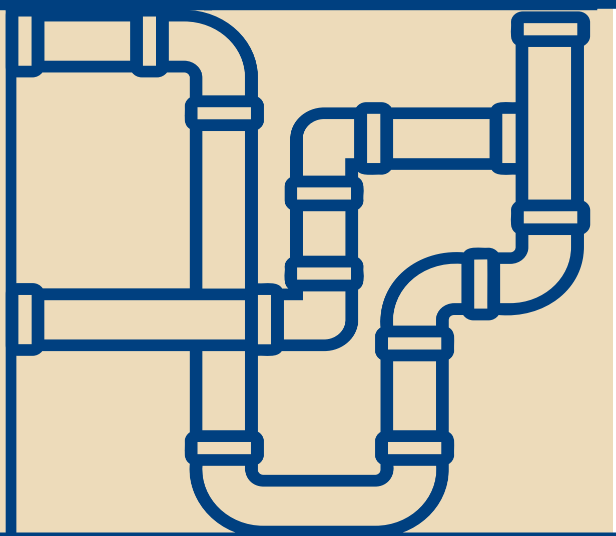
A NEW ERA OF EXCELLENCE



CENTRAL INDUSTRIES PLC
ANNUAL REPORT
2024- 2025

A NEW ERA OF EXCELLENCE

Excellence is not just an achievement, but it is a continuous pursuit. At Central Industries, we are redefining industry standards by integrating innovation, precision, and sustainability into every stage of our manufacturing process. From PVC pipes to water tanks and electrical solutions, our products are designed to build stronger, smarter, and more sustainable infrastructure.

With cutting-edge technology and a commitment to responsible manufacturing, we ensure that every component we create upholds durability, efficiency, and environmental consciousness. By optimising resources and reducing waste, we are shaping a future where excellence is measured not just by performance but by lasting impact.

As industries evolve, we remain ahead, leading with expertise, empowering progress, and engineering solutions that stand the test of time.

This is our promise. This is our future.
Welcome to a new era of excellence.

CONTENTS

ABOUT THIS REPORT

The current annual report of Central Industries PLC (CIPLC) continues to adopt the Integrated Reporting Framework to disclose changes to our financial as well as non-financial capitals. We have expanded our ESG reporting by commencing to adopt the SLFRS S1 and S2 sustainability standards to report on financial risks and opportunities with regard to sustainability and climate change, in addition to the GRI referencing option on material topics.

Our stakeholders can download a soft copy of this annual report from our official website,

This report is 3rd Integrated Annual Report of Central Industries PLC.

REPORTING STANDARDS AND PRINCIPLES

This report has been prepared in accordance with:

- Integrated Reporting
- The Integrated Reporting Framework of 2021
- Financial Reporting
- Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka
- Sustainability Reporting
- The GRI Standards 2022
- Governance, Compliance and Risk Reporting
    - The Companies Act No. 7 of 2007 and subsequent amendments
    - Securities and Exchange Commission of Sri Lanka Act No. 19 of 2021
    - Code of Best Practice issued by the Institute of Chartered Accountants of Sri Lanka
    - Listing Rules of the Colombo Stock Exchange
    - The SLFRS S1 Sustainability Disclosure Standard
    - The SLFRS S2 Climate-related disclosures

ASSURANCE ON FINANCIAL REPORTING

CIPLC has an Internal Audit Division as well as the Board Audit Committee to continually maintain oversight of the integrity of financial reporting processes and internal controls. Board responsibility statements acknowledge that reasonable care has been exercised in the preparation and presentation of this Integrated Report and Financial Statements while preserving their integrity. KPMG Chartered Accountants provided external assurance for the financial statements and other statutory financial disclosures.

(Please refer to the Independent Audit Report on pages 130-132)

GRI 2: Scope and boundary of sustainability reporting

Disclosure 2-2 Entities included in the sustainability report	The sustainability reporting extends only to the activities of CIPLC.
Disclosure 2-3 Reporting period and frequency	The annual sustainability report covers the period 1st April 2024 to 31st March 2025
ii. Reporting period for financial reporting	Same as the sustainability reporting period
Iii Publication date of the report	03/06/2025
iv. Contact point for questions about the report	Mahesh Amaradasa Manager Finance Central Industries PLC No. 312, Nawala Road, Rajagiriya Tel: 0707314021 Email: mahesh@nationalpvc.com
Disclosure 2-4 Restatements of information made from previous reporting periods	There are no restatements from the previous reporting period of 1st April 2023 to 31st March 2024.
Disclosure 2-5 Policy and practice for seeking external assurance, including whether and how the highest governance body and senior executives are involved	CIPLC does not obtain a separate external assurance for sustainability reporting

ABOUT THIS REPORT

FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements regarding the Company's plans, strategy, financial position, and operations. These statements and expectations carry risks and uncertainties given that they are dependent on circumstances that will take place in the future. As such, these factors may cause actual results or developments to deviate materially from CIPLC's forward-looking statements made at the time of release of our Financial Year 2024/25 results. CIPLC makes no representations or warranties, expressed or implied, that these forward-looking statements will be achieved. All forward-looking statements are presented without recourse or liability to the Board or other preparers of the Annual Report, given the considerable uncertainty associated with them.
Key improvements reflected in this report include enhanced disclosures for SLFRS S1 and S2, and improved governance disclosures in the Corporate Governance Report.

BOARD RESPONSIBILITY STATEMENT

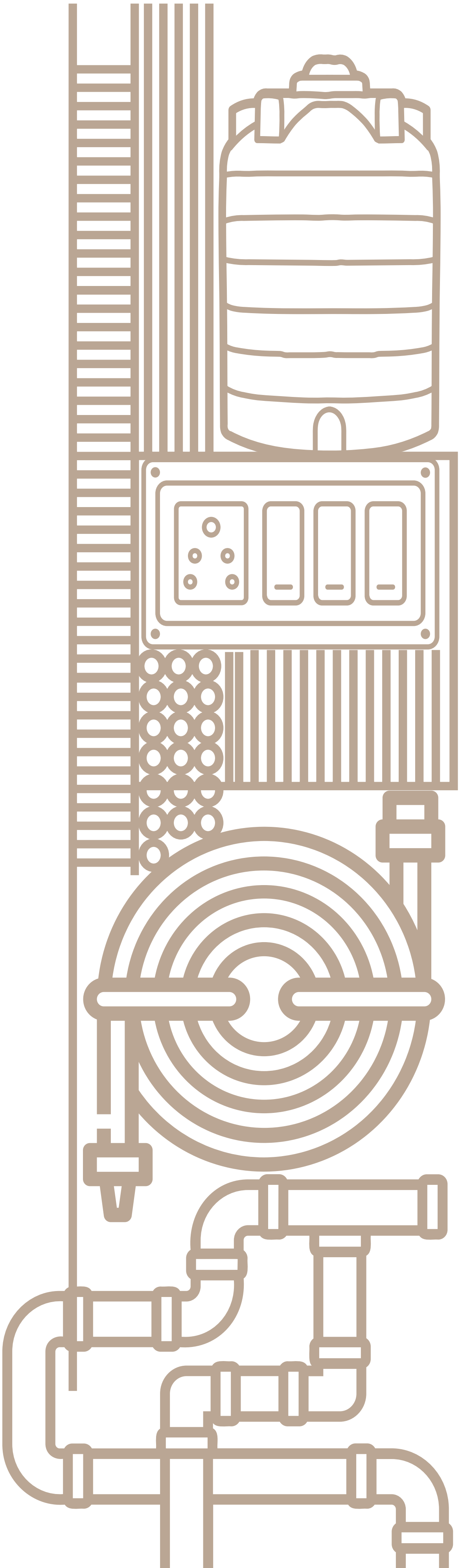
The Central Industries PLC Board of Directors acknowledges its responsibility for ensuring the integrity of this integrated report. The Board confirms that it has collectively reviewed the contents of the report in conjunction with the assurance reports provides by the Board Audit Committee. The Board is satisfied that the report provides a fair and accurate representation of the Company's financial and non-financial performance for the year ended 31st March 2025.

The report was unanimously approved by the Board on 26th May 2025 and is signed on its behalf by

G.S.N. Peiris
Chairman

I.M.P. Rupatunge
Director/CEO

SNAPSHOT OF CENTRAL INDUSTRIES PLC



VISION:

To be the preferred choice of the discerning customer for products and services in the construction industry

MISSION:

Manufacture and provide products and services of consistent quality and reliability for the construction industry.

VALUES

CUSTOMERS: We aim to build long-term relationships with our customers. We believe in providing consistently high-quality products and services.

CUSTOMER RETENTION: We believe in providing a quality service that creates customer satisfaction and customer retention.

EMPLOYEES: Our employees are motivated and trained to always work as one team across all functions to deliver the best possible experience to our stakeholders.

The ability and commitment of our employees are central to the success of the Company. Therefore, we help them enhance their skills, recognise and reward accomplishments, treat them with fairness and consideration and guide every individual to take responsibility for their actions.

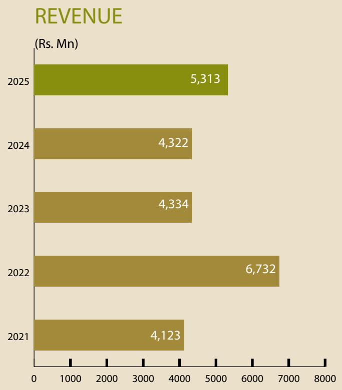
STAKEHOLDERS: We set ambitious goals, yet we understand the accountability to achieve these goals. We are committed to performing exceptionally well on behalf of our stakeholders.

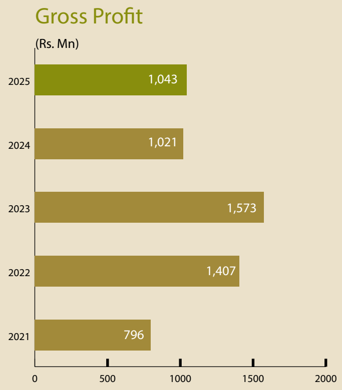
SUPPLIERS: Through cooperation, we achieve quality and efficiency and honour our obligations to our suppliers.

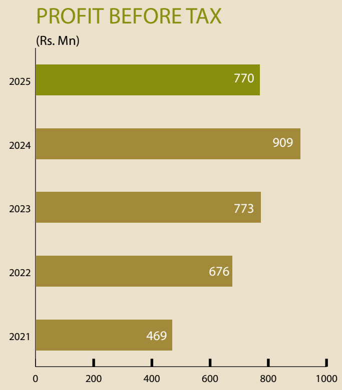
COMMUNITY: Compliance with the spirit of the law. Timely payment of Government taxes and dues. Eliminate the release of substances that may cause environmental damage

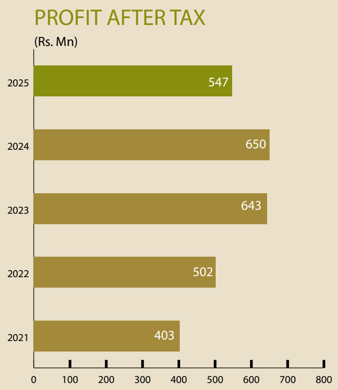
FINANCIAL HIGHLIGHTS

Profitability (Rs.Mn)	Change %	2024/25	2023/24	2022/2023	2021/2022	2020/2021
Revenue	23%	**5,313.10**	4,321.99	4,333.99	6,731.88	4,122.94
Gross Profit	1%	**1,042.76**	1,021.19	1,573.18	1,407.08	796.34
Operating Profit	-9%	**648.74**	709.99	1,124.57	1,036.06	466.34
Profit/(Loss) Before Tax	-16%	**770.00**	908.75	773.04	675.64	469.30
Profit/(Loss) After Tax	-16%	**547.87**	649.93	643.18	502.09	403.11
Assets and Liabilities (Rs.Mn)						
Shareholders' Funds	10%	**4,384.79**	3,979.93	3,238.35	2,650.51	2,181.99
Financial Investment	-9%	**977.85**	1,072.31	38.99	422.04	430.27
Property, Plant and Equipment	-2%	**1,290.24**	1,306.13	1,093.58	1,025.03	922.41
Inventory	1%	**965.09**	957.67	1,294.86	1,564.19	1,325.40
Current Assets	12%	**3,575.60**	3,193.99	2,966.99	4,238.72	2,685.40
Current Liabilities	-12%	**437.88**	488.23	612.41	2,417.51	1,246.43
Total Assets	8%	**5,063.09**	4,693.55	4,061.05	5,264.39	3,607.83
Weighted average Number of Ordinary Shares		**24,195,193**	24,195,193	23,466,490	21,788,936	20,698,110
Investor information						
Earnings/(Loss) per Share - Restated	-16%	**22.64**	26.86	26.58	21.40	18.50
Market Price Per Share	32%	**146.50**	111.00	84.30	98.10	103.00
Net Assets Per Share (Year-end)	10%	**181.23**	164.49	133.84	112.95	105.42
Total Dividend per Share (Rs)	0%	**6.00**	6.00	6.00	5.00	8
Cash Dividend per Share (Rs)	0%	**6.00**	6.00	3.00	-	2
Dividend Cover (times)	-16%	**3.77**	4.48	4.57	4.61	2.43
Dividend Payout Ratio (%)	19%	**26%**	22%	23%	23%	41%
Gross Dividend (Rs Mn)	0%	**145.17**	145.17	140.80	108.94	165.58
Market Capitalisation (Rs Mn)	36%	**1,703.18**	1,254.74	924.23	998.64	995.81
Other Ratios						
Gross Profit Ratio (%)	-18%	**19.63**	23.63	36.30	20.90	19.31
Current Ratio (times)	28%	**8.17**	6.54	4.84	1.75	2.15
Quick Asset Ratio (times)	33%	**5.96**	4.58	2.73	1.11	1.09
Return on Equity (%)	-28%	**12.5**	18.01	21.84	20.78	20.39
Return on Assets (Before Tax) (%)	-24%	**15.21**	20.76	16.58	15.23	15.18







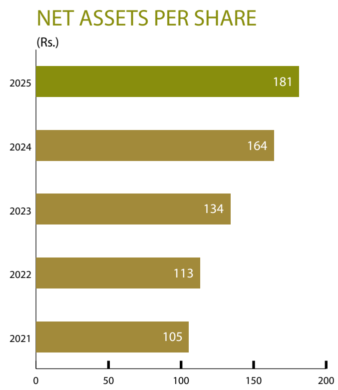


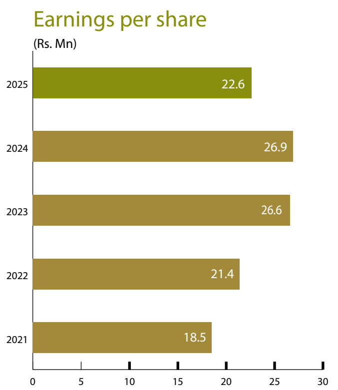
AIM

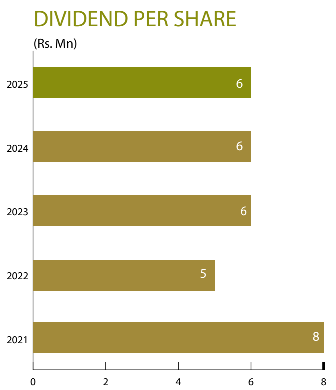
Deliver sustainable improvements in the Company's profitability

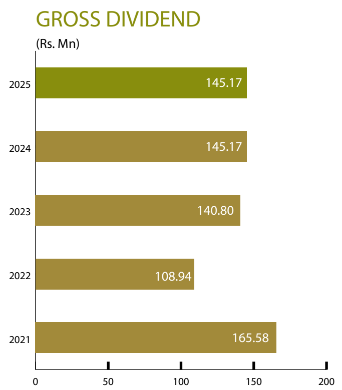
PROGRESS IN 2024/25

During 2024/25, the Company continued to improve the profitability in topline. This improvement was the result of aggressive market penetration and brand development strategies to capitalize on favourable demand trends.









AIM

Deliver a positive return on shareholder’s investment through share price appreciation and dividends paid

PROGRESS IN 2024/25

Net assets per share has grown by 10% compared to last year.

Share price appreciation of Rs.35.50 per share plus dividends of Rs.6.00 per share indicate a total return of Rs. 41.50 per share during the period.

NON FINANCIAL HIGHLIGHTS

INTELLECTUAL CAPITAL

"National PVC
41 Years strong"

"Krypton Electrical
19 Years trust"

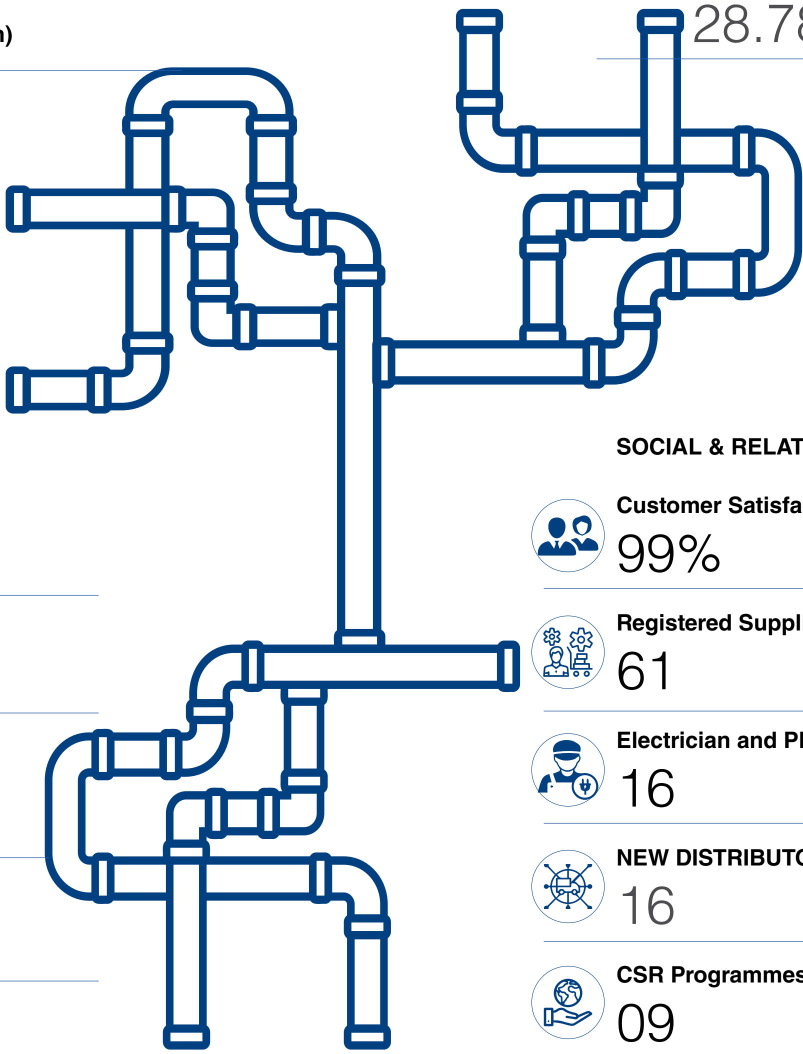
Investment in Computer Equipment
9.83 (Rs. Mn)

MANUFACTURED CAPITAL

PPE (Rs. Mn)
1,290.24

Capital Expenditure
61.68 (Rs. Mn)

Investment in Machinery
28.78 (Rs. Mn)



HUMAN CAPITAL

EMPLOYEES
360

TRAINING HOURS
3,593

MALE	FEMALE
295	65

TRAINING INVESTMENT
1.43 (Rs. Mn)

RETENTION RATIO
82%

PROMOTIONS
29

NEW RECRUITMENT
138

SOCIAL & RELATIONSHIP CAPITAL

Customer Satisfaction
99%

Registered Suppliers
61

Electrician and Plumber Programmes
16

NEW DISTRIBUTOR ENGAGEMENT
16

CSR Programmes
09

NATURAL CAPITAL

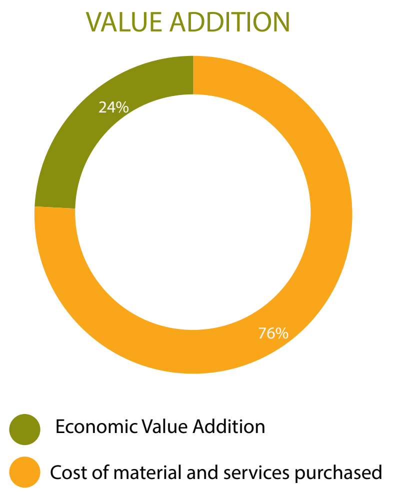
Solar Power project investment (Rs.'000)
875

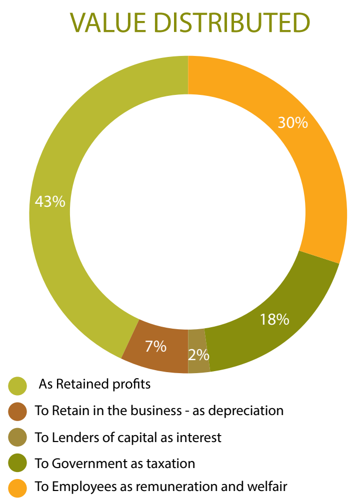
Water Consumption reduce by
9%

SOCIO ECONOMIC IMPACT

OUR CONTRIBUTION TO THE ECONOMY

		2024/25 Rs. '000	2023/24 Rs. '000
VALUE ADDITION			
Turnover		5,313,102	4,321,998
Less: Cost of material and services purchased	76%	4,060,350	2,989,518
ECONOMIC VALUE ADDITION	24%	1,252,752	1,332,480
VALUE DISTRIBUTED			
To Employees as remuneration and welfare	30%	373,718	346,180
To Government as taxation	18%	222,133	258,811
To Lenders of capital as interest	2%	20,436	10,913
To Retain in the business - as depreciation	7%	87,559	66,810
As Retained profits	43%	547,869	649,934
Economic value distribution		1,252,752	1,332,480





TAX PAYMENT TO GOVERNMENT

Central Industries PLC's tax policy and practices are in line with the regulatory requirements outlined by the regulatory body.

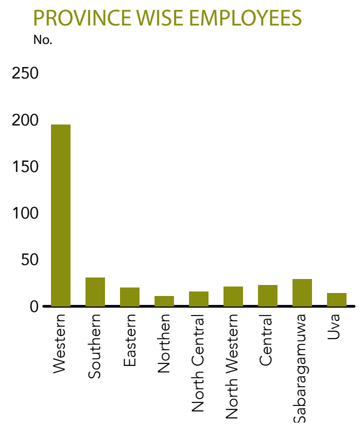
	2024/25	2023/24
INDIRECT TAXES Rs. Mn		
Value added tax on revenue	232.99	292.9
Social security contribution levy	113.4	91.8
DIRECT TAXES Rs. Mn		
Income tax	212.96	243.11
Stamp duty	0.4	0.3

VALUE ALLOCATED TO EMPLOYEES

We provide employment to over 360 individuals through the head office and two factories. We have offered competitive market salary scales and benefits to all staff and have offered new job opportunities each year contributing indirectly towards the creation of thousands of job opportunities across Sri Lanka.

	2024/25 Rs. Mn	2023/24 Rs. Mn
Salaries and allowances	374	346
Bonus	Three months' salary	Four months' salary

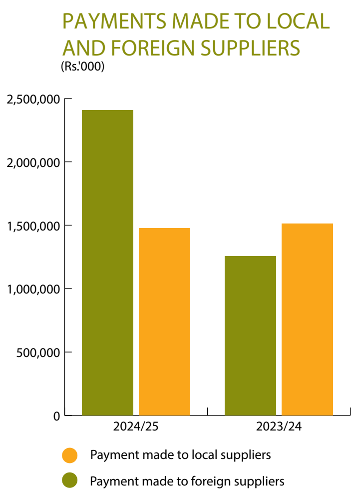
Socio Economic Impact



VALUE ALLOCATED TO SUPPLIERS

As a Manufacturing organisation, we treated value chain suppliers as major stakeholders of the Company and gave priority to purchasing from local suppliers during the financial year 2024/25

	2024/25 Rs. 000	2023/24 Rs. 000
Payments made to foreign suppliers	2,408,119	1,475,978
Payments made to local suppliers	1,257,445	1,513,540
Total payments made to suppliers	3,665,564	2,989,518



MARKET VALUE ADDED (MVA)

The Market Value Added (MVA) statement reflected Central Industries PLC's share price performance. This statement further shows the capital contributed by the investors to the Company

	2024/25 Rs. Mn	2023/24 Rs. Mn
Market Capitalization	3,545	2,686
Value of Shares Traded	576	282

PLUMBER EMPOWERMENT

CIPLC trains and develops plumbers and electricians to uplift their professional knowledge and workmanship. The Company has partnered with the Construction Industry Skills Council and the National Water Supply and Drainage Board on this initiative. The Programmes helps to improve their quality of work and the dignity in society. At the same time, plumbers are directed to obtain NVQ-level qualifications with the progression.

WOMEN EMPOWERMENT

CIPLC trains and develops women electricians to uplift their professional knowledge and workmanship.

OUR LEGACY AND GROWTH JOURNEY

DISCLOSURE 2-1 ABOUT OUR BUSINESS

a. Legal name	Central Industries PLC
b. Nature of ownership and legal form	Central Industries PLC is a public limited liability company incorporated on 18th September 1984. The Company's parent and ultimate parent enterprise is Central Finance Company PLC.
c. Location of its headquarters	No. 312, Nawala Road, Rajagiriya
d. Countries of operation	Sri Lanka
e Business sector	Manufacturing industry

OUR LEGACY AND GROWTH JOURNEY

CIPLC holds a proud legacy of over four decades of pioneering innovative, international-standard quality in PVC products in Sri Lanka, under the Central Finance Group. As the only listed PVC manufacturer in Sri Lanka, CIPLC has made cutting-edge plumbing solutions affordable and accessible for Sri Lankan households and institutions. Trusted by professionals and households alike, we develop solutions for a multitude of applications, from residential plumbing to intricate agricultural and industrial projects. Whether it's water supply, drainage systems, water treatment, or engineering endeavours, our products exemplify quality and performance.

Under our flagship brand, NATIONAL PVC, we provide a wide range of products, including potable water pipes and fittings, PVC ball valves, solvent cement, electrical conduits, garden hoses, rain gutters, and more. In our commitment to excellence, we also produce PE water tanks, and stainless steel water tanks under our NATIONAL PE and NATIONAL SS brands, respectively. Furthermore, our rigid electrical conduits, marketed under CILTEC, cater to a variety of industrial and residential needs. Our island-wide network of Authorised Distributors and Dealers ensures access to our products to consumers in all parts of Sri Lanka.

At Central Industries, we recognise the significance of reliability and durability in every product, and to ensure consistent quality, our manufacturing facilities adhere to ISO 9001-2015 guidelines. Situated in Wattala and Yakkala, our factories feature state-of-the-art technology and infrastructure and represent the best of 'made in Sri Lanka,' as evidenced by the many awards and accolades we have received over the years.

DISCLOSURE 2-6 (B I AND II) SUPPLIERS AND SUPPLY CHAIN

CIPLC maintains an international supply chain with foreign as well as domestic suppliers in order to acquire its manufacturing raw materials, machinery parts and equipment, digital systems and some categories of workers, as well as office supplies and utility services. The Company has a centralised procurement system to supply all requirements for its work locations and follows internationally accepted procurement practices.

During the current financial year, CIPLC expanded its international supplier base to mitigate potential supply disruption risks and to obtain better pricing. The downstream entities of the Company's supply chain include transportation and distribution to the Company's network of dealers and distributors as well end some large customers.

(2-6 C) OTHER RELEVANT BUSINESS RELATIONSHIPS

DISCLOSURE 2-28: MEMBERSHIP ASSOCIATIONS

1. National Chamber of Commerce of Sri Lanka
2. The Plastics and Rubber Institute of Sri Lanka

DISCLOSURE 2-6 ACTIVITIES, PRODUCTS AND MARKETS

The principal activities of the Company are the manufacture and distribution of PVC pipes and fittings, and Electrical products. The Company also manufactures and markets other products for the construction and building industry. Please refer to the Social and Relationship Capital chapter for details on our customers and suppliers.

Our Legacy and Growth Journey

2024/25
Pinnacle Award – Best PVC Brand of the year

2nd runner-up at PRISL's outstanding large enterprise awards

Construction sector runner-up and corporate governance and strategy runner-up awards, as well as a Merit Award under the large enterprises category at the National Business Excellence Awards

Tags Awards 2024 - Certificate of Compliance (Manufacturing Sector)

2023/24
SLS 1206 Certification for National PVC and Krypton Cable Trunking

Central Industries PLC listed the top 30 most loved brands among the top 100 brands by LMD

2022/23
Runner's-up award and merit award - National Business Excellence 2023, National Chamber of Commerce of Sri Lanka

2022
Ceylon National Chamber of Industries Achiever Award - Top Ten and Merit Award

2021
National Business Excellence Award Gold

2018
Top Ten Award - Ceylon National Chamber of Industries Achiever Award

2017
Introduced Krypton Pioneer Range

CNCI Achiever of Industrial Excellence Top Ten Award

Outsourcing (Has Fuelled the Growth / Product Line Expansion

2016
Achieved Gross Revenue of Rs. 2 Bn Introduced HDPE Pipes and Fittings

2015
National Business Excellence Awards Runner-Up

2013
Established 2nd Factory in Elhena, March 2013

2010
25th Anniversary

2007
Relocated head office to own Corporate Building at No. 312, Nawala Road, Rajagiriya 2008

CNCI Achiever of Industrial Excellence Gold Joint Award

2005
National Business Excellence Awards Runner-Up

2004
Introduced "Krypton" Brand Electrical Switch Range

1997
5S Award Taiki Akimoto 5S Award

1996
Became the first manufacturer to obtain SLS 659 certification for PVC fittings

Became the first PVC manufacturer to be certified under the ISO 9000 series Quality Management System

1995
Quality Award - Sri Lanka National Quality Award

1995
Excellence Award - National Productivity Award Certificate of Excellence

1990
Listed on the Colombo Stock Exchange

1987
Became the first manufacturer to get the SLS certification for uPVC Pipes (SLS 147)

1985
Introduced "National PVC" Pipes and Fittings

1984
Established on 18th September 1984

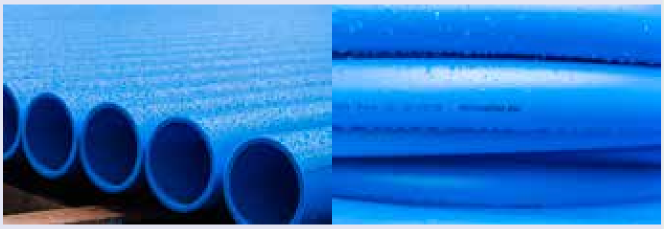
PRODUCT PORTFOLIO

NATIONAL PVC PRESSURE PIPES & FITTINGS (20MM – 280MM)

National PVC Pressure Pipes & Fittings, ranging from 20mm to 280mm, offer high-quality, durable solutions trusted in both domestic and industrial plumbing applications. Manufactured under the certifications of SLS 147, 659, 1498 and1499.

HDPE PIPES & FITTINGS

National PE (HDPE) Pipe Systems offer high-performance solutions for water supply, irrigation, and industrial applications. Manufactured by one of Sri Lanka's leading producers—National PE—this range is known for its flexibility, strength, and resistance to corrosion, ensuring reliable flow and long-term durability across diverse environments.



SEWERAGE & DRAINAGE PIPES & FITTINGS

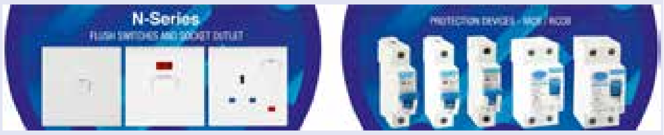
National PVC Sewerage & Drainage Pipes & Fittings provide a durable and efficient solution for waste and water management. Designed for both residential and industrial use, this high-quality range ensures smooth flow and long-lasting performance in all drainage systems.

KRYPTON ELECTRICAL

SWITCHES & SOCKETS

PIONEER RANGE & N SERIES

Krypton Electrical offers a range of Switches & Sockets & Breakers to the market with elegant design & ease of access to the terminals. Specialty of this is this ensures the safety & compatible to the SLS Standards.



FLEXI TUBING & CONDUITS

National & Krypton Flexi Tubing & Conduits are suitable for uses of cable management. These can be used for both domestic and industrial purposes.

CABLE TRUNKING

Krypton Cable Trunking now offers the new and improved double locking system & matches the SLS quality standards.

Product Portfolio

SOLVENT CEMENT

National PVC Premium Quality Solvent Cement with the SLS 935 is specially formulated to create a strong, reliable bond between pipes and fittings. Available in a range of sizes from 15g to 500g, it ensures secure and leak-proof joints.

NATIONAL PE WATER TANKS

National PE water tanks consist of sizes of 350L, 500L, 750L, 1000L & 2000L.

GARDEN HOSE

National Garden Hoses are available in three colours and come in ½ inch, ¾ inch, and 1 inch diameters, with lengths of 15 and 30 metres.

RAIN GUTTERS & VALENCE BOARDS

National PVC Rainwater Management System features gutters and fittings in Grey and Brown, along with durable, weather-resistant, and termite-proof PVC valance boards.

THREAD SEAL TAPE

Aquatec Thread seal is available on ½ inch, ¾ inch & 1-inch sizes for both domestic & industrial uses.

BALL VALVE

National PVC Compact Ball Valves and Two-Piece Ball Valves are available in sizes ranging from ½ inch to 2 inches, featuring customer-focused designs.

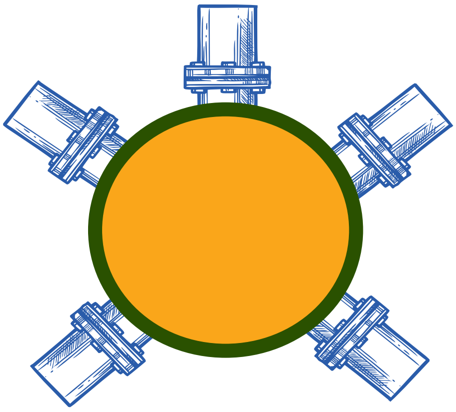
DRIVING FORCES BEHIND SUSTAINED GROWTH

PIONEERING SPIRIT AND INNOVATION

CIPLC has consistently been at the forefront of innovation in the Construction industry. We were the first to introduce SLS-certified PVC piping systems in Sri Lanka, setting the stage for our future growth. Our commitment to research and development has led to numerous groundbreaking products. This pioneering spirit, coupled with our dedication to continuous innovation, has enabled us to stay ahead of the curve and meet the evolving needs of our customers.

DIVERSIFIED PRODUCT PORTFOLIO

CIPLC operates in seven high-growth categories, offering a diverse range of products that cater to various segments of the construction industry. From pipes and fittings to water tanks, adhesives, electric switches, MCB and RCCB. Our diversified portfolio allows us to mitigate risks and capitalise on emerging opportunities across multiple sectors. This diversification strategy has been a key driver of our sustained growth and profitability.



