,346)	(47,480)	(115,202)
	11,120,115	10,863,591	1,903,423	1,621,042
Income tax recoverable (Note 29)	271,648	311,892	-	-
Other receivables - Parent	-	1,116	-	989
- Other	802,157	954,503	28,427	24,263
Total other receivable	802,157	955,619	28,427	25,252
	12,193,920	12,131,102	1,931,850	1,646,294

20.1 Movement in Impairment Provision

	Group 2024 Rs.'000	Group 2023 Rs.'000	Company 2024 Rs.'000	Company 2023 Rs.'000
At beginning of the year	424,346	126,967	115,202	1,909
Charge for the year	-	316,659	99	114,489
Reversal for the year	(196,586)	(19,280)	(67,821)	(1,196)
At end of the year	227,760	424,346	47,480	115,202

20.2 Age Analysis of the Trade Receivables

Group	Total	Neither past due nor impaired	Past due but not impaired				
			0 - 60 days	61 - 120 days	121-180 days	181-365 days	> 365 days
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
As at March 31, 2024	11,347,875	5,879,204	4,866,588	319,485	147,270	121,123	14,205
As at March 31, 2023	11,287,937	9,459,617	1,537,100	103,330	67,216	77,130	43,544

Company	Total	Neither past due nor impaired	Past due but not impaired				
			0 - 60 days	61 - 120 days	121-180 days	181-365 days	> 365 days
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
As at March 31, 2024	1,950,903	1,281,159	600,355	32,279	36,298	378	434
As at March 31, 2023	1,736,244	1,354,960	366,129	8,017	6,424	177	537

The Group considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group in unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

21. AMOUNT DUE FROM SUBSIDIARIES

Amounts due from Subsidiaries - Current

	Company	
	2024 Rs.'000	2023 Rs.'000
Fully-owned subsidiaries	1,187,235	189,380
Partly-owned subsidiaries	138,696	13,981
	1,325,931	203,361

22. STATED CAPITAL

	2024		2023	
	Number	Rs.'000	Number	Rs.'000
Issued and fully-paid				
At beginning of the year	598,615,120	598,615	598,615,120	598,615
At end of the year	598,615,120	598,615	598,615,120	598,615

23. INTEREST-BEARING BORROWINGS

23.1 Interest-Bearing Borrowings - Non-Current

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Long term loans (Note 23.1.1)	2,581,929	2,234,118	400,308	-
Lease liabilities (Note 23.1.2)	1,718,735	1,342,404	-	-
	4,300,664	3,576,522	400,308	-

23.1.1 Long Term Loans

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
At beginning of the year	5,155,672	3,104,278	-	-
Obtained during the year	2,900,275	3,264,755	1,080,000	-
On Acquisition of Subsidiaries	-	1,190,814	-	-
Repayments during the year	(3,385,853)	(2,665,187)	(313,587)	-
Effect of movement in foreign exchange	(279,668)	261,012	-	-
At end of the year	4,390,426	5,155,672	766,413	-
Repayments due within one year from the reporting date (included under current liabilities - Note 23.2)	1,808,497	2,921,554	366,105	-
Repayment due after one year	2,581,929	2,234,118	400,308	-

23. INTEREST-BEARING BORROWINGS CONTD.

Maturity profile of long term loans

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Long term loans repayable within one year from the reporting date	1,808,497	2,921,555	366,105	-
Long term loans repayable between 1-5 years from the reporting date	2,517,929	2,234,117	400,308	-
Long term loans repayable after 5 years from the reporting date	64,000	-	-	-
	4,390,426	5,155,672	766,413	-

23.1.2 Lease Liabilities

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
At beginning of the year	1,417,084	1,210,698	14,493	30,035
Re-assessment/New Lease	475,484	53,295	-	-
Accretion of interest	233,139	156,086	1,000	2,758
Payments	(331,035)	(222,476)	(15,493)	(18,300)
Effects of movements in foreign exchange	(38,691)	25,023	-	-
Acquisition of subsidiaries	-	194,458	-	-
At end of the year	1,755,981	1,417,084	-	14,493
Repayments due within one year from the reporting date (included under current liabilities - Note 23.2)	37,246	74,680	-	14,493
Repayment due after one year	1,718,735	1,342,404	-	-

Maturity profile of Lease Liabilities

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Lease Liabilities repayable within one year from the reporting date	37,246	74,680	-	14,493
Lease Liabilities repayable between 1-5 years from the reporting date	285,684	225,203	-	-
Lease Liabilities repayable after 5 years from the reporting date	1,433,051	1,117,201	-	-
	1,755,981	1,417,084	-	14,493

The following are the amounts recognised in Statement of Profit or Loss

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Depreciation expense of right of use assets (Note 13)	145,900	114,513	9,974	14,682
Interest expense on lease liabilities (Note 23.1.2)	233,139	156,086	1,000	2,758
Total amount recognised in Statement of Profit or Loss	379,039	270,599	10,974	17,440

23.2 Interest-Bearing Borrowings - Current

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Long term loans (Note 23.1.1)	1,808,497	2,921,554	366,105	-
Lease liabilities (Note 23.1.2)	37,246	74,680	-	14,493
Short term loans	2,762,706	3,078,182	449,813	493,500
Bank overdrafts	682,085	1,785,763	44,711	223,883
	5,290,534	7,860,179	860,629	731,876

23.3 Payments relating to short term and low value lease payments of Rs. 9,907,881 (2023 - Rs. 28,979,667) and Rs. 3,740,876 (2023 - Rs. 4,981,071) have been recognised by the Group and Company respectively, within administrative expenses.

23 INTEREST-BEARING BORROWINGS CONTD.
23.4 Details of Term Loans

Company	Lender/rate of interest (p.a.)	31-Mar-24 Rs.'000	31-Mar-23 Rs.'000
Dipped Products PLC	HSBC SLFR + 1%	766,413	-
D P L Premier Gloves Ltd.	SCB 1 month LIBOR +0 .4% till 31.12.2021 and 1 month LIBOR +2.85% from 01.01.2022 (USD 1.6 million)	-	105,280
Hanwella Rubber Products Ltd	SCB 1 month LIBOR +0 .4% till 31.12.2021 and 1 month LIBOR +2.85% from 01.01.2022 (USD 2 million)	-	146,222
Kelani Valley Plantations PLC.	NDB 6.3%	2,728	6,366
	NDB 6.3%	647	1,509
Mabroc Teas (Pvt) Ltd.	Sampath Bank AWPLR + 1%	-	75,000
	HNB AWPLR+0.25%	-	11,652
	HNB AWPLR+0.50%	-	29,021
	HSBC 9.48%	112,687	-
Kelani Valley Resorts (Pvt) Ltd	Pan Asia Bank 4%	-	4,006
ICOGUANTI S.p.A	Alessandria Financing 1.95% (EURO 1 million)	32,730	62,705
	BANCO BPM Financing 0.95% (EURO 1.5 million)	-	90,387
	BANCO BPM 1.3% (EURO 3 million)	658,566	1,026,299
	BNL - BNP PARIBAS 0.27% (EURO 3 million)	81,124	448,221
	BNL0.3% (EURO 2 million)	-	358,577
	UNICREDIT 0.85% (EURO 1.2 million)	-	215,603
	INTESA SAN PAOLO 1% (EURO 1 million)	118,302	250,144
	INTESA 1% (EURO 1 million)	90,927	338,883
	CREDEM 1.2% (EURO 1.2 million)	350,454	430,293
	BPER 0.95% (EURO 1.5 million)	-	358,577
	UNICREDIT 1% (EURO 1.5 million)	438,068	-
Dipped Products (Thailand) Ltd	TMBThanachart Bank 4%	189,222	-
Talawakelle Tea Estates PLC	NDB Bank 6.6%	2,619	6,112
Horana Plantations PLC	HNB AWPLR + 0.75%	-	16,850
	HNB AWPLR + 2.00%	21,200	83,600
	HNB AWPLR + 1.75%	61,400	111,800
	HNB AWPLR + 1.25%	109,384	171,880
	HNB AWPLR + 1%	228,000	-
	HNB AWPLR + 1%	172,000	-
	HNB AWPLR + 1.5%	217,700	275,000
	Commercial Bank AWPLR + 2.00%	31,890	48,570
	Sampath Bank AWPLR + 0.5%	65,600	116,000
	Sampath Bank AWPLR + 0.5%	400,000	-
	Commercial Bank 8.50%	139,976	209,984
	HNB AWPLR + 1.4%	48,550	90,250
	Seylan Bank 4%	-	2,149
	Commercial Bank 7.75%	28,984	37,680
	Commercial Bank AWPLR + 1.5%	21,255	27,052
		4,390,426	5,155,672

Repayment Rs.'000		Security
30,000 x 36 inst	Monthly ending 25.05.2026	Nil
as per schedule	Monthly ending 18.09.2023	Nil
as per schedule	Monthly ending 15.09.2023	Nil
303 x 72 inst	Monthly ending 19.01.2025	Primary mortgage over the leasehold rights, Buildings,Plant & Machinery of Pedro,Mahagastota & Panawatte estates
72 x 72 inst	Monthly ending 19.01.2025	
6,250 x 48 inst	Monthly ending 31.03.2023	Negative pledge over fixed assets held at No 427, 427/A & 431; New Hunupitiya Road; Eriyawetiya; Kiribathgoda
834 x 36 inst	Monthly ending 12.05.2024	Nil
1,382 x 36 inst	Monthly ending 06.12.2024	Nil
4,174 x 36 inst	Monthly ending 05.07.2026	Nil
208 x 24 inst	Monthly ending 30.10.2023	Nil
Repayment over 2 years as per schedule	Monthly ending 30.06.2025	Nil
Repayment over 1 year as per schedule	Monthly ending 28.02.2023	Nil
Repayment over 2 years as per schedule	Monthly ending 30.05.2026	Nil
Repayment over 2 years as per schedule	Quarterly ending 02.03.24	Nil
Repayment within 1 year	Quarterly ending 01.09.23	Nil
Repayment over 1 year as per schedule	Quarterly ending 31.08.23	Nil
Repayment over 2 years as per schedule	Monthly ending 30.03.2025	Nil
Repayment over 1 year and 3 months	Monthly ending 12.07.2024	Nil
Repayment over 3 years	Quarterly ending 31.03.26	Nil
Repayment within 1 year	Quarterly ending 31.12.23	Nil
Repayment over 3 years	Quarterly ending 31.12.26	Nil
as per schedule	Monthly ending 30.06.2029	Nil
975 x 72 Inst.	Monthly ending 31.01.2025	Fixed Deposits of Rs.24 Mn with the letter of setoff.
2775 x 72 inst	Monthly ending 19.09.2023	
5200 x 48 inst	Monthly ending 24.07.2024	
4200 x 48 inst	Monthly ending 30.05.2025	Primary Floating Mortgage for Rs.550 Million, over leasehold rights of Frocester Estate/ Primary Floating Mortgage for Rs.400 Million, over leasehold rights of Bambrakelly Estate.
5208 x 48 inst	Monthly ending 31.12.2025	
4750 x 48 inst	Monthly ending 21.09.2028	
3583 x 48 inst	Monthly ending 21.09.2028	
5730 x 48 inst	Monthly ending 28.02.2027	Primary Floating Mortgage Bond for Rs.275 Million, over Leasehold property of Mirishena Estate.
1390 x 72 inst	Monthly ending 25.01.2026	Primary Floating Mortgage for Rs.120 Million, over the leasehold rights land and buildings of Stockholm Estate.
4200 x 48 inst	Monthly ending 25.06.2025	Primary Mortgage for Rs.200 Million, over the leasehold rights land and buildings of Gouravilla Estate. Primary Mortgage for Rs.150 Million, over the leasehold rights land and buildings of Alton Estate.
8333 x 48 inst	Monthly ending 13.12.2029	Existing Primary Mortgage of Rs. 150 Million and additional Mortgage for Rs.158.75 Million, over the leasehold rights land and buildings of Gouravilla Estate. Existing Primary Mortgage of Rs. 150 Million and additional Mortgage for Rs.118.45 Million, over the leasehold rights land and buildings of Alton Estate. Lien Over funds lying to the Fixed Deposit.
5834 x 60 inst	Monthly ending 25.02.2026	Primary Mortgage Bond over receivables of Tea sales routed through Forbes and Workers Tea Brokers (Pvt) Ltd and John Keels PLC.
3475 x 36 inst	Monthly ending 05.04.2025	Primary Floating Mortgage Bond for Rs.125 Million, over Leasehold property of Mirishena Estate.
537 x 24 inst	Monthly ending 30.07.2023	Nil
726 x 60 inst	Monthly ending 24.07.2027	Primary mortgage bond over Solar Panels and related equipment of Alton, Fairlawn & Stockholm Estates.
484 x 60 inst	Monthly ending 24.11.2027	Primary mortgage bond over Solar Panels and related equipment of Gouravilla & Mahanilu Estates.

24. DEFERRED INCOME

Government Grants

	Group	
	2024 Rs.'000	2023 Rs.'000
Grants		
At beginning of the year	1,380,012	1,255,129
Received during the year	36,551	18,408
On Acquisition of Subsidiaries	-	106,475
At end of the year	1,416,563	1,380,012
Amortisation		
At beginning of the year	483,572	446,046
Amortised during the year	46,288	37,526
At end of the year	529,861	483,572
Carrying amount	886,703	896,440

Group received grants from the Plantation Reform Project (PRP), Plantation Human Development Trust, Ministry of Community Development, Asian Development Bank, Social Welfare Project, Estate Infrastructures Development Project, Plantation Development Support Project, Ceylon Electricity Board, Tea Board, Save the Children International, Export Agriculture Department (EAD) and Rubber Development Department of Ministry of Plantation Industries.

The amount spent is capitalised under relevant classification of improvement to Leasehold Property, Plant & Equipment, and Biological Assets. Corresponding grant component is reflected under deferred grants and subsidies and amortised over the useful life span of the asset.

25. DEFINED BENEFIT OBLIGATIONS

The Group measures the Present Value of Defined Benefit Obligation (PVDBO) which is a defined benefit plan with the advice of an actuary using the Projected Unit Credit Method (PUC).

The actuarial valuation involves making assumptions about discount rate, average expected future working lives, salary escalation rate, promotion rates and mortality rates.

Due to the long term nature of these plans, such estimates are subject to significant uncertainty. All assumptions are reviewed at each reporting date.

Accordingly, the employee benefit obligation actuarial valuation as of March 31, 2024, carried out by Messrs Actuarial & Management Consultants (Pvt) Ltd except for ICOGUANTI S.p.A which were valued by Messrs Managers & Partners - Actuarial Services S.p.A.

The key assumptions used by the actuary include the following:

Assumptions regarding future mortality are based on a A1967/70 for Staff and A1967/52 for Workers, mortality table, issued by the Institute of Actuaries, London.

The demographic assumptions underlying the valuation with respect to retirement age, early withdrawals from service and retirement on medical grounds were considered.

Company	2024 ICOGUANTI	2024 DPTL	2024 KVPL	2024 HPSL	2024 HPL	2024 Other*	2023 ICOGUANTI	2023 DPTL	2023 KVPL	2023 HPSL	2023 HPL	2023 Other*
Discount rate (%)	3.5	2.7	12	12	12	12	3.8	2.7	20	20	18.5	18
Salary Escalation Rate (%)												
Workers (%)	1	4.5	11	11	10	11	1	4.5	16	16	13	16
Executive and clerical (%)	1	4.5	10	11	11	11	1	4.5	15	15	16	16
Other assumptions												
Retirement age												
Workers	67	60	60	60	60	60	67	60	60	60	60	60
Executive and clerical	67	60	60	60	60	60	67	60	60	60	60	60
Expected future working life												
Workers	11.8	7.8	5.0	5.9	11.6	7.6-8.5	12.2	10.0	5.0	5.8	7.9	6.6-10.3
Executive and clerical	11.8	7.8	5.0	6.5	12.4	7.9	12.2	10.0	5.0	5.6	9.2	6.6

** Other - Refers to companies in the Hand Protection sector excluding Dipped Products (Thailand) Ltd. and ICOGUANTI S.p.A.*

ICOGUANTI : ICOGUANTI S.p.A. , DPTL : Dipped Products (Thailand) Ltd, KVPL : Kelani Valley Plantations PLC, HPSL : Hayleys Plantation Services (Pvt) Ltd), HPL : Horana Plantations PLC

25.1 Net Benefit Expense Categorised under Administrative Expenses and Other Comprehensive Income.

	Group 2024 Rs.'000	Group 2023 Rs.'000	Company 2024 Rs.'000	Company 2023 Rs.'000
Current service cost (under Administrative Expense)	238,519	202,315	47,846	42,896
Interest cost (under Administrative Expense)	601,819	379,485	122,578	90,554
Actuarial loss/(gain) (under Other Comprehensive Income)	484,428	69,924	42,792	9,519
	1,324,766	651,724	213,216	142,969

25.2 Movement in the Present Value of the Defined Benefit Obligations are as Follows:

	Group 2024 Rs.'000	Group 2023 Rs.'000	Company 2024 Rs.'000	Company 2023 Rs.'000
At beginning of the year	3,464,696	2,866,645	737,427	611,422
Effect of movement in foreign exchange	(32,534)	23,392	-	-
On acquisition of Subsidiaries	-	458,832	-	-
Benefits paid	(748,193)	(535,897)	(111,521)	(17,722)
Received/ (Paid) to DBO due to employee transfers	(1,685)	-	(1,532)	757
Current service cost	238,519	202,315	47,846	42,897
Interest cost	601,819	379,485	122,578	90,554
Actuarial loss/(gain)				
Experience adjustments	6,477	(6,276)	14,670	20,996
Change in financial assumptions	474,330	61,038	27,520	(11,477)
Change in demographic assumptions	3,539	15,162	602	-
At end of the year	4,006,968	3,464,696	837,589	737,427

The liability as per Payment of Gratuity Act for Group and Company as at March 31, 2024 are Rs. 4,377,665,926 (2023 - Rs. 4,409,565,890) and Rs. 716,190,287 (2023 - Rs. 602,841,914) respectively.

25 DEFINED BENEFIT OBLIGATIONS CONTD.

25.3 Sensitivity Analysis - Salary Escalation Rate and Discount Rate:

Values appearing in the Financial Statements are very sensitive to the changes in financial and non-financial assumptions used.

A sensitivity analysis was carried out as follows:

	Group		Company	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
	1%	-1%	1%	-1%
A one percentage point change in the salary escalation rate				
- The present value of defined benefit obligation	145,256	(115,879)	60,756	(54,737)
A one percentage point change in the discount rate				
- The present value of defined benefit obligation	(8,022)	144,404	(50,131)	56,520

25.4 Distribution of Defined Benefit Obligations Over Future Working Life:

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Within the next 12 months	593,393	431,988	110,003	103,178
Between 2 to 5 years	1,378,492	1,361,583	292,814	302,003
Beyond 5 years	2,035,083	1,671,125	434,772	332,246
	4,006,968	3,464,696	837,589	737,427

26. AGENTS' INDEMNITY FUND

	Group	
	2024 Rs.'000	2023 Rs.'000
At beginning of the year	135,865	131,118
Provision for the year	11,938	18,445
Actuarial Loss/ (Gain)	82	(26,223)
Payments during the year	(2,675)	-
Effect of movement in foreign exchange rate	(13,431)	12,525
At end of the year	131,779	135,865

Agents' Indemnity Fund consist of provisions made for sales agents' retirement benefits of ICOGUANTI S.p.A as set by the provisions in Italian Law.

27. TRADE AND OTHER PAYABLES

		Group		Company	
		2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Trade payables	- Related parties	651,598	144,843	402,277	45,490
	- Others	4,987,675	4,781,361	474,852	272,409
Total trade payables		5,639,273	4,926,204	877,129	317,899
Other payables including accrued expenses	- Parent	98,193	189,567	22,378	50,102
	- Others	3,096,700	3,841,681	347,815	391,539
Advance received		1,132,516	723,946	861,964	473,807
Unclaimed dividends/Dividends payable		179,381	61,005	179,381	61,005
		10,146,063	9,742,403	2,288,667	1,294,352

28. AMOUNTS DUE TO SUBSIDIARIES

	Company	
	2024 Rs.'000	2023 Rs.'000
Fully-owned subsidiaries	371,244	535,139
Partly-owned subsidiaries	505,803	973,673
	877,047	1,508,812

29. INCOME TAX

29.1 Income Tax Recoverable

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
At the end of the year	271,646	311,892	-	-

29.2 Income Tax Payable

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
At the beginning of the year	900,384	242,320	516,274	32,582
Income tax on current year profit (Note 7.1)	1,180,975	1,569,261	153,467	529,113
Under /(Over) provision in respect of previous years (Note 7.1)	(13,954)	10,669	1,101	(4,244)
Irrecoverable Taxes	2,900	-	-	-
ESC,WHT,ACT set-off against income tax	(5,533)	-	-	-
Withholding tax on dividends (Note 7.1)	222,390	284,193	-	-
Effect of movements in exchange rates	35,945	22,981	-	-
Payments made during the year	(2,050,504)	(1,229,040)	(613,744)	(41,178)
Net Income Tax payable/(recoverable)	272,603	900,384	57,097	516,274
Income tax recoverable	271,646	311,892	-	-
At the end of the year	544,249	1,212,276	57,097	516,274

30. SEGMENT INFORMATION

The Group's results have been identified to the Hand Protection sector and the Plantation sector having considered the nature of operations and principle activities of entities.

30.1 Geographical Segment Information

	Hand Protection Sector		Plantation Sector	
	2024 %	2023 %	2024 %	2023 %
Asia/Africa/Middle East	10.74	8.91	34.32	36.79
South America	11.75	12.47	-	-
Australia/New Zealand	1.88	1.89	0.73	1.00
Europe	57.54	58.99	3.76	6.42
North America	17.78	17.41	0.92	0.72
	99.69	99.67	39.73	44.93
Indirect exports	-	-	59.17	54.14
Sri Lanka	0.31	0.33	1.10	0.93
	100.00	100.00	100.00	100.00

30.2 Business Segment Information

	Hand Protection		Plantation		Inter - Segment		Total	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Revenue from contracts with customers	43,043,870	51,384,331	31,117,595	28,903,579	(219,505)	(188,598)	73,941,960	80,099,312
Operating profit	4,523,482	4,493,615	3,904,418	5,528,417	(698,500)	(394,900)	7,729,400	9,627,132
Profit before tax	4,012,515	5,251,360	4,253,433	6,362,232	(698,500)	(394,900)	7,567,448	11,218,692
Non cash Expenses								
Depreciation and impairment of property, plant & equipment and right of use assets	1,142,917	993,006	926,386	639,585	-	-	2,069,303	1,632,591
Provision for defined benefit obligation	362,569	195,124	477,770	386,676	-	-	840,339	581,800
Provision for / (reversal of) agents indemnity fund	11,938	18,445	-	-	-	-	11,938	18,445
Provision for slow moving/obsolete Inventories	(166,167)	142,670	(6,941)	25,925	-	-	(173,108)	168,595
Finance cost	669,711	707,756	796,634	346,960	-	-	1,466,345	1,054,716
Finance income	158,744	1,464,505	1,137,512	1,180,774	-	-	1,296,256	2,645,279
Tax expense	298,902	948,760	1,489,501	1,767,507	-	-	1,788,403	2,716,268
Capital expenditure	2,684,046	2,624,842	1,641,170	1,480,939	-	-	4,325,216	4,105,781
Total assets	33,514,638	33,729,232	30,429,729	28,962,916	(31,000)	(11,089)	63,913,367	62,681,059
Non - interest bearing liabilities	8,613,895	8,177,232	9,651,085	9,560,105	(22,686)	(8,289)	18,242,294	17,729,048
Cash Flows								
- Cash flows from operating activities	3,417,986	7,718,213	3,286,638	4,758,489	-	-	6,704,624	12,476,702
- Cash flows from investing activities	(1,996,873)	(3,710,040)	(863,916)	(370,347)	(698,500)	(394,900)	(3,559,289)	(4,475,287)
- Cash flows from financing activities	(1,796,714)	(3,908,073)	(1,627,266)	(2,161,207)	698,500	394,900	(2,725,480)	(5,674,380)

31. CAPITAL EXPENDITURE COMMITMENTS

The approximate amount of capital expenditure approved by the Directors and not contracted for as at March 31,2024 amounts to Rs. 2,276,168,543/-(2023 –Rs. 1,034,826,075/-).The approximate Capital expenditure contracted for which no provision is made in the Financial Statements as at March 31,2024 amounts to Rs. 678,388,095/- (2023 –Rs. 784,890,326/-).

32. CONTINGENT LIABILITIES

The contingent liabilities as at March 2024 amounting to Rs.28,315,797/- (2023- Rs. 14,267,013/-).This include Letter of Credit outstanding of Rs.15,533,784/- (2023-Nil), bank guarantees provided on behalf of the companies within the group of Rs.12,782,013/- (2023-Rs. 14,267,013/-).

33. RELATED PARTY DISCLOSURES

Key Managment Personal(KMP) comprise the Directors of the group and the ultimate parent entity. Directors' remuneration in respect of the Company and the Group for the financial year ended March 31,2024 are given in Note 7 to the Financial Statements. The remuneration to the Managing Director and Director Operations are paid by the parent and included within the services related expenses given below.