EXTENSIVE DISTRIBUTION NETWORK

One of CIPLC's core strengths lies in our extensive distribution network, comprising over 3000 dealers and distributors across Sri Lanka. This vast network ensures that our products are readily available to customers, reinforcing our position as a trusted and accessible brand. Our strong relationships with channel partners and our ability to leverage this network have been instrumental in our success, enabling us to launch new products and expand into new markets with ease.

COMMITMENT TO SUSTAINABILITY

At CIPLC, we recognise the importance of sustainable practices in ensuring long-term success. Our commitment to environmental, social, and governance (ESG) initiatives has been a driving force behind our operations. We have implemented renewable energy projects, such as solar panel installations, and have prioritised energy efficiency across our facilities. Additionally, our CIPLC welfare & recreation association spearheads various initiatives aimed at empowering communities and protecting the environment, further solidifying our commitment to sustainability.

STRONG BRAND EQUITY

CILPC has built a strong brand equity through its unwavering commitment to quality, reliability, and customer satisfaction. Our brand has become synonymous with excellence in the construction industry, earning us numerous accolades and recognitions, including being named Sri Lanka's best PVC Pipe Brand in 2024 by Pinnacle Awards 2024. This strong brand equity not only fosters customer loyalty but also attracts new customers, further solidifying our market position.

AWARDS AND ACCOLADES

Construction sector runner-up and Corporate Governance and Strategy runner-up awards, as well as a Merit Award under the Large Enterprises Category at the National Business Excellence Awards

Pinnacle Award - Best PVC Brand of the Year

2nd runner up at The Plastics and Rubber Institute of Sri Lanka's Best Outstanding Large Enterprise Award

LMD Most Loved Brands No. 30

Compliance award for Central Industries PLC Annual Report at the 59th Annual Report Awards Ceremony conducted by CA Sri Lanka, in the category of manufacturing companies with turnover up to Rs. 20 Bn in 2024.

LEADERSHIP

CHAIRMAN'S MESSAGE

Against the positive backdrop of national economic recovery and improving business confidence, I am pleased to present the Annual Report and Audited Financial Statements of Central Industries PLC (CIPLC) for the financial year 2024/25. CIPLC has weathered the prolonged economic disruptions of the previous two financial years with commendable resilience to conclude the current financial year with a robust financial performance and a stronger market position.

ECONOMIC AND INDUSTRY SITUATION

Key economic indicators continued to strengthen in 2024, with the rate of inflation and market interest rates declining, and the rupee reversing its nosedive to strengthen against international currencies. Prices of food and non-food items, as measured by both the CCPI and NCPI, began declining and nominal wages of employees, in both private and public sectors, increased in 2023, supporting recovery in domestic demand. The rate of unemployment decreased to 4.4%, from 4.7% in 2023, again demonstrating recovery in economic activities, while departures for foreign employment increased by 5.8%, to 314,828 in 2024, indicating continued growth in remittance inflows. The Gross Official Reserves improved significantly, reaching USD 6.1 Bn by the end of 2024, from USD 4.4 Bn at the end of 2023, boosted by the 7.2% year-on-year growth in exports to USD 12.7 Bn, rising tourism earnings of 29.5%, reaching USD 3.2 Bn, and the 10.6% growth in inward remittances up to USD 6.6 bn by end 2024.

Meanwhile, the national economy expanded by 5.0% in 2024, marking a growth after two years of contraction, and the highest annual growth since 2017. All three sectors of the economy, agriculture, industry and services, expanded with the industrial sector rebounding by a 11.0% year-on-year growth, compared to the 2.4% growth in services and the 1.2% growth in agriculture. The steady revival of domestic and external demand conditions propelled industrial activities forward from the 9.2% contraction in 2023. The construction sector represented the largest share of industrial activities due to the gradual rollout of new construction projects, recording a 19.4% growth year-on-year and accounting for 7.0% of total GDP from its 6.2% share in 2023.

In addition, the progress made in debt restructuring, along with broader macroeconomic stability and overall economic progress, prompted the international rating agencies to upgrade the country's rating, assisting in restoring confidence in the country among investors and international creditors.

COMPANY PERFORMANCE

CIPLC has demonstrated exceptional resourcefulness in sustaining profitability within the recent years of unprecedented market disruption and has been quick to recapture market opportunities as the economy and construction industry returned to a growth trajectory in 2024. Expanding its market share during the year, CIPLC achieved a net revenue of Rs. 5.3 Bn and concluded the year with a Profit after Tax of Rs. 547 Mn.

Years of experience in the industry and market knowledge made it possible to make the correct product available at the correct time, and at the correct price, strengthening CIPLC's foothold in corporate and retail markets. CIPLC's cordial relationships with its distributors, based on trust and reliability, enabled quick recovery and expansion of the distribution network, making it possible to defend its market share against rising competition and to enhance brand visibility. CIPLC is now well-positioned in all parts of the island to support accelerated construction industry growth in the new financial year, through its strategically placed network.

Chairman's Message

We have upheld our social responsibility through the provision of safe and high-quality products for the public, while also contributing towards social welfare through our corporate social responsibility projects.

COMMITTED TO SUSTAINABLE GROWTH

We have upheld our commitments under the United Nations Sustainable Development Goals by embracing environmentally friendly and responsible manufacturing practices such as expanding solar power generation, prioritising products made from lead-free alternatives, minimising waste and ensuring safe disposal of waste. These initiatives and our environmental impacts are explained in the Natural Capital chapter of this report. We have upheld our social responsibility through the provision of safe and high-quality products for the public, while also contributing towards social welfare through our corporate social responsibility projects. The chapter on Social and Relationship Capital within this Report describes how we contributed to community welfare during the year. In order to maintain transparency regarding our activities, we have voluntarily adopted the Integrated Reporting format, as well as the GRI standards. In the current financial year, we also commenced reporting under the Sri Lanka Sustainability Disclosure Standards regarding sustainability and climate change-related risks and opportunities faced by the Company.

STRENGTHENING OUR HUMAN CAPITAL BASE

During the current financial year, we emphasised skill development and growth of our employees by increasing training and development opportunities that significantly upgraded soft skills, as well as technical skills that are vital to remain competitive in the market. As an equal-opportunity employer, we do not discriminate based on any demographic, and we ensure growth opportunities for all employees. By encouraging innovation and creative thinking, we have fostered a culture of cooperation and learning where employees can be passionate and proud about their work. We fully appreciate the contribution made by our team during the year, and we have continued to enhance employee benefits and rewards, as well as create a safe work environment with strong occupational safety standards. Through our investments in our employees, we have built a strong foundation to sustain growth into the future.

CORPORATE GOVERNANCE

As a highly ethical and responsible corporate citizen, CIPLC is firmly committed to the highest standard of governance across all business operations and stakeholder engagements. During the current financial year, CIPLC ensured full and timely compliance with all applicable laws and regulations and did not incur any notable fines or penalties for non-compliance or delays in compliance. All good governance principles and best practices were stringently observed at all times, ensuring the highest standard of integrity in our business dealings.

We firmly believe good governance practices are essential for business sustainability, particularly for sustainable growth, and during the year, the Board approved the appointment of a Nominations Committee. We have also fully complied with the listing rules on Corporate Governance issued in 2023. During the year, two new appointments were made to the Board to further strengthen our industry expertise, financial management and auditing.

ACKNOWLEDGEMENTS

I thank our shareholders for your confidence in the Board and for your steadfast support during the recent uncertain times. I would like to sincerely thank Mr. Ananda Hettiarachcy and Mrs. Indrani Jayasinghe for their dedicated service on the Board. In accordance with Section 9.8.3. (1X) of the listing rules of the Colombo Stock Exchange, which stipulates that an Independent Director shall not be above the age of seventy (70) years, they have retired after many years of valuable contribution, interest, and commitment. We deeply appreciate their invaluable service to Central Industries. My colleagues on the Board have guided CIPLC with prudent and strategic insights to navigate those turbulent years safely, to arrive at our current position of stability and growth. I also extend a warm welcome to Mr. Kapila Welmillage and Mrs. Priyana Gunasekara as new Directors. I am confident that their extensive experience and knowledge will greatly benefit our Board deliberations.

Our Director/Chief Executive Officer Mr. Mayura Rupatunge has provided unwavering leadership to the CIPLC team during the year to realise our strategic vision, and I also acknowledge the hard work and dedication of every member of the CIPLC team in reaching our objectives. Our network of distributors and dealers are close and trusted partner in business, and we are happy to share our success with them. Our customers are the drivers of our success by trusting our products and contributing to CIPLC's growth. We will endeavour to give them the highest satisfaction at all times. I also acknowledge the support extended by our bankers, auditors, and company secretaries during the year. As Sri Lanka charts a new growth trajectory, CIPLC is ready and equipped to support this growth.

G.S.N. Peiris
Chairman
26th May 2025

CHIEF EXECUTIVE OFFICER'S REVIEW

Dear stakeholders,

I am pleased to report that the operational improvements and revenue growth achieved over the last few years have significantly strengthened our organisation by the end of the current financial year. Therefore, the financial year 2024/25 has been a year of progress across all operational fronts, topped off by a solid financial performance.

STRONGER ON ALL FRONTS

We have achieved continuous operational efficiency gains in reducing waste and production costs, and our gross profit has increased marginally from Rs. 1,021 Mn in the previous financial year to Rs. 1,043 Mn. Our total net revenue increased by 23% to Rs. 5,313 Mn. While we paid a total of Rs. 222 Mn in multiple taxes into the government coffers, we closed the year with a profit of Rs. 547 Mn.

At the end of the current financial year, we achieved an above-industry growth rate and expanded our market share, in spite of the intensified competition in our main business category of PVC pipes and fittings. While our industry experienced a significant decline of almost 80% in capacity utilisation industry-wide during the economic crisis, the subsequent growth in business has significantly improved CIPLC's capacity utilisation in the current year.

READY TO ACCELERATE

The construction industry did not achieve the anticipated levels of growth for 2024/25. However, based on national growth indicators for 2024, we can be reasonably confident that both the national economy and the construction industry are now recovering from the previous downturn and have entered a new phase of growth. I am happy to report that CIPLC is now equipped and ready to capitalise on this future growth.

Our continued investments over the last few years into strengthening our manufacturing and quality systems have enhanced our capacities and capabilities to capitalise on this new growth opportunity. Internal process improvements continued unabated during the year to upscale operational efficiencies across the value chain. To sustain future growth, we have already commenced expanding our sales team and extending our distribution network for island-wide availability of our products. Our customer base has also increased year-on-year.

An additional 350 kWh of solar power was added to our renewable energy portfolio in the current financial year, taking our total solar power generation capacity to 710 kWh. We have planned to further expand our solar energy generation capacity in the new financial year, which will generate significant savings while also reducing our carbon footprint as we expand our business.

Even in the current financial year, our industry continued to experience labour shortages, particularly of skilled factory workers, and a brain drain of engineers. Therefore, upskilling existing personnel quickly remains vital to stay ahead of the rising competition. We responded by increasing training hours per employee to 10 hours, from the previous 8 hours, and we plan to increase this to 12 hours in the new financial year.

Chief Executive Officer's Review

Our total net revenue increased by 23% to Rs. 5,313 Mn. While we paid a total of Rs. 222 Mn in multiple taxes into the government coffers, we closed the year with a profit of Rs. 547 Mn.

In response to the risk of raw material supply disruptions, delays, and increasing shipping costs due to the ongoing conflicts in the Middle East, we expanded our supplier base to other regions of the world. Consequently, we did not experience any significant supply disruptions in the current year.

Procurement procedures were also enhanced through better data analysis, improving purchasing decisions with regard to prices of basic raw materials such as HDPE and PVC for extrusion and injection moulding.

Our customers have always been our priority, and we made sure our valued customers were satisfied by supplying the highest quality of products to the market and by accommodating customer requirements at all times. Central Industries is already well-established in the market for quality products as the first PVC pipe manufacturer in the country to obtain SLS certification for pipes and fittings.

Therefore, our brands are associated with exceptional quality standards, and we made sure this brand image was maintained in order to differentiate our products from the competition.

PLANS FOR THE NEXT FINANCIAL YEAR

While continued improvements in economic conditions will definitely support CIPLC's growth in the new financial year, we also appreciate the move towards more transparent and fair government procurement practices. As a highly ethical and compliant business, unbiased tender procedures give us an excellent opportunity to compete based on our manufacturing capabilities and quality standards.

With domestic demand gradually picking up, we are ready to introduce new, specialised product solutions for water supply in the new financial year. Alongside the introduction of these products to the local market, we will continue to educate and grow our business relationships with the stakeholders and professionals in the construction sector. This strategy is essential as we face up to increasing threats from low-quality, cheap products become increasingly available in the market.

Based on our current operational efficiency improvements and market reception, I believe we can maintain growth above industry levels in the new financial year. To sustain business expansion over the short to medium term, we have already set targets for employee performance, training, welfare, and safety, supported by a quantified KPI framework to enable continuous monitoring of performance, particularly for sales and marketing teams.

We will also commence a planned capacity enhancement to support our growth. A building has already been constructed at our factory premises in Yakkala to expand the industry-focused product basket. We will also increase capital investments for efficiency gains and quality testing.

While growing our business, we will remain focused on our social responsibilities by expanding our CSR activities. In conclusion, I would like to stress that our commitment to the development of the company through sustainable growth remains unchanged.

APPRECIATIONS

As we gear up for growth in the new financial year, I would like to take this opportunity to acknowledge the support received from various stakeholders in making this year a success.

Our loyal customers have given us the strength to continually improve our business, and I look forward to creating greater value for them in the new financial year. We could not have made it this far without the commitment and hard work of our employees and management team, and I fully appreciate their contributions at all levels during the year.

Our island-wide distributors are indispensable partners in our journey and remain a pillar of strength as we expand our market presence.

There are many other stakeholders, including local and international suppliers, and government and non-government agencies that have assisted us over the years, and I deeply appreciate their goodwill and support.

I also thank our shareholders for the confidence they have placed in the Company. Creating value for our shareholders is as always the pivotal point of all our decisions. Finally, I extend my heartfelt gratitude to our Chairman and the Board of Directors for their unstinting support in guiding the Company during the year.

As always, our focus in the year ahead, as a responsible corporate citizen, will be to deliver sustainable growth and excellent value to all our stakeholders.

I.M.P. Rupatunge
Director/Chief Executive Officer
26th May 2025

BOARD OF DIRECTORS


9
4
6
3
7

Board of Directors

1. G.S.N. PEIRIS

Chairman / Non-Independent, Non-Executive Director

Board Sub-Committees:

Member of the Remuneration Committee

Skills and Experience

Mr. Shamil Peiris has served on the Board of the Company since 18th September 1984. He was appointed as Chairman on 13th July, 2013. He is also the Chairman of CF Insurance Brokers (Pvt) Ltd. and two other Companies within the Central Finance Group and serves on the Boards of some other entities as well. He possesses over 47 years of post-qualification management experience. He is a Fellow of the Institute of Chartered Accountants of Sri Lanka, Institute of Credit Management & Society of Certified Management Accounts of Sri Lanka, Chartered Institute of Management Accountants –UK. He is also a Chartered Global Management Accountant.

2. MR. E.H. WIJENAIKE

Non-Executive Director
(Member of the Board since its Inception)

Board Sub-Committees:

None

Skills and Experience

Mr. Eranjith Wijenaike has served on the Board of the Company as a Non–Executive Director since its inception. He holds a Bachelor's Degree in Commerce and a Postgraduate Diploma in Banking and Financial Management.

Other Current Appointments Listed Companies:

Mr. Wijenaike serves as Non-Executive Director of Equity One PLC, Equity Two PLC, and Central Finance Company PLC.

Others:

Director of Dehigama Hotels Company Ltd

3. A.K. GUNARATNE

Non-Executive Director
(Member of the Board since 2006)

Board Sub-Committees:

Member of the Risk Management Committee, Related Party Transactions Review Committee, Audit Committee, Remuneration Committee and Nominations and Governance Committee

Skills and Experience

Mr. Arjuna Gunaratne has served on the Board of the Company since 2006. He is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and the Chartered Institute of Management Accounts of the UK.

Other Current Appointments Listed Companies:

Managing Director of Central Finance Company PLC and Non-Executive Director of Tea Smallholder Factories PLC

Others:

He serves on the Boards of several companies within the Central Finance PLC Group.

4. C.S. HETTIARACHCHI

Non-Executive Director
(Member of the Board since 2018)

Board Sub-Committees:

None

Skills and Experience

Mr. C. S. Hettiarachchi was appointed to the Board on 30th June 2018. He holds Bachelor of Laws (LL.B) Degree from the University of Colombo and an MBA from University of Sri Jayawardenapura (PIM). He is an Attorney-at-Law of the Supreme Court of Sri Lanka. He is a past Chairman of Leasing Association of Sri Lanka (LASL) and served as a director of Credit Information Bureau of Sri Lanka (CRIB).Other Current Appointments Listed Companies: He served as the Director –Corporate Affairs of Central Finance Company PLC and is a director of Tea Smallholder Factories PLC Others: Director of Dehigama Hotels Company Limited and Finance House Consortium (Pvt) Ltd. He serves as a Director on five other companies within the Central Finance PLC Group.

5. I.M.P. RUPATUNGE

Executive Director/CEO
(Member of the Board since 2020)

Board Sub-Committees:

Member of Risk Management Committee

Skills and Experience

Mr. Mayura Rupatunge, CEO of Central Industries PLC, was appointed to the Director Board on August 11, 2020. He joined Central Industries PLC as the General Manager in 2016 and has been with the Company since then. Mr. Rupatunge has extensive manufacturing experience, having worked in the industry for 27 years. He graduated from the Faculty of Engineering, University of Peradeniya, and holds postgraduate qualifications from the Faculty of Graduate Studies, University of Colombo. Also, he is a member of the Institute of Certified Management Accountant (ICMA) Australia and is professionally and academically qualified in the fields of Manufacturing, and Management including Finance and Administration.

6. C.S.W. DE COSTA

Non-Executive Director
(Member of the Board since 1997)

Board Sub-Committees:

None

Skills and Experience

Mr. Sarath De Costa was the Former Consul General for Sri Lanka in Osaka, Japan. He was appointed to the Board of Colombo Dockyard PLC in 1993. He is a Member of the Sri Lanka – Japan Business Cooperation Committee, a Life Member of the Japan - Sri Lanka Technical Co-operation and a Member of the Sri Lanka - Japan Friendship Society.

He was a Representative of the Board of Investment of Sri Lanka, Patron of the Department of Neurosurgery Trust (National Hospital), Trustee of the National Health Development Fund (Ministry of Health), Special Envoy/Advisor to the Board of Investment of Sri Lanka, Member of the Advisory Committee – Ministry of Wildlife Resources Conservation and a Director of Industrial Development board.

Other Current Appointments

Mr. Costa serves as the Chairman and Managing Director of the Amano and Tivoli Group of Companies, President of Imperial Trading Corporation, Japan and Director of Ceylon Shipping Agency (Pte) Ltd, Singapore.

7. D.T.R. DE SILVA

Independent Non-Executive Director
(Member of the Board since 2020)

Board Sub-Committees:

Chairman of the Risk Management Committee ,Audit Committee and Nominations and Governance Committee , Member of Related Party Transactions Review Committee, Remuneration Committee

Skills and Experience

Mr. Ranil De Silva was appointed to the Board on the 01st of July 2020. Having commenced his career at Ernst & Young, he has wide experience locally and internationally in diverse industries. He is a fellow member of the Institute of Chartered Accountants of Sri Lanka and a member of the Chartered Institute of Management Accountants of the UK and the Chartered Institute of Marketing, UK.

Other Current Appointments

Listed Companies:

He serves as an Independent Director of Singer Finance (Lanka) PLC, Hayleys Leisure PLC, The Autodrome PLC, The Kingsbury PLC and Alumex PLC

Others:

Director of Lanka Shipping & Logistics (Pvt) Ltd and Allion Technologies (Pvt) Ltd

8. D. K. WELMILLAGE

Independent Non-Executive Director
(Member of the Board since 2024)

Board Sub-Committees

Chairman of the Remuneration Committee, Member of Related Party Transactions Review Committee, Nominations Committee and Audit Committee

Skills and Experience

Mr. Don Kapila Welmillage was appointed to the Board on the 30th of November 2024. He has over 25 years of multidisciplinary experience; including general management, functional expertise in manufacturing, project management, finance, supply chain, human resources, sales and organisational transformation. He is experienced in industries such as home and personal care, beverages, hand protection, apparel, and diversified conglomerates. He holds a BSc (Hons) in Engineering from the University of Moratuwa and an MBA from the University of Colombo. He is also an Associate Member of CIMA, UK.

Other Current Appointments

He currently serves as the Managing Director of Chatuudha Consulting (Private) Limited.

Board of Directors

9. T. P. GUNESEKERA

Independent Non-Executive Director
(Member of the Board since 2024)

Board Sub-Committees

Chairman of the Related Party Transactions Review Committee, Member of Remuneration Committee, Risk Management Committee and Audit Committee

Skills and Experience

Mrs. Therese Priyana Gunasekera was appointed to the Board on the 31st of December 2024. She holds over 40 years of experience in the audit, financial services and regulatory industries. She is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka, a Fellow Member of the Chartered Institute of Management Accountants (U.K.) and a Member of the Institute of Internal Auditors. She holds an MBA from Sikkim Manipal University, India. She is also a Certified Fraud Examiner of ACFE U.S.A.

Other Current Appointments

She serves on the Board of Directors of Berendina Micro Investments Company Limited.

MANAGEMENT TEAM

SENIOR MANAGEMENT

I MAYURA PRIYADARSHI RUPATUNGE
Director / Chief Executive Officer
B. Sc. Eng (UOP), PGDMM (UOC), AMIE (SL), ICMA (Australia)

RODERIC HILARY MOSES
Head of Manufacturing and Special Operations
CIMA (UK), Management Accountant

SAPUMAL BRIAN HERAT
Marketing Manager (PVC Dealer Network)
MBA (UK), Dip in Mktg (NIBM), CPM, MCIM (UK)

W J M GAMINI HEMANTHA KUMARA ARAMBEPOLA
Marketing Manager - Corporate
Part qualified in CIM, and PCM along with 31 years of managerial experience

G L DUMINDA SISIRA KUMARA
Marketing Manager (Krypton)
B.Sc. MKT (Sp) USJP, MBA (General) USJP

W M MAHESH AMARADASA
Manager - Finance
Associate Member ICASL, Member of institute of Taxation, B.Sc. Business Administration (Sp) USJP

MS. M G HIRANTHI DEEPIKA KARIYAWASAM
Manager HR & Administration
MBA (HR) UOC., B.Sc. HRM (Sp) USJP, CMA (SL) Passed Finalist, Chartered MCIPM (1151)

MS. M H HAMSATH BEGAM
Manager Internal Audit
Fellow Member ICASL, Associate Member CMA (SL), FMAAT, B. Com (Sp) UOK

M ZAMROUN CAREEM
Senior Manager IT
Licentiate member of Institute of Data Processing Management [London] (1992), Diploma in Technology at Open University of Sri Lanka in 1991, Diploma in Business Management NIBM (1994)

MANAGEMENT TEAM

M SISIRA JAYANTHA MALLIKARACHCHI
Sales Manager
B.Sc. Management (Public) USJP

A C RAVINDRAKUMAR JOSEPH
Sales Manager
NCGE

K V P RAVIN SURANGIKA
Sales Manager
National Diploma in Sales Management (SLIM)

K DANUSHKA SANJEEWA DALPATADU
Operation Manager - Corporate Sales
BBA (Hons) Sheffield Hallam University (UK) 2012, Diploma - Business Management (SLIIT) 2010

H M SUDHARMANANDA ELLAPITAWATTA
Project Engineer
B. Sc. Eng (UOP) FACTORY MANAGEMENT

M NIMAL DANASIRI FERNANDO
Assistant Factory Manager (Factory Yakkala)
NCT - MECHANICAL UNIVERSITY OF MORATUWA - 1977-1979 / Diploma in Plastic at Plastic and Rubber Institute 1995 / Production Management in Japan

J B G DIMUTHU PRIYANKARA GUNARATHNE
Assistant Factory Manager (Factory Wattala)
B. Sc. (Physical) UOP

B RUKSHAN THARANGA DE SILVA
Electrical Engineer
B. Eng (Hons) University of Liverpool (UK)

M K N R CHATHURANGA
Manager Warehouse & Logistics
MBA (UOM) Transport and Logistic Management, BA Econ (SP) (SUSL), CBA (ICASL)

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATING LANDSCAPE

GLOBAL ECONOMY

The IMF, in its World Economic Outlook (WEO) report of January 2025, stated that global growth declined in 2024, to 3.2% from 3.3% in 2023, and anticipated that global growth would remain at 3.3% in both 2025 and 2026. However, the proposed US tariff regime has significantly disrupted these forecasts and injected a high degree of uncertainty regarding global trade and inflation for 2025 and the future. US policy changes are expected to disrupt global value chains and distort global trade flows, and countries with strong trade linkages with the US are expected to experience economic headwinds due to rising costs and declining export competitiveness.

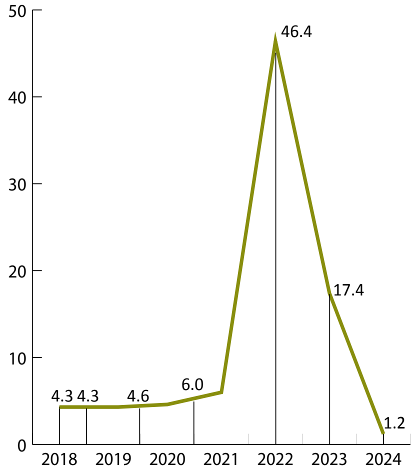
As tariffs continue to rise, the global disinflation trend could be disrupted, leading to renewed inflationary pressures, and the risk of prolonged high interest rates could add strain to global financial conditions and capital markets. However, global energy prices are expected to decline over the next two years, reflecting the weak Chinese demand, possible weakening of global demand for energy and expectations of higher supply from oil exporting countries, including the US.

The new US tariff policies may also have implications for Sri Lanka's export dynamics. On average, Sri Lanka's exports and imports to-and-from the US amount to around USD 3 Bn and USD 0.5 Bn, respectively, resulting in a trade surplus of around USD 2.5 Bn in favour of Sri Lanka. However, workers' remittances to Sri Lanka could be affected due to a possible global economic downturn from the US tariff policies. Similarly, a prolonged period of subdued economic growth in major source countries of Sri Lanka's tourism industry may reverse the currently observed positive momentum in the tourism sector. In addition, global monetary policy divergences, driven by US policy shifts, could impact monetary conditions and influence financial flows to Sri Lanka's capital market

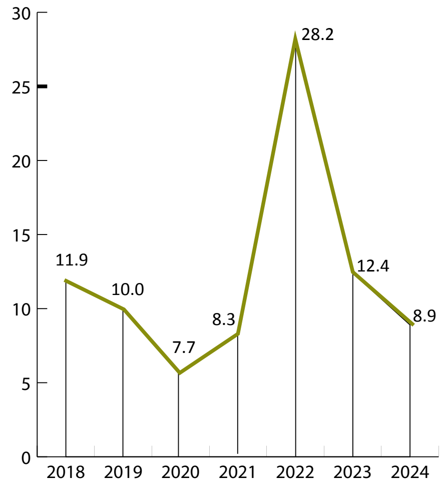
LOCAL ECONOMY

The Sri Lankan economy rebounded in 2024, achieving a robust 5.0% real economic growth, after two years of annual contraction, from the 7.3% decline in 2022. All other economic indicators followed this recovery trend by the end of December 2024. The Sri Lankan rupee reversed its nosedive from Rs 365 to the US dollar in the second week of May 2022, to appreciate to Rs. 293 to the US dollar by the end of 2024. Interest Rate (AWPR), which was 29.7% in Nov 2022, declined to 8.9% by the end of 2024. The rate of inflation as captured by the Colombo Consumer Price Index declined from the height of 69.8% in Sep 2022, to negative 1.7% by the end of 2024. The downward adjustment to the electricity tariff in January 2025 led to the continuation of deflation in the first quarter of 2025.

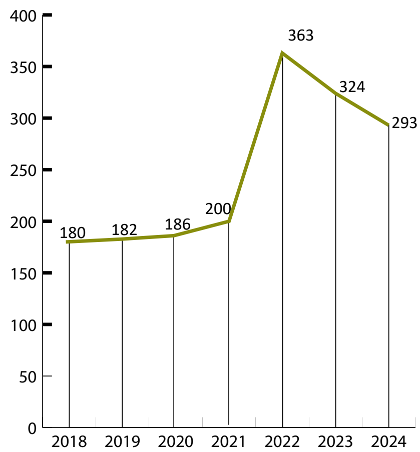
Inflation
(CCPI, annual average, %)



Interest Rate
(end year, AWPR,%)



Exchange Rate
(end year, Rs./USD)



Source : CBSL Annual Economic Review 2024

Operating Landscape

INDUSTRY PERFORMANCE

The construction industry rebounded from its 20.8% contraction in 2023 to a 19.4% growth by the end of 2024 and contributed to 7% of GDP, from 6.2% one year ago. Growth was supported by lower interest rates, improved access to raw materials, recommencement of donor-funded projects, and private sector and household construction activities. Commercial banks' loans to the construction sector increased by 5.5%, reaching Rs. 1,569 billion in 2024 (19.0% of total loans), with personal housing loans increasing by 3.3%, and staff housing loans grew significantly by 25.0%.

Construction industry growth

Cabinet approval was granted for the construction of 1,996 housing units under a foreign government aid programme, while several other low-income and middle-income housing initiatives led by the Urban Development Authority (UDA) were also continued, focusing on providing decent housing facilities for underserved communities. Additionally, under the Siyak Nagara Development Programme and the Public Institutions Development Programme, which are key initiatives of the UDA, several municipal infrastructure and public amenities enhancement projects were completed during the year. As part of the ongoing developments in the Colombo Port City, the region's first Downtown Duty-Free Mall was completed and launched during the year.

The Central Bank's Total Activity Index, in the Sri Lanka Purchasing Managers' Index (PMI) for the Construction Industry, stood at 51.4 in December 2024, indicating a continued expansion in construction activities. However, most survey respondents emphasised the need for more large-scale construction projects to sustain industry growth. In this regard, the Central Bank projected a positive outlook for construction activities over the next three months, mainly supported by the expected favourable weather conditions and government infrastructure plans. The sector is expected to record steady growth, supported by lower interest rates, improved access to raw materials and possible recommencement of donor-funded construction work, and private sector and household constructions.

The social impact of declining inflation, lower interest rates, and improved buying power of customers resulted in improved recovery in demand for construction products and services, and renewed interest in new constructions and renovations of both commercial premises as well as domestic residences. The lower rate of inflation reduced the cost of goods and services, making essential items more affordable, thereby increasing disposable incomes and fostering economic activity, which was also supported by greater access to credit due to lower lending rates. These factors collectively contributed to better living standards, reduced financial stress, and enhanced social stability.

COMPANY PERFORMANCE PRODUCT-WISE

Central Industries is a pre-qualified supplier of HDPE (High-Density Polyethylene) pipes and fittings to the National Water Supply and Drainage Board, which contributed to our growth in the current financial year. In addition, HDPE based products under the National PE brand can be expected to increase its market share in the water management applications across the country due to brand recognition and strong distribution.

For the financial year 2024/25, revenue from the core business of manufacturing and sale of water management products, including revenue from PVC and PE products, increased by 28% to Rs. 4.8 Bn from Rs. 3.8 Bn in the previous year. Sales of National PVC and National PE products achieved a significant growth in volume of 57 year on year, mainly to the corporate sector, construction companies and to the National Water Supply and Drainage Board.

Revenue from electrical products increased by 14% to Rs. 509 Mn driven by new products under the brand Krypton Pioneer. We have also introduced various types of switches and sockets, including a motion sensor switch. Additionally, we offer data sockets, satellite sockets, TV sockets, and key card sockets for specialised applications.

In order to provide customised services, we have a specialised team of highly skilled professionals catering to the National Water Supply and Drainage Board, Government institutions, and large corporations. In addition to supplying the requisite products, the team also provide technical knowledge on our product applications and supports our customers with pre and post-supply services for large-scale projects.

RISKS, OPPORTUNITIES AND OUTLOOK

The risk landscape of the Company continued to evolve during the year. While the improvements to key macro indicators during the year supported a recovery in demand for our products within the business and household sectors, we also faced new emerging risks.

RISKS

- Entry of new competitors
- Entry of low-cost products
- Price volatility of input materials
- Brain-drain and worker migration

OPPORTUNITIES

- Emerging growth opportunities that can be tapped through new products
- Rising demand for water supply and sanitation infrastructure
- Improving the agriculture sector demand
- Discovering new applications for PVC and PE pipes

OUTLOOK

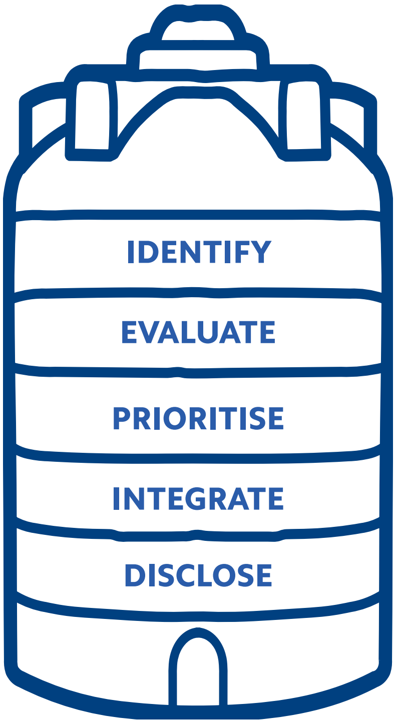
Sri Lanka's economy is expected to continue its recovery path, supported by low and stable inflation, lower interest rates, positive market sentiments, and stable economic and political conditions. The GDP is forecast to grow by 3.9% in 2025, according to the Asian Development Bank's (ADB) Asian Development Outlook (ADO) of April 2025. Current deflationary conditions are expected to dissipate within the first half of 2025, with inflation stabilising around the targeted level of 5% in the medium term. Healthy private sector credit growth is anticipated due to lower interest rates and reduced crowding-out pressures from the public sector. The trade deficit is expected to widen with the removal of restrictions on motor vehicle imports and the revival of economic activity, but will remain manageable due to healthy growth in foreign exchange inflows. Overall, the forecast suggests a positive outlook for Sri Lanka's economy in 2025, contingent on continued structural reforms, fiscal discipline, and external stability.

The construction industry in Sri Lanka is expected to record steady growth in 2025, driven by improved access to raw materials due to the removal of import restrictions, and the lower interest rates are expected to stimulate private sector and household construction activities. In addition, a number of donor-funded infrastructure projects are expected to recommence in 2025, boosting demand for construction products and services.

MATERIALITY

DISCLOSURE 3-1 PROCESS TO DETERMINE MATERIAL TOPICS

CIPLC's process to determine material topics was primarily discussions with senior management, including the CEO, to identify a list of topics deemed material to the Company. These topics were again evaluated against stakeholder and company priorities, and a list of priority topics was developed. Material topics were integrated with company plans and strategies for greater relevance.