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Subsidiaries				
Inventory transfers	-	-	412,695	309,902
Purchase of latex	-	-	(153,583)	(47,443)
Skim sales	-	-	16,539	5,503
Export sales	-	-	211,005	245,131
Export sales Commission	-	-	(1,957)	(6,742)
Export Services	-	-	158,066	177,587
Services-related expenses reimbursed	-	-	1,044,982	907,653
Reimbursement of cost (Electricity, Fuel & Water)	-	-	4,271	2,326
Dividend income	-	-	698,500	1,750,090
Fund Transfers	-	-	703,877	(1,165,898)
Processing-related expenses reimbursed	-	-	(34,723)	12,990
Current account interest paid	-	-	29,801	125,998
Sales of gloves	-	-	29	-
Purchase of goods	-	-	(259)	(1,071)
Flock purchases	-	-	(47,446)	(49,607)
Asset transferred	-	-	-	7,273
Share Allotment	-	-	-	(1,500,000)
Packing Material Disposal	-	-	3,889	2,271
Intercompany liquidation gain	-	-	-	55,821
Parent - Hayleys PLC				
Services related expenses paid	(1,082,601)	(1,008,239)	(288,469)	(336,082)
Dividend paid	(506,740)	(665,569)	(506,740)	(665,569)
Affiliates				
Sales of gloves	18,992	6,990	167	4,292
Sales of rubber products	2,470	21,810	-	-
Sale of Latex	17,258	40,501	-	-
Sale of Raw Material	-	299	-	-
Services-related expenses	(492,241)	(859,052)	(144,108)	(339,793)
Purchase of Latex	(3,004)	(6,014)	-	-
Purchase of goods	(1,777,207)	(1,108,102)	(401,271)	(154,232)
Dividend paid	(191,139)	(127,426)	(191,139)	(127,426)
Consideration paid for purchase of investment	-	(699,975)	-	-

33. RELATED PARTY DISCLOSURES CONTD.

Terms and conditions of transactions with related parties.

Companies within the group engage in trading transactions under relevant commercial terms and conditions. Outstanding current account balances at the year end are unsecured, charged with weighted average cost of debt rate, and settlements occur in cash.

Transactions with Advantis Express (Pvt) Ltd., Advantis Freight (Pvt) Ltd., Advantis Project & Engineering (Pvt) Ltd., Alumex PLC., Ceva Logistics Lanka (Pvt) Ltd., Clarion Shipping (Pvt) Ltd., CMA-CGM Lanka (Pvt) Ltd., COSCO Shipping Line Lanka (Pvt) Ltd., Culture Clube Resorts (Pvt) Ltd., Energynet (Pvt) Ltd., Expelogix (Pvt) Ltd., Haycarb PLC., Haycolour (Pvt) Ltd., Hayleys Lifesciences (Pvt) Ltd., Hayleys Agriculture Holdings Ltd., Hayleys Agro Fertilizers (Pvt) Ltd., Hayleys Aventura (Pvt) Ltd., Hayleys Aviation Projects Pvt Ltd., Hayleys Business Solutions International (Pvt) Ltd., Hayleys Consumer Products Ltd., Hayleys Fabric PLC., Hayleys Fentons Ltd., Hayleys Travels (Pvt) Ltd., Logiwiz Ltd., MIT Global Solutions (Pvt) Ltd., Ocean Network Express Lanka (Pvt) Ltd., Puritas (Pvt) Ltd., Ravi Industries Ltd., Rileys (Pvt) Ltd., Royal Ceramics Lanka PLC., Singer (Sri Lanka) PLC., The Kingsbury PLC., Toyo Cusion Lanka (Pvt) Ltd., Uni Dil Packaging (Pvt) Ltd., Uni Dil Packaging Solution Ltd., Valibel Plantations (Pvt) Ltd., Volanka (Pvt) Ltd and are Yusen Logistics & Kusuhara Lanka (Pvt) Ltd given above under details of related party transactions with affiliates.

34. FAIR VALUE MEASUREMENT

The fair value is the price that would be received to sell an assets or paid to transfer a liability in an orderly transaction between market participants of the measurement date.

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments and certain non-financial asset that are carried in the Financial Statements.

Group	Carrying Amount		Fair Value	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Financial Assets				
Equity instrument designated at fair value through OCI				
Quoted equity shares	68	63	68	63
Unquoted equity shares	423,225	396,970	423,225	396,970
	423,293	397,033	423,293	397,033
Loans and Receivables				
Trade and other receivables	12,193,920	12,131,102	12,193,920	12,131,102
Cash and short term deposits	8,975,940	9,659,763	8,975,940	9,659,763
Total	21,169,860	21,790,865	21,169,860	21,790,865
Non-Financial Assets				
Freehold land	1,206,309	1,029,434	1,206,309	1,029,434
Biological assets	1,506,271	1,313,068	1,506,271	1,313,068
Total	2,712,580	2,342,502	2,712,580	2,342,502
Financial Liabilities				
Interest-bearing loans and borrowings				
Lease liabilities	1,755,981	1,417,085	1,755,981	1,417,085
Long term loans	4,390,426	5,155,672	4,390,426	5,155,672
Short term loans and bank overdraft	3,444,791	4,863,945	3,444,791	4,863,945
Trade and other payables (excluding unclaimed dividend)	9,966,682	9,681,398	9,966,682	9,681,398
Total	19,557,880	21,118,100	19,557,880	21,118,100

Company	Carrying Amount		Fair Value	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Financial Assets				
Trade and other receivables	1,931,850	1,646,294	1,931,850	1,646,294
Amount due from subsidiaries	1,325,931	203,361	1,325,931	203,361
Cash and short term deposits	1,212,006	2,397,144	1,212,006	2,397,144
Total	4,469,787	4,246,799	4,469,787	4,246,799
Non-Financial Assets				
Freehold land	295,265	295,265	295,265	295,265
Total	295,265	295,265	295,265	295,265
Financial Liabilities				
Interest-bearing loans and borrowings				
Lease liabilities	-	14,493	-	14,493
Short term loans and bank overdrafts	494,524	717,383	494,524	717,383
Amount due to subsidiaries	877,047	1,508,812	877,047	1,508,812
Trade and other payables (excluding unclaimed dividend)	2,109,286	1,233,347	2,109,286	1,233,347
Total	3,480,857	3,474,035	3,480,857	3,474,035

The following methods and assumptions were used to estimate the fair values:

Cash and short term deposits, trade and other receivables, amounts due to/from related parties and trade payables approximate their carrying amounts largely due to the short term maturities of these instruments.

Long term loans and lease liabilities approximate their carrying amount as majority of the loan portfolio consist of loans obtained at variable interest rates.

The methods and assumptions used to estimate fair value of freehold land and biological assets are reflected in Note 10.1 and 12 respectively.

Fair Value Hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

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

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

As at March 31, 2024 the Group/Company held the following financial assets carried at fair value in the Statement of Financial Position.

34. FAIR VALUE MEASUREMENT CONTD.

	Group				Company			
	2024 Rs.'000	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000	2024 Rs.'000	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000
Assets Measured at Fair Value								
Financial assets at fair value through OCI								
Equity shares	423,293	68	-	423,225	-	-	-	-
Freehold land	1,206,309	-	-	1,206,309	295,265	-	-	295,265
Biological asset	1,506,271	-	-	1,506,271	-	-	-	-

During the reporting period ended March 31, 2024 there were no transfers between Level 1 and Level 2 fair value measurements.

As at March 31, 2023, the Group/Company held the following financial instruments measured at fair value:

	Group				Company			
	2023 Rs.'000	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000	2023 Rs.'000	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000
Assets Measured at Fair Value								
Financial assets at fair value through OCI								
Equity shares	397,033	63	-	396,970	-	-	-	-
Freehold land	1,029,434	-	-	1,029,434	295,265	-	-	295,265
Biological asset	1,313,068	-	-	1,313,068	-	-	-	-

During the reporting period ended March 31, 2023 there were no transfers between Level 1 and Level 2 fair value measurements.

The table below sets out information about significant unobservable inputs used in measuring non-financial assets measured at fair value categorised as level 3 in the fair value hierarchy as at March 31, 2024.

	Fair Value as at 31-Mar Rs. '000	Valuation Technique	Significant Unobservable Inputs	Estimates for Unobservable 2024 Rs. '000	Estimates for Unobservable 2023 Rs. '000	Fair value Measurement Sensitivity to Unobservable Inputs Measurement
Freehold land (Kottawa)	295,265	Direct Capital Comparison Method	Rate Per Perch	Rs.105-175	Rs.105-175	Significant increases (decreases) in estimated price per perch would result in a significantly higher (lower) fair value
Freehold land (Mabroc)	747,323	Direct Capital Comparison Method	Rate Per Perch	Rs. 1,700-3,100	Rs. 1,500-2,500	Significant increases (decreases) in estimated price per perch would result in a significantly higher (lower) fair value
Freehold land (DPTL)	163,721	Market Comparable Approach	Value per Ngan	Rs.1,319	Rs.1,319	Significant increases (decreases) in estimated price per Ngan would result in a significantly higher (lower) fair value

35. FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks from financial instruments:

1 Credit risk

2 Liquidity risk

3 Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk and the Group's management of capital. Further quantitative disclosures are included throughout these Consolidated Financial Statements.

Risk management framework

The Board of Directors have the overall responsibility for the establishment and oversight of the Group's risk management framework, which includes developing and monitoring the Group's risk management policies.

Credit risk

Group is exposed to credit risk from its operating activities (primarily from trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade and Other Receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

The Group establishes an allowance for impairment that represents its estimate of expected credit losses in respect of trade and other receivables.

The maximum exposure to credit risk for trade and other receivables at the reporting date by currency-wise was as follows:

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Rupees	1,996,301	1,696,843	68,687	9,974
United States Dollar	5,066,550	4,203,582	1,695,523	1,500,535
Euro	4,927,893	5,629,273	167,640	135,784
Thai Baht	137,850	601,404	-	-
Chinese Yuan	65,326	-	-	-
	12,193,920	12,131,102	1,931,850	1,646,293

Management has assessed the existing and anticipated effect of the current state of the national economy on recoverability of trade and other receivable and concluded that Company and its subsidiaries don't have significant doubt on recoverability of trade and other receivable. Therefore, no incremental impairment allowance has been recognised.

35. FINANCIAL RISK MANAGEMENT CONTD.

Investments

Credit risk from invested balances with the financial institutions are managed by the Hayleys Group Treasury Department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore, mitigate financial loss through potential counterparty's failure.

Cash and Cash Equivalents

The Group and Company held cash at bank and in hand of Rs. 8,976 million and Rs.1,212 million respectively as at March 31, 2024 (Rs. 9,660 million and Rs.2,397 million respectively in 2023) which represents its maximum credit exposure on these assets.

Respective credit ratings of banks which group cash balances held are as follows:

Citibank, N.A. - AAA(lka)

Standard Chartered Bank - AAA(lka)

Hongkong and Shanghai Banking Corporation Ltd. - AA-(lka)

Sampath Bank PLC - A (lka)

Hatton National Bank PLC - A(lka)

Bank of Ceylon - A(lka)

Deutsche Bank AG - A-

People's Bank - A (lka)

Commercial Bank of Ceylon PLC- A (lka)

National Development Bank PLC - A-(lka)

Bank of China Limited - A

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.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, and finance leases. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

The liquidity requirements of business units and subsidiaries are met through short term loans to cover any short term fluctuations and longer term funding to address any structural liquidity requirements. The Group monitors the cash flows of its group companies and obtains adequate bank facilities to meet the funding requirements. The Group does not concentrate on a single financial institution, thereby minimising the expose to liquidity risk. The Group aims to fund investment activities of its group companies by funding the long term investment with long term financial sources. Short term investments are funded using short term loans.

The monthly liquidity position is monitored by the Hayleys Group Treasury. All liquidity policies and procedures are subject to review and approval by the Hayleys Group Treasury.

Year ended March 31, 2024	On Demand Rs.'000	Less than 3 Months Rs.'000	3 to 12 Months Rs.'000	1 to 5 Years Rs.'000	>5 Years Rs.'000	Total Rs.'000
Group						
Interest-bearing loans and borrowings	682,087	3,224,140	1,384,307	3,091,564	1,661,207	10,043,305
Trade payables	-	8,550,936	573,892	615,205	226,649	9,966,682
	682,087	11,775,076	1,958,199	3,706,769	1,887,856	20,009,987
Company						
Interest-bearing loans and borrowings	44,711	541,339	274,579	444,342	-	1,304,971
Trade payables	-	2,066,102	28,517	14,667	-	2,109,286
Amount due to related parties	877,047	-	-	-	-	877,047
	921,758	2,607,441	303,096	459,009	-	4,291,304

Year ended March 31, 2023	On Demand Rs.'000	Less than 3 Months Rs.'000	3 to 12 Months Rs.'000	1 to 5 Years Rs.'000	>5 Years Rs.'000	Total Rs.'000
Group						
Interest-bearing loans and borrowings	1,785,763	3,827,241	2,247,176	2,667,956	1,251,265	11,779,401
Trade payables	-	7,665,104	727,926	682,377	605,991	9,681,398
	1,785,763	11,492,345	2,975,102	3,350,333	1,857,256	21,460,799
Company						
Interest-bearing loans and borrowings	223,883	497,123	10,870	-	-	731,876
Trade payables	-	1,206,206	27,141	-	-	1,233,347
Amount due to related parties	1,508,812	-	-	-	-	1,508,812
	1,732,695	1,703,329	38,011	-	-	3,474,035

Management has assessed the existing and anticipated effect of the current state of the national economy on liquidity of the Company and its subsidiaries to settle liabilities when it is due and management are satisfied that the Company and its subsidiaries don't have significant concerns relating to the Group's liquidity.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, available-for-sale investments and derivative financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group mainly borrows in the short term to fund its working capital requirement which are linked to floating interest rates. For other funding needs the Group maintains a proper mix of interest rate based on the basis of the predictability of future cash flows. The Hayleys Group Treasury closely monitors the interest rate fluctuations in the market and advices the sectors on a daily basis.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates. With all other variables held constant, the Group's and Company's profit before tax is affected through the impact on rate of borrowings as follows:

35. FINANCIAL RISK MANAGEMENT CONTD.

	Increase/ decrease in interest rate	Effect on profit before tax 2024 Group Rs.'000	Company Rs.'000
Originated from Sri Lanka			
Sensitivity only using borrowings			
Increase	2%	(128,053)	(25,219)
Decrease	-2%	128,053	25,219
Sensitivity using borrowings and deposits			
Increase	2%	(15,506)	(22,598)
Decrease	-2%	15,506	22,598
Originated from outside Sri Lanka			
Sensitivity only using borrowings			
Increase	1%	(31,886)	-
Decrease	-1%	31,886	-
Sensitivity using borrowings and deposits			
Increase	1%	(31,886)	-
Decrease	-1%	31,886	-

	Increase/ decrease in interest rate	Effect on profit before tax 2023 Group Rs.'000	Company Rs.'000
Originated from Sri Lanka			
Sensitivity only using borrowings			
Increase	10%	(618,869)	(73,188)
Decrease	-10%	618,869	73,188
Sensitivity using borrowings and deposits			
Increase	10%	67,284	99,312
Decrease	-10%	(67,284)	(99,312)
Originated from outside Sri Lanka			
Sensitivity only using borrowings			-
Increase	1%	(52,480)	-
Decrease	-1%	52,480	-
Sensitivity using borrowings and deposits			
Increase	1%	(52,480)	-
Decrease	-1%	52,480	-

The following table demonstrates the sensitivity to a reasonably possible change in the US Dollar, Euro, Thai Baht ,Yuan and Sterling Pounds exchange rate, with all other variables held constant.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to currency risk on sales, purchases and borrowings and net investments in foreign subsidiaries that are denominated in a currency other than the respective functional currencies of the Group. These currencies primarily are: the Euro, US Dollars (USD) and Thai Baht (THB).

The Group hedges its exposure to fluctuations on the translation of its foreign operations by holding net borrowings in foreign currencies and by using foreign currency forwards contracts. Hayleys Group Treasury closely monitors the exchange rate fluctuations and advices to the sectors on a daily basis.

The impact on the Group's and Company's profit before tax due to the change in exchange rate is as follows:

	2024									
	Group						Company			
	USD	EURO	THB	AUD	GBP	CNY	USD	EURO	GBP	CNY
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Closing exchange rate (Rs.)	299.88	324.49	8.23	195.58	378.71	41.50	299.88	324.49	378.71	41.50
Increase in exchange rate by 10% (Rs.)	329.86	356.94	9.05	215.14	416.58	45.65	329.86	356.94	416.58	45.65
Impact to the PBT	353,931	15,001	-	(20)	(44)	(5,660)	117,126	(1,255)	(16)	(4,763)
Impact to the Equity		459,251	425,794	-	-	-	-	-	-	-
Decrease in exchange rate by 10% (Rs.)	269.89	292.05	7.40	176.02	340.84	37.35	269.89	292.05	340.84	37.35
Impact to the PBT	(353,931)	(15,001)		20	44	5,660	(117,126)	1,255	16	4,763
Impact to the Equity		(459,521)	(425,794)	-	-	-	-	-	-	-

	2023							
	Group					Company		
	USD	EURO	THB	CNY	GBP	USD	EURO	GBP
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Closing exchange rate (Rs.)	329.00	358.58	9.66	47.92	407.50	329.00	358.58	407.50
Increase in exchange rate by 15% (Rs.)	378.35	412.36	11.11	55.11	468.62	378.35	412.36	468.62
Impact to the Profit before tax	366,886	44,791	-	(120,025)	(28)	206,836	20,299	(26)
Impact to the Equity	-	578,574	653,284	-	-	-	-	-
Decrease in exchange rate by 15% (Rs.)	279.65	304.79	8.21	40.74	346.37	279.65	304.79	346.37
Impact to the Profit before tax	(366,886)	(44,791)	-	120,025	28	(206,836)	(20,299)	26
Impact to the Equity	-	(578,574)	(653,284)	-	-	-	-	-

35. FINANCIAL RISK MANAGEMENT CONTD.

Capital Management

The Board'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. Capital consists of share capital, reserves, retained earnings and non-controlling interests of the Group. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Group's net debt to adjusted equity ratio at the reporting date was as follows:

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Interest-Bearing borrowing (non-current)	4,300,664	3,576,522	400,308	-
Current portion of long term interest-bearing borrowings	1,845,743	2,996,234	366,105	14,493
Short term interest-bearing borrowings	3,444,791	4,863,945	494,524	717,383
Total borrowings	9,591,198	11,436,701	1,260,937	731,876
Equity	36,079,875	33,515,310	10,354,703	9,931,374
Equity and debts	45,671,073	44,952,011	11,615,640	10,663,250
Gearing Ratio (%)	21%	25%	11%	7%

36. EFFECT ON CONSOLIDATION OF COMPANIES WITH DIFFERENT ACCOUNTING YEARS

Financial year end of ICOGUANTI S.p.A, DPL France SAS and Rozenbal Polska Sp.z.o.o ends on 31 December. However, in order to minimise the gap with parent company's year end which is 31 March, financial statements for the 12 months period from March 1, 2023 to February 29, 2024 have been consolidated.

Financial year end of Dipped Products (Thailand) Ltd also ends on 31 December. However its Financial Statements for the 12 months ended March 31, 2024 have been consolidated with Group Financial Statements.

37. MATERIAL PARTLY-OWNED SUBSIDIARIES

Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of Equity Interest Held by Non - Controlling Interests

Company Name	Country of incorporation and operation	2024 %	2023 %
Kelani Valley Plantations PLC	Sri Lanka	27.57	27.57
Hayleys Plantation Services (Pvt) Ltd	Sri Lanka	33.33	33.33

Accumulated Balances of Material Non - Controlling Interest

Company Name	2024 Rs.'000	2023 Rs.'000
Kelani Valley Plantations PLC	2,237,138	2,022,578
Hayleys Plantation Services (Pvt) Ltd	4,176,729	3,981,155
Accumulated Material Non - Controlling Interest	6,413,867	6,003,733

Profit Allocated to Material Non - Controlling Interest

Company Name	2024 Rs.'000	2023 Rs.'000
Kelani Valley Plantations PLC	332,919	575,952
Hayleys Plantation Services (Pvt) Ltd	828,066	1,297,767
Accumulated Material Non - Controlling Interest	1,160,985	1,873,719

The summarised financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

37. MATERIAL PARTLY-OWNED SUBSIDIARIES CONTD.

Summarised Statements of Profit or Loss for the year ended March 31

	Kelani Valley Plantations PLC (Group)		Hayleys Plantation Services (Pvt) Ltd (Group)	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Revenue from contracts with customers	19,968,249	20,704,226	11,149,346	8,199,353
Cost of sales	(16,925,221)	(17,045,863)	(8,727,580)	(5,342,967)
Other Income	212,626	249,654	259,763	185,916
Administrative & distribution expenses	(1,375,496)	(1,082,300)	(655,336)	(338,189)
Finance costs and income	(38,851)	214,953	337,865	606,210
Profit / (loss) before tax	1,841,305	3,040,671	2,371,478	3,310,323
Tax expense	(666,590)	(952,826)	(810,932)	(788,650)
Profit for the year	1,173,456	2,087,845	1,553,126	2,521,673
Total comprehensive income	(135,126)	(73,086)	(175,177)	41,043
Attributable to non-controlling interests	(20,591)	(423)	(65,105)	696,265
Dividends paid to non-controlling interests	-	-	(354,662)	(259,950)

Summarised Statement of Financial Position as at March 31

	Kelani Valley Plantations PLC (Group)		Hayleys Plantation Services (Pvt) Ltd (Group)	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Current Assets	6,616,425	6,502,649	5,976,399	5,868,376
Non-Current Assets	8,445,133	7,814,552	9,220,102	8,334,011
Current Liabilities	3,185,431	3,739,552	2,442,365	3,166,496
Non-Current Liabilities	3,943,097	3,371,856	4,786,595	3,822,273
Total equity	7,933,031	7,205,794	7,967,540	7,213,619
Attributable to:				
Equity holders of parent	7,863,983	7,156,211	5,686,299	4,848,779
Non-controlling interest	69,049	49,582	2,281,241	2,364,841

38. EVENTS AFTER THE REPORTING PERIOD

The Commissioner General of Labor, by way of Government Gazette No. 2382/ 04 dated 30 April 2024, issued a notification to determine the minimum payment in respect of the workers engaged in Tea Growing and Manufacturing Trade and Rubber Growing and Raw Rubber Manufacturing Trade under section 33(2) of the Wages Boards Ordinance. As of the date of approval of these financial statements pending the final wage rate determination, the Group is not able to determine the financial effects of this proposal on the financial statements for the year ended March 31, 2024.

No other circumstances have arisen since the reporting period end which would require adjustments to, or disclosure in the Financial Statements.

ANNEXES

DECADE AT A GLANCE

	2024 Rs.'000	2023 Rs.'000	2022 Rs.'000	2021 Rs.'000	2020 Rs.'000
Trading Results					
Revenue	73,941,960	80,099,312	55,293,983	46,386,667	30,562,982
Profit before tax	7,567,448	11,218,692	7,596,775	7,191,273	1,160,426
Taxation	(1,788,403)	(2,716,267)	(1,185,975)	(1,357,946)	(310,133)
Profit after tax	5,779,045	8,502,424	6,410,800	5,833,327	850,293
Non-controlling interest	(1,307,229)	(1,995,341)	(1,028,149)	(669,293)	(102,196)
Profit attributable to equity holders of the Company	4,471,816	6,507,083	5,382,651	5,164,034	748,097
Non-Current Assets					
Property, plant & equipment	23,971,323	21,811,416	16,344,832	13,075,168	12,316,577
Investments	566,207	397,033	391,009	390,977	390,932
Other non-current assets	4,951,833	4,461,350	2,867,933	3,182,863	2,862,418
	29,489,363	26,669,799	19,603,774	16,649,008	15,569,927
Current Assets	34,424,004	36,011,260	34,445,826	27,656,383	11,709,180
Total Assets	63,913,367	62,681,059	54,049,600	44,305,391	27,279,107
Capital & Reserves					
Stated capital	598,615	598,615	598,615	598,615	598,615
Capital reserves	610,315	610,315	645,549	585,174	585,142
Revenue reserves	27,667,925	25,766,130	20,662,636	14,462,463	9,953,105
Shareholders' funds	28,876,855	26,975,060	21,906,800	15,646,252	11,136,862
Non-controlling interest	7,203,020	6,540,249	4,452,443	3,495,286	2,894,169
Total Equity	36,079,875	33,515,309	26,359,243	19,141,538	14,031,031
Non-Current Liabilities					
Deferred tax liability	2,526,532	2,277,368	775,949	747,639	717,332
Interest bearing borrowings	4,300,664	3,576,522	2,535,569	1,819,967	1,377,134
Other non-current liabilities	5,025,449	4,497,001	3,806,846	3,688,072	3,921,075
	11,852,646	10,350,891	7,118,364	6,255,678	6,015,541
Current Liabilities					
Current portion of interest bearing borrowings	1,845,743	2,996,234	1,779,406	533,119	261,082
Short term loans and bank overdrafts	3,444,791	4,863,945	10,094,227	8,972,762	3,124,003
Other current liabilities	10,690,313	10,954,680	8,698,360	9,402,294	3,847,450
	15,980,847	18,814,859	20,571,993	18,908,175	7,232,535
Total Equity and Liabilities	63,913,367	62,681,059	54,049,600	44,305,391	27,279,107
Ratios & Other Information					
Earnings per share (Rs.)*	7.47	10.87	8.99	8.63	1.25
Return on equity (%)	15.49	24.12	24.57	33.00	6.72
Market price per share (Rs.)	30.40	27.70	32.50	46.40	57.00
Price earnings ratio (times)*	4.07	2.55	3.61	5.38	4.56
Dividend per share (Rs.)	2.25	3.00	2.50	2.30	0.40
Net assets per share (Rs.)*	48.24	45.06	36.6	26.14	18.60
Dividend yield (%)	7.40	10.83	7.69	4.96	7.02
Dividend cover (times)	3.32	3.62	3.60	3.75	3.12
Debt to equity ratio (times)	0.27	0.34	0.55	0.59	0.34
Current ratio	2.15	1.91	1.67	1.46	1.62

Figures in brackets indicate deductions.
*Computed based on 598,615,120 shares on issue as at March 31, 2024. Earning per share, Dividend per share and Net asset per share in all reporting periods were adjusted based on post sub-division of ten shares for every one ordinary share held.