DISCLOSURE 3-1 (II) PRIORITISATION OF IMPACTS

The list of topics was prioritised based on the level of impact on the Company and key stakeholder groups. Topics that exerted high to mid-level impacts on the Company and multiple stakeholder groups were prioritised for disclosure. Topics were reviewed against the 6 capitals and stakeholder expectations to identify the level of impact on the Company and its performance.

DISCLOSURE 3-1 (B) STAKEHOLDERS AND EXPERTS WHOSE VIEWS HAVE INFORMED THE PROCESS OF DETERMINING MATERIAL TOPICS

The primary stakeholders whose views were incorporated are: regulators (Colombo Stock Exchange, environmental and other regulators), shareholders, our parent company, employees, dealers and distributors, and end consumers.

DISCLOSURE 3-2 LIST OF MATERIAL TOPICS

The list of material topics selected for discussion in this annual report is given below, with the level of impact on our capitals and primary stakeholders.

Topics	Financial Capital	Manufactured Capital	Intellectual Capital	Human Capital	Social and Relationship Capital	Natural Capital	Impact on stakeholders
Sustainable revenue growth							
Retention and skill development							
Process efficiency							
Capital Management							
Becoming more customer centric							
Diversification of product portfolio and affordable solutions							
Improve relations with business Partners							
Corporate Governance, Compliance and Internal Controls							
Occupational health, safety and wellbeing							
Sustainability related risks and opportunities							
Climate change related risks and opportunities							

High Impact

Medium Impact

Low Impact

INTEGRATED STAKEHOLDER ENGAGEMENT

DISCLOSURE 2-29 APPROACH TO STAKEHOLDER ENGAGEMENT

The Company's key stakeholder groups are identified and prioritised by the senior management based on their level of influence and interest in CIPLC's operations and strategic objectives. The Company's approach to stakeholder engagement has been structured to ensure regulatory compliance, with regard to such stakeholder groups as shareholders, employees and customers, and compliance with contracts and agreements with suppliers while maintaining mutually beneficial and professional interactions with all stakeholder groups. Authorised personnel have been designated to manage communications with external stakeholders to ensure professionalism, accuracy and compliance with applicable regulations.

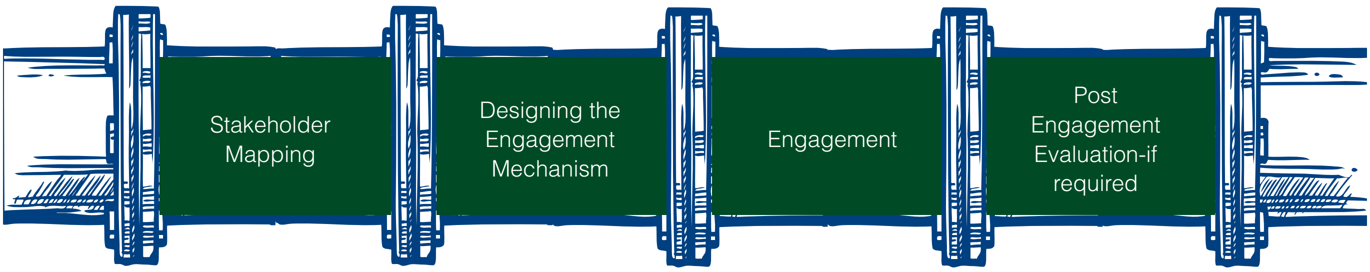
OUR STAKEHOLDER ENGAGEMENT PROCESS

Stakeholder mapping

Level of interest of stakeholder

KEEP INFORMED Stakeholder groups with low influence and high interest • Distributors and dealers • Customers • Suppliers	**MANAGE CLOSELY** Stakeholder groups with high influence and high interest • Shareholders • Employees
REGULAR CONTACT Stakeholder groups with low influence and low interest • Industry bodies	**ANTICIPATE AND MEET NEEDS** Stakeholder groups with high influence and low interest • Regulators • Community

Low Level of influence of stakeholder group High



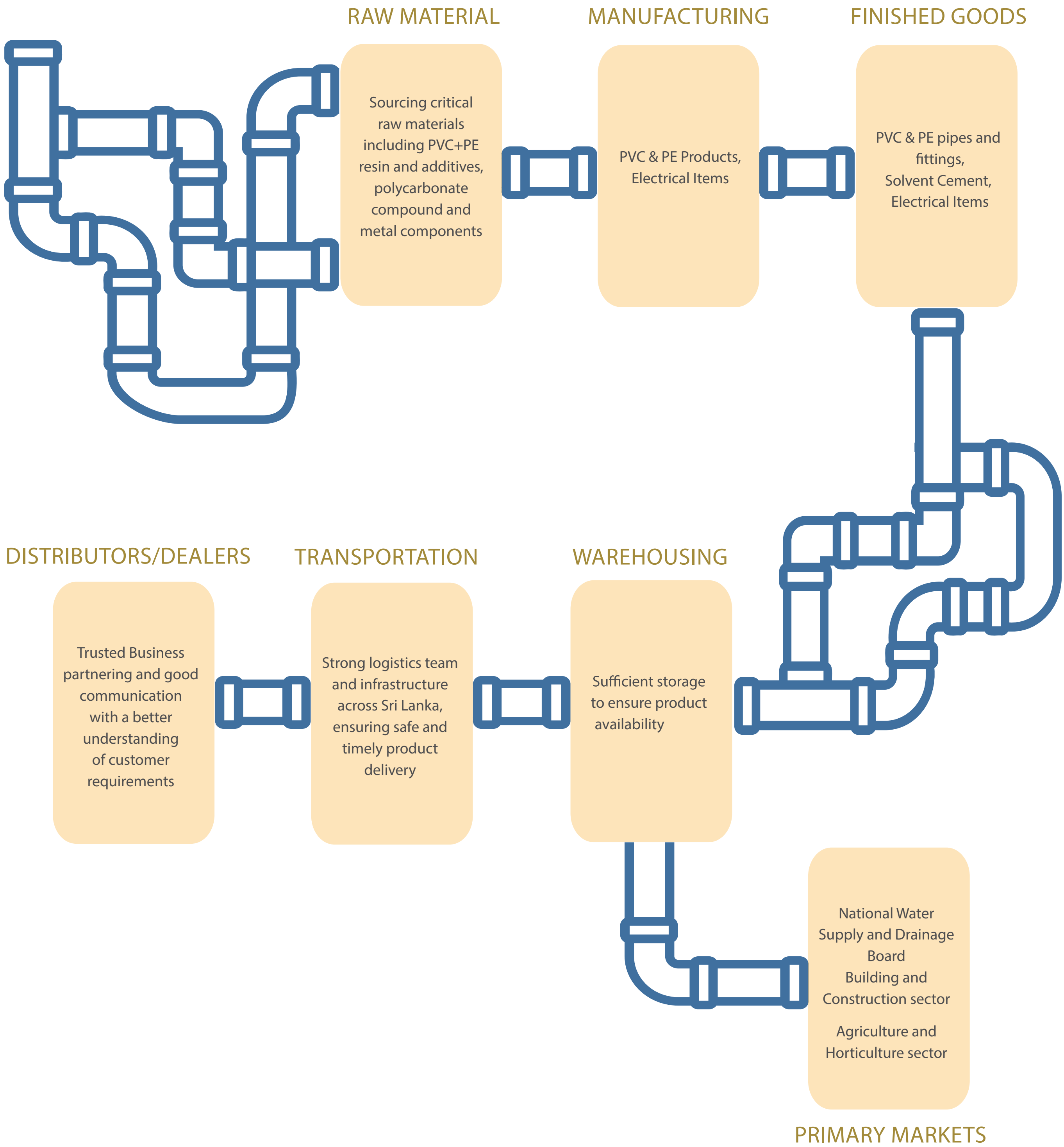
Disclosure 2-29 (i) Stakeholder category	Disclosure 2-29 (ii) Purpose of stakeholder engagement	Disclosure 2-29 (iii) How we ensure meaningful engagement	Post engagement evaluation
Shareholders and Investors	For financial capital To communicate progress and financial status To build confidence and enhance value for investors. To gain support for business plans.	CIPLC complied with all regulatory shareholder engagements. These included the : • The annual report, • Quarterly Financial Statements • Disclosures to the Colombo Stock Exchange • Annual General Meeting	Shareholder/investor feedback

Integrated Stakeholder Engagement

Disclosure 2-29 (i) Stakeholder category	Disclosure 2-29 (ii) Purpose of stakeholder engagement	Disclosure 2-29 (iii) How we ensure meaningful engagement	Post engagement evaluation
Customers	To sustain sales and revenues To promote brand loyalty To create product awareness To understand market /demand trends To obtain feedback on products and services	We maintained regular communications and interactions with all our customer groups during the year. Please refer to the Social and Relationships Capital chapter for details.	Monthly customer communications
Employees	To motivate and retain employees	Please refer to the Human Capital chapter for details on our employee engagements.	We conduct a 6 month behaviour evaluation, which reviews indicators such as attendance, character etc….
Business partners and suppliers	To obtain high-quality raw materials To negotiate pricing	Please also refer to the Social and Relationships Capital chapter for details on how we engaged with our suppliers	Feedback from suppliers
Regulators	To avoid fines, penalties and loss of business licences To maintain the trust of regulatory officials To maintain reputation and social credibility as a listed company	During the financial year 2024/25 CIPLC complied with all regulatory requirements All statutory reports and payments were submitted on time	Feedback from regulators
Industry bodies	For industry information Lobbying For business networking	We sponsored Regional Contractor Associations to promote our products to the contractor community	Feedback from industry
Community	To build brand awareness For CSR activities	We continued to engage with communities in our operational locations. Please refer to the Social and Relationships Capital chapter for details	Feedback from community

OUR BUSINESS MODEL

DISCLOSURE 2-6 (B): VALUE CHAIN



OUR VALUE CREATION BUSINESS MODEL AND OUR CAPITAL INPUTS AND OUTPUTS

INPUTS

FINANCIAL CAPITAL
Equity Rs 3,979 Mn
Assets Rs 4,694 Mn
Borrowings Rs 13 Mn

HUMAN CAPITAL
Total workforce 360
Training Hours - 3,593
Provide diversity and equal opportunities to all employees.
Creating a safe and healthy work environment.
Effective grievance handling procedure.
Nurturing a performance driven culture

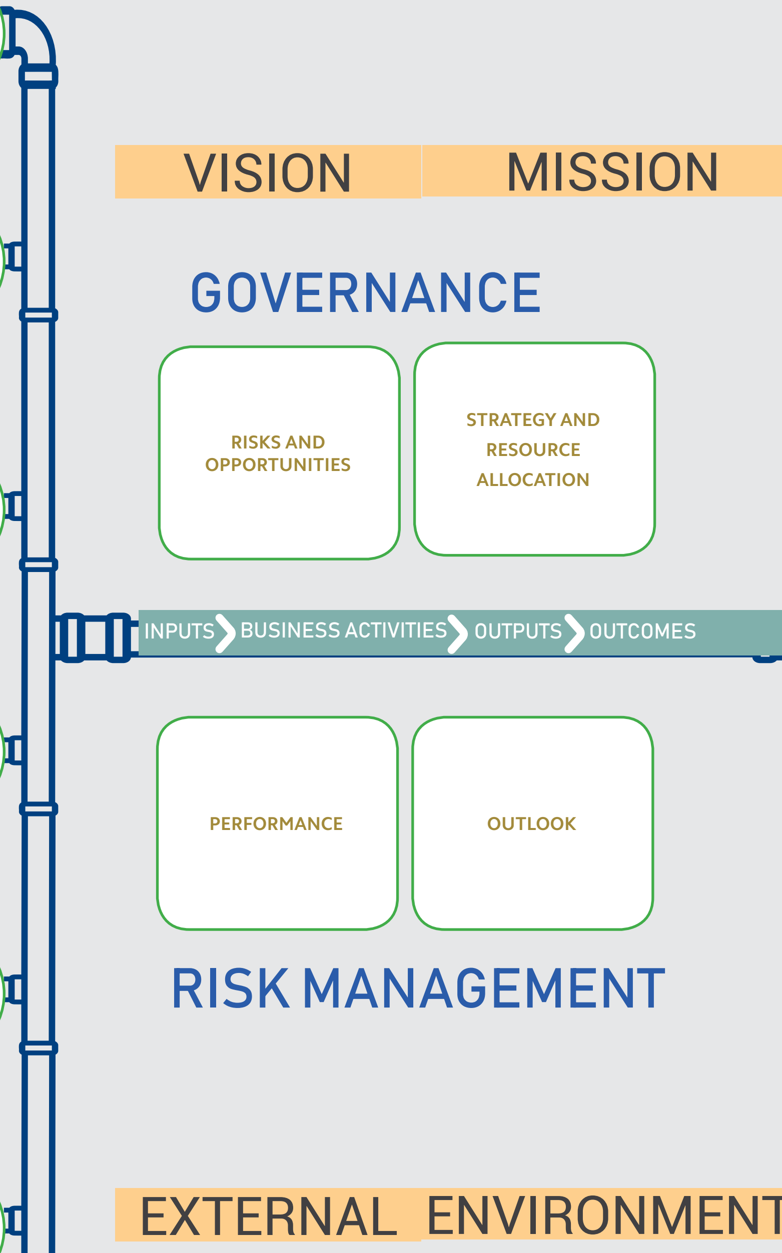
CUSTOMER CAPITAL
1.National Water Supply and Drainage Board
2.Building and Construction sector
3.Agriculture and Horticulture sector
Increasing product portfolio
Strict adherence to quality standards
Expansion of the distribution network
Strengthening market presence
Carry out initiatives to ensure fast and efficient service
Effective customer compliant handling process

MANUFACTURED CAPITAL
Purchasing and modifying infrastructure
Creating an advanced technology platform
Property, plant and equipment - Rs. 1,306 Mn

SOCIAL AND RELATIONSHIP CAPITAL
National PVC brand
Krypton brand
Island-wide presence
CSR Activities

INTELLECTUAL CAPITAL
Manufacturing expertise
Developing employee knowledge and competencies
Improving brand identity
Comply with necessary standards and regulation

NATURAL CAPITAL
Conservation initiatives
Carried out programme for reducing water consumption for machine purposes / non-machine purposes



VALUE CREATION PROCESS

PROFIT FORMULA

Operating environment

Risks and opportunities

OPERATING ENVIRONMENT

Profit formula

Revenue – expenses

(Dealers + Projects + Institutions)- (Overheads

VALUE ADDITIONS

- Relationship management
- Product development
- Management, Branding, Marketing and sales

VALUE PROPOSITION

- Customer: Ensure access to quality products to meet requirements
- Employees: Facilitate professional development through a learning culture
- Society: Generate employment opportunities
- Partners: Access to quality raw materials and cost savings

OUTPUTS

FINANCIAL CAPITAL

Equity Rs 4,384 Mn
Assets Rs 5,063 Mn
Borrowings Rs 4 Mn

HUMAN CAPITAL

Revenue per labour input: 15 Mn
Programmes and training for skills development
Ensuring work-life balance
Offer Benefits (Insurance cover, death donation,allowances, etc.)
Fair & standardized recruitment process
Provide personal protection equipment
Open door policy & formal mechanism to handle grievances
Systematic performance evaluation
Job protection

CUSTOMER CAPITAL

Growth in customer base: 13%
Launched new products to suit customer needs
Adherence to ISO standards and SLS
New SPOs appointed during the year
Using third party transportation of products to distant locations
Maintain customer compliant record book

MANUFACTURED CAPITAL

Plant and machinery: Rs 1,290 Mn
Creating advanced technology platform
Quality products
Reduction of costs of sales
High production volume

SOCIAL AND RELATIONSHIP CAPITAL

Informal communication channels with the suppliers
Establishing direct communication lines amongst sales staff & customers
Sponsoring events, monetary contribution to social events
Seminars for the electrician community

INTELLECTUAL CAPITAL

Providing skills development certificate courses and seminars
Installing licensed software in all computer devices
Provide fair payment for local suppliers
Brand recognition - PVC 41 Years - Krypton 19 Years

NATURAL CAPITAL

Carbon footprint
Awareness raising for company employees
Upgrading the technologies to optimise water usage
Encouraging machine running at off peak time
Energy saving of A/Cs
Reducing power consumption of the lighting system
Using solar energy
Avoid running high load machines simultaneously
Minimize the density of raw material to save energy required for melting

Our Value Creation Business Model and Our Capital Inputs and Outputs

OUR CAPITAL INPUTS AND OUTPUTS

As per our business operation there are six input capital categories which act as resources for the operation of our Business Model Inputs and outputs are classified under each category as follows. Inputs are the resource pool at the start of the financial year and outputs are the year end position.

Capital	Input	Output	Change %
Financial Capital			
Total Assets (Rs. Mn)	4,694.40	5,063.87	8%
Shareholders' equity (Rs. Mn)	3,979.70	4384.55	10%
ROE (%)	18.13	13.10	-28%
Manufactured Capital			
Property, plant, and equipment (Rs. Mn)	1,306.13	1,290.24	-1%
Total factories (No)	2	2	-
Human Capital			
Total workforce (No)	347	360	4%
Training cost Rs. Mn	1.50	1.43	-5%
Salaries and benefits (Rs. Mn)	346.18	373.72	8%
Intellectual Capital			
Investments in new technology machines (Rs. Mn)	72.7	18.27	-75%
Social and Relationship Capital			
Taxes (Rs. Mn)	258.81	222.13	-14%
CSR Investments (Rs. Mn)	0.939	1.70	81%
Natural Capital			
Diesel consumption (Litres)	11,060	13,690	24%
Electricity consumption (kWh)	3,111,852	4,581,787	47%
Water consumption (M3)	2,878	2,619	-9%

VALUE CREATION STRATEGIES WITH CAPITAL

Our Vision, Mission and Goals embedded with capital is the map for the Company's way forward. Governance frameworks, risk management and sustainable practices are the value creation foundations for the business. Our capital allocations decisions are based on the anticipated annual return on investment and we always align Investment opportunities with business strategies.

OUR OUTPUTS

Outputs are the results of our business efforts and all inputs are described in our business model under each capital item. Our core output is quality products under "National PVC" and "Krypton" brand product range. We aim to create value across all Capital inputs

OUR OUTCOMES

Outcomes are the impacts received through the results of Company operations. Our business model provides the key results of the Company.

STRATEGY AND RESOURCE ALLOCATION

BUSINESS STRATEGY

At Central Industries PLC, we believe that strategy is the core of any business. In this regard, extensive deliberations are done at management and board levels. In line with the strategy, objectives are developed and cascaded down to divisions

Nature	Strategic Objectives	Strategic Actions
Short–Term	Continuity of safe operations	Focus on process safety improvement initiatives
	Develop marketing strategies for additional PVC volumes and other upcoming products	Remain in constant touch with our potential customers and apprise them of product quality and benefits
	Optimise the sales mix to ensure maximum value creation for all stakeholders	Continuously monitor product margins and recalibrate product mix as per business needs
	Focus on overheads and create a cost efficiencies	Conduct an in-depth analysis of the cost structure to identify potential savings opportunities and realise them in a timely manner
Medium-term	Enter new markets to diversify product base	The company is entering into new products, while studying other business opportunities is underway.
	Ensure Manufacturing Excellence	Introduce efficient processes in our manufacturing to ensure maximum utilisation of resources. Work on our earlier announced efficiency projects is on track
	Maintain and enhance plant reliability by ensuring regular maintenance	Conduct plant turnaround within aligned time frames and allocated resources. Preventive maintenance and testing of critical equipment are done.
	Develop domestic PVC markets by Introducing the latest applications	Expand PVC Branded distributor points, a concept which showcases the latest PVC and HDPE applications to retail consumers and sells PVC products of our downstream customers with the view of broadening their acceptance in Sri Lanka
Long–term	Identify and monitor enterprise risks. Also implement adequate mitigating measures	Remain cognizant of changes in internal and the external environment to identify key risks being faced by the entity and development of mitigating factors to eliminate or reduce the risk to an acceptable level.
	Corporate social responsibility.	Focusing on improving the quality of life of communities residing near Port Qasim
	Automation and digitisation of business processes	A Detailed Digital transformation team has been launched, which continues to explore new areas of implementing AI & Digital Transformation
	Develop and retain talent, and increase workforce diversity	Attrition rates and diversity ratios are monitored and reported regularly. Job rotations/enrichment are planned to ensure retention of talent, and cultivate a diverse and inclusive workplace

Strategy and Resource Allocation

FUNCTIONAL OBJECTIVES & STRATEGIES

FINANCE

OBJECTIVES

01) Execute an approved budget.
02) Focus on overheads and cost efficiencies.
03) Identify and monitor enterprise risk to implement adequate mitigating measures.

CRITICAL PERFORMANCE INDICATOR

1) Financial ratio targets
2) Cost optimisation and reduction.
3) Earlier identification of critical risks that may arise and the adoption of measures to eliminate those risks or to reduce them to an acceptable level.

STRATEGY

1) A robust cash flow projections-based financing plan is conducted to meet cash requirements.
2) Reviewing fixed and variable costs for each division and identifying areas of improvement to ensure reduction in fixed costs.
3) Continuous cross-departmental collaboration and being cognizant of changes in the internal and external environment to identify key risks being faced by the entity.

FUTURE RELEVANCE

The Central Industries PLC shall remain relevant in the future.

RESOURCE ALLOCATION

This includes human capital, manufactured capital, and financial capital

HUMAN RESOURCES

OBJECTIVES

Develop & retain talent, and increase workforce diversity.
Improve diversity & inclusion.

Improve employee engagement and availability of requisite human resources in all aspects of operations.

CRITICAL PERFORMANCE INDICATORS

Attrition ratios and diversity ratios.
Employee Engagement Survey.
Uninterrupted operations in all departments.
Strong succession pipeline, especially for key critical positions.

STRATEGY

1) Attrition rates and diversity ratios are monitored and reported regularly.
2) Job rotations and enrichment are planned to ensure talent retention and a diverse workforce.
3) Implement a comprehensive action plan in collaboration with the divisions
4) Identified action items taken from previous employee surveys. The aim is to ensure better employee engagement. In addition, regular CEO open house sessions with employees will encourage a conducive workplace environment.
5) Development of a succession plan for all key positions within the organisation.
6) The implementation of a technical competency framework – to build a talent pipeline through craft in charges and skill pool managers.

FUTURE RELEVANCE

The Central Industries PLC shall remain relevant in the future.

RESOURCE ALLOCATION

This includes human capital, financial capital, and social & relationship capital.

HEALTH, SAFETY & ENVIRONMENT

OBJECTIVES

- Ensure a safe working environment.
- Carry out external independent assessments about Health, Safety, and Environment (HSE).
- Ensure standards are maintained for expansion and operational efficiency projects.
- Minimise environmental impact.

CRITICAL PERFORMANCE INDICATOR

- Keeping all safety ratios intact during the completion of expansion projects.
- Performance is measured against several international benchmarks and is also verified by external authorities.

STRATEGY

- Implementation of best practices as prescribed by ISO and regular monitoring of numbers by management.
- A new team has been assigned responsibility for maintaining high safety standards with tangible KPIs and regular reporting to management.
- Environmental impact is studied for all projects, and implementation is carefully planned to ensure compliance with stringent environmental benchmarks.

FUTURE RELEVANCE

The Central Industries PLC shall remain relevant in the future.

RESOURCE ALLOCATION

This includes human capital, manufactured capital, and financial capital.

MANUFACTURING

OBJECTIVES

1) Maintain and enhance factory reliability.
2) Maintain optimal production levels at benchmark costs.
3) Maintain and optimise raw material and energy consumption ratios.
4) Satisfactory completion of growth, efficiency, and reliability projects.

CRITICAL PERFORMANCE INDICATOR

1) Number of unplanned shutdowns, production loss, and tasks completed.
2) Production targets are set for all products.
3) Raw material and energy consumption ratios have been set for all products against which performance would be compared.
4) The progress report will be monitored by the senior management

STRATEGY

1) The preventive maintenance and critical equipment are tested for reliability regularly.
2) Monitoring the production facility and processes on a timely basis to identify and eliminate bottlenecks.
3) Regular monitoring of production and consumption ratios is done at all levels, and an action plan is devised in case of deviation for immediate rectification.
4) Strategic milestones are established and performance is measured against them to ensure the satisfactory completion of projects within the prescribed time. Post-completion analysis is also conducted and reported.

FUTURE RELEVANCE

The Central Industries PLC shall remain relevant in the future.

RESOURCE ALLOCATION

This includes Human capital, manufactured capital, and financial capital.

COMMERCIAL

OBJECTIVES

1) Maximise profitability across businesses by increasing customer engagement & optimising sales mix.
2) Ensure strategic alignment to future market gaps and organisational aspirations.
3) Ensure customer satisfaction through timely product & service availability.
4) Capacity building of all stakeholders.

CRITICAL PERFORMANCE INDICATORS

Customer retention and delight.
Position to venture into prospective businesses.

STRATEGY

1) Evaluation of market segments & their drivers.
2) Ensuring optimum sales mix.
3) Market development to identify areas for growth and evaluate export potential.
4) Promote value-added PVC downstream products.

FUTURE RELEVANCE

The Central Industries PLC shall remain relevant in the future.

RESOURCE ALLOCATION

This includes human capital, manufactured capital, and financial capital.

SUSTAINABILITY

GOVERNANCE OF SUSTAINABILITY

OUR CONTRIBUTION TO THE UN SUSTAINABLE DEVELOPMENT GOALS

Central Industries PLC is dedicated to achieving the Sustainable Development Goals (SDGs) through its sustainability efforts. We align our Environmental, Social, and Governance (ESG) goals with the SDGs to ensure that we are making a positive impact. The table below highlights the Company's contributions towards selected SDGs: Central Industries PLC has developed strategies to support the United Nations Sustainable Development Goals (SDGs) across various areas.

1 NO POVERTY

NO POVERTY

- We provide employment directly to approximately 360 individuals and over 1000 individuals indirectly throughout the 9 provinces in the country
- The company provides distress loans to employees during emergencies, such as health or education-related needs, without interest.
- We provide exercise book packs to the children of staff members

2 ZERO HUNGER

ZERO HUNGER

- The company offers vouchers Rs. 500 & Rs. 1,000 to 550 individuals from communities such as electricians and dealer assistants, enabling them to access food and reduce the risk of hunger.

3 GOOD HEALTH AND WELL-BEI

GOOD HEALTH & WELLBEING

- Annual health camps are conducted to ensure the health condition of employees and facilitate early detection and prevention of non-communicable diseases.
- We prioritise the health and well-being of our employees by providing comprehensive insurance coverage, including critical illness coverage, 24-hour accident cover.
- Employees may also opt to extend their cover to their families or enhance the cover under the concessionary scheme negotiated by the Company.
- The company focuses on continuously enhancing the by continuous review of health and safety standards.
- The safety committee has been specially formulated for the purpose of health and safety measures for its factory staff and continuously improves their working conditions.
- The Company generates indirect employment for more than 1,000 individuals throughout the supply chain, logistics and distributor network.

4 QUALITY EDUCATION

QUALITY EDUCATION

- We emphasise employee training and development to ensure a skilled workforce.
- Additionally, the company trains and develops the plumber and electrician communities, contributing to the overall improvement of educational opportunities in those fields.
- We have conducted 3-month soft skill development programme for training and internship, covering students

5 GENDER EQUALITY

GENDER EQUALITY

- We actively maintain healthy gender diversity throughout all operating locations, including the head office and factories.
- The company maintains a robust grievance handling process, fostering gender equality and inclusivity.
- Female employees receive equitable pay scales and benefits based on job roles, performance and tenure of service.
- The Company commemorates International Women's Day in celebration of the role of women in modern society by implementing programmes on topics such as financial independence and women's health.

6 CLEAN WATER AND SANITATION

CLEAN WATER & SANITATION

- We are involved in the provision of safe drinking water. The Company offers high-quality water management products that enable consumers to reduce waste, store and conserve water, and dispose of it responsibly.
- This is the connective of our operation, and the company is a major distributor to the state's efforts in achieving this goal

7 AFFORDABLE AND CLEAN ENERGY

AFFORDABLE AND CLEAN ENERGY

- The Company has invested Rs. 102 Mn in Solar power generation capacity.

Governance of Sustainability

DECENT WORK AND ECONOMIC GROWTH

- Despite the challenges presented by a volatile, uncertain, complex, and ambiguous (VUCA) environment, Central Industries PLC has achieved growth. The company focuses on creating decent work opportunities and contributing to economic growth.
- We granted career development opportunities through promotions to 29 employees
- Provided employee remuneration Rs. 374 Mn
- Offered employees decent job opportunities throughout the 9 provinces in the country
- Provided indirect employment opportunities for more than 1,000 employees across the supply chain, logistics and distribution network.

INDUSTRY INNOVATION & INFRASTRUCTURE

- Our products directly contribute to infrastructure development, and we partner with reputed organisations in their endeavours.
- We continuously evaluate our products and processes in a culture of innovation to make these more efficient and effective for reporting purposes

REDUCED INEQUALITIES

- We create and distribute economic value for our stakeholders in the following manner
- To Employees as remuneration and welfare Rs. 374 Mn
- To the Government as income taxation Rs. 222 Mn
- To Lenders of capital as interest Rs. 20.54 Mn
- As Retained profits Rs. 547 Mn
- Total Economic value distribution Rs. 1,252 Mn
- Offered reasonable product pricing for our customers

SUSTAINABLE CITIES & COMMUNITIES

- We minimise waste generation by implementing recycling and waste reduction initiatives. The company is committed to reusing and recycling materials.
- The primary focus of the company's waste management approach is to reduce overall waste generation and ensure responsible disposal of unusable waste.
- The company has established guidelines for the proper disposal of hazardous and electronic waste, collaborating with specialised third-party recyclers for this purpose

RESPONSIBLE CONSUMPTION AND PRODUCTION

- The Company's main production is PVC and PE pipes, and it is the major input for the construction of sustainable houses and commercial buildings.

CLIMATE ACTION

- The Company demonstrates its commitment to climate action through tree planting initiatives at its factory premises in Elhena. The company sets aside a large area for tree planting and continuously develops this area to contribute to environmental sustainability.

LIFE BELOW WATER

- We ensure that our operations do not discharge effluents or pollute the natural streams and waterways in the area

LIFE ON LAND

- Our manufacturing facilities are designed to maximise natural tree cover, thereby protecting biodiversity
- We also ensure that all waste generation, which cannot be recycled in-house, is disposed of responsibly to professional recyclers.

PEACE JUSTICE AND STRONG INSTITUTIONS

- The Company's Board of Directors and executive leadership ensure accountability and ethical conduct among employees and the management. Corporate governance procedures and prudent risk management frameworks guide us to ensure that the company operates within regulatory limits and internal controls.

PARTNERSHIPS FOR THE GOALS

- We regularly partner with institutions such as the Sri Lanka Standards Institution, the National Water Supply and Drainage Board, the Vocational Training Authority, the Ministry of Industries and several non-governmental organisations and community-based organisations in the furtherance of all SGDs.

GENERAL REQUIREMENTS FOR DISCLOSURE OF SUSTAINABILITY-RELATED FINANCIAL INFORMATION

MANAGING SUSTAINABILITY AND CLIMATE CHANGE-RELATED RISKS AND OPPORTUNITIES

CIPLC commenced adoption of the Sri Lanka Sustainability Disclosure Standards (SLFRS S1 and S2) in the current financial year, in order to comply with Colombo Stock Exchange (CSE) regulations. By 2025, the first 100 listed entities on the main board are expected to mandatorily comply with the new sustainability standards. By 2026, this requirement will be extended to all listed entities on the main board of the CSE. CIPLC has proactively commenced early adoption in order to meet compliance requirements.

GOVERNANCE

The CIPLC Board has accepted responsibility for oversight of sustainability and climate-related risks and opportunities. CIPLC has a formal, Board-approved ESG policy to guide the Company. The Director / CEO is tasked with the responsibility of overseeing the development and implementation of our climate and sustainability strategy. We have also established a Sustainability Committee to oversee the development and implementation of our sustainability and climate strategy, and established a CSR Committee comprising the Director, CEO, Marketing Manager, Head of Finance and Head of Human Resources. Identified risks and opportunities pertaining to sustainability and climate change are monitored against targets and KPIs as a component of overall management and not as a separate function.

All risks and opportunities are reported to the Board annually by the Risk Committee. A monthly environmental compliance report is also submitted to the Board. Sustainability and climate-related risks are being integrated into our existing enterprise risk management framework, and we are in the process of identifying and assessing the potential financial impacts of climate change on our business. We are developing mitigation and adaptation strategies to address these risks. Relevant targets are overseen by the management as well as the Board.

Assessment and identification of the availability of skills to address sustainability and climate-related risks and opportunities is mainly done through the annual performance review. The reviews are linked to KPIs, including compliance with environmental regulations, labour laws and all other applicable regulations. Any relevant skill gaps are identified through this process. Skill gaps, if any, are also identified in the strategy development process.

All business strategies and investments are approved by the Board. In its decision making the Board takes into account opportunity costs. All purchases of machinery, development of new products and new business activities are reviewed against sustainability criteria, including environmental impacts and regulatory compliance. The Company has continued to invest in higher-cost raw materials to ensure the environmental and health and safety of consumers.

RISK MANAGEMENT

PROCESSES AND POLICIES USED TO IDENTIFY, ASSESS, PRIORITISE AND MONITOR SUSTAINABILITY AND CLIMATE-RELATED RISKS

There have been no changes to the processes used by the company in risk assessment in the current financial year, compared to the previous reporting period. CIPLC does not prioritise sustainability and climate-related risks relative to other types of risks, as all risks are treated the same unless an elevated risk is identified. We use scenario analysis to identify impacts on finances. The risk impact on financials is estimated through the Sales forecast Risk management meeting conducted involving section heads.

INPUTS FOR RISK ASSESSMENT

- Primarily sales data by each product category
- Monthly rainfall data
- Construction industry movement
- Estimated demand by product category

DATA SOURCES

- Sales reports
- Procurement reports
- Dealer and distributor feedback
- Monthly performance review meeting

STRATEGIC PLANNING AND TIME HORIZON

The link between strategic planning and time horizons is given below:

1. Short Term (0-3 years) – Focuses on immediate operational efficiencies, compliance with existing regulations and investment in solar power
2. Medium Term (3-7 years) – Addresses gradual environmental and economic shifts by developing new products and new markets
3. Long Term (7+ years) – Effect a sustainability transformation for full carbon neutrality and environmentally friendly and low-carbon products.

SUSTAINABILITY-RELATED RISKS AND OPPORTUNITIES

CIPLC did not experience any significant financial impacts due to sustainability-related risks or opportunities during the year under review. Adverse impacts from risks were mitigated due to the Company's proactive response strategies. The Company has also identified potential opportunities stemming from sustainability aspects and is developing strategies to capitalise on these.