2019 Rs.'000	2018 Rs.'000	2017 Rs.'000	2016 Rs.'000	2015 Rs.'000	
					Trading Results
30,089,318	28,484,874	24,334,423	21,931,303	27,738,672	Revenue
1,642,546	1,240,494	1,057,260	690,608	1,946,819	Profit before tax
(418,720)	(439,644)	(139,526)	(214,653)	(385,449)	Taxation
1,223,826	800,850	917,734	475,955	1,561,370	Profit after tax
(355,402)	(305,382)	(164,533)	(127,826)	(285,953)	Non-controlling interest
868,424	495,468	753,201	348,129	1,275,417	Profit attributable to equity holders of the Company
					Non-Current Assets
12,217,758	12,408,303	12,414,457	12,188,554	12,058,013	Property, plant & equipment
390,933	23	26	22	24	Investments
1,616,164	1,446,534	1,692,470	1,788,001	1,422,904	Other non-current assets
14,224,855	13,854,860	14,106,953	13,976,577	13,480,941	
11,976,799	10,775,220	9,063,244	7,381,572	8,546,008	Current Assets
26,201,654	24,630,080	23,170,197	21,358,149	22,026,949	Total Assets
					Capital & Reserves
598,615	598,615	598,615	598,615	598,615	Stated capital
573,686	447,227	478,788	450,178	444,347	Capital reserves
9,249,276	8,693,473	8,044,601	7,115,483	7,225,571	Revenue reserves
10,421,577	9,739,315	9,122,004	8,164,276	8,268,533	Shareholders' funds
2,791,075	2,566,261	2,312,205	2,406,025	2,513,282	Non-controlling interest
13,212,652	12,305,576	11,434,209	10,570,301	10,781,815	Total Equity
					Non-Current Liabilities
761,058	713,849	686,093	565,781	494,555	Deferred tax liability
883,102	1,397,541	2,114,650	2,136,957	1,372,989	Interest bearing borrowings
3,540,753	3,090,164	2,859,687	3,359,121	3,157,461	Other non-current liabilities
5,184,913	5,201,554	5,660,430	6,061,859	5,025,005	
					Current Liabilities
435,988	874,758	801,486	321,495	306,521	Current portion of interest bearing borrowings
3,951,213	2,767,380	2,201,582	1,891,333	2,813,367	Short term loans and bank overdrafts
3,416,888	3,480,812	3,072,490	2,513,161	3,100,241	Other current liabilities
7,804,089	7,122,950	6,075,558	4,725,989	6,220,129	
26,201,654	24,630,080	23,170,197	21,358,149	22,026,949	**Total Equity and Liabilities**
					Ratios & Other Information
1.45	0.83	1.26	0.58	2.13	Earnings per share (Rs.)*
8.33	6.50	8.26	4.26	15.42	Return on equity (%)
78.00	85.50	76.00	73.00	138.00	Market price per share (Rs.)
5.38	10.33	6.00	12.60	6.50	Price earnings ratio (times)*
0.45	0.30	0.25	0.20	0.70	Dividend per share (Rs.)
17.41	16.27	15.24	13.64	13.81	Net assets per share (Rs.)*
5.77	3.50	3.30	2.70	5.10	Dividend yield (%)
3.22	2.76	5.00	2.90	3.00	Dividend cover (times)
0.40	0.41	0.45	0.41	0.42	Debt to equity ratio (times)
1.53	1.51	1.49	1.56	1.37	Current ratio

THE SHARE

1. STOCK EXCHANGE LISTING

The ordinary shares of Dipped Products PLC, are listed with the Colombo Stock Exchange of Sri Lanka. Interim Financial Statements of the 4th quarter for the year ended March 31, 2024 have been submitted to the Colombo Stock Exchange as required by the Listing Rules.

2. ORDINARY SHAREHOLDERS

Number of shareholders as at March 31,2024 - 14,295 (as at March 31,2023 - 15,236).

Number of Shares held	Resident			Non-Resident			Total		
	No. of Share-holders	No. of Shares	%	No. of Share-holders	No. of Shares	%	No. of Share-holders	No. of Shares	%
1 -1,000	6,481	2,264,259	0.38	10	5,304	0.00	6,491	2,269,563	0.38
1,001 -10,000	5,190	20,650,920	3.45	20	104,674	0.02	5,210	20,755,594	3.47
10,001 -100,000	2,220	66,358,247	11.09	29	936,564	0.16	2,249	67,294,811	11.24
100,001 -1,000,000	303	77,608,265	12.96	12	4,299,988	0.72	315	81,908,253	13.68
Over 1,000,000	30	426,386,899	71.23	-	-	-	30	426,386,899	71.23
Total	14,224	593,268,590	99.11	71	5,346,530	0.89	14,295	598,615,120	100.00

Over 90% of the issued Share Capital is held by residents of Sri Lanka.

Number of Shares held	Resident			Non-Resident			Total		
	No. of Share-holders	No. of Shares	%	No. of Share-holders	No. of Shares	%	No. of Share-holders	No. of Shares	%
CATEGORY									
Individuals	13,612	159,779,391	26.69	65	4,142,625	0.69	13,677	163,922,016	27.38
Institutions	612	433,489,199	72.42	6	1,203,905	0.20	618	434,693,104	72.62
	14,224	593,268,590	99.11	71	5,346,530	0.89	14,295	598,615,120	100.00

3. SHARE VALUATION

The market value of an ordinary share of Dipped Products PLC:

	2023/24	2022/23
Highest	Rs. 35.70 (August 02, 2023)	Rs. 48.70 (September 20, 2022)
Lowest	Rs. 24.50 (June 01, 2023)	Rs. 21.00 (April 27, 2022)
Year end	Rs.30.40	Rs. 27.70

4 SHARE TRADING

	2024	2023
Number of transactions	34,977	65,267
Number of shares traded	52,617,997	107,567,295
Value of shares traded (Rs.)	1,596,961,083	3,725,542,210

5. FIRST TWENTY SHAREHOLDERS AS AT MARCH 31, 2023

	Name of the Shareholder	No.of Shares as at 31/03/2023	%	No.of Shares as at 31/03/2022	%
1	HAYLEYS PLC	252,109,380	42.12	252,109,380	42.12
2	VOLANKA (PRIVATE) LIMITED	48,736,400	8.14	48,736,400	8.14
3	HAYCARB PLC	40,687,460	6.80	40,687,460	6.80
4	EMPLOYEES PROVIDENT FUND	27,551,107	4.60	27,551,107	4.60
5	EMPLOYEES TRUST FUND BOARD	5,916,261	0.99	5,916,261	0.99
6	RAVI INDUSTRIES LIMITED	5,670,000	0.95	5,670,000	0.95
7	DR.D.JAYANNTHA	5,080,000	0.85	4,800,000	0.80
8	MR.H.S.R.KARIYAWASAN & MRS. K.H.S. KARIYAWASAN	4,150,850	0.69	4,150,850	0.69
9	MR.H.A.R.PIERIS	3,250,000	0.54	3,150,000	0.53
10	MR.N.SAMARASURIYA	3,175,860	0.53	3,175,860	0.53
11	AMANA BANK PLC / MR.M.N.DEEN	2,961,994	0.49	2,961,994	0.49
12	MR. S. RAMESHAN	2,377,480	0.40	2,377,480	0.40
13	MR. M. I. M. SHAFIE & MRS. F.R. SHAFIE	2,050,362	0.34	2,000,362	0.35
14	RENUKA HOTELS PLC	2,013,626	0.34	1,997,990	0.33
15	MRS.S.H.SARDAKHAN	1,925,000	0.32	2100000	0.33
16	MRS. T.T.A. DE SILVA WEERASOORIYA	1,810,256	0.30	-	-
17	J.B. COCOSHELL (PVT) LTD	1,750,684	0.29	-	-
18	RENUKA PROPERTIES LIMITED	1,743,699	0.29	1,660,000	0.28
19	MISS. L.A. PIERIS	1,563,980	0.26	1,563,980	0.26
20	PERERA AND SONS BAKERS PVT LIMITED	1,500,000	0.25	1,500,000	0.25
	TOTAL	416,024,399	69.50	415,158,416	69.35

6. SHARES HELD BY THE PUBLIC

Public Holding as at 31.03.2024

Percentage of Public Holding	40.99
Total number of shareholders representing the public holding	14,284
Float - Adjusted Market Capitalization (Rs.)	7,459,891,568

The Company complies with option 3 of the Listing Rules 7.13.1 (a) which requires 7.5% minimum Public Holding.

7. HISTORY OF DIVIDEND AND SCRIP ISSUES (LAST 34 YEARS)

The number of shareholders represent in public holding 14,284

Year ended March 31	Issue	Basis	No. of shares '000	Cumulative No. of shares '000	Dividend per Share Rs.	Dividend paid Rs'000
1991	Bonus	1:05	1,000	6,000	3.3	19,800
1992				6,000	2.6	15,600
1993				6,000	2.6	15,600
1994	Share Trust (at Rs. 41.00)		600	6,600	3	19,800
1995				6,600	3.5	23,100
1996	Bonus	1:05	1,320	7,920	1.75	13,860
	Rights (at Rs. 60.00)	1:05	1,584	9,504	17.5	16,632
1997	Bonus	1:05	1,901	11,405	3.5	39,917
1998	Bonus	1:05	2,281	13,686	4	54,743
1999	Bonus	1:05	2,737	16,423	3.5	57,480
2000	Bonus	1:08	2,053	18,476	3	55,427
2001				18,476	4	73,903
2002				18,476	3.5	64,665
2003	Bonus	1:08	2,309	20,785	3.5	72,748
2004	Bonus	1:05	4,157	24,942	4	99,769
2005	Bonus	1:05	4,988	29,931	–	–
	Bonus	1:01	29,931	59,861	4	239,446
2006				59,861	3	179,585
2007				59,861	4.5	269,377
2008				59,861	3	179,585
2009				59,861	3	179,585
2010				59,861	3.75	224,480
2011				59,861	3	179,585
2012				59,861	6	359,169
2013				59,861	7	419,031
2014				59,861	5.5	329,238
2015				59,861	7	419,031
2016				59,861	2	119,723
2017				59,861	2.5	149,653
2018				59,861	3	179,585
2019				59,861	4.5	269,374
2020				59,861	4	239,444
2021	Share Split	1:10		598,615	2.3	1,376,815
2022				598,615	2.5	1,496,538
2023				598,615	3	1,795,845
2024				598,615	2.25	1,346,884

MARKET CAPITALISATION (LAST 34 YEARS)

Year ended March 31	Market capitalisation Rs. million	Net assets Rs. million
1991	690	178
1992	618	210
1993	537	223
1994	574	284
1995	574	340
1996	893	492
1997	984	611
1998	1,505	794
1999	854	961
2000	905	1,032
2001	859	1,179
2002	1,109	1,312
2003	1,143	1,498
2004	2,120	1,782
2005	5,507	2,148
2006	4,909	2,179
2007	6,540	2,646
2008	4,759	2,810
2009	3,307	3,079
2010	6,211	3,310
2011	6,950	5,142
2012	5,992	5,801
2013	6,645	6,845
2014	5,214	7,327
2015	8,261	8,044
2016	4,370	7,896
2017	4,550	9,122
2018	5,118	9,739
2019	4,669	10,422
2020	3,412	11,136
2021	27,776	15,646
2022	19,455	21,907
2023	16,582	26,975
2024	18,198	28,836

HORIZONTAL & VERTICAL ANALYSIS

Statement of Profit or Loss

Profit or Loss	FY 23/24 Rs'000	FY 22/23 Rs'000	FY 21/22 Rs'000	FY 20/21 Rs'000	FY 19/20 Rs'000
Revenue from contracts with customers	73,941,960	80,099,312	55,293,983	46,386,667	30,562,982
Cost of sales	(56,882,914)	(60,490,240)	(44,561,333)	(34,556,902)	(25,858,623)
Gross profit	17,059,046	19,609,072	10,732,650	11,829,765	4,704,359
Other income and gains	819,820	766,748	833,407	340,669	282,508
Distribution costs	(1,956,362)	(2,660,512)	(1,402,795)	(1,012,659)	(701,298)
Administrative expenses	(8,193,104)	(8,087,179)	(4,803,655)	(3,837,952)	(2,839,358)
Other expenses	-	-	-	-	(14,944)
Finance cost	(1,466,345)	(1,054,716)	(706,458)	(618,834)	(481,576)
Finance income	1,296,256	2,645,279	2,943,626	465,822	200,530
Change in fair value of investment properties	-	-	-	24,462	10,205
Deemed disposal gain/loss on equity accounted investee	8,137	-	-	-	-
Profit before tax	7,567,448	11,218,692	7,596,775	7,191,273	1,160,426
Tax (expense) / reversal	(1,788,403)	(2,716,268)	(1,185,975)	(1,357,946)	(310,133)
Profit for the year	5,779,045	8,502,424	6,410,800	5,833,327	850,293

Statement of Financial Position

	FY 23/24 Rs'000	FY 22/23 Rs'000	FY 21/22 Rs'000	FY 20/21 Rs'000	FY 19/20 Rs'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	23,971,323	21,976,520	16,344,832	13,075,168	12,316,577
Formers (moulds)	729,505	608,431	436,494	379,355	344,575
Investment properties	-	-	-	392,622	368,160
Biological assets	1,506,271	1,313,068	599,064	530,543	505,240
Right of use assets	1,798,682	1,469,092	1,345,567	1,438,123	1,237,647
Intangible assets	683,449	646,363	315,131	310,532	306,486
Other non-current financial assets	426,349	397,711	393,261	391,571	392,621
Investments in equity accounted investee	139,858	-	-	-	-
Deferred tax assets	233,926	258,614	169,425	131,094	98,621
	29,489,363	26,669,799	19,603,774	16,649,008	15,569,927
Current Assets					
Inventories	11,685,227	12,648,602	12,070,081	11,103,664	4,661,463
Trade and other receivables	12,193,920	12,131,102	12,129,696	10,110,737	4,658,649
Advances and prepayments	1,568,917	1,571,793	1,201,284	2,708,504	598,012
Cash and short term deposits	8,975,940	9,659,763	9,044,765	3,733,478	1,791,056
	34,424,004	36,011,260	34,445,826	27,656,383	11,709,180
Total assets	63,913,367	62,681,059	54,049,600	44,305,391	27,279,107
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent	28,876,855	26,975,061	21,906,800	15,646,252	11,136,862
Non-controlling interest	7,203,020	6,540,249	4,452,443	3,495,286	2,894,169
Equity	36,079,875	33,515,310	26,359,243	19,141,538	14,031,031
Non-Current Liabilities					
Interest-bearing loans and borrowings	4,300,664	3,576,522	2,535,569	1,819,967	1,377,134
Deferred income	886,703	896,440	809,083	806,159	756,156
Defined benefit obligations	4,006,968	3,464,696	2,866,645	2,725,467	2,894,372
Agents' indemnity fund	131,779	135,865	131,118	84,992	70,136
Deferred tax liabilities	2,526,532	2,277,368	775,949	747,639	717,332
Other non current liabilities	-	-	-	71,454	200,411
	11,852,646	10,350,891	7,118,364	6,255,678	6,015,541
Current Liabilities					
Trade and other payables	10,146,063	9,742,403	8,201,624	8,352,217	3,794,578
Interest-bearing loans and borrowings	5,290,534	7,860,179	11,873,634	9,505,881	3,385,085
Income tax payable	544,249	1,212,276	496,735	1,050,077	52,872
	15,980,846	18,814,858	20,571,993	18,908,175	7,232,535
Total liabilities	27,833,492	29,165,749	27,690,357	25,163,853	13,248,076
Total equity and liabilities	63,913,367	62,681,059	54,049,600	44,305,391	27,279,107

	Horizontal Analysis					Vertical Analysis				
	FY 23/24 YoY %	FY 22/23 YoY %	FY 21/22 YoY %	FY 20/21 YoY %	FY 19/20 YoY %	FY 23/24 % of Revenue	FY 22/23 % of Revenue	FY 21/22 % of Revenue	FY 20/21 % of Revenue	FY 19/20 % of Revenue
	(8)	45	19	52	2	100	100	100	100	100
	(6)	36	29	34	3	(77)	(76)	(81)	(74)	(85)
	(13)	83	(9)	>100	(5)	23	24	19	26	15
	7	(8)	>100	21	23	1	1	2	1	1
	(26)	90	39	44	17	(3)	(3)	(3)	(2)	(2)
	1	68	25	35	1	(11)	(10)	(9)	(8)	(9)
	-	-	-	(100)	>100	-	-	-	-	(0)
	39	49	14	29	(2)	(2)	(1)	(1)	(1)	(2)
	(51)	(10)	>100	>100	34	2	3	5	1	1
	-	-	(100)	>100	3	-	-	-	0	0
	-	-	-	-	(100)	0	-	-	-	-
	(33)	48	6	>100	(29)	10	14	14	16	4
	(34)	>100	(13)	>100	(26)	(2)	(3)	(2)	(3)	(1)
	(32)	33	10	>100	(31)	8	11	12	13	3

	Horizontal Analysis					Vertical Analysis				
	FY 23/24 YoY %	FY 22/23 YoY %	FY 21/22 YoY %	FY 20/21 YoY %	FY 19/20 YoY %	FY 23/24 % of Assets	FY 22/23 % of Assets	FY 21/22 % of Assets	FY 20/21 % of Assets	FY 19/20 % of Assets
	9	34	25	6	1	38	35	30	30	45
	20	39	15	10	17	1	1	1	1	1
	-	-	(100)	7	3	-	-	-	1	1
	15	>100	13	5	12	2	2	1	1	2
	22	9	(6)	16	>100	3	2	2	3	5
	6	>100	1	1	(4)	1	1	1	1	1
	7	1	0	(0)	0	1	1	1	1	1
	>100	-	-	-	-	-	-	-	-	-
	(10)	53	29	33	(28)	-	-	-	-	-
	11	36	18	7	9	46	43	36	38	57
							-			
	(8)	5	9	>100	(1)	18	20	22	25	17
	1	0	20	>100	(13)	19	19	22	23	17
	(0)	31	(56)	>100	>100	2	3	2	6	2
	(7)	7	>100	>100	3	14	15	17	8	7
	4	5	25	>100	(2)	54	57	64	62	43
	2	16	22	62	4	100	100	100	100	100
	7	23	40	40	7	45	43	41	35	41
	10	47	27	21	4	11	10	8	8	11
	8	27	38	36	6	56	53	49	43	51
	20	41	39	32	56	7	6	5	4	5
	(1)	11	0	7	2	1	1	1	2	3
	16	21	5	(6)	6	6	6	5	6	11
	(3)	4	54	21	11	0	0	0	0	0
	11	>100	4	4	(6)	4	4	1	2	3
	-		(100)	(64)	>100	-	-	-	0	1
	15	45	14	4	16	19	17	13	14	22
	4	19	(2)	>100	14	16	16	15	19	14
	(33)	(34)	25	>100	(23)	8	13	22	21	12
	(55)	>100	(53)	>100	(38)	1	2	1	2	0
	(15)	(9)	9	>100	(7)	25	30	38	43	27
	(5)	5	10	90	2	44	47	51	57	49
	2	16	22	62	4	100	100	100	100	100

GROUP STRUCTURE

DPL Handling you with care

Manufacture and marketing of industrial and general purpose rubber gloves, Management of tea and rubber plantations

DIPPED PRODUCTS PLC

Incorporated in 1976 in Sri Lanka

Stated capital - Rs 598,615,120

Directors:

A M Pandithage - Chairman

H S R Kariyawasan - Deputy Chairman

R H P Janadheera - Managing Director

F Mohideen

S C Ganegoda

S Rajapakse

N A R R S Nanayakkara

K D G Gunaratne

K M D I Prasad

B K C R Ratnasiri

Ms. K A D B Perera

M N R Fernando
(appointed w.e.f. January 03, 2024)

Prof. A P De Silva
(appointed w.e.f. January 03, 2024)

P Y S Perera
(appointed w.e.f. April 01, 2024)

G Molinari
(resigned w.e.f October 16,2023)

S P Peiris
(resigned w.e.f December 31,2023)

HAND PROTECTION

Manufacture and export of household and industrial gloves

HANWELLA RUBBER PRODUCTS LTD

Incorporated in 1987 in Sri Lanka

Stated capital - Rs 250,000,000

Group interest - 72.6%

Directors:

A M Pandithage - Chairman

R H P Janadheera

K M D I Prasad

B A D H C Mahipala

Manufacture and export of household and industrial gloves

D P L PREMIER GLOVES LTD

Incorporated in 2014 in Sri Lanka

Stated capital - Rs. 1,450,000,000

Group interest - 100%

Directors:

A M Pandithage - Chairman

R H P Janadheera

Dr. R M U N Rathnayake

S A N Pushpakumara

Manufacture and export of fabric supported and industrial gloves

D P L UNIVERSAL GLOVES LTD

Incorporated in 2014 in Sri Lanka

Stated capital - Rs. 3,500,000,000

Group interest - 100%

Directors:

A M Pandithage - Chairman

R H P Janadheera

N A R R S Nanayakkara

B K C R Ratnasiri

H U A Fonseka

Manufacture and export of examination gloves

DIPPED PRODUCTS (THAILAND) LTD

Incorporated in 2002 in Thailand

Share capital - THB 375,000,000

Group interest - 99.26%

Directors:

A M Pandithage - Chairman

R H P Janadheera

N A R R S Nanayakkara

S C Ganegoda

T G Thoradeniya

D P P Mendis

H S R Kariyawasan

K M D I Prasad

Marketing and distribution of household, industrial and medical gloves and personal protective wear

ICOGUANTI S.p.A

Registered in Milan and successors to ICO Srl

Incorporated in 1968 in Genoa

Share capital - Euro 3,500,000

Group interest - 100%

Directors:

A M Pandithage - Chairman

R H P Janadheera - Managing Director

H S R Kariyawasan

N A R R S Nanayakkara

S C Ganegoda
(appointed w.e.f. October 16, 2024)

Ng Soon Huat
(resigned June 30,2023)

G Molinari
(resigned October 16,2023)

Marketing and distribution of Household and Professional cleaning equipments

DPL FRANCE SAS

Incorporated in 2022 in Avignon

Share capital - Euro 6,000,000

Group interest - 96.67%

Directors:

A M Pandithage - Chairman
(appointed w.e.f. October 18, 2024)

H S R Kariyawasan
(appointed w.e.f. October 18, 2024)

R H P Janadheera
(appointed w.e.f. October 18, 2024)

T Taddei
(appointed w.e.f. October 18, 2024)

N A R R S Nanayakkara
(appointed w.e.f. October 18, 2024)

Marketing and distribution of Household and Professional cleaning equipments

ROZENBAL POLSKA Sp.z.o.o

Incorporated in 2001 in Žwirowa

Share capital - PLN 922 000

Group interest - 96.5%

A M Pandithage - Chairman
(appointed w.e.f. October 18, 2024)

H S R Kariyawasan

(appointed w.e.f. October 18, 2024)

R H P Janadheera
(appointed w.e.f. October 18, 2024)

T Taddei
(appointed w.e.f. October 18, 2024)

Manufacture, Marketing and distribution of supported and unsupported gloves

DIPPED PRODUCTS INDIA PRIVATE LIMTED

Incorporated in 2024 in India

Stated capital - INR 100,000

Group interest - 100%

Directors:

R H P Janadheera
(appointed w.e.f. February 28, 2024)

G Sharma
(appointed w.e.f. February 28, 2024)

Manufacture and export of fabric supported and unsupported gloves

VENIGROS (PVT) LTD

Incorporated in 1994 in Sri Lanka

Stated capital - Rs. 80,000,000

Group interest - 100%

Directors:

A M Pandithage - Chairman

S C Ganegoda

Manufacture of cotton and synthetic flock

FELTEX (PVT) LTD

Incorporated in 2005 in Sri Lanka

Stated capital - Rs 15,000,000

Group interest - 100%

Directors:

A M Pandithage - Chairman

N A R R S Nanayakkara

S C Ganegoda

M H C Prematillake
(appointed w.e.f. April 24, 2024)

P B J Gunawardana
(appointed w.e.f. April 24, 2024)

R S S Perera
(appointed w.e.f. April 24, 2024)

Export trading

D P L INTERNATIONAL LTD

Incorporated in 2016 in Sri Lanka

Group interest - 100%

Directors:

A M Pandithage - Chairman

R H P Janadheera

N A R R S Nanayakkara

PLANTATIONS

Plantation management

DPL PLANTATIONS (PVT) LTD

Incorporated in 1992 in Sri Lanka

Stated capital - Rs. 550,000,000

Group interest - 100%

Directors:

A M Pandithage - Chairman

Dr. W G R Rajadurai

S C Ganegoda

A Weerakoon

Tea and rubber plantations

KELANI VALLEY PLANTATIONS PLC

Incorporated in 1992 in Sri Lanka

Stated capital - Rs. 340,000,010

Group interest - 72.43%

Directors:

A M Pandithage - Chairman

Dr. W G R Rajadurai - Managing Director

A Weerakoon - Chief Executive Officcer

F Mohideen

S C Ganegoda

C V Cabraal

N Ekanayake

S P Peiris
(appointed w.e.f. January 3, 2024)

S Amarasekera
(appointed w.e.f. January 3, 2024)

M C B Talwatte
(appointed w.e.f. January 3, 2024)

Plantation management

HAYLEYS PLANTATION SERVICES (PVT) LTD

Incorporated in 1992 in Sri Lanka

Stated capital - Rs. 408,030,000

Group interest - 66.67%

Directors:

A M Pandithage - Chairman

Dr. W G R Rajadurai

Malik J Fernando

N R Ranatunga

S C Ganegoda
(alternate to Mr. A M Pandithage)

D C Fernando
(appointed w.e.f. November 15, 2023)

Ms. M Perera
(alternate to Mr. Malik J Fernando)

GLOSSARY

ACCOUNTING POLICIES
Specific principles, bases, conventions, rules and practices adopted by an enterprise in preparing and presenting Financial Statements.

BORROWINGS
Bank loans, overdrafts and finance lease obligations.

CAPITAL EMPLOYED
Total assets less interest free liabilities.

CAPITAL RESERVES
Reserves identified for specific purposes and considered not available for distribution.

CASH EQUIVALENTS
Liquid investments with original maturities of three months or less.

CONTINGENT LIABILITIES
Conditions or situations at the Statement of Financial Position date, the financial effect of which are to be determined by future events which may or may not occur.