General Requirements for Disclosure of Sustainability-related Financial Information

(29) Sustainability Risks	Description of risk	(32a) Current effects on business model and value chain	(32a) Anticipated effects on business model and value chain	(33a) Response to manage the risk
Environmental regulatory compliance	• Loss of operating licence in the event of repeated regulatory violations • Cost of fines • Loss of brand reputation	None	Low impact due to existing compliance structures and processes	CIPLC maintains continuous, stringent oversight of regulatory compliance
Health and safety risks	• Health and safety risks to employees from manufacturing PVC • Health and safety risks to consumers from long-term use of PVC	Low	Over the mid to long term, we anticipate a rising impact on revenue and profitability unless this threat is addressed	CIPLC is addressing this risk by: • Obtaining safer and better-quality raw materials. May result in a trade-off of short-term profitability • Implementing stringent occupational safety practices at our manufacturing facilities • Educating the industry on the correct use, disposal and health hazards of low-quality PVC products • Promoting HDPE pipes for the local market, which poses no health and safety risk
Waste management	• Environmental impacts due to incorrect waste disposal • Fines due to environmental damages	Low	We do not see this risk increasing over time due to established compliance processes	• We are continually enhancing production efficiencies to reduce waste • Reuse and recycle • Educate the industry on the correct disposal of products
Durability	• More durable products result in lower landfill and environmental impacts	Low	This is a potential high risk over the long term due to accumulation	• Blending with Biodegradable polymer materials • Educate customers on proper waste removal of non-useable PVC items
Energy costs	• Rising energy costs will increase production costs	Medium	This is a potential high threat even in the short term	• We have commenced shifting to solar energy. Please refer to the Natural Capital and Manufactured Capital chapters for details

Sustainability-related opportunities	Description of risk	Current effects on business model and value chain	Anticipated effects on business model and value chain	Response to manage the opportunity
Production of HDPE pipes	HDPE pipes are more expensive than PVC pipes, but do not have health risks. As consumers become more educated, demand for PVC will reduce, and HDPE will grow	None	High impact on revenue and profitability as well as on manufacturing systems to produce HDPE pipes	Sourcing low-cost, quality materials to improve profitability
Environmentally friendly products	As consumers become more educated, demand for PVC will reduce and demand for environmentally friendly/carbon-neutral products will grow	None	High impact on revenue and profitability as well as on manufacturing systems	• We are setting SMART targets for GHG emissions reduction • We are enhancing our data collection and reporting capabilities

CLIMATE-RELATED RISKS AND OPPORTUNITIES

CIPLC faces two primary threats due to climate change that can have significant impacts on its financial performance over the short, medium and long term.

1. Demand fluctuations due to extreme weather: Demand for pipes and other water management products declines during rainy/wet seasons, while demand increases during dry seasons. Therefore, the rising climate unpredictability increases CIPLC's revenue unpredictability and may, in the future, impact cash flows and profitability, as CIPLC has no control over the weather.
2. Supply chain disruptions: CIPLC sources its manufacturing raw materials internationally. Extreme weather can increase the prices of raw materials and also disrupt regular supplies. At the least, supply chain changes will increase our production costs, but in a worst case scenario, the Company may experience losses if manufacturing is interrupted due to a lack of raw materials.

CLIMATE STRATEGY

We are developing a climate strategy to address risks and identify potential opportunities. This strategy will include:

- Setting greenhouse gas (GHG) emissions reduction targets.
- Assessing the vulnerability of our operations to physical risks.
- Exploring opportunities for innovation and development of low-carbon products.
- Mitigating financial impacts from climate change by introducing other range of PVC products.

Climate-related risks	Description of risk	Current effects on business model and value chain	Anticipated effects on business model and value chain	Response to manage the risk
Physical risks				
Market demand volatility	Construction industry demand falls during wet/rainy periods while demand increases during dry spells.	Medium	We anticipate a rising impact on our finances over the short to long term as extreme weather patterns disrupt construction activities	Promote indoor use products during wet-weather spells (Cable trunking, conduit)
Supply chain disruptions	Unavailability and price increase of raw materials	Medium	High	Build stock during dry seasons
Damage/ destruction to property	Potential damage to plant and property	Low	As CIPLC factories and offices are not located in landslide and flood prone areas, this is not a significant risk	Our raw materials and production are covered with adequate insurance

General Requirements for Disclosure of Sustainability-related Financial Information

Climate-related risks	Description of risk	Current effects on business model and value chain	Anticipated effects on business model and value chain	Response to manage the risk
Transitional risks				
New regulations	Regulatory changes to reduce Greenhouse gas emissions could: • Impact the cost of raw materials • Increase energy costs • Change consumer preferences.	Medium	High	Improving waste management practices Investment in solar power

FINANCIAL IMPACTS OF SUSTAINABILITY AND CLIMATE CHANGE RISKS, AND OPPORTUNITIES

	Current financial effects for the reporting period	Anticipated financial effects
Sustainability risks	Current impacts on financial position, financial performance and cash flows have been low.	The Company's ongoing responses are expected to mitigate mid to long-term impact of sustainability risks on financial performance.
Sustainability opportunities	Current impacts on financial position, financial performance and cash flows are low.	The Company's ongoing plans to capture sustainability-related opportunities will improve financial performance over the mid to long term.
Climate-related risks	Current impacts on financial position, financial performance and cash flows from climate risks are low.	Financial impacts are expected to increase as extreme weather conditions increase.

FINANCIAL IMPACT 2024/25

The financial impact of changes in weather patterns on sales for the financial year 2024/25 is tabulated below. We experienced a decline in sales during heavy rainfall and an increase in sales during dry seasons of the year.

Season	Period	Sales improve/reduced by
Heavy rainfall	May to July	-10%
Semi dry season	August to October	15%
Heavy rainfall	November	-50%
Dry Season	December to March	60%

METRICS AND TARGETS

EMISSION MATRIX FOR 2024/25

We are currently in the process of establishing a baseline for our GHG emissions across our operations and value chain. We will be setting specific, measurable, achievable, relevant, and time-bound (SMART) targets for reducing our emissions in the coming year.

We have continued to obtain a GHG emission report from Apex Environmental Laboratory (Pvt) Ltd for the year 2024/25. Our shift to solar energy has reduced GHG emissions by 473.6 Tco2 during the year, and an additional GHG reduction of 5% Tco2 is expected for the next financial year in line with production enhancement.

- Scope 01: Consumption of Diesel, LPG Gas, Fire Extinguisher
- Scope 02: Electricity usage from the national grid, Electricity transmission and distribution (T and D) loss
- Scope 03: Municipal water supply, municipal waste, organic garden waste

EMISSION MATRIX

Emissions	2024/25	2023/24
Direct (Scope 1) GHG Emissions	166.3	125
Indirect (Scope 2) GHG Emissions	2741.1	1,937.2
Other indirect (Scope 3) Emissions	618.8	490.5
Total GHG Emissions	3526.2	2,551.2
Less:		
Solar Power GHG Potential Reduction	473.6	314.6
Net GHG Emissions	3052.6	2,236.6

In addition to the GHG report, we have also commenced adopting the GRI Standards to quantify sustainability impacts and to describe our management approach. Please refer to the Natural Capital chapter for environmental disclosures and the Financial Capital chapter for financial disclosures.

(29) Sustainability Risks	Metrics that we are monitoring	Target	Progress during the year
Environmental regulatory compliance	• Number of violations • Number and value of fines	• Zero non-compliances	No non-compliances reported
Health and safety risks	• OHS standards	No major injuries	No major changes
Waste management	• Number of violations • Number and value of fines • Number of customer complaints • Number of community complaints	Zero non-compliances	No non-compliances
Energy costs	• Monthly energy consumption Monthly energy costs by type of energy and by location	Reduce	Energy costs reduced by 3%
Sustainability-related opportunities	**Metrics that we are monitoring**	**Target**	
Production of HDPE pipes	• Market demand		
Environmentally friendly products	• Market demand		

Climate-related risks	Metrics that we are monitoring	Target	Progress during the year
Physical risks			
Market demand volatility	Monthly sales	5%	6%
Supply chain disruptions	Time to delivery	No Delay	No Delay
Cost of raw materials	Zero	1	1
Damage/destruction to property	Maintenance reports	Zero	Non
Transitional risks			
New regulations	Regulatory changes	Fully compliant	No violations

SOURCES OF OUR COMPETITIVENESS

FINANCIAL CAPITAL

As CIPLC caters exclusively to the construction sector, the revival of the construction sector, albeit below anticipated levels, immediately generated positive financial results in the 2024/25 fiscal year. With the gradual rebound of construction activities, the market also experienced increased competition, particularly from lower-quality, lower-priced substitutes. However, CIPLC was well-positioned to capitalise on emerging opportunities by leveraging ongoing efforts from the previous year to expand its nationwide presence. Strategic marketing, promotional activities, and brand-building initiatives enabled the Company to defend its market share and gain mind share despite rising competition. The results of this far-sighted growth strategy are evident in the financial statements for 2024/25, which show the Company outpacing industry growth. We are confident that the outcomes of these market development activities will continue to accrue over the coming years.

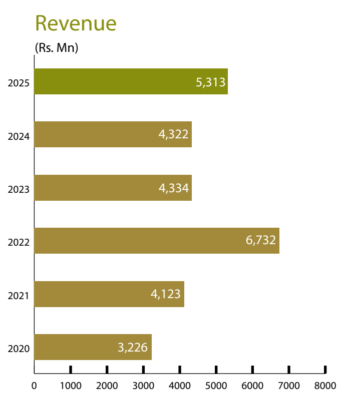
Although the CIPLC's financial performance has still not recovered to immediate pre-financial crisis levels, consistently prudent financial management has enabled CIPLC to sustain shareholder value and deliver healthy returns to all key stakeholders through business expansion. The Company's Net Assets Per Share improved by 10% year-on-year, reaching Rs. 181 from Rs. 164, indicating effective shareholder value creation. In tandem, the Company's share price increased by 32%, reflecting market confidence in CIPLC's growth potential amid ongoing economic recovery and the resumption of construction activities.

PERFORMANCE SUMMARY

KPI	Definition	Company Performance	Output	Our response
Asset Quality Current Ratio	The current ratio indicates the amount of liquid assets available against the amount of current liabilities of the Company.	The current ratio has improved year on year due to the settlement of current liabilities	Current ratio 2024/25 – 8.15:1 2023/24 - 6.5:1	CIPLC planned to start new business line and will start 2025/26 budgeted year as a long term investment.
Management Efficiency Gross Profit Ratio	Indicates profitability in operations	Company Gross Profit Ratio decreased by 17% year on year due to rising cost of sales, mainly as a result of lower cost, low quality competition	Gross profit ratio 2024/25 – 19.63% 2023/24 - 23.63%	Set target to improve higher contribution generating product demand and optimising the cost of sales.
Earnings Return on Equity (ROE)	Indicates the Company's profitability from the shareholder's point of view.	The ROE declined by 27%	Return equity 2024/25 – 12.5% 2023/24 - 18.01%	CIPLC budgeted PAT of Rs. 647 Mn and set budgeted ROE targets at 20%.

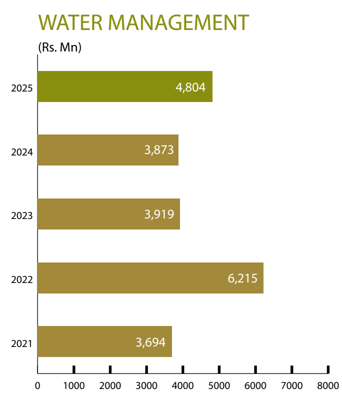
REVENUE

During the year under review, CIPLC's total revenue reached Rs. 5.3 Bn, reflecting a robust 23% growth compared to the previous year. This increase highlights the positive impact of sector recovery and successful market positioning. The Company's primary revenue driver remained its core water management products division, which contributed approximately 90% of total revenue, Rs. 4.8 Bn, underscoring the sector's significance and the Company's core expertise.



WATER MANAGEMENT SEGMENT

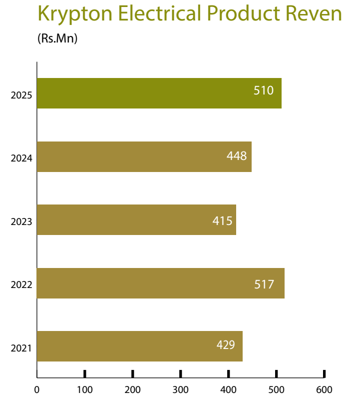
While the water management products sector experienced strong revenue growth, its profit before Interest and Tax decreased by 21%. This decline was mainly due to lingering after-effects of the economic crisis, as well as rising low-cost competition, which affected margins across the sector.



Financial Capital

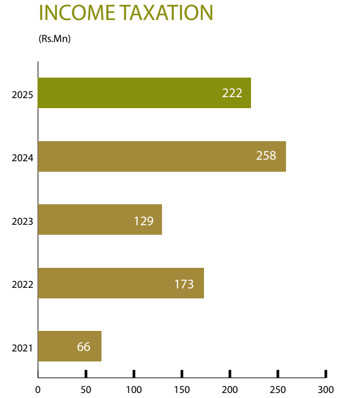
KRYPTON ELECTRIC

The Krypton Electric division, contributing 10% of total revenue at Rs. 510 Mn, demonstrated reasonable growth over the previous year, indicating its strong brand position in the market.



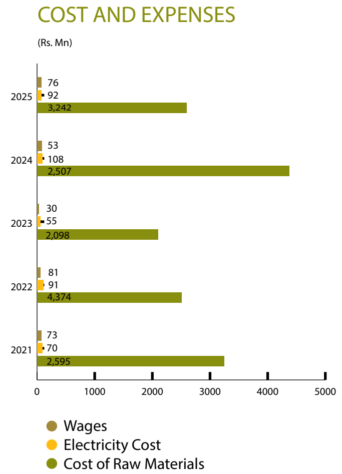
TAXATION

In the 2024/25 fiscal year, income tax expenses decreased to Rs. 222 Mn from Rs. 258 Mn reported in the previous year due to the lower profitability.



COST AND EXPENSES

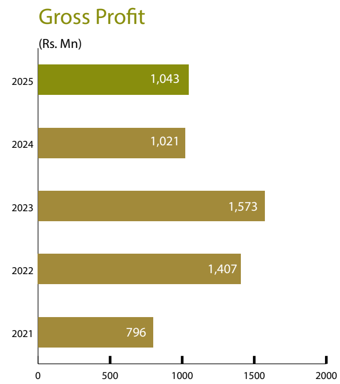
As economic conditions continued to evolve, we prioritised cost controls in order to safeguard against any further unforeseen shocks. One of the key challenges faced during the year was the sharp increase in utilities and raw material costs, which led to a significant rise in the cost of sales up to Rs. 4.3 Bn, representing an Rs. 970 Mn increase from the prior year. These rising input costs were primarily due to the prices of raw materials.



Moreover, distribution costs and administrative expenses grew to Rs. 396 Mn, an increase of Rs. 81 Mn. This rise is attributable to increased promotional activities, expanded distribution efforts, and inflation-driven expenses. Despite this, CIPLC's effectiveness in managing its costs contributed directly towards sustained growth in profitability.

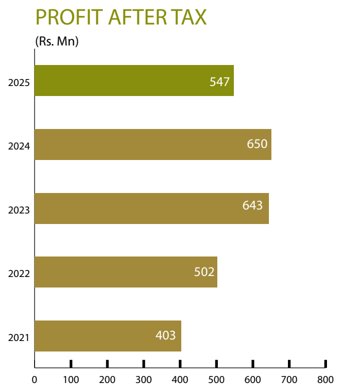
GROSS PROFIT

The Company achieved a gross profit of Rs. 1,043 Mn for the year, which is a marginal 2% growth compared to the Rs. 1,021 Mn of 2023/24. Although the growth is marginal, it indicates the gradual recovery from the 35% decline experienced in 2023/24 against the gross profit of Rs 1,573 Mn achieved in 2022/23.



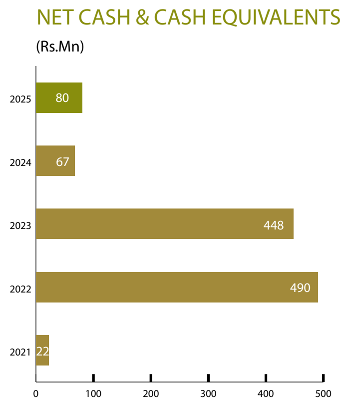
PROFIT AFTER TAX

On the bottom line recorded Rs. 547 Mn was recorded, which is a 16% decrease compared to the previous year. This decline can be attributed to The major reason is due to the reversal of Rs. 118 Mn bad debts provision for water board dues in the last year and reduction in interest income by Rs. 67.97 Mn compared with the previous year.



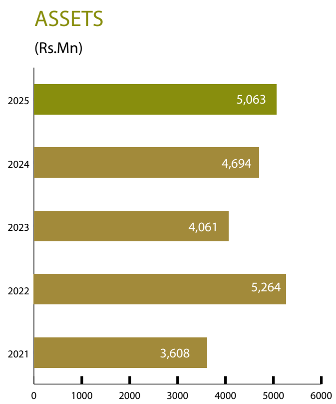
NET CASH & CASH EQUIVALENTS

The company maintained a healthy liquidity position, with net cash and cash equivalents totalling Rs. 80 Mn, which is an increase of Rs. 13 Mn. Having readily available funds provides CIPLC with the flexibility to seize new opportunities and manage operational expenses effectively.



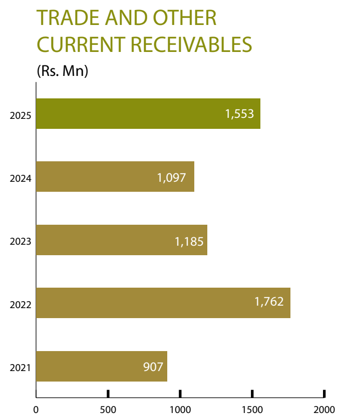
ASSETS

As of March 31, 2025, CIPLC and its subsidiary collectively accounted for a total asset value of Rs. 5 Bn, marking an increase of Rs. 370 Mn or an 8% growth over the previous year. This growth signifies ongoing investments in property, equipment, and working capital to support expansion and operational needs. The significant asset growth also reflects the Company's confidence in its future growth prospects.



TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables stood at Rs. 1,553 Mn by year end, representing an increase of Rs. 456 Mn from Rs. 1,097 Mn in the previous year. This rise reflects the growth in sales volumes during the year. The Company maintains continuous oversight of its trade transactions to ensure timely collections to manage its cash flows.

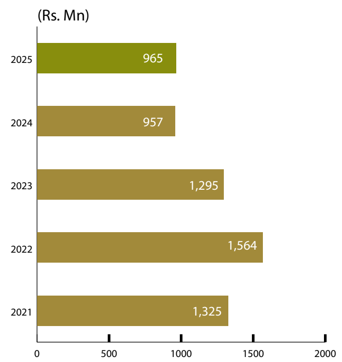


Financial Capital

NET INVENTORY

The Company's inventory holdings increased by Rs 7 Mn as the Company geared for growth. The net inventory value was Rs. 965 Mn as at the end of the current year, from Rs. 957 Mn reported in 2023/24.

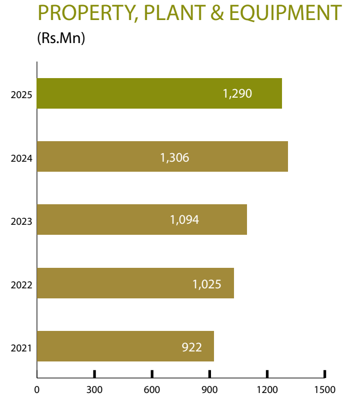
NET INVENTORY



PROPERTY, PLANT & EQUIPMENT

As of 31st March 2025, the Company had net property, plant, and equipment amounting to Rs. 1,290 Mn, which is a decrease of Rs. 16 Mn from Rs. 1,306 Mn reported in 2023/24. The main investments made during this period included Rs. 14 Mn spent on moulds and Rs. 18.1 Mn on factory buildings.

PROPERTY, PLANT & EQUIPMENT

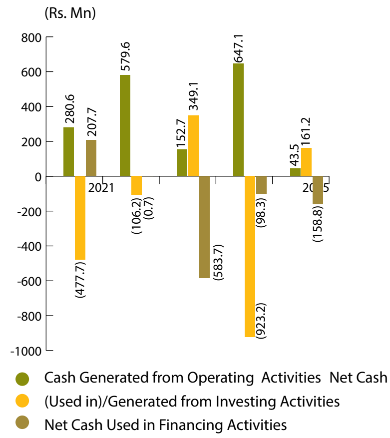


SOLAR POWER PROJECTS

In order to contain manufacturing costs and address energy risks, CIPLC has already installed a total of 750 kilowatts of solar power generation capacity. The total investment in solar power generation amounts to Rs. 103 Mn. Our adoption of solar power also reflects our commitment to reducing our carbon footprint and decreasing our dependence on non-renewable sources of energy.

CASH FLOW & LIQUIDITY POSITION

CASH FLOW & LIQUIDITY POSITION



As of 31st March 2025, the Company's cash flow statement indicated cash and cash equivalents totalling Rs. 79.7 Mn. This represents a positive cash flow of Rs. 44 Mn derived from operating activities, which is a significant decrease of Rs. 604 Mn compared to 2023/24. This decline was largely due to a reduction in debtor collections. Net cash generated from operating activities during the year came to Rs. 44 Mn, and net cash inflows from investing activities were Rs. 161 Mn, while net cash used in financing activities was Rs. 159 Mn.

PERFORMANCE OF ORDINARY SHARES

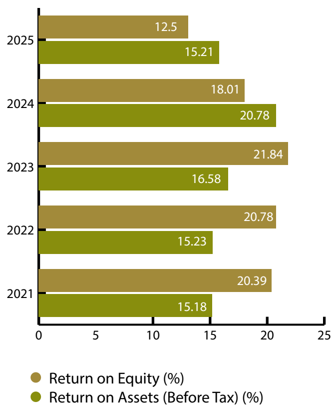
The market price of an ordinary share increased by 32% to Rs 146 by 31st March 2025, rising from Rs. 111 per share at the end of 31st March 2024. However, share turnover decreased by 35% compared to the previous financial year. The table below outlines the performance of CIPLC's share price.

Share Price	2024/25	2023/24	2022/23	2021/22
Highest (Rs.)	173.50	114.50	107.00	269.50
Lowest (Rs.)	92.00	75.00	49.10	90.00
Closing (Rs.)	146.50	111.00	84.30	98.10
Share Volume	3,642,316	8,926,858	10,764,113	18,952,875
Turnover (Rs.)	575,833,314	882,987,418	814,043,449	2,975,425,133

ROA AND ROE

For the year ending 31st March 2025, the Return on Assets (ROA) was 15.21%, down from 20.76% in 2023/24, driven by the 15% decrease in profit before taxes. The Return on Equity (ROE) for the year ending 31st March 2025 stood at 12.5%, from 18.01% one year ago.

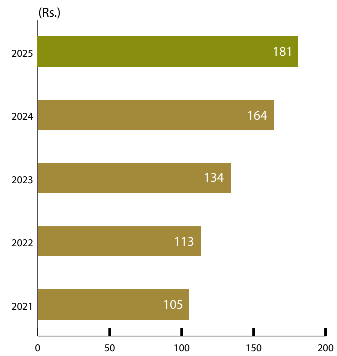
ROA AND ROE



NET ASSETS PER SHARE

The Company's Net Assets Per Share increased by 10% compared to the previous year, reaching Rs. 181.

NET ASSETS PER SHARE



MANUFACTURED CAPITAL

Our manufactured asset base expanded during the current financial year, with the expansion of our solar energy infrastructure and the completion of a road network at the Yakkala premises. Capacity utilisation of existing manufacturing systems also continued to increase, as we ramped up production in response to the gradual recovery in demand. In order to maintain optimum efficiencies and ensure uninterrupted operations, we continued to invest in regular maintenance and refurbishments of all machinery.

CHANGES TO OUR MANUFACTURED CAPITAL BASE

Asset type	Value Rs. (000) 2024/25	Value Rs. (000) 2023/24	% change
Lands, Infrastructure & Buildings	992,975	978,999	0.30%
Plant & Machinery	276,659	312,216	-11%
Motor Vehicles	23	92	-75%
Furniture & Fittings and Office Equipment	1,661	1,813	-8%
Computer Equipment	12,290	6,268	96%
Tools	6,629	6,738	-2%
Stocks and inventory	965,095	957,669	1%

CAPITAL EXPENDITURE

The major capital expenditure for the year under review:

- We undertook a large-scale refurbishment at a cost of Rs. 10 Mn at the Wattala factory in 2024, as most of the buildings are more than 30 years old. This included complete renovation of washrooms, repainting the factory, and reinstalling drinking water lines, among other improvements. A lighting study was also undertaken, and the entire factory was converted to LED lighting. Thereby, both factories are now fully illuminated by LED lighting.
- Another 350 kW solar PV power generation system was installed in a second building at the Yakkala factory. Thereby, total solar energy generation capacity at the Yakkala factory reached 750 kW by the end of the last year under review.
- New moulds were procured to manufacture a range of electrical cable management products to SLS standards.
- Construction work on a new building at the Yakkala premises was completed during the year. This was a Rs. 50 Mn project which comprised 9,600 sqft. of warehouse space and 19,200 sq.ft of production floor space.

EXPANSION OF SOLAR ENERGY INFRASTRUCTURE

In accordance with the company's commitment to reducing its carbon footprint, during this year we invested Rs.58.3 million on the 350kW second phase of the solar energy generation capacity at our Yakkala factory.

IT INFRASTRUCTURE UPGRADE

Our IT infrastructure was upgraded during the year by migrating all operational database, application and mail-servers to professional vendor provided cloud services from on-premise servers used previously. This transition provides enhanced security and reliability and lower overall maintenance costs and long-term sustainability of the IT infrastructure.

MACHINERY AND EQUIPMENT MAINTENANCE

All machinery and Equipment are subject to routine maintenance/ services on a daily and monthly basis and upkeep to ensure optimal functionality and improve the life time of the assets. This includes part replacement, breakdown repairs on time and performing routine inspections. CIPLC incurred Rs. 37.5 Mn on machinery and equipment maintenance for the financial year 2024/25.

FIRE EXTINGUISHERS MAINTENANCE

All fire extinguishers are inspected monthly and serviced and refilled at least annually under a maintenance agreement with a professional fire fighting equipment service provider.

PLANS FOR THE FUTURE

We plan to continue expanding our solar PV power generation capacity by installing another 750 kWs solar PV power generation system at the Wattala factory to further offset our energy demands of around 3.5 million kWh per annum. Currently, we have the capacity to generate up to 1 million kWh of electricity per annum. We also plan to increase capital investments for efficiency gains and product quality improvement at both factories. Our manufacturing base will be upgraded in line with strategic growth targets, as well as demand trends over the medium to long term.

HUMAN CAPITAL

As a manufacturer, CIPLC's human capital encapsulates the essential technical skills required in manufacturing our products. Therefore, the quality of our workforce is an integral component of the Company's success. In the 2024/25 financial year, CIPLC made several key updates to its HR policies to better align with the changing needs of our workforce, enhance employee satisfaction, and drive overall organisational efficiency. We also continued to enhance the efficiency of HR administration by leveraging our existing Human Resource Information System (HRIS). The HRIS has significantly improved data accuracy, reduced manual administrative tasks, and provided employees with enhanced self-service capabilities while facilitating better decision-making through real-time data.

IMPROVEMENTS TO HR MANAGEMENT

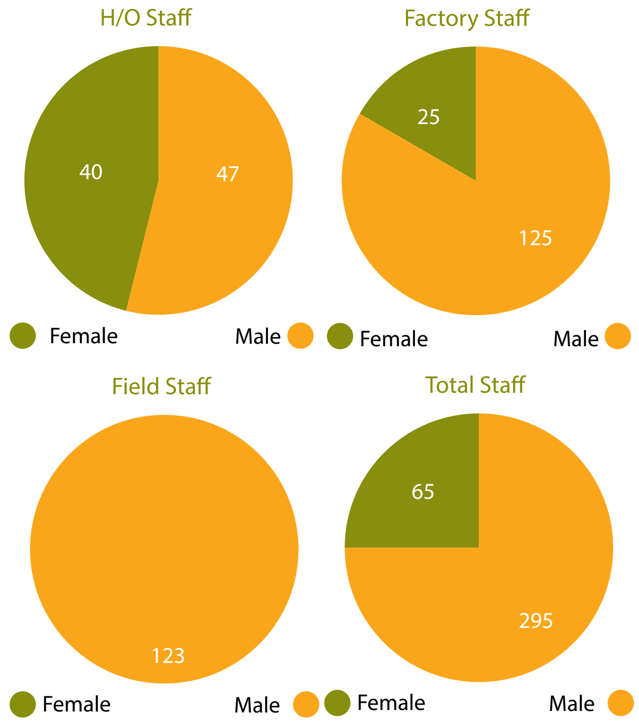
- **Leave Policy Updates:** Leave policy was adjusted to ensure greater transparency and consistency, particularly regarding leave entitlements and approvals across all departments.
- **Performance Management System:** The performance appraisal process was enhanced by incorporating a KPI-driven scorecard approach, allowing for more objective, data-driven assessments of executives and managers.
- **Performance Recognition:** To celebrate employee achievements, we continued to introduce performance recognition initiatives. This year, we expanded the range of awards for outstanding performance and offered performance-based incentives, particularly for our field sales force. We also provided opportunities for promotions, further motivating employees to excel in their roles and contribute to the overall success of the company.
- **Employee Wellbeing Programmes:** For physical health, we improved our health insurance coverage with enhanced limits, including dental, vision, non-paid hospitalisation plans and OPD plans, ensuring employees have better access to healthcare when needed. We educated employees about critical health issues such as cancer, particularly among women, and diabetes, encouraging healthier lifestyle choices. For social well-being, we continued to organise a variety of social events, including team-building activities, family gatherings, and celebratory events, and our employees actively participated in community service and corporate social responsibility (CSR) activities.

EMPLOYEE PROFILE

GRI 2-7 EMPLOYEES

TOTAL NUMBER OF EMPLOYEES AND A BREAKDOWN BY GENDER AND BY REGION

During the current financial year, CIPLC had a total workforce of 360 out of which 65 were females and 295 were males. While 45% of employees at our head office were women, our field staff comprised entirely of males, with no females taking up field work, which is the reason for the overall 81% male representation in the Company.



NON-GUARANTEED HOURS EMPLOYEES, AND A BREAKDOWN BY GENDER AND BY REGION

Non-guaranteed hours employees are trainees and apprentices working at CIPLC. During the current financial year, we accommodated 10 persons under this category.

	Male	Female	Total
Yakkala	1	-	1
Wattala	3	5	8
Nawala	1	-	1
Total	5	5	10

Human Capital

GRI 2-8 WORKERS WHO ARE NOT EMPLOYEES

CIPLC employs 112 factory workers through an external human resources supplier under a contractual agreement. The wages of these workers are paid by the supplier. In addition, security and janitorial staff are also employed through a third-party supplier and are paid by the supplier.

OUTSOURCED FACTORY EMPLOYEES

Region	Factory Wattala	Factory Yakkala
Male	63	15
Female	29	5
Total	92	20

Security and janitorial personnel

	Security			
Region/ Location	Head office - Nawala	Factory - Wattala	Factory Yakkala	Total
Male	2	4	2	8
Female		1		1
Total	2	5	2	9

	Janitorial			
Region/ Location	Head office - Nawala	Factory - Wattala	Factory Yakkala	Total
Male	1	2		3
Female	2	3	2	7
Total	3	5	2	10

GRI 2-21 ANNUAL TOTAL COMPENSATION RATIO

The ratio of the annual total compensation for the organisation's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual)

Ratio of the percentage increase in annual total compensation for the organisation's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual)

GRI 2-30 COLLECTIVE BARGAINING AGREEMENTS

The CIPLC workforce is represented by the Inter-Company Employees' Union, which currently has 7 active members. This represents a small percentage of our total employee base, as the union is inactive for collective bargaining purposes. Therefore, Working conditions are determined by the Factory Ordinance and Shop and Office Act and wages of workers are determined by the Wages Boards, as well as market rates. We ensure that all employees are provided with fair and competitive terms of employment. We continuously strive to maintain an inclusive and supportive work environment that addresses the needs and well-being of all employees, regardless of union membership.

In 2024-25, CI was in line with the Factories Ordinance and Wages Board Ordinances with regard to factory working conditions, and the Shop and Office Act for other employees. The Company also complies with all other applicable labour regulations such as national occupational health and safety regulations, the Maternity Ordinance, the Workmen's Compensation Act, and EPF and ETF regulations.

INDUSTRIAL HARMONY

There were no industrial disputes during the financial year 2024-25. CIPLC has a transparent grievance handling process, ensuring that any concerns raised by employees are addressed promptly and effectively.

EMPLOYMENT

GRI 3-3

POLICIES AND COMMITMENTS PERTAINING TO EMPLOYMENT

- **Environmental Responsibility Policy** – Focused on reducing waste and energy consumption through sustainable production methods.
- **Employee Health & Safety Policy** – Ensuring compliance with workplace safety regulations and regular training.
- **Diversity & Inclusion Policy** – Promoting equal opportunity and an inclusive workplace culture.

MANAGING THE IMPACTS

CIPLC contributes positively to the economy by generating employment, supporting local suppliers, and supporting infrastructure development through high-quality manufacturing. The Company positively impacts employees by offering stable jobs, training programmes, and career advancement opportunities.

In the financial year under review, CIPLC was not involved in any negative impacts through its activities or due to business relationships. The Company continually evaluates its business operations to identify potential risks and ensures that all suppliers adhere to ethical labour standards and governing laws.

However, as a manufacturing entity, CIPLC acknowledges potential negative impacts, such as environmental challenges from resource consumption and emissions, as well as workplace safety risks in factory operations. To mitigate these, CIPLC has implemented measures to enhance sustainability, enforce strict safety protocols, and ensure good labour practices across all business activities.

- Internal audits are conducted to ensure fair labour practices and ethical sourcing.
- Conduct regular audits and compliance reviews on labour.
  - Employee engagement surveys to gauge workplace satisfaction.
  - Monitoring of health and safety metrics, including workplace injury rates and training participation
  - Our objective is to achieve zero workplace accidents and improve employee retention rates. We are pleased to report that workplace injury rates have decreased by 7% year-on-year, indicating improved safety protocols.
  - CIPLC actively engages with employees, regulatory bodies, and service providers to ensure its mitigatory measures remain effective. Employee feedback has driven key workplace policy updates, while discussions with regulatory authorities have reinforced compliance standards.

EMPLOYEE GRIEVANCE RESOLUTION PROCESS

1	**The grievant brings the grievance to the attention of the immediate supervisor (Verbally or in writing)**
2	**The immediate supervisor is to resolve the grievance as soon as possible and keep informed all relevant parties if necessary.**
3	**If the immediate supervisor is not in a position to resolve the grievance satisfactorily, should inform the HOD to review and settle the grievance.**
4	**If the HOD is unable to settle the same, it should be taken to the attention of HRD to take necessary steps to settle the issue.**
5	**If the HOD or HRD is not in a position to resolve the grievance satisfactorily, the grievance should be informed to CEO for instructions and direction.**

EMPLOYEE FEEDBACK SYSTEMS

- **Employee Engagement Survey:** CIPLC conducts an annual employee engagement survey to measure employee satisfaction, engagement levels and overall organisational climate. Factors such as job satisfaction, communication effectiveness, leadership support and opportunities for growth and development are evaluated through the responses.
- **Training Needs Assessment Survey:** This survey obtains feedback regarding skill gaps, learning preferences and training priorities to tailor training programmes to address specific needs.
- **Exit Surveys:** Exit surveys are used to gather feedback on reasons for departure, satisfaction levels and suggestions for improvement.