CURRENT RATIO
Current assets divided by current liabilities.

DIVIDEND COVER
Post-tax profit divided by gross dividend. Measures the number of times dividend is covered by distributable profit.

DIVIDEND YIELD
Gross dividend per share as a percentage of the market price.

EARNINGS PER SHARE
Profit attributable to ordinary shareholders divided by a weighted average number of ordinary shares in issue and ranking for dividend.

GROSS DIVIDEND
Portion of profits inclusive of tax withheld distributed to shareholders.

NET ASSETS PER SHARE
Shareholders' funds divided by the number of ordinary shares issued.

OPERATING PROFIT MARGIN
Operating profit divided by Group turnover.

PRICE EARNINGS RATIO
Market price of a share divided by earnings per share.

RELATED PARTIES
A person or entity that is reporting to the reporting entity.

RETURN ON EQUITY
Attributable profits divided by average shareholders' funds.

REVENUE RESERVES
Reserves considered as being available for distributions and investments.

SEGMENT
Constituent business units grouped in terms of nature and similarity of operations.

SLFRS/LKAS
Sri Lanka Accounting Standards corresponding to International Financial Reporting Standards.

TOTAL EQUITY
Share capital, reserves and minority interest.

VALUE ADDITION
The quantum of wealth generated by the activities of the Group and its distribution.

WORKING CAPITAL
Capital required to finance the day-to-day operations (current assets minus current liabilities

INDEPENDENT ASSURANCE REPORT

Ernst & Young
Chartered Accountants
Rotunda Towers
No. 109, Galle Road
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INDEPENDENT PRACTITIONER'S ASSURANCE REPORT TO THE BOARD OF DIRECTORS OF DIPPED PRODUCTS PLC ON THE INTEGRATED ANNUAL REPORT FY 2023/24

Scope

We have been engaged by Dipped Products PLC to perform a 'limited assurance engagement,' as defined by Sri Lanka Standard on Assurance Engagements, here after referred to as the engagement, to report on Dipped Products PLC's Information on how it's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation, preservation or erosion of value over the short, medium and long term (the "Subject Matter") contained in Dipped Products PLC's (the "Entity's") Integrated Annual Report for the year ended 31 March 2024 (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Dipped Products PLC

In preparing the Subject Matter, Dipped Products PLC applied the Integrated Reporting Framework (<IR> Framework) issued by the International Integrated Reporting Council (IIRC) ("Criteria"):

Such Criteria were specifically designed for the purpose of assisting in determining whether the capital management, stakeholder engagement, business model, strategy, organizational overview & external environment outlook presented in the Integrated Annual Report is presented in accordance with the relevant criteria; As a result, the subject matter information may not be suitable for another purpose.

Dipped Products PLC's responsibilities

Dipped Products PLC management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

Ernst & Young's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the Sri Lanka Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (SLSAE 3000 (Revised), and the terms of reference for this engagement as agreed with the Dipped Products PLC on [insert date of signed engagement letter]. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

INDEPENDENT ASSURANCE REPORT

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the subject matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Performed a comparison of the content of the Integrated Annual Report against the Guiding Principles and Content Elements given in the Integrated Reporting Framework (<IR> Framework).
- Checked whether the information contained in the Integrated Annual Report – Financial Capital element information has been properly derived from the audited financial statements.
- Conducted interviews with the selected key management personnel and relevant staff and obtained an understanding of the internal controls, governance structure and reporting process relevant to the Integrated Report.
- Obtained an understanding of the relevant internal policies and procedures developed, including those relevant to determining what matters most to the stakeholders, how the organization creates value, the external environment, strategy, approaches to putting members first, governance and reporting.
- Obtained an understanding of the description of the organization's strategy and how the organization creates value, what matters most to the stakeholders and enquiring the management as to whether the description in the Integrated Report accurately reflects their understanding.
- Checked the Board of Directors meeting minutes during the financial year to ensure consistency with the content of the Integrated Report.
- Tested the relevant supporting evidence related to qualitative & quantitative disclosures within the Integrated Report against identified material aspects.
- Read the Integrated Report in its entirety for consistency with our overall knowledge obtained during the assurance engagement.

We also performed such other procedures as we considered necessary in the circumstances.

Emphasis of matter

Economic, Environment, Social and Intellectual capital management data/information are subject to inherent limitations given their nature and the methods used for determining, calculating and estimating such data. Such inherent limitations are common in Sri Lanka.

We also do not provide any assurance on the assumptions and achievability of prospective information presented in the Entity's Annual Report.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the information contained in the Integrated Annual Report of Dipped Products PLC for the year ended 31 March 2024, in order for it to be in accordance with the Criteria.

Ernst & Young

16 May 2024

Colombo

GRI CONTEXT INDEX

Statement of use	Dipped Products PLC has reported in accordance with the GRI Standards for the period 1 April 2023 to 31 March 2024.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	N/a

GRI Standard/ Other Source	Disclosure	Page No.	Omission			GRI Sector Standard Ref. No.
			Requirement(S) Omitted	Explanation	Explanation	
General disclosures						
GRI 2: General Disclosures 2021	2-1 Organizational details	10-273	"A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	2-2 Entities included in the organization's sustainability reporting	4				
	2-3 Reporting period, frequency and contact point	4,5				
	2-4 Restatements of information	4				
	2-5 External assurance	4				
	2-6 Activities, value chain and other business relationships	10				
	2-7 Employees	115				
	2-8 Workers who are not employees			Not applicable	Company does not have workers who are not employees by the company.	
	2-9 Governance structure and composition	50				
	2-10 Nomination and selection of the highest governance body	54				
	2-11 Chair of the highest governance body	56				
	2-12 Role of the highest governance body in overseeing the management of impacts	52				
	2-13 Delegation of responsibility for managing impacts	54				
	2-14 Role of the highest governance body in sustainability reporting	63				
	2-15 Conflicts of interest	57				
	2-16 Communication of critical concerns	56				
	2-17 Collective knowledge of the highest governance body	53				
	2-18 Evaluation of the performance of the highest governance body	58				
	2-19 Remuneration policies	59				
	2-20 Process to determine remuneration	59				
	2-21 Annual total compensation ratio			Information unavailable/ incomplete	This indicator is not tracked currently	
	2-22 Statement on sustainable development strategy	20-25				
	2-23 Policy commitments	62-63				
	2-24 Embedding policy commitments	62-63				
	2-25 Processes to remediate negative impacts	103, 110				
	2-26 Mechanisms for seeking advice and raising concerns	110				
	2-27 Compliance with laws and regulations	110				
	2-28 Membership associations	143				
	2-29 Approach to stakeholder engagement	38				
	2-30 Collective bargaining agreements	123				

GRI CONTEXT INDEX

GRI Standard/ Other Source	Disclosure	Page No.	Omission			GRI Sector Standard Ref. No.
			Requirement(S) Omitted	Explanation	Explanation	
Material topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	46-48	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	3-2 List of material topics	46-48				
Economic performance						
GRI 3: Material Topics 2021	3-3 Management of material topics	93				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	11				
	201-2 Financial implications and other risks and opportunities due to climate change	79-81				
	201-3 Defined benefit plan obligations and other retirement plans	230				
	201-4 Financial assistance received from government	230				
Market presence						
GRI 3: Material Topics 2021	3-3 Management of material topics	116				
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	116				
	202-2 Proportion of senior management hired from the local community		202-2	Information unavailable/ incomplete	Not tracked currently	
Indirect economic impacts						
GRI 3: Material Topics 2021	3-3 Management of material topics	104				
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	105-110				
	203-2 Significant indirect economic impacts	105-110				
Procurement practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	98				
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	101				
Anti corruption						
GRI 3: Material Topics 2021	3-3 Management of material topics	110				
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	110				
	205-2 Communication and training about anti-corruption policies and procedures	110				
	205-3 Confirmed incidents of corruption and actions taken	110				
Anti-competitive behavior						
GRI 3: Material Topics 2021	3-3 Management of material topics	110				
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	110				

GRI Standard/ Other Source	Disclosure	Page No.	Omission			GRI Sector Standard Ref. No.
			Requirement(S) Omitted	Explanation	Explanation	
Materials						
GRI 3: Material Topics 2021 GRI 301: Materials 2016	3-3 Management of material topics	155				
	301-1 Materials used by weight or volume	155				
	301-2 Recycled input materials used	155				
	301-3 Reclaimed products and their packaging materials	155				
Energy						
GRI 3: Material Topics 2021	3-3 Management of material topics	150				
GRI 302: Energy 2016	302-1 Energy consumption within the organization	150				
	302-2 Energy consumption outside of the organization			Information unavailable/ incomplete	Energy consumption outside the organisation is not tracked at the moment	
	302-3 Energy intensity	15				
	302-4 Reduction of energy consumption					
	302-5 Reductions in energy requirements of products and services	150				
Water and effluents						
GRI 3: Material Topics 2021	3-3 Management of material topics	153				
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	153				
	303-2 Management of water discharge-related impacts	153				
	303-3 Water withdrawal	154				
	303-4 Water discharge	154				
	303-5 Water consumption	153				
Biodiversity						
GRI 3: Material Topics 2021	3-3 Management of material topics	158				
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		304-1	Not applicable		
	304-2 Significant impacts of activities, products and services on biodiversity	158				
	304-3 Habitats protected or restored		304-3	Not applicable		
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations		304-4	Not applicable		
Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	151				
305-1 Direct (Scope 1) GHG emissions	305-1 Direct (Scope 1) GHG emissions	151				

GRI CONTEXT INDEX

GRI Standard/ Other Source	Disclosure	Page No.	Omission			GRI Sector Standard Ref. No.
			Requirement(S) Omitted	Explanation	Explanation	
305-2 Energy indirect (Scope 2) GHG emissions	305-2 Energy indirect (Scope 2) GHG emissions	151				
	305-3 Other indirect (Scope 3) GHG emissions	151				
	305-4 GHG emissions intensity	153				
	305-5 Reduction of GHG emissions					
	305-6 Emissions of ozone-depleting substances (ODS)		305-6		Not applicable	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		305-7		Not applicable	
Waste						
GRI 3: Material Topics 2021	3-3 Management of material topics	157				
GRI 306: Waste 2020	3-3 Management of material topics	157				
	306-1 Waste generation and significant waste-related impacts	157				
	306-2 Management of significant waste-related impacts	157				
	306-3 Waste generated	157				
	306-4 Waste diverted from disposal	157				
	306-5 Waste directed to disposal	157				
Supplier environmental assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	98				
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	101				
Employment						
GRI 3: Material Topics 2021	3-3 Management of material topics	113				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	117				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	116				
	401-3 Parental leave		401-3	Information unavailable/ incomplete	Was not tracked during the year	
Labor/management relations						
GRI 3: Material Topics 2021	3-3 Management of material topics	123				
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	123				
Occupational health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	118				

GRI Standard/ Other Source	Disclosure	Page No.	Omission			GRI Sector Standard Ref. No.
			Requirement(S) Omitted	Explanation	Explanation	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	118				
	403-2 Hazard identification, risk assessment, and incident investigation	118				
	403-3 Occupational health services	118				
	403-4 Worker participation, consultation, and communication on occupational health and safety	118				
	403-5 Worker training on occupational health and safety	118				
	403-6 Promotion of worker health	118				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	118				
	403-8 Workers covered by an occupational health and safety management system	118				
	403-9 Work-related injuries	118				
	403-10 Work-related ill health		403-10		Information unavailable/ incomplete	
Training and education						
GRI 3: Material Topics 2021	3-3 Management of material topics	121				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	121				
	404-2 Programs for upgrading employee skills and transition assistance programs	121				
	404-3 Percentage of employees receiving regular performance and career development reviews	120				
Diversity and equal opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics	122				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	122				
	405-2 Ratio of basic salary and remuneration of women to men		405-2	Information unavailable/ incomplete	Not tracked at present, however there is a non-discrimination policy in place	
Non-discrimination						
GRI 3: Material Topics 2021	3-3 Management of material topics	114				
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	114				
Freedom of association and collective bargaining						
GRI 3: Material Topics 2021	3-3 Management of material topics	123				

GRI CONTEXT INDEX

GRI Standard/ Other Source	Disclosure	Page No.	Omission			GRI Sector Standard Ref. No.
			Requirement(S) Omitted	Explanation	Explanation	
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	123				
Local communities						
GRI 3: Material Topics 2021	3-3 Management of material topics	104				
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	105				
	413-2 Operations with significant actual and potential negative impacts on local communities	105				
Supplier social assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	98				
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	101				
	414-2 Negative social impacts in the supply chain and actions taken	101				
Customer health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	102				
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	103				
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	103				
Marketing and labeling						
GRI 3: Material Topics 2021	3-3 Management of material topics	102				
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	103				
	417-2 Incidents of non-compliance concerning product and service information and labeling	103				
	417-3 Incidents of non-compliance concerning marketing communications	103				
Customer privacy						
GRI 3: Material Topics 2021	3-3 Management of material topics	98				
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	103				