EMPLOYEE WELFARE INITIATIVES

In addition to regularly monitoring employee satisfaction levels, CIPLC offers a range of employee benefits that are above and beyond statutory requirements in order to enhance employee satisfaction and retain employees through CIPLC's Welfare & Recreation Association. These measures include:

- Funeral Relief Scheme
- Welfare Loans
- Critical Illness & Accident Cover Insurance Policy (in addition to the Company-maintained policy)
- Festival Advances
- Opening savings accounts for newborn children of employees
- Distribute school books annually to children of employees.
- Staff engagement activities, i.e. annual get-together

GRI 401-1 NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

NUMBER AND RATE OF NEW EMPLOYEE HIRES BY AGE GROUP, GENDER AND REGION

	Male	Female
Number of new employees hired	76	24
Rate of new employee hires	76%	24%

	18-30 years	31-50 years	Above 50 years
Number of new employees hired	71	24	5
Rate of new employee hires	71%	24%	5%

Human Capital

	Yakkala	Wattala	Nawala
Number of new employees hired	7	11	82
Rate of new employee hires	7%	11%	82%

NUMBER AND RATE OF EMPLOYEE TURNOVER BY AGE GROUP, GENDER AND REGION

	Male	Female
Number of employee turnover	49	14
Rate of employee turnover	14.00%	4.00%

	18-30 years	31-50 years	Above 50 years
Number of employee turnover	36	27	0
Rate of employee turnover	10.29%	7.71%	

	Yakkala	Wattala	Nawala
Number of employee turnover	2	7	54
Rate of employee turnover	1%	2%	15%

TRAINING AND EDUCATION

GRI 3-3

POLICIES AND COMMITMENTS

CIPLC has dedicated policies to encourage a learning culture within the Company. These are:

- Learning & Development Policy: Ensuring employees have access to relevant training opportunities.
- Equal Access to Training Policy: Providing fair and unbiased training opportunities for all employees.
- Health, Safety, and Environmental (HSE) Training Policy: Ensuring mandatory safety and compliance training for employees in high-risk roles.

MANAGING THE IMPACTS

Training and development play a crucial role in long-term sustainability as a well-trained workforce enhances productivity, improves product quality, and strengthens customer satisfaction, positively impacting the economy. Additionally, training in health, safety, and environmental management ensures compliance with regulations and reduces workplace hazards. From a human rights perspective, access to training fosters employee empowerment and career growth, contributing to job satisfaction and retention.

Potential negative impacts include challenges in resource allocation, where training programmes require financial and time investments, and potential inequalities in access to development opportunities, and in some cases, third-party training providers may have inconsistencies in delivery quality. CIPLC monitors its training initiatives to prevent any negative impacts and ensures that all external trainers align with organisational standards and ethical guidelines. During the year under review, there were no negative impacts reported through our training events.

A more structured approach to training allocation ensures that all employees, including frontline workers, benefit from learning opportunities. Feedback from the primary stakeholders, who are employees, has highlighted the need for more practical, hands-on training rather than theoretical content, which has been taken into consideration in developing our training calendar. CIPLC engages with employees, managers, and external training providers to refine its training strategy.

TRAINING TARGET FOR 2024-25

Target	Actual performance
Increase minimum training hours per employee to 10 hours	9.98 hours

Continuous improvements in tracking mechanisms ensure that training aligns with business objectives and employee needs.

- Ensuring training opportunities are available to all employees regardless of department or position.
- Regular assessments to measure training effectiveness and prevent skill gaps.
- Monitoring training costs to ensure cost-efficiency without compromising quality.
- Feedback mechanisms for employees to report issues related to training accessibility or content relevance.
- Leadership development initiatives to prepare employees for future managerial roles.

Processes used to track the effectiveness of the actions:

- Post-training evaluations and employee feedback surveys.
- Performance assessments to gauge skill improvements.
- Regular review of training completion rates and participation metrics.

We have observed improved employee performance and higher engagement levels due to enhanced training initiatives.

DISCLOSURE 404-1 AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE

During the year, we launched new leadership programmes and skill enhancement workshops aimed specifically at equipping our field sales force with the tools and knowledge needed to overcome market challenges. These initiatives are designed to nurture future leaders within the company and continuously improve the skill sets of our workforce. Other types of training include:

Orientation: To introduce new employees to the company culture, policies, procedures and their roles and responsibilities.

- On-the-Job Training: Hands-on experience for employees to learn through real-world projects, job rotations and shadowing, to apply theoretical knowledge in practical settings, deepen their understanding of concepts, and gain proficiency through experiential learning.
- Mentorship and Coaching: Pairing employees with experienced mentors and coaches to foster personalised guidance and support in skill acquisition and professional development.
- Cross-Functional Collaboration: Opportunities to work on cross-functional projects or participate in interdepartmental initiatives to gain exposure to diverse perspectives, best practices, and alternative approaches.

KEY PERFORMANCE INDICATORS (KPIS)

The Company has established KPIs, aligned with organisational goals and objectives across all departments and teams, as benchmarks for measuring individual and team performance. The Company's executive leadership operates within these KPIs, guided by the principles of the balanced scorecard approach.

For non-executive team members, a comprehensive performance rating scale is employed that encompasses key competencies, goal attainment, and behavioural indicators. This scale provides a clear assessment of individual contributions, facilitating constructive feedback and development discussions to support professional growth and organisational success.

Human Capital

Employee category	Male (%)	Female (%)
Senior management	6	2
Middle management	14	0
Executives	32	7

OCCUPATIONAL SAFETY

POLICIES AND COMMITMENTS

- A Zero Accident Policy emphasising preventive safety measures.
- Compliance with national occupational health and safety regulations and international best practices.
- Mandatory safety training programmes for all employees and contractors.

MANAGING THE IMPACTS

Reduced injury rates lead to higher productivity and lower absenteeism, and a strong safety culture enhances employee morale and job satisfaction. Compliance with health and safety regulations minimises legal risks and improves the Company's reputation. CIPLC ensures strict adherence to workplace safety protocols to minimise risks. These include:

- Conducting a Safety Programme to empower supervisors and managers to drive safety improvements.
- Provision of PPEs
- Encouraging employee participation in safety committees and feedback sessions.
- Regular training for employees working with machinery
- Induction of new recruits to the OHS system
- Company handbooks provide clear information and guidelines for employees to understand their OHS rights and responsibilities

OHS objectives are established at relevant functions and levels to strengthen the overall management system and achieve continual improvement in OHS performance. The OHS objectives range from reducing injury frequency or noise levels, decreasing the number of hazards, reducing dust levels, increasing productivity and employee attendance and so on.

To eliminate, potential hazards that exist in manufacturing operations and material handling the company conducts regular assessments to mitigate any negative impacts from internal operations. These include:

- Implemented engineering controls such as machine guards and ergonomic workstations.
- Conducted periodic workplace safety audits to identify and address hazards proactively.
- Introduced personal protective equipment (PPE) requirements for high-risk areas.
- Actions to Address Actual Negative Impacts:
- Investigated and analysed work-related incidents to prevent recurrence.
- Strengthened emergency response protocols, including first aid training and fire drills.
- Enhanced contractor safety requirements to align with Company safety policies.

CIPLC tracks the effectiveness of its health and safety management system through workplace incident reporting and root cause analysis, as well as monthly safety performance reviews by the Health & Safety Committee.

OHS TARGETS FOR 2024/25

Target	Actual performance
5% reduction in recordable work-related injuries year-over-year	Injury rates have declined by 7%
Increasing safety training participation to 100% of employees and contractors.	Improved employee engagement in safety initiatives, as reflected in internal surveys

CIPLC conducts regular dialogues with employees to gather feedback on potential workplace hazards and also collaborates with external safety consultants and government bodies to align with best practices. The Company is reviewing safety policies with employee representatives to ensure alignment with workforce needs and is developing improved hazard identification and reporting mechanisms based on employee feedback.

DISCLOSURE 403-9 WORK-RELATED INJURIES

WORK-RELATED INJURIES FOR ALL EMPLOYEES

	Number	Rate
The number and rate of fatalities as a result of work-related injury;	Zero	Zero
The number and rate of high-consequence work-related injuries (excluding fatalities);	Zero	Zero
The number and rate of recordable work-related injuries;	11	

The main types of work-related injury;

moving equipment, manual handling, and slips/trips/falls.

WORK-RELATED INJURIES FOR ALL WORKERS WHO ARE NOT EMPLOYEES

	Number	Rate
The number and rate of fatalities as a result of work-related injury;	Zero	Zero
The number and rate of high-consequence work-related injuries (excluding fatalities);	Zero	Zero
The number and rate of recordable work-related injuries;	3	

The main types of work-related injury;

moving equipment, manual handling, and slips/trips/falls.

HAZARD IDENTIFICATION, RISK ASSESSMENT & INCIDENT INVESTIGATION

CIPLC has established a Safety Committee comprising a multi-disciplinary management team to identify potential hazards through regular inspections, employee feedback, and hazard reporting mechanisms. For the safety of employees, detailed information on the safe handling of chemical products, storage, and disposal procedures is displayed in relevant areas.

Hazards include physical hazards such as machinery, chemicals, and ergonomic risks, as well as psychosocial hazards like bullying and harassment. The preventive approach of early identification of potential hazards makes it possible to eliminate or control the risks. Once hazards are identified, risk assessments are conducted to evaluate the likelihood and severity of potential incidents by assessing factors such as exposure, consequences, and existing controls to determine the level of risk associated with each hazard. By quantifying risks, we prioritise control measures and allocate resources effectively to mitigate risks and safeguard job security.

In the unfortunate event of an incident or near-miss, investigations are conducted promptly to determine root causes and implement corrective actions. Our incident investigation process involves gathering facts, interviewing witnesses, analysing data and identifying underlying factors contributing to the incident. We regularly review and update our procedures based on lessons learned, industry best practices and regulatory requirements. CIPLC's safety management systems are continually reviewed and improved.

WORK-RELATED HAZARDS

During the reporting period, no hazards caused or contributed to any high-consequence work-related injuries. Work-related hazards that pose a risk of high-consequence injury have been identified as:

- **Physical hazards**: machinery, electrical systems, moving equipment, manual handling, and slips/trips/falls.
- **Chemical hazards**: Exposure to substances used in manufacturing processes (e.g., solvents, adhesives, and cleaning agents).
- **Ergonomic hazards**: Repetitive motions, improper workstation setup, and manual material handling.
- **Psychosocial hazards**: Workplace bullying, harassment

Hazards have been systematically identified through:

- Regular workplace inspections.
- Analysis of incident reports.
- Review of Material Safety Data Sheets (MSDS) for chemical substances.
- Employee feedback and safety observations.
- Risk assessments are conducted as part of routine operations and new project evaluations.

MINIMISING WORKPLACE RISKS

CIPLC adopts a different approach to hazard control to eliminate or minimise workplace risks. The following measures have been implemented or are in progress:

ELIMINATION

- Reviews have been conducted to remove unnecessary manual handling and eliminate hazardous steps in certain production tasks.

SUBSTITUTION

- Safer alternatives have replaced specific chemical substances where possible, reducing employee exposure to harmful agents.

ENGINEERING CONTROLS

- Machine guards have been installed or upgraded on critical equipment.

Human Capital

ADMINISTRATIVE CONTROLS

- Standard Operating Procedures (SOPs) have been updated to reflect current risk assessments and best practices.
- Job rotation policies have been introduced to limit repetitive motion injuries.
- Employees receive regular safety training and refresher courses, including awareness of psychosocial hazards.

PERSONAL PROTECTIVE EQUIPMENT (PPE)

- PPE compliance is being strictly enforced through periodic audits.
- Employees are provided with task-specific PPE and trained in its proper usage and maintenance.

CELEBRATING WOMEN'S DAY

Breast cancer awareness programme on International Women's Day

EMPLOYEE ENGAGEMENT ACTIVITIES

In 2024/25, we introduced an Employee Engagement Team representing all sections of the organisation to serve as a bridge between employees and management. This team provides a structured platform to better understand workforce needs and proactively address concerns, ensuring employees across all departments have a voice in shaping workplace policies and initiatives.

The initiative has strengthened workplace collaboration by encouraging interaction between employees from different sections, fostering teamwork, and breaking down silos. By organising activities and discussions that promote cross-functional engagement, we have seen improved participation in company-led initiatives, enhanced cooperation, and a stronger sense of belonging among employees.

Welfare initiatives for communities near the Yakkala factory

Christmas Celebration

Annual Beach Cleanup Activity

INTELLECTUAL CAPITAL

During the year under review, we strengthened our intellectual capital base by improving existing systems and processes with innovative solutions and by developing customised solutions for our operations. We also aggressively promoted our brands in the market, ensuring brand recognition and visibility. Training and development were also emphasised to enhance our intellectual capital base.

As a manufacturer of a range of specialised products, CIPLC's primary intellectual asset is the Company's collective knowledge of manufacturing our products. In addition, CIPLC has extensive knowledge of international supply chains for raw materials, as well as hands-on-learnings regarding the domestic market and market processes, including specific requirements of different customer groups.

OUR BRANDS

CIPLC has been recognised as one of the most valuable corporate brands in Sri Lanka, featured among the top 100 brands listed by the LMD Brands rankings. CIPLC is ranked as the 30th most loved corporates brand. This ranking is a testament to the Company's strong brand equity, market presence, and consistent performance across various metrics used to evaluate corporate brands in the country. The LMD Brands Annual is a respected publication that assesses and ranks the most influential and valuable brands in Sri Lanka. CIPLC's inclusion in this prestigious list highlights its significant impact in the industry and its reputation among consumers and stakeholders.

CIPLC'S BRAND PORTFOLIO COMPRISES:

- National PVC: CIPLC's flagship brand and a top brand in the domestic uPVC pipes and fittings market. The brand is associated with quality, reliability and versatility, and is positioned for residential, commercial and industrial sectors.
- National PE: High-Density Polyethylene (HDPE) pipes, under the National PE brand, are positioned for the corporate sector. The brand is associated with exceptional durability, corrosion resistance and versatility, and is promoted for a range of applications such as water distribution systems and sewage networks to telecommunications, and fire and industrial piping solutions.
- Krypton Electrical: Our brand for electrical solutions is positioned for various residential and commercial applications across multiple sectors. As this brand is in the growth stage of the product life cycle, it is experiencing fast growth from both the consumer and industry sectors.

National PVC PIPES & FITTINGS

National PE HDPE PIPES

KRYPTON RELIABILITY AND SAFETY

INNOVATION CULTURE

We encourage an innovation culture that leads to many new and creative developments within our value creation process. The Company's highly skilled professionals develop new methodologies and processes, as well as digital solutions, to enhance production efficiencies and productivity, generating significant cost savings.

PROCESS IMPROVEMENTS 2024/25

- In-house socketing machine: The socket manufacturing process for pipes was accelerated by developing our own in-house socket making machine that cuts down the process to one step, from multiple steps previously. This has increased the speed of manufacturing sockets and significantly enhanced production efficiency.
- In-house heating oven: We developed our own heating oven to convert pipes into bends. The oven can be operated by a single person, compared to the previous process of making bends that required three workers and multiple steps. This low investment innovation has increased our daily output by 170%.
- Warehouse inventory location tracking system: A software application was developed under the enterprise resource management system. Which is also an Android phone compatible app, to locate any item of inventory within our two-acre warehouse. Although our product inventory is already computerised, due to the extremely large warehouse size, locating specific items was a time consuming process. With the current application, the correct location of any item can be tracked on a computer or a mobile phone.

Intellectual Capital

DIGITAL SOLUTIONS

During the current financial year, the Company's entire IT system, which was previously on the premises, was migrated to the cloud. This transition will generate significant cost savings in the future by avoiding the cost of purchasing new servers and maintaining existing servers, electricity costs, and human resource costs.

- Developing new applications: Some major applications were redeveloped to facilitate the transition to the cloud.
- Web app for sales: We developed and deployed web based applications for field staffs that captures orders and transfer the orders to the relevant distributors. The application also tracks daily sales and other data on a real time basis.
- Replacing laptop applications with web solutions: During the year, all existing PC's were replaced with laptops, facilitating a change in the work culture by enabling employees to work from anywhere. As part of this transition, we are redeveloping older applications as web based applications.
- Business continuity plan: We are in the process of developing an ISO 900022 based business continuity plan for the Company, and the internally developed disaster recovery system will be upgraded.

CYBER SECURITY

As we increasingly migrate our business processes online, managing cyber security threats, which are also rising, has become an imperative. To safeguard our company's digital infrastructure and sensitive information, we have implemented a comprehensive set of security measures:

- Firewall Implementation
- Virus Protection for Individual Machines
- Cloud-Based Mail Server (Office 365)
- SSL Certification for Websites
- Restrictions on External Devices
- Controlled Application Installation

COMPLIANCE WITH ACCREDITATIONS

Our manufacturing systems comply with internationally recognised accreditation systems, and through continuous training of our employees, quality standards have been inculcated into the organisation's culture and knowledge base. For instance, the National PVC brand has set a benchmark in the industry by becoming the first to obtain SLS 147 for uPVC pipes and SLS 659 for uPVC fittings.

OTHER CERTIFICATIONS OBTAINED:

- SLS certification for the full range of PVC cable trunking products.
- Ongoing SLS certification for 7 other categories of products
- WRAS (UK) certification for 2 product categories
- ISO 9001-2015 quality management system certification since 1996
- We are also working towards ISO 45001 Health & Safety Standards certification.

WAY FORWARD

CIPLC will maintain a strong innovation and process development focus, as well as skill development, in the new financial year to facilitate process efficiencies and cost savings. We will continue to emphasise quality standards in all products to ensure we deliver the best quality at the best value for our customers.

SOCIAL AND RELATIONSHIP CAPITAL

CIPLC enhanced its social and relationship capital during the year, by engaging more closely with our business partners and customers to expand our distribution network against the backdrop of a recovering construction industry. By maintaining the highest standard of quality in the manufacturing process, we strengthened our customer loyalty and expanded our customer base. Marketing and promotional campaigns were conducted to introduce new products, consolidate our brand presence island-wide, and safeguard and expand our market share against rising competition.

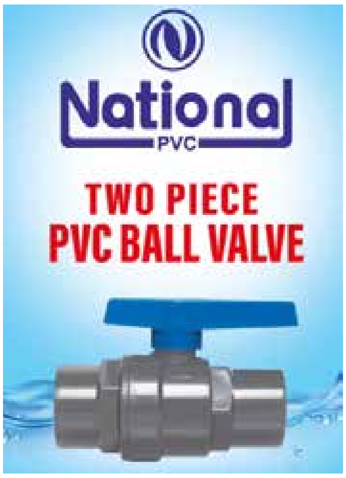
While expanding our social footprint we have ensured that we upheld our commitments under UNSDG 6 for Clean Water and Sanitation by ensuring the availability of high-quality water and sanitation pipes available to consumers. We upheld our commitment under UNSDG 12 for Responsible Consumption and Production by ensuring compliance with all consumer regulations and accommodating consumer rights. Through our business activities during the year, we also contributed to the economy and society by indirectly supporting UNSDG 8 for Decent Work and Economic Growth among our suppliers and business partners.

EXPANDING OUR PRODUCT PORTFOLIO

During the current financial year, we responded to the market demand recovery and unveiled a number of new products. We also plan to introduce 2 main categories of products in the new financial year in order to support the construction sector.

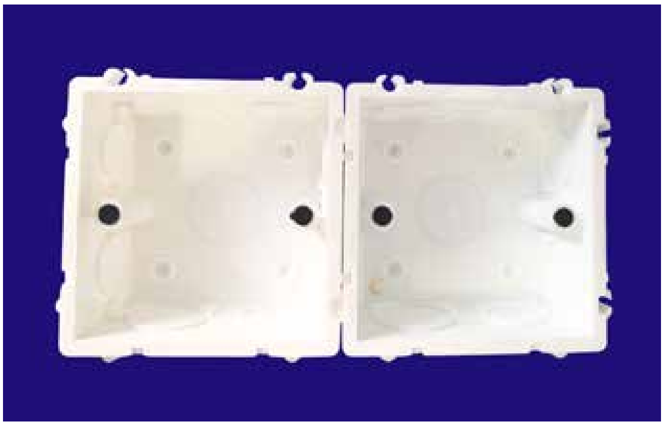
Under the National PVC & PE brands, we introduced

- TWO PIECE BALL VALVE
- BEND 45 PNT 11BE SS 32 MM
- 160MM SPECIAL PIPE
- PE FITTINGS 20MM FAUCET ELBOW / SOCKET
- PE FITTINGS 20MM FAUCET SOCKET



Under the Krypton Brand, we have introduced,

- UNIVERSAL SUNBOX – KRYPTON Customers



Maintaining customer loyalty and ensuring access to our range of products, was a priority during the year as market competition increased in response to improving demand conditions and the gradual recovery in household disposable incomes. In order to expand market share, we ensured the availability of our products at the right time, and the right place, at the right price, providing a compelling customer value proposition in favour of our brands. Marketing and promotional activities were mainly focussed on below-the-line activities to build relationships based on product quality awareness, trust and rewards.

Social and Relationship Capital

COMMUNICATIONS AND ENGAGEMENT STRATEGIES 2024/25

Customer category	Strategy
Corporate Customers	• The focus was on below-the-line activities that directly targeted customers and potential customers as well as digital marketing through our Facebook page. • To ensure personalized services we maintain dedicated account management teams.
Dealers	• Dealer promotions were conducted island-wide by providing point of sales material, dealer boards, shop branding, hoardings, and promotional items for dealers as well as sales personnel.

	• CIPLC lorries were used to advertise main distributers and dealers and fittings racks were provided for selected dealers. • A reward system was introduced for dealers based on sales volumes.

Customer category	Strategy
	• Promotions and discounts were offered to dealers to encourage sales • Town storming events were conducted in strategic locations where dealers were targeted with gift distribution and awareness sessions. 
	• Social media was leveraged for marketing and product awareness as well as to interact and respond to queries. 
Construction industry stakeholders	• Electricians and plumbers We conducted targeted programmes for electricians and plumbers, who are key industry influencers involved in recommending and purchasing brands to consumers, to raise awareness about available products, our quality standards and correct applications. We also introduced reward schemes for electricians to promote the Krypton brand. A WhatsApp group was created to network regularly with these market influencers and to keep them engaged with our product developments and promotional offers. During the year we engaged with 2500 plumbers and 2000 electricians

Social and Relationship Capital

Customer category	Strategy
	• Trade associations Another key industry influencer group targeted during the year was the Regional Contractors Associations that provide access to contractors in each region of the country. We attended the Associations' AGMs and leveraged the opportunity to raise awareness among the contractor community about our products.
Consumers	• We participated in 5 exhibitions during the year to raise awareness among the general public as well as industry stakeholders regarding our product range and quality standards • Newspaper articles were published to enhance brand visibility and raise public awareness • We engaged in many CSR activities and community welfare activities to raise the profile of our brands as socially and environmentally responsible brands. (Please refer to the Local Community Engagement section for details of these activities)

E-COMMERCE WEBSITE

CIPLC's 'C- Mart' is the Company's official e-commerce portal accessed at www,cmart.nationalpvc.com for customers to purchase the Company's products online. This user-friendly platform allows customers to browse and purchase a wide range of products from the comfort of their homes or offices, eliminating the need for physical visits to retail outlets.

CUSTOMER COMPLAINTS HANDLING

Our business motto is 100% customer satisfaction, and we are committed to practising this on a daily basis by caring for our customers before and after sales, extending down to our dealers. Dealers are empowered to respond to customers in the case of complaints, or dissatisfaction with our products.

Customers can also access us directly through WhatsApp numbers, or through the website to make complaints. Every complaint is reviewed, checked with the factory, and escalated to the management, as needed. Our target is to resolve any complaint within 48 hours.

CUSTOMER FEEDBACK SYSTEM

We conduct regular market surveys to obtain customer feedback as well as market research to understand demand trends. Customer complaints are also taken into consideration as feedback.

The Company operates a multi-channel connectivity model for customers to reach the Company through multiple methods. Customers can connect with the company through WhatsApp, social media channels, as well as traditional communication methods like phone and email.

WARRANTY & AFTER SALES SERVICE

Our product warranties reflect our quality standards as well as industry standards. A lifetime warranty is provided for the electrical switches and sockets range for the lifetime of the product, in line with local standards.

The National PVC range of products are ISO certified and covered by a comprehensive warranty for manufacturing defects, while replacements are made available on a case-by-case basis. Water tanks come with a 10-year warranty and after-sales service has been extended to the customer's doorstep. Even if the defect is caused by misuse by customers, the service is offered as a courtesy.

Krypton electrical switches and sockets are covered by a lifetime warranty. Replacements are offered in case of complaints about a manufacturing defect. The lifetime of the product is defined by the period of usage certified by the Sri Lanka Standards Institution. Krypton switch gear products are offered with a 10-year warranty and one-to-one replacement is offered. The products are covered with insurance for any damage.

ACCESS TO PRODUCTS

CIPLC has an island-wide network of distributors to ensure access to all products from anywhere in the country. In the current financial year, the distributor network was expanded from 66 to 72 distributors during the year under discussion.

LARGE SCALE PROJECTS

In addition to the National Water Supply and Drainage Board (NWSDB), CIPLC supplies to a number of large-scale customers engaged in construction projects. A separate team with in-depth knowledge of construction industry requirements is available to serve these customers.

PRODUCT RESPONSIBILITY

CIPLC's PVC pipes and fittings are manufactured to ISO standards and all products are quality tested against industry benchmarks. While the Company maintains a comprehensive product liability insurance cover, we are proud to report zero claims to date demonstrating the quality of our products and the effectiveness of our quality management systems.

The company's strong track record in maintaining product quality backed by quality assurance checks and quality certifications ensures consistency in the quality and safety of its products.

In addition, all marketing communications are carefully reviewed for accuracy and compliance with the Consumer Affairs Authority directives and industry standards. Product packaging contains all mandated information such as product specifications, usage instructions and safety warnings. This not only ensures legal compliance but also prioritizes consumer safety and satisfaction. For products requiring detailed usage instructions, such as electrical appliances, comprehensive literature is provided. This includes diagrams for proper connection and operation, enhancing both safety and usability for consumers.

Corporate clients are offered technical support services by our technical team to ensure the correct application methods of the Company's products. This service not only strengthens relationships with business clients but also underscores the Company's dedication to delivering quality products and supporting their proper usage in diverse settings.

DISCLOSURE 416-2 INCIDENTS OF NON-COMPLIANCE CONCERNING THE HEALTH AND SAFETY IMPACTS OF PRODUCTS AND SERVICES

No incidents of non-compliance concerning the safety of our products have been recorded in the year under review.

DISCLOSURE 417-2 INCIDENTS OF NON-COMPLIANCE CONCERNING PRODUCT AND SERVICE INFORMATION AND LABELLING

No incidents of non-compliance concerning product and service information and labelling have been recorded in the year under review.

DEALERS/DISTRIBUTORS

CIPLC's distributors are essential business partners to ensure the seamless delivery of uPVC and electrical products to customers across Sri Lanka. The distribution network is also a vital channel of customer feedback and market demand trends. A dedicated sales force with online, real-time access to inventory level and pricing policies, regularly visits distributors to ensure efficient distribution and availability of the correct inventories. During the current financial year, we assisted our distributors by providing them with financial support to help resolve financial difficulties such as cash flow and debtor management. We also engaged our dealers through cultural activities such as Thai Pongal and Iftar celebrations.

Social and Relationship Capital

DISTRIBUTOR PARTNERSHIP PROGRAMMES AND FIELD ENGAGEMENTS

CIPLC's distributor partnership programmes are designed to cultivate mutually beneficial relationships with its authorised distributors and include product training, product seminars, and knowledge-sharing platforms, to educate distributors on the Company's products. The objective is to make sure distributors are well-prepared to serve customers effectively, address their queries and provide expert guidance on product selection and application. The partnership programmes also provide incentives, promotional support, and marketing resources, to empower distributors to effectively promote and market the Company's products.

FIELD VISITS BY SENIOR OFFICIALS

CIPLC's senior officers make it a point to accommodate field visits into their agenda, to glean personal market insights through one-on-one meetings with key distributors. During field visits, senior officials are made aware of any distribution system shortcomings and also of opportunities for product development. Therefore, field visits by top decision makers of the Company are an important aspect of strategy development.

DISCLOSURE 2-6 (B I AND II) SUPPLIERS AND SUPPLY CHAIN

CIPLC maintains an international supply chain with foreign as well as domestic suppliers in order to acquire its manufacturing raw materials, machinery parts and equipment, digital systems and some categories of workers, as well as office supplies and utility services. The Company has a centralised procurement system to supply all requirements for its work locations and follows internationally accepted procurement practices. During the current financial year, CIPLC expanded its international supplier base to mitigate potential supply disruption risks and to obtain better pricing. The downstream entities of the Company's supply chain include transportation and distribution to the Company's network of dealers and distributors as well end some large customers.

COMMUNITY ENGAGEMENT

CIPLC endeavours to support and establish good relations with local communities surrounding its manufacturing facilities in Wattala and Yakkala. The Company emphasises impactful interventions that have widespread benefits for its local communities such as the setting up of road signage in Wattala, that guides travellers and contributes to road safety. Special offers and discounts are made available on its products to the local community, contributing towards quality of life improvements and Company personnel visit households in the vicinity of its manufacturing facilities, fostering direct communication and relationship-building with residents. The Company is also a leading sponsor of community activities such as cultural and religious events in the neighbourhood.

COMMUNITY EVENTS DURING 2024/25

We Have donated water management system to the Buddha Rashmi Wesak Kalapaya, Gangaramaya 2024 which held at Gangaramaya.

We lit up the way to Warnagala Temple at Adams Peak for the safety of pilgrims

We have conducted a beach clean-up programme in Mount-Lavinia area with the collaboration of Dehiwala – Mount-Lavinia Municipal Council on 12th of March

Distributing dry rations to families in the vicinity of the Yakkala factory

Social and Relationship Capital

Donated a water management system to Sri Medhananda Piriwena - Dehiattakandiya in partnership with Manusath Derana.

Held an event for World Children's Day Event 2024 - at the Swarna Jayanthi Vidyalaya, Kegalle

Contributed towards building a Bikku Awasaya for Sri Jinendraramaya – Warapalana, Yakkala & contributed towards conducting an annual Gihi Piritha organised by the Young Blood in Yakkala Warapalana area.

NATURAL CAPITAL

As an ethical and environmentally conscious manufacturer, we are fully committed to the principles of responsible consumption and production, as defined by UNSDG 12. During the year, our main focus was to enhance production systems, to further reduce wastage and rejects, while also conserving primary natural resources utilised in our manufacturing facilities, which are energy, water and other raw materials.

During the year, we continually monitored production rejects and production waste at our manufacturing facilities in order to implement manufacturing process improvements that would minimise these outcomes. Consequently, we were able to reduce material wastage and spillage. While minimising our negative environmental impacts through waste management and recycling, we simultaneously enhanced positive impacts through conservation measures, including the expansion of renewable energy use. As an integral aspect of integrating environmental consciousness into our organisation culture, we continued to enforce efficient production practices, waste disposal and waste management processes, through routine factory floor inspections, awareness activities and training.

STATUS OF COMPLIANCE

During the current financial year, CIPLC was fully compliant with all applicable environmental regulations and did not face any fines or penalties for non-compliance or delays in compliance. The Factory Engineers certification and all environmental certifications were renewed on time.

ENERGY MANAGEMENT

As a manufacturer, we utilise a range of fossil fuels, as well as electricity, for daily operations. In the current financial year, we continued our planned transition to carbon-neutral renewable energy by adding to our existing solar energy systems. Another factory building at the Yakkaka factory was fitted with solar panels, adding another 350 kWh, for a total of 750 kWh of solar energy. The Company's total energy consumption from the national grid is 4.5 million kWh, out of which we generated 833,500 kWh through solar energy in the current financial year. We are currently evaluating installing another 750 kW of solar power at the Wattala factory as well.

IN ADDITION:

- Production levels are managed according to Economic Production Quantities to monitor monthly energy consumption and to improve energy efficiency.
- The energy consumption and rate of energy consumption are monitored for each machine every month, and we focus on utilising the most energy-efficient machines. Energy efficiency is a key criterion in the selection and purchase of new machinery, too.
- All buildings constructed at our Yakkala factory complex after 2014 have been designed to maximise the use of natural lighting
- All lighting has been converted to energy-efficient lighting
- We conduct periodic energy audits to identify inefficiencies and implement corrective action.
- The two factories have been designed with maximum foliage cover for natural shading for weatherable products manufactured by the Company.

DISCLOSURE 302-1 ENERGY CONSUMPTION WITHIN THE ORGANISATION

	2024/25	2023/24	2022/23
Diesel (Litres)	18,812	11,060	26,400
Electricity (KWh)	4,476,830	3,111,852	2,142,402
LPG Gas (KG)	1,390	1,005	443
Diesel Energy Consumption (Rs.)	5,268,841	3,354,054	12,049,000
Electricity Consumption (Rs.)	115,704,015	108,554,982	61,552,160
LPG Gas consumption (Rs.)	410,807	281,089	165,437

DISCLOSURE 302-2 ENERGY CONSUMPTION OUTSIDE OF THE ORGANISATION

The main energy consumption outside of the organisation relates to transportation by employees and logistics and distribution. We have enforced ceilings on the transportation costs to sales volumes ratio and continuously look for new ways to improve the efficiency of our logistics and distribution processes.

	2024/25	2023/24
Energy consumption outside of the organisation, in joules or multiples. Rs.	153,700,320	128,813,972

DISCLOSURE 302-4 REDUCTION OF ENERGY CONSUMPTION

Number of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples.	
Types of energy included in the reductions: fuel, electricity, heating, cooling, steam, or all.	

WATER MANAGEMENT

Our primary water management strategies are monitoring consumption and reducing wastage. Water requirements are met through municipal lines and groundwater systems. Purified potable water supplied by the National Water Supply and Drainage Board is used only for human consumption. The manufacturing processes account for about 75% of total water usage, in addition to cooling towers and consumption by employees. The Yakkala factory uses only groundwater from wells, which does not impact any common water bodies located in the area. We also engage employees in water conservation efforts by placing signage as reminders not to waste water.