SASB STANDARD

HOUSEHOLD & PERSONAL PRODUCTS

TOPIC	ACCOUNTING METRIC	CATEGORY	CODE	DISCLOSURE/Page Reference
Water Management	(1) Total water withdrawn (2) Total water consumed; (3) Percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	CG-HP-140a.1	(1) 2,048,767 M3 (2) 1,876,719 M3 (3) Not applicable
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	CG-HP-140a.2	DPL manufacturing operations are not in regions of high water stress
Product Environmental, Health and Safety Performance	Revenue from products that contain substances of high concern	Quantitative	CG-HP-250a.1	Do not use such substances in our products
	Discussion of process to identify and manage emerging materials and chemicals of concern	Discussion and Analysis	CG-HP-250a.3	Do not use such substances in our products
	Revenue from products designed with green chemistry principles	Quantitative	CG-HP-250a.4	Rs. 223 Mn
Packaging Lifecycle Management	(1) Total weight of packaging, (2) percentage made from recycled or renewable materials, and (3) percentage that is recyclable, reusable or compostable	Quantitative	CG-HP-410a.1	(1) 4,112 MT (2) 70% (3) 95%
	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	Discussion and Analysis	CG-HP-410a.2	▪ When purchasing, priority for the packaging which were made using recycled material. ▪ Priority for the suppliers those who adhered to Eco friendly manufacturing processes. ▪ Priority for the products which can be recycled easily or biodegradable.
Environmental & Social Impacts of Palm Oil Supply Chain	Amount of palm oil sourced, percentage certified through the Roundtable on Sustainable Palm Oil (RSPO) supply chains as (a) Identity Preserved, (b) Segregated, (c) Mass Balance or (d) Book & Claim	Quantitative	CG-HP-430a.1	Not applicable

Activity Metrics

ACTIVITY METRICS	CATEGORY	CODE	DISCLOSURE/Page Reference
Units of products sold	Quantitative	CG-HP-000.A	Prs 252.4 Mn
Number of manufacturing facilities	Quantitative	CG-HP-000.B	06

SASB STANDARD

AGRICULTURAL PRODUCTS

TOPIC	ACCOUNTING METRIC	CATEGORY	CODE	DISCLOSURE/Page Reference
Greenhouse Gas Emissions	Gross global Scope 1 emissions	Quantitative	FB-AG-110a.1	151
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	FB-AG-110a.2	151
	Fleet fuel consumed, percentage renewable	Quantitative	FB-AG-110a.3	This information is not tracked
Energy Management	(1) Operational energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	FB-AG-130a.1	150
Water Management	1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	FB-AG-140a.1	153
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	FB-AG-140a.2	153
	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	Quantitative	FB-AG-140a.3	There were no incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations reported during the year.
Food Safety	Global Food Safety Initiative (GFSI) audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances	Quantitative	FB-AG-250a.1	N/A
	Percentage of agricultural products sourced from suppliers certified to a Global Food Safety Initiative (GFSI) recognized food safety certification program	Quantitative	FB-AG-250a.2	N/A
	(1) Number of recalls issued and (2) total amount of food product recalled2	Quantitative	FB-AG-250a.3	None
Workforce Health & Safety	1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR) for (a) direct employees and (b) seasonal and migrant employees	Quantitative	FB-AG-320a.1	118

TOPIC	ACCOUNTING METRIC	CATEGORY	CODE	DISCLOSURE/Page Reference
Environmental & Social Impacts of Ingredient Supply Chain	Percentage of agricultural products sourced that are certified to a third-party environmental and/or social standard, and percentages by standard	Quantitative	FB-AG-430a.1	101
	Suppliers' social and environmental responsibility audit (1) non conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances	Quantitative	FB-AG-430a.2	N/A
	Discussion of strategy to manage environmental and social risks arising from contract growing and commodity sourcing	Discussion and Analysis	FB-AG-430a.3	N/A

TOPIC	ACCOUNTING METRIC	CATEGORY	CODE	DISCLOSURE/Page Reference
GMO Management	Discussion of strategies to manage the use of genetically modified organisms (GMOs)	Discussion and Analysis	FB-AG-430b.1	N/A
Ingredient Sourcing	Identification of principal crops and description of risks and opportunities presented by climate change	Discussion and Analysis	FB-AG-440a.1	148
	Percentage of agricultural products sourced from regions with High or Extremely High Baseline Water Stress	Quantitative	FB-AG-440a.2	N/A

NOTICE OF ANNUAL GENERAL MEETING

DIPPED PRODUCTS PLC

(Company Registration Number - PQ 60)

NOTICE IS HEREBY GIVEN THAT THE FORTY EIGHTH ANNUAL GENERAL MEETING OF DIPPED PRODUCTS PLC, will be held on **Thursday 27th June, 2024 at 11.00 a.m.** at the Chas P. Hayley Lounge of Hayleys PLC, No. 400, Deans Road, Colombo 10 for the following purposes:

1) To consider and adopt the Annual Report of the Board of Directors and the Statements of Accounts for the year ended 31st March 2024, with the Report of the Auditors thereon.

2) To re-elect as a Director, Mr. H.S.R. Kariyawasan who retires by rotation at the Annual General Meeting in terms of Article 29(1) of the Articles of Association of the Company.

3) To re-elect as a Director Mr. K.D.G. Gunaratne , who retires by rotation at the Annual General Meeting in terms of Article 29(1) of the Articles of Association of the Company.

4) To re-elect as a Director Mr. K.M.D.I. Prasad who retires by rotation at the Annual General Meeting in terms of Article 29(1) of the Articles of Association of the Company.

5) To re-elect as a Director Mr. M.N.R. Fernando, who has been appointed to the Board since the last Annual General Meeting, in terms of Article 27(2) of the Articles of Association of the Company.

6) To re-elect as a Director Prof. A.P. De Silva, who has been appointed to the Board since the last Annual General Meeting, in terms of Article 27(2) of the Articles of Association of the Company.

7) To re-elect as a Director Mr. P.Y.S. Perera, who has been appointed to the Board since the last Annual General Meeting, in terms of Article 27(2) of the Articles of Association of the Company.

8) To propose the following resolution as an ordinary resolution for the re-appointment of Mr. A.M. Pandithage in terms of Section 211 of the Companies Act No. 7 of 2007.

   Ordinary Resolution

   "That Mr. Abeyakumar Mohan Pandithage, who has attained the age of Seventy Three years be and is hereby re-appointed as a Director for a further period of one year and it is hereby declared that the age limit of seventy years referred to in Section 210 of the Companies Act No.07 of 2007 shall not apply to him'.

9) To propose the following resolution as an ordinary resolution for the re-appointment of Mr. F Mohideen in terms of Section 211 of the Companies Act No. 7 of 2007.

   Ordinary Resolution

10) "That Mr. Faiz Mohideen who has attained the age of Seventy Six years be and is hereby re-appointed as a Director for a further period of one year and it is hereby declared that the age limit of seventy years referred to in Section 210 of the Companies Act No.07 of 2007 shall not apply to him'.

11) To authorise the Directors to determine donations and contributions to charities for the ensuing year.

12) To re-appoint Messrs Ernst & Young, Chartered Accountants as the Auditors of the Company for the year 2024/25 and to authorise the Directors to determine their remuneration.

By Order of the Board

DIPPED PRODUCTS PLC

Hayleys Group Services (Private) Limited

Secretaries

Colombo,

31st May 2024

Notes to shareholders

1. The Annual Report of the Company for 2023/24 is available on the corporate website https://www.dplgroup.com/investor-relation and on the Colombo Stock Exchange website - www.cse.lk

2. A Shareholder is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a Shareholder of the Company. A Form of Proxy is enclosed for this purpose. The instrument appointing a proxy must be deposited at the office of the Company Secretaries at No. 400, Deans Road, Colombo 10, Sri Lanka not less than forty-eight (48) hours before the time fixed for the Meeting.

3. A shareholder who requires a hard copy of the Annual Report must post or hand over the duly completed 'Request Form - Annexure A' to the office of the Secretaries.

FORM OF PROXY

DIPPED PRODUCTS PLC

(Company Registration Number - PQ 60)

I/We ....

(full name of shareholder) NIC No./Reg. No. of Shareholder ....

of ....

being Shareholder/Shareholders of DIPPED PRODUCTS PLC hereby appoint:

(1) ....

(full name of proxyholder) NIC No. of Proxyholder ....

.... of ....

.... or, failing him/them

(2) ABEYAKUMAR MOHAN PANDITHAGE (Chairman of the Company) of Colombo, or failing him, one of the Directors of the Company as my/our Proxy to attend and vote as indicated hereunder for me/us and on my/our behalf at the Forty Eighth Annual General Meeting of the Company to be held on Thursday, 27th June 2024 and at every poll which may be taken in consequence of the aforesaid meeting and at any adjournment thereof.

	For	Against
1. To adopt the Annual Report of the Directors and the Statement of Accounts for the year ended 31st March 2024 with the Report of the Auditors thereon.		
2. To re-elect as a Director Mr. H.S.R. Kariyawasan, as set out in the Notice.		
3. To re-elect as a Director Mr. K.D.G. Gunaratne, as set out in the Notice.		
4. To re-elect as a Director Mr. K.M.D.I. Prasad as set out in the Notice.		
5. To re-elect as a Director Mr. M.N.R. Fernando, as set out in the Notice.		
6. To re-elect as a Director Prof. A.P. De Silva, as set out in the Notice.		
7. To re-elect as a Director, Mr. P.Y.S. Perera as set out in the Notice.		
8. To re-appoint Mr. A.M. Pandithage, in terms of Section 211 of the Companies Act No. 07 of 2007.		
9. To re-appoint Mr. F. Mohideen, in terms of Section 211 of the Companies Act No. 07 of 2007.		
10. To authorise the Directors to determine donations and contributions to charities for the ensuing year.		
11. To re-appoint Messrs Ernst & Young, Chartered Accountants as the Auditors of the Company for the year 2024/25 and to authorise the Directors to determine their remuneration.		

Signed on this .... day of .... 2024.

....

Signature of Shareholder

FORM OF PROXY

INSTRUCTIONS:

1. The completed Form of Proxy must be deposited with the Company Secretaries, Hayleys Group Services (Private) Limited, at No. 400, Deans Road, Colombo 10, Sri Lanka not less than forty-eight (48) hours before the start of the meeting. **Delayed Proxy Forms shall not be accepted**.

2. A Shareholder entitled to attend and vote at the Annual General Meeting of the Company, is entitled to appoint a Proxy to attend and vote instead of him/her and the Proxy need not be a Shareholder of the Company.

3. Full name of Shareholder/Proxy holder and their NIC Nos. are mandatory. Your Proxy Form will be rejected if these details are not completed.

4. A Shareholder is not entitled to appoint more than one Proxy to attend on the same occasion.

5. The duly completed Form of Proxy must be dated and signed by the Shareholder.

6. Please indicate with an "X" in the space provided how your proxy is to vote on the resolutions. If no indication is given, the proxy can vote as he/she thinks fit.

7. In the case of a company/corporation the proxy must be executed in the manner prescribed by its Articles of Association or by a duly authorised Director.

8. Where the Form of Proxy is signed under a Power of Attorney (POA) which has not been registered with the Company, the original POA together with a photocopy of same or a copy certified by a Notary Public must be lodged with the Company along with the Form of Proxy.

9. In case of Marginal Trading Accounts (slash accounts), the Form of Proxy should be signed by the respective authorised Fund Manager/Banker with whom the account is maintained.

CORPORATE INFORMATION

NAME OF THE COMPANY
Dipped Products PLC

LEGAL FORM
A Public Limited Company with Limited Liability

Incorporated in Sri Lanka in 1976

COMPANY NO.
PQ 60

STOCK EXCHANGE LISTING
The ordinary shares of the Company are listed with the Colombo Stock Exchange of Sri Lanka.

PRINCIPAL LINES OF BUSINESS
Manufacture and marketing of industrial and general purpose gloves, management of tea and rubber plantations

DIRECTORS
A M Pandithage - Chairman

H S R Kariyawasan - Deputy Chairman

R H P Janadheera - Managing Director

F Mohideen

S C Ganegoda

S Rajapakse

N A R R S Nanayakkara

K D G Gunaratne

K M D I Prasad

B K C R Ratnasiri

Ms. K A D B Perera

M N R Fernando (appointed w.e.f. January 03, 2024)

Prof. A P De Silva (appointed w.e.f. January 03, 2024)

P Y S Perera (appointed w.e.f. April 01, 2024)

G Molinari (resigned w.e.f October 16,2023)

S P Peiris (resigned w.e.f December 31,2023)

AUDIT COMMITTEE
S Rajapakse - Chairman

F Mohideen

M N R Fernando

SECRETARIES
Hayleys Group Services (Private) Limited.

400, Deans Road,

Colombo 10

BANKERS
Citibank, N.A.

Standard Chartered Bank

Hongkong and Shanghai Banking Corporation Ltd.

Sampath Bank PLC

Hatton National Bank PLC

Bank of Ceylon

Deutsche Bank AG

NDB Bank PLC

Bank of China

Commercial Bank of Ceylon PLC

AUDITORS
Ernst & Young

Chartered Accountants

201, De Saram Place,

Colombo 10

REGISTERED OFFICE
400, Deans Road,

Colombo 10

Sri Lanka

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