DISCLOSURE 303-3: WATER WITHDRAWAL

Total volume of water withdrawal by water source

	2024/25	2023/24	2022/23
Municipal lines water consumption (units) M3	2,619	2,878	2,402
Groundwater consumption (units) M3	12,190	11,080	4,500

DISCLOSURE 303-4: WATER DISCHARGE

The total volume of water discharge (The following figures are estimated to be 25% of water withdrawal)

	2024/25	2023/24	2022/23
Municipal lines water consumption (units) M3	654.8	719.5	600.5
Groundwater consumption (units) M3	3,050	2,770	1,125

DISCLOSURE 303-5: WATER CONSUMPTION

The total volume of water consumption in the table below is based on 75% of the water withdrawal volume (10% for human consumption and 65% through evaporation)

	2024/25	2023/24	2022/23
Municipal lines water consumption (units) M3	1,964.2	2,158.5	1,801.5
Groundwater consumption (units) M3	9,140	8,310	3,375
Human Consumption (Units) M3	1,011.85	1,046.85	517.65
Through Evaporation (Units) M3	8243.1	9,421.65	4,658.85

WASTE MANAGEMENT

During the current financial year, we continued to reduce waste from the manufacturing process as well as in the packaging process, to mitigate environmental impacts. Cross-functional teams have been appointed to reduce rejects occurring during the production process. A combination of measures introduced through cause analysis and the introduction of preventive and corrective actions has resulted in a significant reduction in reject rates during the year. Reject rates in the extrusion process have been reduced from 2.75% in 2023/24 to 2.11% in 2024/25. As CIPLC's products are highly durable, the wastage through consumers is minimal.

DISCLOSURE 306-1 WASTE GENERATION AND SIGNIFICANT WASTE-RELATED IMPACTS

i. For the significant actual and potential waste-related impacts, describe the inputs, activities, and outputs that lead or could lead to these impacts;	During the current financial year, there were no significant waste-related impacts on the environment or communities. CIPLC was fully compliant with all applicable waste management regulations of the Central Environmental Authority.
ii. whether these impacts relate to waste generated in the organisation's own activities, or to waste generated upstream or downstream in its value chain	N/A

DISCLOSURE 306-2 MANAGEMENT OF SIGNIFICANT WASTE-RELATED IMPACTS

a. Actions, including circularity measures, taken to prevent waste generation in the organisation's own activities and upstream and downstream in its value chain, and to manage significant impacts from waste generated.	The Company has introduced a process to collect and reuse PVC dust from various stages of the production process. The PVC dust is captured through automated systems or through manual collection and reused in the upstream processes. This has reduced the dust on the production floor and possible environmental impacts. The initiative reduced dust by more than 55%, which is over 5 Metric Tonnes for the year. As much as 95% of finished products that were rejected due to defects were recycled.
b. If the waste generated by the organisation in its own activities is managed by a third party, a description of the processes used to determine whether the third party manages the waste in line with contractual or legislative obligations.	Most of the waste generated through our business activities is disposed of to professional recyclers through tenders or auctions. There is no process at present to determine whether such external parties manage the waste in line with contractual or legislative obligations
c. The processes used to collect and monitor waste-related data.	All waste material is segregated by material type or recycling application. Waste disposed of and removed from the factory premises is measured and recorded in the respective removal authorisation documents (gate passes). Bio-degradable waste, which is composted within the factory compound, is not measured. The composting area of approximately 80 CBM is cleared and replenished approximately 2 to 3 times per annum.

Natural Capital

DISCLOSURE 306-3 WASTE GENERATED

Types of Waste	Waste management method	Weight (metric tons)
Biodegradable Waste • Dried leaves and plant matter in the factory compound; • Discarded food from the canteen	Biodegradable waste is collected, stored in a composting area and recycled to fertilise the flora in the factory itself, or disposed of to external parties	40
Non-biodegradable Waste • Degraded PVC, polythene and other polymer waste generated from production processes, various scrap metal, discarded worn-out machinery parts, e-waste and discarded packaging from incoming materials	• Polymer raw material waste, which cannot be reused in-house, is disposed of through external professional recyclers for reuse in low-end plastic products. • Worn-out machinery parts are disposed of through professional recyclers who segregate the items by base material (i.e., metals, plastics, rubber) for recycling applications or refurbish for extended use in low-end applications. • Burnt Lubricant oil is disposed of through professional external recyclers.	101.6
Miscellaneous Waste	Reuse and recycle as applicable	
Paper	• Paper waste is from discarded packing materials from the input raw materials consumed in the production process. These are disposed of through professional external recyclers. All office-bound employees and field staff have been assigned official email addresses for official communication. Through this initiative, the management vigorously encourages electronic communication, thereby promoting digitalisation and paperless working concepts.	21.5
Total weight		163.1

CIPLC'S COMMITMENT TO PROTECTING THE NATURAL ENVIRONMENT

At CIPLC, we are deeply committed to reducing our carbon footprint and prioritising environmentally sustainable products and services. Our business strategies are aligned with Environmental, Social, and Governance (ESG) policies, ensuring that sustainability remains at the heart of our operations.

We actively implement best practices in environmental sustainability. This includes daily monitoring of electricity consumption, responsible material recycling, such as stainless-steel tanks, and promoting reuse within our supply chain. In line with our carbon reduction goals, we have already achieved a 2% reduction and are targeting an additional 3% reduction in the coming year.

As part of our ongoing initiatives, CIPLC has introduced a programme to collect and reuse shopping bags used by our staff. These bags are handed over monthly to hardware retailers, such as Elvitigala Hardware in Mattegoda, encouraging a circular economy and reducing plastic waste.

GOVERNANCE AND RISK MANAGEMENT

CORPORATE GOVERNANCE

As the only publicly quoted manufacturer of PVC piping products, CIPLC maintains an exceptionally high standard of governance and accountability in its operations in order to discharge its obligations to shareholders and other internal and external stakeholders. During the financial year of 2024/25, the Company continued to strengthen its good governance practices by complying with new Listing Rules of the Colombo Stock Exchange and adopting the Sri Lanka Sustainability Disclosure Standards. Governance and oversight systems, including internal audit procedures, were continually reviewed and improved to strengthen operational controls in order to safeguard stakeholder interests and enhance value creation through responsible business practices and sustainable manufacturing practices.

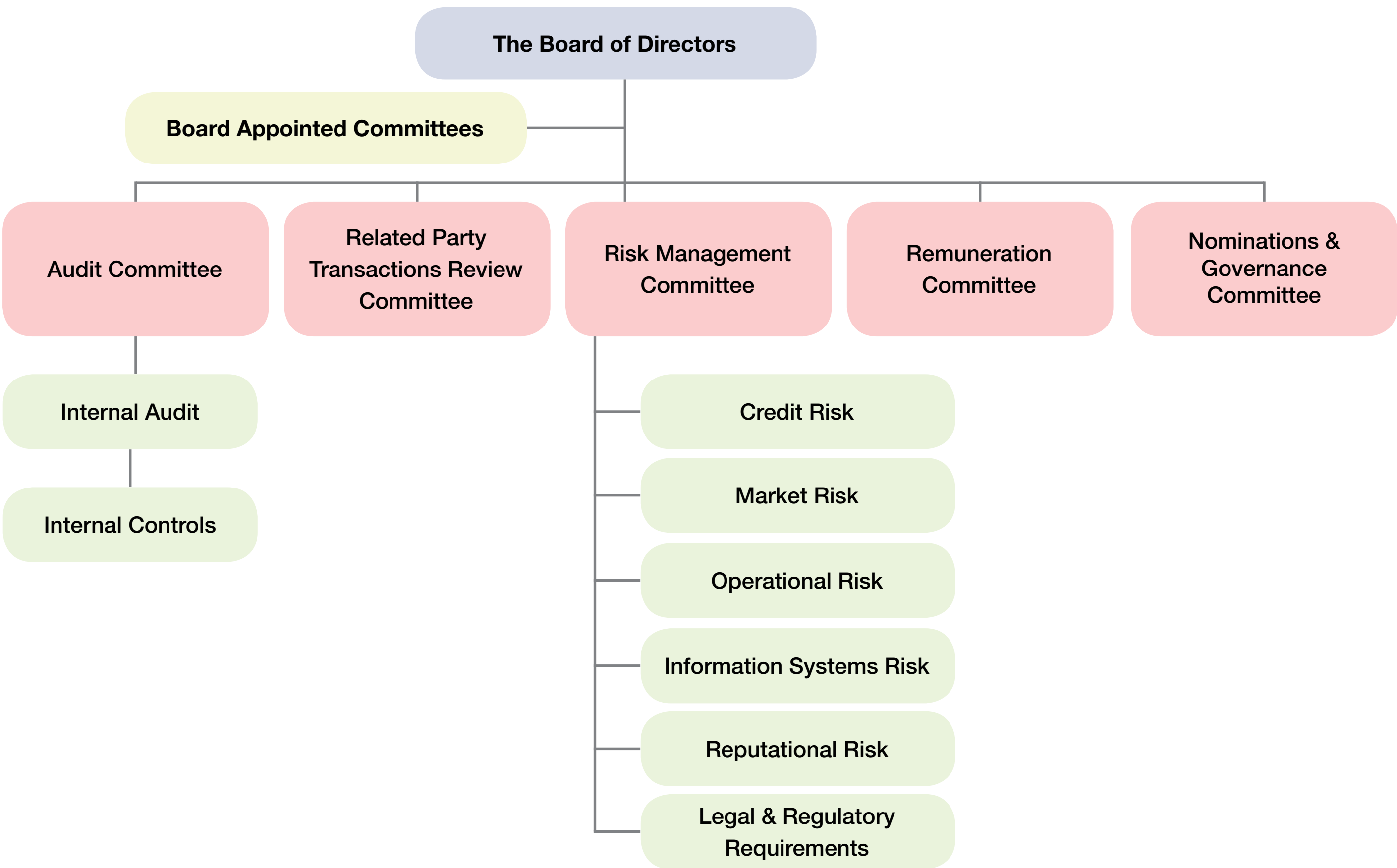
The Board has ensured compliance with the specific requirements under the rules set out in Section 7.10 of the Colombo Stock Exchange's Listing Rules and Section 9 of the listing rules on corporate Governance as applicable, which came into effect from 1st October 2023. The table on pages 93-106 sets out the manner of compliance with these rules. The Board also recognises the Code of Best Practice on Corporate Governance issued jointly by the Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission as useful guidance in improving corporate governance.

How we strengthened our organisational governance in 2024/25

- During the current financial year, the Board of CIPLC constituted two new Board Subcommittees - a Nominations & Governance Committee (a mandatory committee) and an Investment Committee (voluntary committee) to assist the Board in its deliberations.
- In compliance with the new listing rule, that the Chairperson of the Audit Committee shall be a member of a recognised professional accounting body, the Board of CIPLC appointed a Chairman to the Audit Committee with the requisite qualifications.
- In compliance with the new listing rule that the Chairperson of the Remuneration Committee must be independent, the Board of CIPLC appointed an independent Chairman for the Remuneration Committee.
- In compliance with the new listing rule, that a director is not independent if the director is above the age of 70 years, the Board appointed two new directors, on behalf of two directors who retired from the Board.
- A full-time Manager - internal audit was recruited during the year to strengthen oversight.
- Participated in a training on sustainability disclosure standards conducted by Ernst & Young with the parent company in order to comply with the same.

GOVERNANCE STRUCTURE

CIPLC governance structure is in full compliance with the Listing Rules of the Colombo Stock Exchange and provides an effective framework for oversight of all operational activities of the Company.



CIPL's governance system complies with a range of national laws and regulations, as well as internal policies and codes of conduct. In addition, the Company has voluntarily adopted external codes and best practices to enhance its governance standards. These are listed below.

EXTERNAL FRAMEWORKS

- The Companies Act No. 7 of 2007 and its amendments
- The Listing Rules of the Colombo Stock Exchange
- The Securities and Exchange Commission of Sri Lanka Act No. 19 of 2021
- The Inland Revenue Act No. 24 of 2017 and its amendments
- The Shop and Office Employees Act No. 19 of 1954 and its amendments
- The Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995
- The Foreign Exchange Act No. 12 of 2017and its regulations
- Consumer Affairs Authority Act No. 9 of 2003 section 10, 30 (1) a, 10 (1) a, Direction No.36, 10, 30 (1) a,10 (a)
- National Environmental Act. No. 47 of 1980
- Municipal / Local Govt. by laws (Act No. 15 of 1987)
- Prevention of Mosquito Breeding Act. No. 11 of 2007
- The Factories Ordinance No. 45 of 1942 (Sections 36 and 27)
- EPF Act No. 15 of 1958 and amendments thereto
- Employee Trust Fund Act No.46 of 1996
- Intellectual Property Act No. 36 of 2003

INTERNAL FRAMEWORKS

- Articles of Association
- Board approved Terms of Reference of the Board and Board Sub-Committees
- Board approved policy frameworks for governance, risk, compliance and operational areas
- Codes of Conduct for Directors, Key Management Personnel and Employees
- Organisation Structure
- Key Internal HR Procedures on, Employee on boarding and off boarding, Learning and Development, Rewards and recognition, Equal opportunities and Nondiscrimination, Health and Safety enhancements and protocols, Code of conduct, Diversity, equity and inclusion, Anti-Harassment and Sexual Harassment Prevention, Forced, Compulsory and Child labour, Disciplinary procedure and Grievance handling

VOLUNTARY CODES AND BEST PRACTICES

- The code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka
- Global Reporting Initiative (GRI) standards issued by the Global Sustainability Standards Board
- Integrated Reporting Framework issued by the International Integrated Reporting Council (IIRC)

POLICIES

In response to the Corporate Governance Rules introduced by the Colombo Stock Exchange in 2024, the Board took decisive steps to enhance the Company's governance framework, reviewing and approving a comprehensive set of mandatory policies covering;

- Matters relating to the Board of Directors
- Board Committees
- Corporate Governance, Nominations and Re-election
- Remuneration
- Internal Code of Business Conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities
- Risk management and Internal controls
- Relations with Shareholders and Investors
- Environmental, Social and Governance Sustainability
- Control and Management of Company Assets and Shareholder Investments
- Corporate Disclosures
- Whistleblowing
- Anti-Bribery and Corruption

Further, all existing Board Sub Committees were re-constituted to reflect the revised CSE governance rules.

There is no changes to policies during the year 2024/25.

BOARD OF DIRECTORS AND ATTENDANCE

The Board of Directors as of March 31, 2025, comprised the Non-Executive Chairman, seven Non-Executive Directors, and one Executive Director. Detailed profiles of each Director can be found on pages 28-30 of this report.

CHANGES TO THE BOARD DURING 2024/25

Retired Members	Status	W.E.F
Ms. I. S. Jayasinghe	INED	31.12.2024
Mr. A. Hettiarachchi	INED	30.11.2024

New Members	Status	W.E.F
Mr. D.K. Welmillage	INED	30.11.2024
Mrs. T.P. Gunesekara	INED	31.12.2024

Corporate Governance

INDEPENDENT NON-EXECUTIVE DIRECTORS (INEDS)

As at March 31st 2025, out of 9 Board members, the number of INEDS on the CIPLC Board was three Namely Mr D.T.R De Silva, Mr. D. K. Welmillage and T. P. Gunesekara.

The Board recognises the importance of assessing both its own performance and that of its committees to monitor effectiveness, as stipulated in sections A.9.1 and A.9.2 of the Code of Best Practice on Corporate Governance -2023 issued by The Institute of Chartered Accountants of Sri Lanka. During the year, members of the Board, including the Chairman, and members of committees underwent evaluation to ensure the continued efficiency of both the Board and its committees.

The Composition of the Board is governed by the Company's Articles of Association and Listing Rules issued by Colombo Stock Exchange. As per the CSE listing rules, the board should have minimum number of 5 directors while there is no ceiling on the maximum number.

The company has complied with Listing Rule No. 9.5.1(a) by maintaining the required balance of executive and non- executive directors in the Board.

BOARD MEETINGS

The Board convened every quarter during the year, and the attendance of Board members is given below.

Names of the Director	No. of Meetings Attended
G.S.N Pieris	4/4
E.H Wijenaike	1/4
C.S.W De Costa	3/4
A.K Gunaratne	4/4
I.S Jayasinghe	4/4
A Hettiarachchy	4/4
C.S Hettiarachchi	4/4
D.T.R De Silva	4/4
I.M.P Rupatunge	4/4
D. K. Welmillage	1/4
T. P. Gunesekera	1/4

Directors	Type of Directorship	Year of Appointment	Age as at 31st March 2025	The Board		Audit Committee (AC)		Remuneration Committee (RC)		Nominations and Governance Committee (NC)		Related Party Transaction Review Committee (RPTRC)		Risk Management Committee (RMC)	
				Membership Status	Attendance	Membership Status	Attendance	Membership Status	Attendance	Membership Status	Attendance	Membership Status	Attendance	Membership Status	Attendance
G.S.N Pieris	NED	1984	70	Chair	4/4			M	1/1						
E.H Wijenaike	NED	1984	70	M	1/4										
C.S.W De Costa	NED	1997	72	M	3/4										
A.K Gunaratne	NED	2006	61	M	4/4	M	4/4	M	1/1	M	1/1	M	4/4	M	1/1
I.S Jayasinghe	INED	2013	Retired	M	4/4	M	3/4					M	3/4		
A Hettiarachchy	INED	2017	Retired	M	4/4	M	3/4					M	3/4		
C.S Hettiarachchi	NED	2018	52	M	4/4										
D.T.R De Silva	INED	2020	60	M	4/4	Chair	4/4	M	1/1	Chair	1/1	M	4/4	Chair	1/1
I.M.P Rupatunge	ED	2020	54	M	4/4									M	1/1
D. K. Welmillage	INED	2024	57	M	1/4	M	1/4	Chair	1/1	M	1/1	M	1/4	M	1/1
T. P. Gunesekera	INED	2024	62	M	1/4	M	1/4	M	1/1			Chair	1/4	M (05.02. 2025)	-

During the year 2024/2025, the company has established and maintained a formal policy governing matters relating to the Board of Directors as indicated in Listing Rule No.9.5.1.

To ensure compliance with Listing Rule No. 9.7.1, each member of the Board has declared conformity with the fit and proper assessment criteria outlined in Listing Rule No. 9.7.3 by providing signed declarations for the year under review. Individuals who fail to comply with the criteria as per the above rule, will no longer be eligible to serve as directors of the Company.

APPOINTMENTS TO THE BOARD DURING 2024/25

The provisions contained in the Articles of Association, to which reference is made, regarding the appointments of directors are summarized below.

- The directors shall have the power at any time, and from time to time, to appoint any person to be a director, either to fill a casual vacancy or as an addition to the existing directors. Any director so appointed shall hold the office until the next Annual General Meeting and shall then be eligible for election.
- A director may be appointed or removed by ordinary resolution passed at a meeting called for that purpose or by a written resolution in accordance with paragraph (3) of Article 23 of AOA.

APPOINTMENTS

1. T.P. Gunesekara was appointed to the Board of Directors of Central Industries PLC as an Independent Non-Executive Director, with effect from 31st December 2024. Mrs. T. P. Gunesekara does not own any shares of the Company.
2. D.K. Welmillage was appointed to the Board of Directors of Central Industries PLC as an Independent Non-Executive Director, with effect from 30th November 2024.

RESIGNATIONS

1. I. S. Jayasinghe, Independent Non-Executive Director resigned from the Board of Directors of Central Industries PLC with effect from 31st December 2024.
2. A. Hettiarachchi, Independent Non-Executive Director resigned` from the Board of Directors of Central Industries PLC with effect from 30th November 2024.

AUDIT COMMITTEE

Mr. D. T. R. De Silva, who is a member of the Sri Lanka Institute of Chartered Accountants was appointed as the Chairperson of the Audit Committee in accordance with the new listing rule, that the Chairperson of the Audit Committee shall be a member of a recognised professional accounting body.

Member	Status	No. of Meetings Attended
Mr. A. Hettiarachchi	IND/NED	3/4 (Retired w.e.f.30.11.2024)
Mr. A K. Gunaratne	NED	4/4
Mr. D.T.R. De Silva	IND/NED/Chairman	4/4
Ms. I. S. Jayasinghe	IND/NED	3/4 (Retired w.e.f.31.12.2024)
Mr. D. K. Welmillage	IND/NED	1/4 (w.e.f.30.11.2024)
Mrs. T.P. Gunesekara	IND/NED	1/4 (w.e.f.31.12.2024)

During the year, the Audit Committee reviewed all financial matters related to the company, including internal and external audits, financial statements, internal control procedures, accounting policies, compliance with accounting standards, and emerging accounting trends. The Committee also supported the Board with additional tasks assigned by the Board. The Manager - Internal Audit is the Secretary of the Committee, overseeing its operations, and the CEO and Finance Manager attended meetings as special invitees.

The Committee also made recommendations on the selection and compensation of external auditors, ensuring their impartiality and objectivity are maintained. The Audit Committee report is given on pages 116-117 of this report.

RISK MANAGEMENT COMMITTEE

CIPLC has established a Risk Management Committee (RMC) to evaluate and supervise the management of all risks that impact the performance of the Company. The RMC exercises oversight of all business activities and external developments by working closely with the top management and evaluates all risks encountered by the company, and provides recommendations for enhancing controls and risk management practices. The Manager - Internal Auditor has been appointed as the Secretary to the Committee.

Member	Status	No. of Meetings Attended
Mr. D.T.R. De Silva	Chairman/IND/NED	1/1
Mr. A K.Gunaratne	NED	1/1
Mr. D. K. Welmillage	IND/NED	1/1
Mr. I.M.P. Rupatunge	Director/CEO	1/1
Mrs. T.P. Gunesekara	IND/NED (Appointed on 05/02/2025)	N/A

Corporate Governance

REMUNERATION COMMITTEE

Mr. D.K. Welmillage was appointed Chairman of the Remuneration Committee as per the new listing rule, the Chairperson of the Remuneration Committee must be independent. The Remuneration Committee is composed of five Non-Executive Directors, three of whom are Independent. The Chief Executive Officer of the Company provides assistance to the Committee, except when discussing his own remuneration package. The Report of the Remuneration Committee can be found on page 118 of the Annual Report.

Member	Status	No. of Meetings Attended
Mr. D.K. Welmillage	Chairman/IND/NED (w.e.f. 30.11.2024)	1/1
Mr. G.S.N.Peiris	NED	1/1
Mr. D.T.R. De Silva	IND/NED	1/1
Mr. A K.Gunaratne	NED	1/1
Mrs. T.P. Gunesekara	IND/NED (w.e.f. 31.12.2024)	1/1

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Mrs. T.P. Gunesekara was appointed as the Chairman of this committee to comply with the new listing rule, that a director is not independent if the director is above the age of 70 years. The Board of Directors declares that the Company has complied with the requirements of the Colombo Stock Exchange Rules on Related Party Transactions. The Finance Manager functions as the Secretary to the Committee. The Report of the Related Party Transaction Review Committee is given on page 119.

Member	Status	No. of Meetings Attended
Mrs. T.P. Gunesekara	Chairman/IND/NED (w.e.f. 31.12.2024)	1/4
Mr. D.T.R. De Silva	IND/NED	4/4
Mr. A K.Gunaratne	NED	4/4
Mr. D.K. Welmillage	IND/NED	1/4
Mr. A. Hettiarachchi	IND/NED	3/4 (Retired w.e.f.30.11.2024)
Ms. I.S. Jayasinghe	IND/NED	3/4 (Retired w.e.f.31.12.2024)

NOMINATIONS AND GOVERNANCE COMMITTEE

This committee is responsible for making recommendations to the Board on all new Board, Board Sub-committee and Key Management Personnel appointments. The Committee reviews the Board and Key Management Succession Plan to ensure its adequacy to meet the Company's requirements. As per the new listing rule 9.11, this committee was established on 1st October 2024. The repoprt of the Nominations and Governance Committee is given on page 121.

Member	Status	No. of Meetings Attended
Mr. D.T.R. De Silva	Chairman/IND/NED	1/1
Mr. A K.Gunaratne	NED	1/1
Mr. D.K. Welmillage	IND/NED	1/1

INVESTMENT COMMITTEE

During the year, the Board appointed an Investment Committee comprising the CEO, the Finance Manager and two NED.

Member	Status
Mr. A K.Gunaratne	Chairman/ NED
Mr. C. S. Hettiarachchy	NED/Member
Mr. I.M.P. Rupatunge	Director/CEO/Member
Mr. Mahesh Amaradasa	Finance Manager/Member

CHAIRMAN'S ROLE

CIPLC has segregated the role of the Chairman from that of the CEO. The separation of roles and responsibilities ensures independence in decision making and balance of power.

RESPONSIBILITIES OF THE CHAIRMAN

- Preserve Good Corporate Governance
- Lead the Board and ensure efficient conduct of Board Meetings, and maintain close contact with all Directors
- Hold informal meetings with Non-Executive Directors as required.

CHIEF EXECUTIVE OFFICER/DIRECTOR'S ROLE

The CEO is accountable to the Board for the general management of the company's operations, and the Board also sets out the role and responsibilities of the CEO

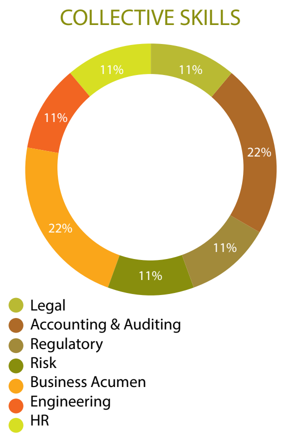
The CEO's responsibilities include:

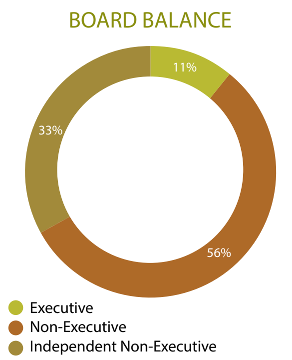
- Ensuring compliance with regulations and best practices and the effective functioning of internal control systems.
- The CEO will identify risks and design mitigation strategies while safeguarding the Company's assets.
- Develop human capital and good investor relations to ensure sustainable growth of shareholder value. Identification of potential diversification/investment projects, along with implementation of projects approved by the Board.
- Preserve and promote the Company's image
- Endorse the quarterly and annual financial statements, after initials prior to circulating them for consideration and approval of the Board.

Oversee the placement of significant issues for the information, consideration, and decision, as the case may be, to the Board or its Committees.

BOARD BALANCE

CIPLC's Board has been constituted in accordance with the regulations stipulated by the Colombo Stock Exchange. The Board comprises both Executive and Non-Executive Directors, with the latter constituting over one-third of the total number of Directors. This composition ensures a balanced perspective and diverse skill set within the boardroom, aligning with best practices in corporate governance.





INDEPENDENCE OF DIRECTORS

The Board has undertaken a thorough evaluation process and determined that three of its Non-Executive Directors meet the stringent criteria for "Independence" as defined by the Listing Rules. This determination underscores the company's commitment to transparency and objectivity in its decision-making processes.

INDEPENDENCE IN COMMITTEE LEADERSHIP:

Board Committees, including the Audit Committee, Related Party Transaction Review Committee, Risk Management Committee, Nominations & Governance Committee and Remuneration Committee are chaired by Independent Non-Executive Directors. This strategic decision enhances the effectiveness and credibility of these committees, as they play pivotal roles in overseeing key aspects of the company's operations and risk management.

ANNUAL DECLARATION AND OVERSIGHT:

Directors have submitted an annual declaration of their status, which is diligently reviewed by the Company Secretaries. Any changes in the status of Directors are promptly communicated to the Chairman. This rigorous oversight mechanism ensures that the composition of the Board remains in compliance with regulatory requirements and reflects the highest standards of corporate governance.

FINANCIAL ACUMEN

Four Senior Chartered Accountants and one member of the Institute of Certified Management Accountants (ICMA) Australia, are members of the CIPLC Board to provide adequate guidance on financial matters.

PROVISION OF INFORMATION

The Board is provided information in a timely manner in a quality appropriate to enable it to discharge its duties. Directors are provided with monthly and quarterly reports on performance and such other reports and documents as necessary. The Chairman ensures all Directors are adequately briefed on issues arising at meetings.

SELECTION & APPOINTMENTS TO THE BOARD

The Board has overall responsibility for governance across the Company and retains effective control through the Board-approved Governance Framework. The selection process is guided by a formal and transparent process, and the Board approves nominations and commences the regulatory process. The Board decides on the appointments based on the recommendations made by the Nominations & Governance Committee.

In compliance with new regulatory requirements, a formal Policy on Corporate Governance, Nominations and Re-Election was approved by the Board in September 2024, and the same was published on the Company's website with effect from 1st October 2024. The Policy establishes the relevant criteria and clear guidelines for the nomination of new Directors and the re-election of existing Directors to the Board, ensuring greater accountability, transparency, and fairness across the process Induction programme for new directors

All new Directors receive a formal induction and an orientation pack that outlines the main areas that require familiarisation.

RE-ELECTION OF DIRECTORS

1. The provisions of the Company's Articles require a Director appointed by the Board to hold office until the next Annual General Meeting and seek re-election by the shareholders at that meeting
2. Directors who are over seventy years old will be reappointed by the shareholders in terms of section 211 of the Companies Act No.07 of 2007.
3. The Board decides on the re-election of Directors based on the recommendation made by the Nominations and Governance Committee.

Corporate Governance

DISCLOSURE OF REMUNERATION

The Financial Statements include a detailed disclosure of Directors' Remuneration in note 35.4. All Non-Executive Directors are compensated with a fixed fee, without any additional performance-based or incentive payments.

MANAGEMENT STRUCTURE

The Board of Directors operates with a clear focus on strategic delegation and robust oversight mechanisms to drive organisational success. An overview of the key practices employed are:

DELEGATION OF AUTHORITY TO THE DIRECTOR/ CEO:

The Board has entrusted the Director/CEO with primary authority to execute the strategic objectives formulated by them. This delegation reflects a high level of trust in the Director/CEO's leadership capabilities and expertise in steering the company towards its goals. By empowering the Director/CEO, the Board enables swift decision-making and agile responses to market dynamics.

MONTHLY PERFORMANCE REVIEWS:

Regular performance reviews are integral to ensuring the company stays on track towards its objectives. The Director/ CEO, along with key management personnel, convenes monthly meetings to meticulously evaluate the company's performance. These sessions provide a platform for in-depth discussions on operational metrics, financial performance, market trends, and any emerging challenges. Additionally, the team meets promptly as required to address urgent matters and capitalize on emerging opportunities.

QUARTERLY BOARD MEETINGS WITH DIRECTOR/CEO AND MANAGER FINANCE:

To maintain transparency and alignment between the executive leadership and the Board, the Director/CEO and the Finance Manager attend quarterly Board meetings. These sessions serve as vital forums for presenting financial updates, strategic initiatives, and operational highlights. By involving key executives in these meetings, the Board gains first hand insights into the company's financial health, risk management strategies, and overall performance trajectory.

RELATIONS WITH SHAREHOLDERS

CIPLC continued to maintain professional and transparent communications with all shareholders during the 12 months of the year. The company ensures effective communication and interaction with its shareholders through its Annual General Meeting (AGM) through the process of providing:

COMPREHENSIVE NOTICE OF MEETING:

The Notice of Meeting is included in the Annual Report, ensuring that shareholders are well-informed about the upcoming AGM. This notice contains the agenda for the AGM, along with detailed instructions on voting procedures, including the appointment of proxies. A Form of Proxy is enclosed with the Annual Report, facilitating convenient participation for shareholders. Moreover, the company adheres to the period of notice prescribed by the Companies Act No. 7 of 2007, ensuring compliance with regulatory requirements.

ENCOURAGEMENT OF SHAREHOLDER PARTICIPATION:

CIPLC actively encourages the participation of shareholders at the AGM, recognising it as a vital platform for fostering dialogue and transparency. The Board firmly believes that the AGM serves as a means of maintaining effective communication with shareholders. During the meeting, the Board is committed to offering clarifications and addressing any concerns raised by shareholders, thereby fostering a culture of openness and accountability.

TAILORED DELIVERY OF ANNUAL REPORTS:

Annual Reports are diligently delivered to all shareholders entitled to receive them, ensuring widespread access to key information about the company's performance, financial health, and strategic direction.

ENHANCED ACCESSIBILITY VIA ONLINE PLATFORMS:

In addition to traditional delivery methods, we enhance accessibility to our Annual Reports by publishing them on both the company website and the Colombo Stock Exchange (CSE) website.

COMMUNICATION WITH SHAREHOLDERS

The Quarterly Financial Statements, disclosures, and announcements are published on the CSE website for public distribution. The Annual Report serves as the primary means of communication with shareholders and other stakeholders and is also submitted to the Colombo Stock Exchange. Shareholders are encouraged to address any concerns they may have with either the Chairman or the Company Secretary.

Communication sources	Frequency
Annual Reports	Annually
Interim financial statement	Quarterly
Press release	As required
Announcement to CSE	As required

PRICE SENSITIVE INFORMATION

Due care is exercised with respect to sharing price sensitive information.

SHAREHOLDER VALUE AND RETURNS

The Board recommends appropriate dividends at timely intervals, which may be ratified by the shareholders at the AGM. The company has declared a Dividend of Rs. 6.00 to each share during the year 2024/25 (This is subjected to shareholder approval in AGM).

ACCOUNTABILITY AND AUDIT FINANCIAL REPORTING

At CIPLC, transparency and accountability are foundational principles guiding the company's disclosure practices.

ADHERENCE TO SRI LANKA ACCOUNTING STANDARDS:

Sri Lanka Accounting Standards are followed for the disclosure of financial information. By following these standards, the company ensures consistency, comparability, and reliability in its financial reporting.

COMPREHENSIVE DISCLOSURE OF FINANCIAL AND NON-FINANCIAL INFORMATION:

CIPLC has enhanced its level of transparency with regard to business operations by voluntarily adopting the Integrated Reporting Framework to disclose information regarding its financial and non-financial capitals, and adopting the Global Reporting Initiative (GRI) Standards to disclose its environmental and social impacts. In addition, CIPLC has commenced adopting the Sri Lanka Sustainability Disclosure Standards to divulge material information regarding risks and opportunities arising from sustainability and climate change impacts.

STATEMENT OF DIRECTORS' RESPONSIBILITIES:

The company demonstrates its commitment to accountability by including a Statement of Directors' Responsibilities for the financial statements. This statement, located on page from 125 to 127 of the annual report, outlines the Directors' Responsibilities in relation to the preparation and presentation of the financial statements.

MANAGEMENT REPORT

The Chairman's Message (pages 19-21) and the Chief Executive Officer's Review (pages 23-25) in this report explain the Company's performance during the financial year. Additionally, the Management Discussion and Analysis (pages 33-45) provides a comprehensive overview of the Company's activities and achievements.

MINIMUM PUBLIC HOLDING

The Company meets the minimum public holding requirement in terms of Rule 7.13.1 of the CSE Listing Rules, and shares held by the public is 48.05% as of 31st March 2025.

COMPANY SECRETARY

The role of the Company Secretary is pivotal in ensuring the effective functioning of the Board and upholding the highest standards of corporate governance.

KEY FUNCTION IN BOARD OPERATIONS:

The office of the Company Secretary serves as the linchpin for the smooth operation of the Board. Acting as a central point of contact, the Company Secretary facilitates seamless communication, coordination, and administrative support essential for the Board's activities.

PROFESSIONAL SECRETARIAL SERVICES:

Corporate Services (Private) Limited provides expert secretarial services to the Board, ensuring efficiency and compliance with regulatory requirements. With their specialised expertise, they assist the Board in navigating complex governance frameworks and regulatory landscapes.

GUIDANCE ON CORPORATE GOVERNANCE:

The Company Secretary plays a pivotal role in guiding the Board in fulfilling its duties and responsibilities, and championing best practices in corporate governance. This includes providing expert advice, ensuring adherence to regulatory requirements, and promoting ethical conduct and transparency.

CONDUCT OF BOARD AND GENERAL MEETINGS:

A core responsibility of the Company Secretary is to ensure orderly conduct of both Board and General Meetings in strict accordance with the company's Articles of Association and relevant legislation by planning, preparing the agenda, and facilitating discussions.

MAINTENANCE OF STATUTORY RECORDS:

The Company Secretary is responsible for maintaining accurate statutory registers and minute books, documenting the proceedings of Board Meetings, for compliance purposes and provides a comprehensive audit trail of decision-making processes.

TIMELY COMMUNICATION WITH STAKEHOLDERS:

Prompt communication with regulators and shareholders is essential in maintaining transparency and fostering trust.
The Company Secretary takes charge of ensuring timely and accurate communication with these stakeholders, keeping them informed of pertinent developments and regulatory obligations.

Corporate Governance

AGM AND DIVIDEND DECLARATIONS:

With the necessary approval from the Colombo Stock Exchange (CSE), the Company Secretary oversees the preparation and conduct of the Annual General Meeting (AGM) and facilitates dividend declarations, ensuring compliance with regulatory norms and shareholder expectations.

COMPLIANCE

As a responsible corporate citizen, CIPLC treats compliance as an integral component of its operations. The Board is responsible for ensuring that appropriate policies are in place to manage and mitigate compliance risks, while Management is responsible for implementing these policies and undertakes to timely address critical issues to preserve the value of the Company.

STATUTORY COMPLIANCE AND LEGAL SUPPORT:

Filing statutory returns, facilitating access to legal advice, and ensuring compliance with regulatory requirements are core responsibilities of the Company Secretary. They collaborate with the Board to navigate legal complexities and mitigate risks effectively.

COMPLIANCE MONITORING SYSTEM

CIPLC has a structured process to continually monitor compliance with the Director/CEO overseeing the compliance status of the regulatory framework, including corporate governance, CSE and SEC regulations, and the Companies Act. 2007, labour regulations, environmental regulations, local government regulations pertaining to its operations and consumer protection regulations.

The respective heads of departments submit monthly compliance confirmations to the Director/CEO. In turn, the Director/CEO submits quarterly compliance confirmation to the Board of Directors for their review.

TAX GOVERNANCE

The Manager Finance submits the tax compliance report with sign off to the Board on a quarterly basis, which is included in the Board information pack. CIPLC ensures all tax payments and tax returns are made with applicable tax laws, transparency and accountability.

COMPLIANCE SIGN OFF

Heads of department review and sign off on the regulatory compliance checklist on a monthly basis, confirming that all laws and regulations are adhered to all applicable laws and regulations.

COMPLIANCE REPORT

COMPANIES ACT 2007	
Section	Companies Act -2007: 168 (1)(a)
Subject	Changes in Nature of Business
Requirement	Any change during the accounting period in the nature of business of the Company or any of its subsidiaries and the classes of business in which the Company has an interest
Compliance Status	No significant changes in the company's or its subsidiary's nature of business

Section	Companies Act -2007: 168 (1)(b)
Subject	Financial Statements
Requirement	Financial Statements of the Company and the Group for the accounting period completed and signed
Compliance Status	The Financial Statements for the year have been signed by the directors

Section	Companies Act -2007: 168 (1)(c)
Subject	Audit Report
Requirement	Auditors Report on Financial Statements of the Company and the Group
Compliance Status	The Financial Statements were audited by an Independent Auditor. Please refer the page No from 130 to 132 for Audit report

Section	Companies Act -2007: 168 (1)(d)
Subject	Changes in Accounting Policies
Requirement	Change of accounting policies during the accounting period
Compliance Status	No significant changes were made in the Company's accounting policies during the financial year

Section	Companies Act -2007: 168 (1)(e)
Subject	Interest Register
Requirement	Particulars of entries in the interest register made during the accounting period
Compliance Status	Interest Register - Page No 128

Section	Companies Act -2007: 168 (1)(f)
Subject	Directors Remuneration
Requirement	Remuneration and other benefits paid to the Directors during the accounting period
Compliance Status	Remuneration of Directors - Page No 128

Section	Companies Act -2007: 168 (1)(g)
Subject	Donations to charities
Requirement	Total amount of donations made by the Company and the Group during the accounting period
Compliance Status	Donation- Page No 126/152

Compliance Report

COMPANIES ACT 2007	
Section	Companies Act -2007: 168 (1)(h)
Subject	Directorate of the Company
Requirement	The Directorate of the Company and the Group as at the end of accounting period along with the changes occurred during the accounting period
Compliance Status	Board of Directors - Page No 28 to 30

Section	Companies Act -2007: 168 (1)(i)
Subject	Payables to Auditors
Requirement	Amounts payable to the Auditors as audit fees and fees payable for other related services provided by them
Compliance Status	Notes to the Financial statements Page No 152

Section	Companies Act -2007: 168 (1)(j)
Subject	Relationship with Auditors
Requirement	Relationship or interest of the Auditors with the Company or any of its subsidiaries
Compliance Status	Auditors Page No 127

Section	Companies Act -2007: 168 (1)(k)
Subject	Annual Report
Requirement	Annual Report of the Board of Directors signed on behalf of the Board
Compliance Status	Two Directors and the Company Secretary have signed the Annual Report of the Board

CSE	
Section	CSE: Rule - 7.6 (i)
Subject	Names of Directors of the entity
Requirement	Board of directors during the FY with profiles
Compliance Status	Board of Directors - Page No 28 to 30

Section	CSE: Rule - 7.6 (ii)
Subject	Principal Activities
Requirement	Principal activities of the entity and its subsidiaries during the year under review
Compliance Status	Accounting Policies - Page No 138

Section	CSE: Rule - 7.6 (iii)
Subject	20 largest shareholders
Requirement	20 largest shareholders of voting and non-voting shares and the percentage of shares
Compliance Status	share information - page No 193

Section	CSE: Rule - 7.6 (iv)
Subject	Public holding details
Requirement	The float adjusted market capitalization, Public Holding percentage (%), number of public shareholders and under which option the Listed Entity complies with the Minimum Public Holding requirement
Compliance Status	Share Information - Page No 192 to 193

CSE	
Section	CSE: Rule - 7.6 (v)
Subject	Directors & CEO Shareholding
Requirement	Each Director's and Chief Executive Officer's shareholding in each class of shares LKR and Foreign Currency denominated
Compliance Status	Shareholding of Directors Page No 128

Section	CSE: Rule - 7.6 (vi)
Subject	Material foreseeable risk factors of the Entity
Requirement	Each Director's and Chief Executive Officer's shareholding in each class of shares LKR and Foreign Currency denominated
Compliance Status	Shareholding of Directors - Page No 128

Section	CSE: Rule - 7.6 (viii)
Subject	Properties Details
Requirement	Extents, locations, valuations and the number of buildings of the entity's land holdings and investment properties
Compliance Status	Notes to the Financial Statements - Page No 159

Section	CSE: Rule - 7.6 (ix)
Subject	No of Shares
Requirement	Number of shares representing the stated capital
Compliance Status	Notes to the Financial Statements - Page No 165

Section	CSE: Rule - 7.6 (x)
Subject	Distribution schedule
Requirement	Distribution schedule of the number of holders and the percentage of their total holding
Compliance Status	Distribution of Shareholdings as at 31 March 2025 - Page No 192

Section	CSE: Rule - 7.6 (xi)
Subject	Share price
Requirement	Ratios and market price information
Compliance Status	Share Trading during the year ended 31st march 2025 - Page No 193

Section	CSE: Rule - 7.6 (xii)
Subject	Fixed Assets Details
Requirement	Significant changes in the entity's or its subsidiaries fixed assets and the market value of land
Compliance Status	Notes to Financial Statements Page No 156 to 160

Compliance Report

CSE	
Section	CSE: Rule - 7.6 (xvi)
Subject	Related Party Transactions
Requirement	Related Party transactions exceeding 10% of the Equity or 5% of the total assets of the Entity as per Audited Financial Statements, whichever is lower. Details of investments in a Related Party and/or amounts due from a Related Party to be set out separately. • date of the transaction • name of the Related Party • relationship between the Entity and the Related Party • amount of the transaction and terms of the transaction • rationale for entering into the transaction
Compliance Status	Notes to Financial Statements - Pages No 173 to 175

9.3 BOARD COMMITTEES

Section	CSE: Rule - 9.3.1
Subject	Minimum required committees
Requirement	Listed Entities shall ensure that the following Board committees are established and maintained at a minimum and are functioning effectively. The said Board committees at minimum shall include; (a) Nominations and Governance Committee (b) Remuneration Committee (c) Audit Committee (d) Related Party Transactions Review Committee.
Compliance Status	Committee Reports - Pages No 116 to 121

Section	CSE: Rule - 9.3.2
Subject	Disclosure Requirements on Board Committees
Requirement	Listed Entities shall comply with the composition, responsibilities and disclosures required in respect of the above-Board committees as set out in these Rules.
Compliance Status	Committee Reports - Pages No 116 to 121

Section	CSE: Rule - 9.3.3
Subject	Chairperson of the Board of Directors is not the Chairperson of Board Committees.
Requirement	The Chairperson of the Board of Directors of the Listed Entity shall not be the Chairperson of the Board Committees referred to in Rule 9.3.1 above.
Compliance Status	Committee Reports - Pages No 116 to 121

9.4. ADHERENCE TO PRINCIPLES OF DEMOCRACY IN THE ADOPTION OF MEETING PROCEDURES AND THE CONDUCT OF ALL GENERAL MEETINGS WITH SHAREHOLDERS.

Section	CSE: Rule - 9.4.1
Subject	Maintenance of the records
Requirement	Listed Entities shall maintain records of all resolutions and the following information upon a resolution being considered at any General Meeting of the Entity. The Entity shall provide copies of the same at the request of the Exchange and/or the SEC. (a) The number of shares in respect of which proxy appointments have been validly made; (b) The number of votes in favour of the resolution; (c) The number of votes against the resolution; and (d) The number of shares in respect of which the vote was directed to be abstained
Compliance Status	Maintenance of statutory records Page No 91

CSE

9.5 POLICY ON MATTERS RELATING TO THE BOARD OF DIRECTORS

Section	CSE: Rule - 9.5.2
Subject	Confirmation of compliance of rules
Requirement	Confirmation on compliance with requirements of the policy on matters relating to the Board of Directors. If no complied reasons for the same with proposed remedial action
Compliance Status	Corporate Governance Report – Page 85

9.6 CHAIRPERSON AND CEO

Section	CSE: Rule - 9.6.1
Subject	Chairman and CEO are not same individual
Requirement	The Chairman of every Listed Entity shall be a Non-Executive Director and the position of Chairman and CEO shall not be held by the same individual.
Compliance Status	Chairman & CEO are two different individuals & Chairman is a non-executive director.

9.7 FITNESS OF DIRECTORS AND CEO

Section	CSE: Rule - 9.7.1 to 9.7.3
Subject	Directors & CEO
Requirement	Directors & CEO should be fit & proper person as mentioned in the Rule No. 9.7.3. Fit and Proper Assessment Criteria: a) Honesty, Integrity and Reputation b) Competence and Capability c) Financial Soundness
Compliance Status	Complied

Section	CSE: Rule - 9.7.4
Subject	Declarations from directors regarding Fit & Proper satisfaction
Requirement	Listed Entities shall obtain declarations from their Directors and CEO on an annual basis confirming that each of them have continuously satisfied the Fit and Proper Assessment Criteria set out in these Rules during the financial year concerned and satisfies the said criteria as at the date of such confirmation.
Compliance Status	Obtained

Section	CSE: Rule - 9.7.5
Subject	Disclosures in the Annual Report Fit & Proper assessment
Requirement	Shall include the following disclosures/reports in the Annual Report; a) A statement that the Directors and CEO of the Listed Entity satisfy the Fit and Proper Assessment Criteria stipulated in the Listing Rules of the Colombo Stock Exchange. b) Any non-compliance/s by a Director and/or the CEO of the Listed Entity with the Fit and Proper Assessment Criteria set out in these Rules during the financial year and the remedial action taken by the Listed Entity to rectify such non-compliance/s.
Compliance Status	Fit & proper Confirmations have been obtained from each directors and it is prudently assessed by the Board of directors when annual assessment of continuation of directorships, in order to strengthen the diversity of the Board to induce fresh prospective that will foster the robust debate and support effective decision making.

Compliance Report

CSE

9.8 BOARD COMPOSITION

Section	CSE: Rule - 9.8.1
Subject	No of minimum Directors
Requirement	The Board of Directors of a Listed Entity shall, at a minimum, consist of five (05) Directors.
Compliance Status	CIPLC Board consists of Nine Directors

Section	CSE: Rule - 9.8.2
Subject	Number of minimum Independent Directors
Requirement	The Board of Directors of Listed Entities shall include at least two (2) Independent Directors or such number equivalent to one third (1/3) of the total number of Directors of the Listed Entity at any given time, whichever is higher.
Compliance Status	Three Directors are Independent Non-Executive Directors out of 9 Directors

Section	CSE: Rule – 9.8.3
Subject	Determining independence
Requirement	Criteria not met by the Non-Executive Directors and basis for determining independence
Compliance Status	All independent Non-Executive Directors meet the criteria.

Section	CSE: Rule - 9.8.5
Subject	Declaration of independency of Directors
Requirement	a) Each Independent Director to submit a signed and dated declaration annually of his or her “independence” or “non-independence” against the criteria specified herein and in the format in Appendix 9A b) Make an annual determination as to the “independence” or “non-independence” of each Independent Director based on the Directors` declaration and other information available to it and shall set out the names of Directors determined to be ‘independent’ in the Annual Report.
Compliance Status	Obtained

9.10 DISCLOSURES RELATING TO DIRECTORS

Section	CSE: Rule - 9.10.1
Subject	No. of Directorships in Board
Requirement	Listed Entities shall disclose its policy on the maximum number of directorships it’s Board members shall be permitted to hold.
Compliance Status	Board of Directors – Page No 28-30
Section	CSE: Rule - 9.10.2
Subject	Appointment of new Directors
Requirement	Upon the appointment of a new Director to its board make an immediate Market announcement setting out the following ; i. A brief resume of such Director. ii. His/her capacity of directorship; and iii. Statements by the entity indicating whether such appointment has been reviewed by the Nominations and Governance Committee of the entity.
Compliance Status	There are 2 New Appointments and market announcements were made.

CSE	
Section	CSE: Rule - 9.10.4
Subject	Disclosures relating to Directors
Requirement	Shall also disclose the following in relation to the Directors in the Annual Report: (a) name, qualifications and brief profile; (b) the nature of his/her expertise in relevant functional areas; (c) whether either the Director or Close Family Members has any material business relationships with other Directors of the Listed Entity; (d) whether Executive, Non-Executive and/or independent Director (e) the total number and names of companies in Sri Lanka (f) number of Board meetings in FY (g) names of Board Committees in which the Director serves as Chairperson or a member (h) Details of attendance of Committee Meetings of the Audit, RPT Review, Nominations and Governance and Remuneration Committees.
Compliance Status	Board of Directors – Page No 28 to 30

Section	CSE: Rule - 9.11.1
Subject	Nominations & Governance Committee
Requirement	Entities shall have a Nominations and Governance Committee that conforms to the requirements set out in Rule 9.11 of these Rules and shall have a written terms of reference.
Compliance Status	Nominations & Governance Committee report – Page No 121

Section	CSE: Rule - 9.11.2
Subject	A formal procedure for the appointment of new Directors / re-election of directors
Requirement	Listed entities shall establish and maintain a formal procedure for the appointment of new Directors and re-election of Directors to the board through the Nominations and Governance Committee.
Compliance Status	Nominations & Governance Committee Report- Page 121

Section	CSE: Rule - 9.11.3
Subject	Nomination & Governance
Requirement	The Nominations and Governance Committee shall have a written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings.
Compliance Status	Nominations & Governance Committee report - Page 121

Section	CSE: Rule - 9.11.4
Subject	Composition of Nominations & Governance Committee
Requirement	Comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors of the Listed Entity. There are no Executive Directors on the committee.
Compliance Status	Nominations & Governance Committee report – Page No 121

Section	CSE: Rule - 9.11.5
Subject	Functions of Nominations & Governance Committee
Requirement	Evaluate the appointment of Directors to the Board of Directors and Board Committees of the Listed Entity. A member of the Nominations and Governance Committee shall not participate in decisions relating to his/her own appointment.
Compliance Status	Nominations & Governance Committee report – Page No 121

Compliance Report

CSE	
Section	CSE: Rule - 9.11.6
Subject	Disclosure of Nominations & Governance Committee
Requirement	The Annual Report of Listed Entities shall contain a report of the Nominations and Governance Committee signed by its Chairperson and the report shall contain; (a) the names of the Chairperson and members of the Committee and the nature of directorships held by such members); (b) the date of appointment to the Committee; (c) whether a documented policy and processes are in place when nominating Directors; (d) whether all directors should be required to submit themselves for re-election at regular intervals and at least once in every three (3) years; (e) a disclosure on Board diversity in the range of experience, skills, age and gender as an essential factor for effective Board performance; (f) details to demonstrate effective implementation of policies and processes relating to appointment and reappointment of Directors. (g) information regarding directors who are re-elected or being proposed for re-election (h) periodic evaluations have been conducted on the performance of the Board of Directors and the CEO (i) processes adopted by the Listed Entity to inform the Independent Directors of major issues relating to the Entity; (j) Induction programmes/orientation programmes conducted for newly appointed Directors (k) A statement that the Directors of the Listed Entity meet the criteria for determining independence.
Compliance Status	Nominations & Governance Committee report – Page No 121

Section	CSE: Rule - 9.12.2
Subject	Remuneration Committee
Requirement	Entities shall have a Remuneration Committee that conforms to the requirements set out in Rule 9.12
Compliance Status	Remuneration Committee report – Page No 118

Section	CSE: Rule – 9.12.3
Subject	Remuneration Committee
Requirement	Shall establish and maintain a formal and transparent procedure for developing policy on Executive Directors' remuneration and for fixing the remuneration packages of individual Directors. No Director shall be involved in fixing his/her own remuneration.
Compliance Status	Report of Remuneration Committee - Page No 118

Section	CSE: Rule – 9.12.4
Subject	Remuneration Committee
Requirement	Remuneration for Non-Executive Directors should be based on a policy which adopts the principle of non-discriminatory pay practices among them to ensure that their independence is not impaired.
Compliance Status	Report of Remuneration Committee - Page No 118

Section	CSE: Rule – 9.12.5
Subject	Remuneration Committee
Requirement	Remuneration Committee shall have a written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings.
Compliance Status	Report of Remuneration Committee - Page No 118

CSE	
Section	CSE: Rule -9.12.6
Subject	Composition of Remuneration Committee
Requirement	Shall comprise of minimum of three Non-Executive Directors, out of which 2 members shall be Independent
Compliance Status	The Committee comprises five Non-Executive Directors, three of whom are independent. The Chairman of the committee is also an independent Director.

Section	CSE: Rule -9.12.7
Subject	Functions of Remuneration Committee
Requirement	The Remuneration Committee shall recommend the remuneration payable to the Executive Directors and CEO of the Listed Entity
Compliance Status	The Committee recommends the remuneration of the Chief Executive Officer / Executive Director

Section	CSE: Rule -9.12.8
Subject	Disclosure of Remuneration Of directors
Requirement	Disclosure in the Annual Report relating to Remuneration The Annual Report should set out; a. Names of the Chairperson and members of the Remuneration Committee and the nature of directorships held by such members; b. A statement regarding the remuneration policy; and, The aggregate remuneration of the Executive and Non-Executive Directors.

Section	CSE: Rule - 9.13.1 to 9.13.2
Subject	Audit Committee
Requirement	Entities shall have a Audit Committee that conforms to the requirements set out in Rule 9.13 and shall have a written terms of reference clearly defining its scope, authority and duties.
Compliance Status	Audit Committee Report Page No 116 to 117

Section	CSE: Rule -9.13.3
Subject	Composition of Audit Committee
Requirement	Shall comprise of a minimum of three (03) directors of the Listed Entity, out of which a minimum of two (02) or a majority of the members, whichever higher, shall be Independent Directors. An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors The Chairman of the Audit Committee or one member should be a Member of a recognised professional accounting body. Chief Executive Officer and the Chief Financial Officer should attend Audit Committee Meetings. There are no Executive Directors on the committee as Directors.
Compliance Status	The committee comprises four Non-Executive Directors, three of whom are independent. The Chief Executive Officer and the Manager-Finance attend Audit Committee meetings Three members of the Committee are members of professional accounting bodies.

Compliance Report

CSE	
Section	CSE: Rule -9.13.4
Subject	Functions of the Audit Committee
Requirement	Should be as outlined in the listing rules
Compliance Status	Audit Committee Report – Page No 116 117

Section	CSE: Rule -9.13.5
Subject	Disclosure of the Audit Committee
Requirement	Disclosure in the Annual Report relating to Audit Committee a. The names of the Chairperson and the members of the Audit Committee, and the nature of directorships held by such members; b. The status of risk management and internal control of the listed entity and as a group. c. A statement that it has received assurance from the CEO and the CFO of the Entity's operations and finances. d. An opinion on the compliance with financial reporting requirements, information requirements under these Rules, the Companies Act and the SEC Act and other relevant financial reporting related regulations and requirements. e. The Listed Entity has a formal Audit Charter. f. The manner in which internal audit assuarance is achived and a summary of the woek of the internal audit function. h. A statement confirming that written assurance was obtained from the external auditors approved by the SEC, confirming that they are and have been independent throughout the conduct of the audit. i. The Audit Committee shall make a determination of the independence of the Auditors and disclose the basis for such determination g. Details demonstrating the effective discharge of its functins and duries for that financial year of the listed entity. The Annual Report shall contain a Report of the Audit Committee in the prescribed manner
Compliance Status	Audit Committee Report – Page No 116 to 117

Section	CSE: Rule - 9.14.1
Subject	Related Party Transactions Review Committee
Requirement	Entities shall have a Related Party Transactions Review Committee that conforms to the requirements set out in Rule 9.14
Compliance Status	Related Party Transactions Review Report – Page No 119

Section	CSE: Rule - 9.14.2
Subject	Related Party Transactions Review Committee (RPTRC)
Requirement	Shall comprise of a minimum of three (3) Directors of the Listed Entity, out of which two (02) members shall be Independent Directors of the Listed Entity and the Chairman of the RPTRC shall be an Independent Non-Executive Director (INED).
Compliance Status	• There are four Non-Executive Directors of whom three are independent. • The Chairman is an INED.

Section	CSE: Rule - 9.14.4
Subject	Frequency of Meeting of RPTRC
Requirement	The Committee shall meet at least once a calendar quarter. The Committee shall ensure that the minutes of the all meetings are properly documented and communicated to the Board of Directors.
Compliance Status	Report of the Related Party Transactions Review Committee – Page No 119

CSE	
Section	CSE: Rule -7.13.1
Subject	Minimum Public Holding
Requirement	Minimum no of public shareholders and Minimum percentage of public shares holdings
Compliance Status	Minimum Public Holding – Page No 125

CSE	
Section	CSE: Rule -9.14.5
Subject	Related Party Transaction Review Committee (RPTRC)
Requirement	Subject to the exemptions given in terms of Rule 9.14.10, the Related Party Transactions Review Committee shall review in advance all proposed Related Party Transactions. In the event of any material changes to a previously reviewed Related Party Transaction in terms of Rule 9.14.5 (1) above, such proposed material changes shall also be reviewed by the Related Party Transactions Review Committee prior to the completion of the transaction.
Compliance Status	Report of the Related Party Transactions Review Committee – Page no 119

Section	CSE: Rule -9.14.6
Subject	Shareholder approval
Requirement	Listed entities shall obtain shareholder approval by way of a special resolution for the Related Party Transactions.
Compliance Status	No such situations arose during the year.

Section	CSE: Rule -9.14.7
Subject	Immediate disclosure/market announcement to CSE
Requirement	Any non-recurrent Related Party Transaction with a value exceeding 10% of the Equity or 5%mof the total assets, whichever is lower, or if the aggregate value of all non-recurrent Related Party Transactions entered into with the same related party during the same financial year amounts to 10% of the equity or 5% of the total assets of the equity as per the latest Audited Financial Statements. Any subsequent non-recurrent transaction after it exceed 5% of equity entered with the same related party during the financial year.
Compliance Status	No transaction exceeding 10% of the Equity or 5% of the total assets

Section	CSE: Rule -9.14.8 (3)
Subject	Disclosures in Annual Report- Related Party Transactions Review Committee
Requirement	The Annual Report shall contain a report by the Related Party Transactions Review Committee, setting out the following: • The names of the Directors comprising the Committee; • A statement to the effect that the Committee has reviewed the Related Party Transactions during the financial year and has communicated its comments/observations to the Board of Directors. • The policies and procedures adopted by the Committee for reviewing the Related Party Transactions.
Compliance Status	Report of the Related Party Transactions Review Committee – Page no 119

Compliance Report

CSE	
Section	CSE: Rule - 9.14.8
Subject	Disclosures - Related Party Transactions
Requirement	In the case of Non-recurrent Related Party Transactions: if the aggregate value of the non-recurrent Related Party Transactions exceeds 10% of the Equity or 5% of the Total Assets of the Listed Entity, whichever is lower, the following information must be presented in the Annual Report in the tabular format. • Name of the related Party • Relationship • Value of the Related Party Transactions entered into during the financial year • Value of Related Party Transactions as a % of Equity and as a % of Total Assets • Terms and Conditions of Related Party Transactions • The rational for entering into the transactions
Compliance Status	Disclosed on Page No 173-174

Section	CSE: Rule - 9.2.3 (i)
Subject	List of Policies
Requirement	List of policies in place as per Rule 9.2.1, with reference to website
Compliance Status	Disclosed in AR Page No. 85

Section	CSE: Rule - 9.2.3 (ii)
Subject	Changes in Policies
Requirement	Any Changes to policies adopted
Compliance Status	Disclosed in AR Page No. 85

Section	CSE: Rule - 9.2.1
Subject	Policies Disclosures
Requirement	Listed Entities shall establish and maintain the following policies and disclose the fact of existence of such policies together with the details relating to the implementation of such policies by the Entity on its website (a) Policy on the matters relating to the Board of Directors (b) Policy on Board Committees (c) Policy on Corporate Governance, Nominations and Re-election (d) Policy on Remuneration (e) Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities (f) Policy on Risk management and Internal controls (g) Policy on Relations with Shareholders and Investors (h) Policy on Environmental, Social and Governance Sustainability (i) Policy on Control and Management of Company Assets and Shareholder Investments (j) Policy on Corporate Disclosures (k) Policy on Whistleblowing (l) Policy on Anti-Bribery and Corruption
Compliance Status	Disclosed in company website

CSE	
Section	CSE: Rule - 9.2.2
Subject	Exemption granted on rules
Requirement	Any waivers from compliance with the Internal Code of business conduct and ethics or exemptions granted by the Listed Entity shall be fully disclosed in the Annual Report.
Compliance Status	Disclosed Page No. 91

Section	CSE: Rule - 9.2.4
Subject	Availability of the Policy statements
Requirement	Listed Entities shall make available all such policies to shareholders upon a written request being made for any such Policy
Compliance Status	Disclosed Page No. 85

Section	CSE: Rule - 9.4.2 (d)
Subject	Communication and relations with shareholders and investors
Requirement	(a) Listed Entities shall have a policy on effective communication and relations with shareholders and investors and disclose the existence of the same in the Annual Report and the website of the Listed Entity. (b) Listed Entities shall disclose the contact person for such communication. (c) The policy on relations with shareholders and investors shall include a process to make all Directors aware of major issues and concerns of shareholders, and such process shall be disclosed by the Entity in the Annual Report and the website of the Entity. Listed Entities that intend to conduct any shareholder meetings through virtual or hybrid means shall comply with the Guidelines issued by the Exchange in relation to same and published on the website of the Exchange.
Compliance Status	Disclosed Page No. 90

Section	CSE: Rule - 9.5.1
Subject	Formal Policy Governing the Board of Directors
Requirement	Listed Entities shall establish and maintain a formal policy governing matters relating to the Board of Directors
Compliance Status	Disclosed Page No. 85

Compliance Report

CSE	
Section	ICASL -Code: H.4.2
Subject	Process to ascertain of sustainability/ESG factors
Requirement	The company should have a process to ascertain, assess and manage sustainability/ESG factors which have an impact on the sustainability of the company.
Compliance Status	Disclosed Page No. 49 to 53

Section	ICASL -Code: H.5.2
Subject	Providing information relation to Sustainability /ESG Factors
Requirement	Companies should provide information in relation to: • The relevance of environmental, social and governance factors to their business models and strategy • How sustainability/ESG related issues may affect their business How risks and opportunities pertaining to sustainability/ESG are recognised, managed, measured and reported.
Compliance Status	Disclosed Page No. 49 to 53

Section	ICASL -Code: H.5.4
Subject	Board's responsibility on the Sustainability/ ESG reporting
Requirement	Sustainability/ESG reporting is a board's responsibility, and it is designed to add value by providing a credible account of the company's economic, social and environmental impacts. Sustainability/ESG reporting and disclosure should be formalized as part of the Company's reporting process and take place on a regular basis.
Compliance Status	Disclosed Page No. 49

RISK MANAGEMENT

CIPLC has deployed an organisation-wide, integrated risk management system (IRMS) that is designed to safeguard the Company from external and internal risks while enabling the Company to identify and capitalise on emerging market opportunities. As a manufacturer involved in international procurements for raw materials, and also actively operating in the domestic market, CIPLC is exposed to both domestic as well as international risks associated with supply chains, production, operational safety, quality controls and markets. Therefore, CIPLC's financial performance is highly dependent on effective and timely management of a plethora of risks. In order to do so, the Company continually reviews its risk landscape and has deployed structured systems to identify and monitor risks and their potential impacts. CIPLC's IRMS is underpinned by a framework of practices, processes and enabling technologies that support a risk-aware culture, improved decision making and performance. The Company's financial and market performance in the current financial year demonstrates the effectiveness of the system in managing existing risks and capitalising on opportunities to enhance the bottom line.

CHANGES TO THE RISK ENVIRONMENT IN 2024/25

With the gradual improvements to domestic macroeconomic conditions, pressure on CIPLC's domestic risk portfolio eased during the year. The declining interest rates and lowering rate of inflation, coupled with gradual rupee appreciation and lifting of the sovereign default rating in September, all contributed towards lowering the elevated risk elements of the previous 3 years. However, global risks to supply chains and shipping remained unpredictable and elevated, primarily due to the instability in the Red Sea shipping routes.

During the year, the main focus with regard to risk management was in relation to regulatory and compliance risks, due to changes in the Listing Rules of the Colombo Stock Exchange. We are pleased to report that CIPLC is fully compliant with these regulatory changes as of the end of March 2025. We also constituted a dedicated Investment Committee to guide the Company in managing investment-related risks ahead of expansion plans. Risks from competition also increased with new entrants into the PVC pipes and fittings market at a time when market demand had not fully recovered from the downturn following the economic crisis. In order to pre-empt and protect market share and safeguard against market uncertainty as the country's macroeconomic conditions continued to fluctuate, CIPLC's marketing team conducted weekly meetings to monitor and evaluate changes at ground level. The CEO and the marketing team met every month to update the CEO on market conditions, including emerging threats and opportunities, and strategic risks posed by competitors. The Risk Management Committee convened biannually and assessed all risk areas in collaboration with the CEO and senior management. The findings and recommendations of the Committee were presented to the Board twice during the year to assist the Board in its strategic decision-making.

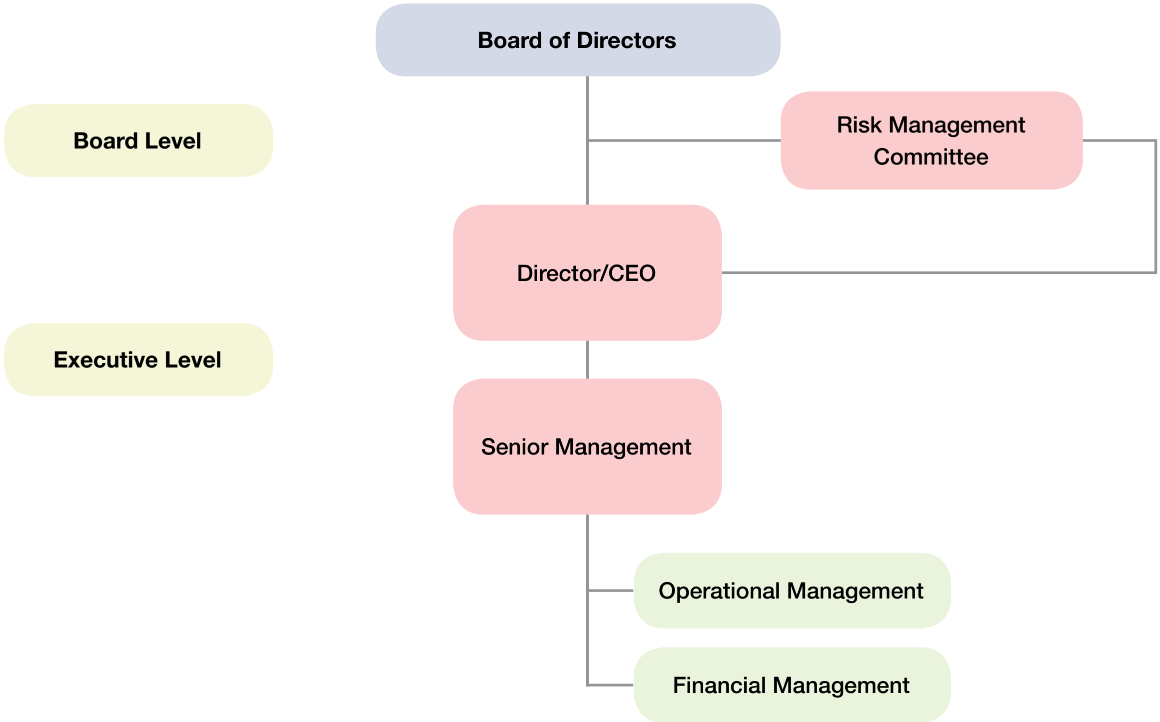
In addition, for enhanced oversight of operations, a dedicated position was created as the Manager - Internal Audit, and a suitable expert was recruited for this position. The frequency of annual distributor audits was increased to bi-annual audits for better control of inventories and better monitoring of market demand trends. While CIPLC has always maintained a sustainable business philosophy by investing in resource conservation, waste reduction and social welfare, in the current financial year, we commenced adoption of the SLFRS Sustainability and Climate Change Disclosure Standards to facilitate closer monitoring of these risks and opportunities.

CHANGES TO KEY RISKS 2024/25

Risk Types	Risk Level	Objective	Trend
Strategic Risk	medium	To minimise risks associated with the Company's business strategy, strategic objectives and strategy execution	↓
Market Risk	High	To safeguard against adverse movement of market factors arising out of price sensitivities of funding sources, investments	↑
Credit Risk	medium	To safeguard the asset quality and reduce debt defaulting by debtors	↓
Liquidity Risk	low	To safeguard against funding constraints that prevent growth and meet the demands of Customers	↓
Foreign currency risk	medium	To safeguard the gross profit margin as far as the market conditions permit	↓
Commodity Price Risk	low	To safeguard the price and market conditions fluctuation of raw materials	↓
Human Resources Risk	low	To ensure the availability of skilled and competent human resources to successfully conduct business operations	↓
Cyber Security Risk	medium	To safeguard information assets and ensure business continuity	↓
Compliance Risk	-	To minimise the cost of non-compliance and litigation	↓
Sustainability risks	medium	To enhance the Company's ability to identify and manage risks that would impact long-term sustainability	↓
Climate change risks	medium	To increase preparedness to climate change impacts	↓

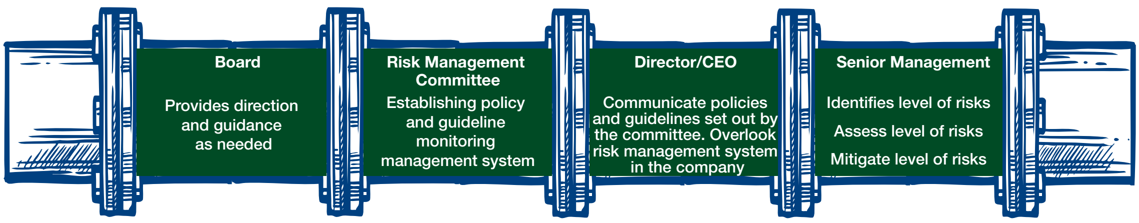
Risk Management

OUR RISK GOVERNANCE STRUCTURE



RISK GOVERNANCE

The CIPLC Board bears ultimate responsibility for the effective and timely management of risks and opportunities. The Company has established a dedicated Risk Management Committee with adequate expertise and experience to provide expert advice to the Board in risk management. The Committee is responsible for monitoring the company's risk exposure and ensuring effective risk management. The CEO works directly with the Committee in this process, with the involvement of Senior Management. For practical and effective risk management, risk ownership is cascaded down the hierarchy and across functional units, reaching all grades of employees.

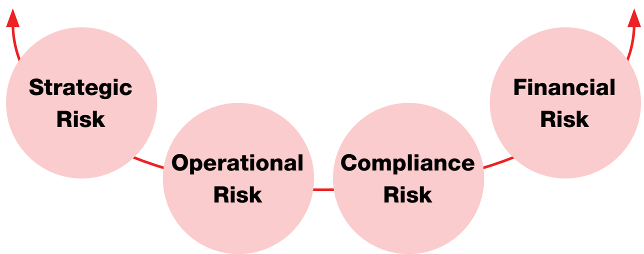


CIPLC utilises a combination of the best risk management techniques in order to manage current and potential risks. The risk management framework is aimed at identifying internal and external risks, to ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.

CIPLC'S RISK UNIVERSE

CIPLC's risk universe encompasses all potential threats that could negatively impact the Company's operations, including regulatory, supply chain, operational, financial, technological and reputational risks. During the current financial year, we also commenced monitoring sustainability and climate change-related risks, as a separate risk category, in addition to ongoing monitoring of our traditional risks.

1	Strategic Risk	Market Risk	2
3	Cyber Security Risk	Regulation & Compliance Risk	4
5	Credit Risk	Commodity Price Risk	6
7	Human Resources Risk	Foreign Currency Risk	8
9	Liquidity Risk		



Risk Management

MANAGING THE RISKS

STRATEGIC RISK

Description

Strategic risk arises from failure to achieve the strategic goals of the Company. Businesses adopted after evaluating the overall risks associated with such strategies.

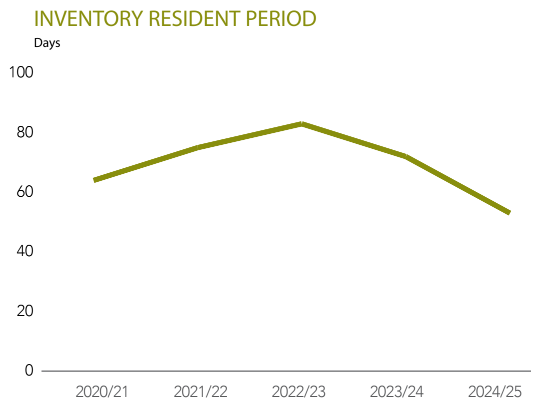
How we managed the risk

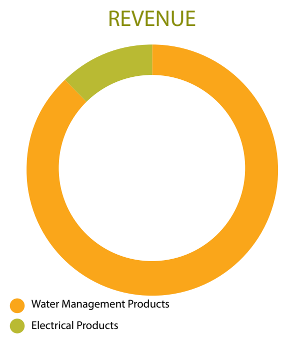
The Board has set targets to diversify the total revenue from PE and PVC to other revenues generated from Electrical Products.
The revenue composition has diversified among water management products and electrical products during the last financial year and maintains diversification in this year.

Status as at 31st March 2025

Overall inventory residence period reduced to 53 days in March 2025 compared to 72 days in March 2024, and it has improved considerably from April 2023, indicating a declining trend.

The revenue composition has diversified among water management products and electrical products during the last financial year and maintains diversification in this year.





MARKET RISK

Description

Market risk arises from fluctuating interest rates, foreign currency shortages, foreign currency exchange rates and equity prices. Excessive movements in market risk indicators could bring severe volatility to the Company's gross profit.

How we managed the risk

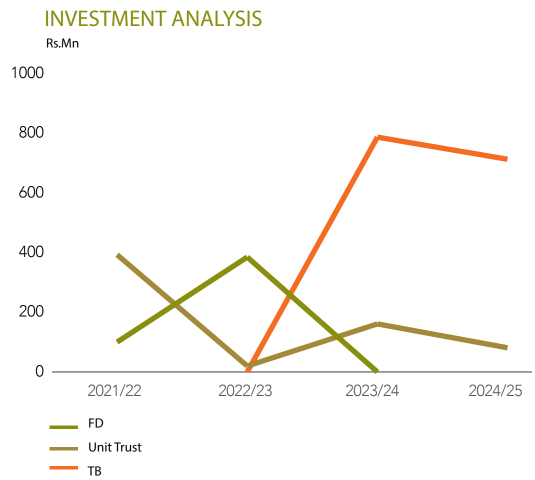
- To mitigate the exchange rate risk, we adopted hedging & derivatives such as forwards, options.
- To mitigate the impacts of volatile interest rates, we have a diversified investment portfolio

Status as at 31st March 2025

Value of investments

	Rs. Mn
Treasury Bills	713.12
Treasury Bonds	189.19
Fixed Deposits	171
NDB Wealth	81.46

Investment Analysis



CREDIT RISK

Description

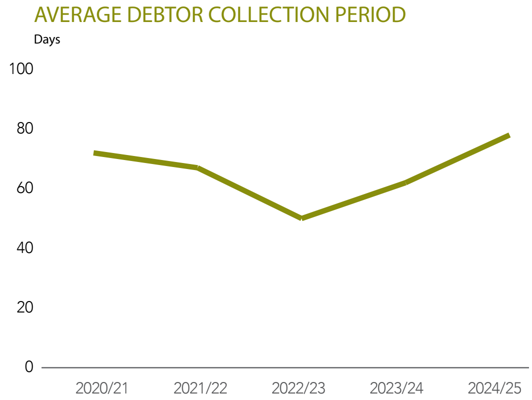
Credit risk is the potential loss due to debtors failing to meet their obligations towards the Company.

How we managed the risk

A Board-approved credit policy is in place to suit the business units. New distributors are reviewed for creditworthiness through structured evaluation criteria before credit facilities are granted. Credit limits are established for each customer, which represents the maximum open amount without requiring further approvals from the Director/CEO. These limits are reviewed annually.

Status as at 31st March 2025

As a result of mitigating actions impairment provision on trade receivables has reduced by 6%.



FINANCIAL POSITION EXTRACT: TRADE RECEIVABLES

	GROUP		COMPANY	
As at 31st March, (In Thousands of Rupees)	**2025**	**2024**	**2025**	**2024**
Trade Receivables	1,412,811	1,003,684	1,412,248	1,003,188
Impairment of Trade Debtors	(47,046)	(50,142)	(46,550)	(49,646)
	1,365,765	953,542	1,365,698	953,542

LIQUIDITY RISK

Description

Liquidity risk refers to the risk when the Company does not have sufficient financial resources to meet supplier payments and loans requirements without incurring excessive costs.

How we managed the risk

The Company maintains a healthy cash flow with excess cash invested in Fixed Deposits and Unit Trusts through licensed commercial or development banks. CIPLC has also moved to high liquidity investments (Government Treasury bills) from low liquidity investments (Fixed Deposit).

Status as at 31st March 2025`

FINANCIAL POSITION EXTRACTS: INVESTMENTS

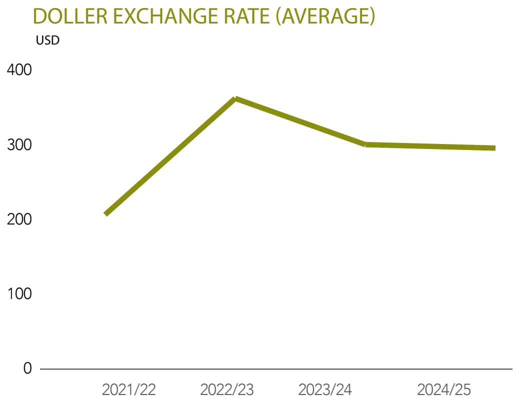
	GROUP		COMPANY	
As at 31st March, (In Thousands of Rupees)	**2025**	**2024**	**2025**	**2024**
Investment in Quoted Equity Securities	12,177	11,608	12,177	11,608
Investment in Repo	-	110,229	-	110,229
Fixed Deposit	171,093	-	171,093	-
Investment in Treasure bills	713,120	787,089	713,120	787,089
	896,390	1,072,311	896,390	1,072,311

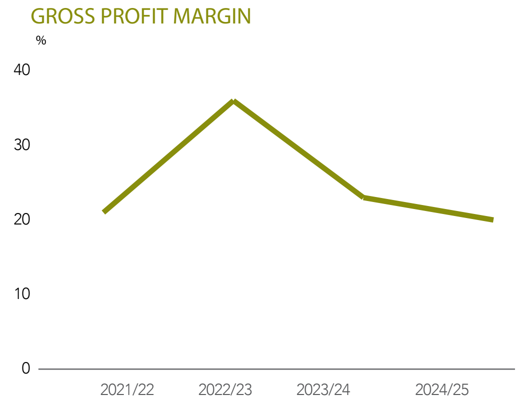
Risk Management

FOREIGN CURRENCY RISK

Description	The foreign currency risk is the risk that the fair value of future cash flows of a financial instrument fluctuation due to changes in foreign exchange rates.
How we managed the risk	The Company manages the risk by changing the product price to safeguard the gross profit margin.
Status as at 31st March 2025	The dollar exchange rate declined from its peak in 2022/23 and stabilised during the year.

Foreign currency risk

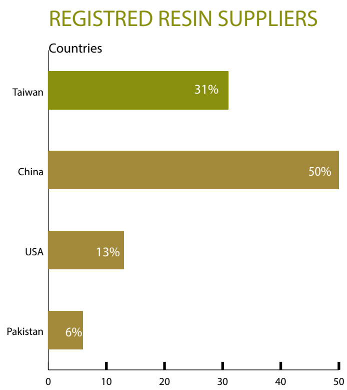




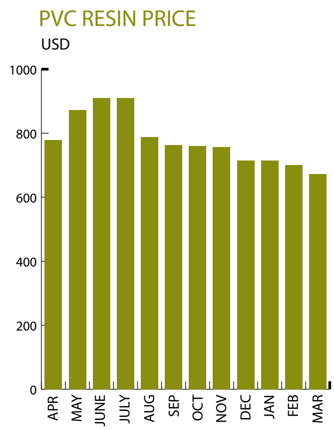
COMMODITY PRICE RISK

Description	The potential risk of volatility in world resin prices will impact earnings from PVC pipes	
How we managed the risk	CIPLC maintains a strong supplier base and has good bargaining power in purchasing raw materials. However, the Company was exposed to global price fluctuations of key raw materials, mainly PVC resins, in 2024/25.	
Status as at 31st March 2025	The supplier base was expanded during the year	Global PVC resin prices continued to fluctuate during the year

Registered Resin Suppliers



PVC Resin Prices 2024/25



HUMAN RESOURCES RISK

Description

Failure to employ suitable personnel for relevant tasks, lack of proper performance recognition mechanisms, and losses arising from misconduct of employees mainly give rise to people risk.

How we managed the risk

The Company ensures that adequate processes are in place to understand and respond to employee needs.

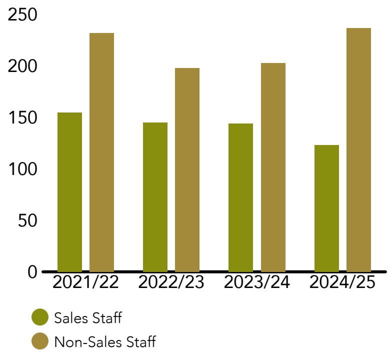
To manage the risks:

- Staff recognition and reward are through annual performance appraisals.
- Adherence to minimum qualifications based on the positions filled
- Pre-employment screening, employer feedback
- Exit interviews

Status as at 31st March 2025

CIPLC did not face industrial action or interruptions of business activities during the year.

CIPLC sales staff and non-sales staff



CYBER SECURITY RISK

Description

Cybersecurity threats include.

- Malware
- Phishing
- Distributed Denial of Service (DDoS) Attacks
- Man-in-the-Middle Attacks Insider
- Threats: Zero-day Exploits

How we managed the risk

Risk management measures:

- Firewall Implementation
- Virus Protection for Individual Machines
- Cloud-Based Mail Server (Office 365)
- SSL Certification for Websites
- Restrictions on External Devices
- Controlled Application Installation

Status as at 31st March 2025

CIPLC did not face any significant cyberattacks or loss of data during the year.

Risk Management

OPERATIONAL RISK	
Description	Operational risk is the potential losses caused by flawed or failed processes, policies, systems or events that disrupt business operations. The main operational risks faced by the Company 01) Non-availability of insurance coverage of raw material or finished goods and not renewed on the due date before expiry 02) Fraud, damages and misappropriation of assets 03) Non-responding for Customer Complaints 04) Electricity breakdown at the factories 05) Non-availability of raw materials on time 06) Non-availability of skills/labour to operate machines on time
How we managed the risk	Operational risk exposures are managed through a consistent set of management processes for risk identification, assessment, control and monitoring.
Status as at 31st March 2025	CIPLC did not face any significant operational delays during the year, due to proactive monitoring of operational risks.
REGULATION & COMPLIANCE RISK	
Description	Compliance Risk is defined as the potential threat to earnings or business resulting from violations or infringement of laws, regulations or stipulated practices and standards within the Company, industry and Government. Failure to comply with laws and regulations could expose the Company to civil and/or criminal actions leading to damages, fines and regulatory sanctions and/or its employees with possible consequences for its corporate reputation.
How we managed the risk	A dedicated Compliance Department is operational as well as the Company Secretaries to ensure timely compliance. The Board regularly reviews compliance status to ensure compliance at all times.
Status as at 31st March 2025	CIPLC did not face any fines or penalties for compliance or delays in compliance with any applicable laws and regulations during the year

Key Prudential Requirements	Regulatory Requirement	Actual as at 31/03/2025
Consumer Affairs Act No. 9 of 2003	• SLS Certification for uPVC Pressure fittings and Pipes • Switches and switch socket outlets • PVC Solvent Cement	Complied
National Environment Act No. 47 of 1980	Environmental protection license	Complied

COMMITTEE REPORTS

AUDIT COMMITTEE REPORT

RULES RELEVANT TO THE FUNCTIONS OF THE COMMITTEE

The role, functions and the composition of the Board Audit Committee (BAC) are defined by the provisions of;

- Section 9.13 of the Listing Rules of the Colombo Stock Exchange (the CSE Rules)
- The Code of Best Practice on Corporate Governance 2017 issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

The Board Audit Committee is a sub-committee of the Board of Directors chaired by an independent non-executive director and comprising exclusively non-executive directors to assist the Board in fulfilling its oversight responsibilities in relation to financial reporting, internal control and risk management system compliance with legal and regulatory requirements, internal audit, and external audit related affairs of the Company.

AUDIT COMMITTEE COMPOSITION

The Audit Committee is comprised of Four Non-Executive Directors of whom three are Independent Directors.
The following Board members comprise the Audit Committee as at 31st March 2025:

Member	Status	
D. T. R. De Silva	Chairman IND/ NED	Chairman from 30th November 2024)
A. Hettiarachchy	IND/NED	Retired w.e.f. 30th November 2024 (Chairman till 30th November 2024)
I. S. Jayasinghe	IND/NED	Retired w.e.f. 31st December 2024
A K Gunaratne	NED	
T.P. Gunesekara	IND/NED	Appointed w.e.f. 31st December 2024
D.K. Welmillage	IND/NED	Appointed w.e.f. 30th November 2024

(IND-Independent Director, NED- Non-Executive Director)
Brief profiles of the members are given on pages from 28 to 30 of the Annual Report under the Board of Directors. The Manager - Internal Audit functions as Secretary to the Audit Committee.

MEETINGS OF THE AUDIT COMMITTEE

The Audit Committee met four times during the year. The attendance of the members at Audit Committee Meetings was as follows:

Member	Status	No. of Meetings Attended
D. T. R. De Silva	Chairman IND/NED	4/4
A. Hettiarachchy	IND/NED	3/4
I. S. Jayasinghe	IND/NED	3/4
A K Gunaratne	NED	4/4
T.P. Gunesekara	IND/NED	1/4
D.K. Welmillage	IND/NED	1/4

The Chairman, Chief Executive Officer and Manager-Finance, also attended these meetings by invitation as and when required. On the invitation of the Audit Committee, the Company's External Auditor, M/s. KPMG (Chartered Accountants) attended two Audit Committee meetings during the year. Proceedings of the Audit Committee meetings are reported regularly to the Board of Directors.

ROLE OF THE AUDIT COMMITTEE

The Audit Committee assists the Board of Directors in fulfilling its responsibilities effectively relating to oversight over financial reporting, internal controls, and external and internal audit related affairs of the Company. The Committee has been empowered to:

- Examine internally, any matter relating to the financial affairs of the Company.
- Review and follow up the work carried out by both Internal Auditors and External Auditors and follow up on findings and recommendations arising from thereon.
- Review risk management measures and examine the adequacy, efficiency, and effectiveness of the Internal Control System over financial reporting.
- Review the compliance of financial reporting obligations under companies Act No. 07 of 2007, Sri Lanka Accounting and auditing standards monitoring Board Act No. 15 of 1995, Colombo Stock Exchange Listing Rules and regulations of the Securities and Exchange Commission of Sri Lanka.

FINANCIAL REPORTING

The Committee assisted the Board of Directors to discharge its responsibility for the preparation of the quarterly and annual Financial Statements to reflect a true and fair view of the affairs of the Company in accordance with the Company's accounting records and in conformity with the Sri Lanka Accounting Standards, the Companies Act No.7 of 2007, rules, and regulations of CSE and SEC.

The Committee reviewed the Company's interim and annual Financial Statements prior to submission to the Board and recommended their issue to shareholders.

The Audit Committee reviewed the internal controls on the financial reporting system in place to ensure the reliability and integrity of information provided. Their view included the extent of compliance with LKAS/SLFRS and applicable laws and regulations, review of critical accounting policies and practices and any changes thereto, alternative accounting treatments, going concern assumptions major judgmental areas and material audit judgments.

The committee obtained assurance from chief executive officer and manager finance on the integrity of financial records and the fair presentation of the Company's financials position and performance.

EXTERNAL AUDIT

The Audit Committee is empowered by the Board to recommend the appointment of the External Auditor in compliance with the relevant statutes issued by the CSE and the best practices of Corporate Governance and to agree on their audit fee, service period, and recommend the re-appointment or change of the External Auditor. The Committee was satisfied that there was no cause which compromised the independence and objectivity of the Auditor.

RISKS AND INTERNAL CONTROLS

The Audit Committee reviewed the Company's operations and monitored the effectiveness of internal controls and procedures and is of the view that adequate controls and procedures are in place to provide reasonable assurance to the Board that the assets of the Company are safeguarded and the financial statements presents a true and fair view.

The Committee also reviewed the accounting policies, emerging accounting issues and disclosures relating to Sri Lanka Accounting Standards (LKAS)/Sri Lanka Financial Reporting Standards (SLFRS).

The compliance of financial reporting obligations under the Colombo Stock Exchange (CSE) listing rules, rules and regulations of Securities and Exchange Commission (SEC) and the Companies Act No.7 of 2007.

The Interim and Annual Financial Statements and recommended these for approval of the Board and submission to shareholders. The policy on the engagement of an external auditor to provide non-audit services that are permitted under the relevant statutes, regulations, requirements, and guidelines.

INTERNAL AUDIT

During the year, the Audit Committee reviewed the adequacy of the scope, functions and resources of the internal audit division, the results of the internal audit process and their evaluation of the Company's internal control system. The Audit Committee also reviewed and approved the adequacy of coverage of the internal audit programme.

ROLE OF INTERNAL AUDIT

- Disclose any impairment of independence or objectivity, in fact or appearance, to appropriate parties
- Exhibit professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined
- Make balanced assessments of all available and relevant facts and circumstances
- Take necessary precautions to avoid being unduly influenced by their own interests or by others in forming judgments

Manager - Internal Audit will confirm to the audit committee, at least annually, the organisational independence of the internal audit department.

The Committee reviewed the effectiveness of the audit processes in accordance with applicable standards and best practices.

The External Auditor's letter of engagement including the scope of the audit was reviewed and discussed by the Committee with the External Auditors prior to commencement of the audit. The annual financial statements 2024/25 were reviewed with the External Auditor and recommended for the approval of the Board. Their Management Letter and management's responses thereto were also reviewed.

The Committee also met with the External Auditor at a meeting without the presence of management to discuss whether there have been any irregularities, constraints, reservations, or any other unsatisfactory matters arising from the audit which the Auditor wished to discuss with the Audit Committee.

The Committee assisted the Board of Directors in engaging the External Auditor for non- audit services in compliance with the statutes and ensured that engagement in non-audit services does not impair the External Auditor's independence and objectivity.

REGULATORY COMPLIANCE

The Audit Committee reviewed the information requirement of Companies Act No 07 of 2007, and other reporting requirements under SEC, CSE.

D.T.R. De Silva
Chairman – Audit Committee
26th May 2025

REMUNERATION COMMITTEE REPORT

RULES RELEVANT TO THE FUNCTIONS OF THE COMMITTEE

Section 9.12 of Listing Rules of the Colombo Stock Exchange (the CSE Rules) Code of Best Practice on Corporate Governance 2017 issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

The Remuneration Committee had been formed by the Board, conforming to the provisions of the Listing Rules of the Colombo Stock Exchange on Corporate Governance for a Listed Entity and the best practice on Corporate Governance.

COMPOSITION

The Remuneration Committee comprised 05 Non-Executive Directors of the company, three of whom are independent.

Member	Status	
D.K. Welmillage	Chairman / IND/ NED	Appointed w.e.f. 01st December 2024 (Chairman from 01st December 2024)
D. T. R. De Silva	IND/NED	(Chairman from 31st October 2024 to 30th November 2024)
A. Hettiarachchy	IND/NED	Retired w.e.f. 30th November 2024
T. P. Gunesekara	IND/NED	
A K Gunaratne	NED	
I. S. Jayasinghe	IND/NED	Retired w.e.f. 31st December 2024
G. S. N. Peiris	NED	(Chairman till 31st October 2024)

(IND-Independent Director, NED- Non-Executive Director)
The Chief Executive Officer of the Company assists the Committee by providing relevant information and participating in its analysis and deliberations, except when his own compensation package is reviewed.

MEETINGS OF THE REMUNERATION COMMITTEE

The Committee met once during the year. The attendance of the members at the meeting was as follows:

Member	Status	No. of Meetings Attended
D.K. Welmillage	Chairman / IND/NED	1/1
D. T. R. De Silva	IND/NED	1/1
T. P. Gunesekara	IND/NED	1/1
A K Gunaratne	NED	1/1
G. S. N. Peiris	NED	1/1

The Director/Chief Executive Officer along with the Manager Human Resources/Other Officers as necessary were available by invitation, to assist in the deliberations of the Committee.

FUNCTIONS

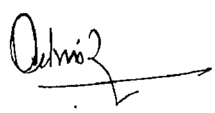
The Committee continues to uphold the principles of accountability and transparency and ensures that the HR& Remuneration Policy demonstrates a clear link between reward and performance. The Committee is responsible for setting up the remuneration policy and determining the remuneration packages of the Key Management Personnel (D/CEO) and the Corporate Management and the Managerial Staff. The Committee reviews the remuneration structure periodically and evaluates it against industry norms to warrant fairness and internal & external equity The Committee reviews the Company's compensation structures from time to time to ensure alignment with strategic priorities and comparison with those offered by other similar entities.

The Committee assesses the performance of the staff including the Corporate Management level Officers vis-à-vis the given targets, for the year ended 31st March 2025, approve salary increments/ salary revisions and Management level promotions. The Committee was called to consider the qualifications, experience and suitability of persons to fill a KMP position that fell vacant during the year and recommend the appointment to the Board. Further, the Committee discussed to consider and recommend the payment of an interim bonus to the staff for the year 2024/25

REMUNERATION POLICY

The reward strategies and remuneration structure of the Company is designed to attract, motivate and retain suitably skilled and qualified staff, at all levels of the organisational hierarchy, in a highly competitive environment and reward their performance commensurate with each individual's commitment towards the organisation. Accordingly, a key feature of the remuneration policy is to pay for performance. The policy is designed to recognise and reward individual contributions based on its impact on the performance of the company and to generate human capital with the right mix of experience, skills and knowledge to route the business strategy

On behalf of the Board Remuneration Committee



D. K. Welmillage
Chairman – Remuneration Committee
26th May 2025

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

RULES RELEVANT TO THE FUNCTION OF THE COMMITTEE

- Section 9.14 of Listing Rules of the Colombo Stock Exchange (the CSE Rules);
- Code of Best Practice on Corporate Governance 2017 issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

The Related Party Transactions Review Committee comprises three Independent Non-Executive Directors and one non-executive director.

Member	Status	
T. P. Gunesekara	Chairman / IND/NED	Appointed w.e.f. 31st December 2024 (Chairman from 31st December 2024)
I. S. Jayasinghe	IND/NED	Retired w.e.f. 31st December 2024 (Chairman till 31st December 2024)
A. Hettiarachchy	IND/NED	Retired w.e.f. 30th November 2024
D. T. R. De Silva	IND/NED	
A K Gunaratne	NED	
D.K. Welmillage	IND/NED	Appointed w.e.f. 30th November 2024

The Director/Chief Executive Officer as necessary was available by invitation, to assist in the deliberations of the Committee The Manager - Finance functions as the Secretary to the Committee.

MEETINGS OF THE COMMITTEE

The Committee met four times during the financial year to review related party transactions and the proceedings of the committee meetings are reported to the Board. Details of individual member attendance is given below.

Member	Status	No. of Meetings Attended
T. P. Gunesekara	Chairman / IND/NED	1/4
I. S. Jayasinghe	IND/NED	3/4
A. Hettiarachchy	IND/NED	3/4
D. T. R. De Silva	IND/NED	4/4
A K Gunaratne	NED	4/4
D.K. Welmillage	IND/NED	1/4

FUNCTIONS

The Committee ensured that the management has implemented a process to identify and report proposed transactions with related parties. The Committee obtained all required information on such transactions, including but not limited to other unaffiliated sources of comparable products or services and the terms offered by such parties, from the Director/CEO and senior managers of the Company

Wherever required the Committee also could obtain advice from competent independent professionals in ascertaining the value of assets acquired from or disposed to related parties.

The Committee reviewed all recurrent and non-recurrent transactions and proposed transactions with related parties. During the period under review, there were no non-recurrent nor recurrent related party transactions that exceeded the threshold referred to in the Listing Rules of the Colombo Stock Exchange.

The Committee made recommendations to the Board wherever approval of the Board was required to proceed with such related party transactions and also set guidelines for the senior management to follow with regard to on-going related party transactions.

DECLARATION BY THE COMMITTEE

During the year the company did not have any related party transactions which required the approval of the shareholders or immediate market disclosure under the rules. The related party transactions are disclosed in note 35 on pages 173 to 175 of the financial statements.

T. P. Gunesekara
Chairperson - Related Party Transactions Review Committee
26th May 2025

BOARD RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors of Central Industries PLC has established the Risk Management Committee (RMC) to assess and oversee the management of all risks within the Company. The function of the RMC is to identify and review the various risks faced by the Company and ensure adequate procedures are in place to mitigate such risks.

COMPOSITION OF THE COMMITTEE

The Risk Management Committee comprised four Non – Executive Directors of whom three are Independent non-Executive Directors. The following members comprise the RMC as at 31st March 2025.

Member	Status	
D. T. R. De Silva	Chairman / IND/NED	
A. Hettiarachchy	IND/NED	Retired w.e.f. 30th November 2024
T. P. Gunesekara	IND/NED	Appointed w.e.f. 05th February 2025
A K Gunaratne	NED	
D.K. Welmillage	IND/NED	Appointed w.e.f. 30th November 2024
I. M. P. Rupatunge	Director/ CEO	

(IND-Independent Director, NED- Non – Executive Director)
The Manager - Internal Audit function as the Secretary to the Committee

MEETING ATTENDANCE

The RMC met once during the year. The attendance of the members at the meetings was as follows:

Member	Status	No. of Meetings Attended
D. T. R. De Silva	Chairman / IND/NED	1/1
M. P. Rupatunge	Director/ CEO	1/1
A K Gunaratne	NED	1/1
T. P. Gunesekara	IND/NED	1/1
D.K. Welmillage	IND/NED	1/1

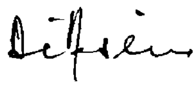
RESPONSIBILITIES

The RMC assists the Board of Directors in its oversight function in relation how the company deals with various types of risks, both internal and external that the Company is exposed to, including credit, liquidity, market and operational etc. and assesses the adequacy of risk management procedures in place.

THE RISK COMMITTEE,

- Reviews at least bi-annually the major risk exposures of the Company and its business units, including market, credit, and liquidity risk, against established risk measurement methodologies and the steps management has taken to monitor and mitigate such exposures.
- Oversees the Company's risk identification framework
- Receives, reviews and discusses reports, as necessary and appropriate, regarding significant new product risk, emerging risks and regulatory matters related to the Committee's authority, duties and responsibilities as set forth in this charter.
- Makes such recommendations with respect to any of the above and other matters as the Committee deems necessary or appropriate.

The Minutes of the RMC Meetings and its recommendations were presented to the Board and any further observations were communicated back to the management. On behalf of the Board Risk Management Committee



D. T. R. De Silva
Chairman
26th May 2025

NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

The Nominations and Governance Committee appointed by the Board of Directors is responsible for making recommendations to the Board on all new Board, Board Sub-committee and Key Management Personnel appointments. The Committee reviews the Board and Key Management Succession Plan to ensure its adequacy to meet the Company's requirements.

COMPOSITION OF THE COMMITTEE

The Nominations and Governance Committee comprise of three Non-Executive Directors of whom two are Independent non-Executive Directors. The Chairman of the committee is Independent Non-Executive Director. The following members comprise the Nominations and Governance Committee as at 31st March 2025.

Member	Status	
D. T. R. De Silva	Chairman / IND/NED	Appointed w.e.f. 27th September 2024
A. Hettiarachchy	IND/NED	Retired w.e.f. 30th November 2024
A K Gunaratne	NED	
D.K. Welmillage	IND/NED	Appointed w.e.f. 30th November 2024

(IND-Independent Director, NED - Non-Executive Director)
Corporate Services (Private) Limited as Secretary to the Nominations & Governance Committee.

MEETING ATTENDANCE

The Committee meet annually and when required. The attendance of the members at the meetings was as follows:

Member	Status	No. of Meetings Attended
D. T. R. De Silva	Chairman / IND/NED	1/1
A K Gunaratne	NED	1/1
D.K. Welmillage	IND/NED	1/1

SCOPE

The functions of the committee are:

- Ensuring the board approved process is followed for the appointment and re-election of Directors to the Board.
- Responsible for making recommendations to the Board on all new Board, Board Sub-committee and Key Management Personnel appointments
- Regular review of the skills, competency and experience of the Board and KeyManagement positions to ensure that adequate expertise is available at the Corporate Management Level
- Regular Review and develop the succession plan for the Board and Key Management Positions with a view of providing recommendations and advice to the Board regarding such appointments
- Review and recommend the overall corporate governance framework of the CIPLC taking into account the Listing Rules of the Exchange, other applicable regulatory requirements and industry/international best practices.
- Periodically review and update the corporate Governance Policies/Framework of the CIPLC in line with the regulatory and legal developments relating to same, as a best practices

The Committee continued to work closely with the Board of Directors on matters assigned to it and duties and responsibilities delegated to it in terms of the Committee Terms of Reference and reported back to the Board of Directors with its recommendations.

D. T. R. De Silva
Chairman
26th May 2025

FINANCIAL INFORMATION

QUARTERLY FINANCIAL ANALYSIS

FIRST QUARTER

PROFIT & LOSS RS. MN

	Q01 2024	Q01 2023
Net Revenue	1159	993
Cost of Sale	(939)	(788)
Gross Profit	220	206
Operating Profit	125	116
Profit before Tax	160	179
Net Profit	112	126

In Q1 2024, the Company's net revenue increased by 17% compared to Q1 2023, driven by higher sales volumes. Despite this growth, net profit declined by 11% to Rs. 112 Mn, mainly due to decreased interest income and the challenging macroeconomic environment impacting margins.

FINANCIAL POSITION - RS. MN

	Jun-24	Jun-23
Total Assets	5,289	4,102
Total Equity	4,092	3,364
Total Liabilities	1,197	738

The financial position of the Company remained strong during the quarter, supported by enhanced profitability and a robust working capital position compared to the previous quarter. The total asset base grew by 29% compared to the same quarter last year, reflecting continued business expansion and efficient resource utilization.

SECOND QUARTER

PROFIT & LOSS RS. MN

	Q02 2024	Q02 2023
Net Revenue	1,422	1,159
Cost of Sale	(1,156)	(894)
Gross Profit	267	265
Operating Profit	178	160
Profit before Tax	205	206
Net Profit	151	154

In Q2 2024, net revenue increased by 23% compared to Q2 2023, driven by higher sales volumes and improved market demand. Despite the revenue growth, the cost of sales rose significantly, reflecting increased input and production costs. Gross profit remained stable at Rs. 267 Mn, marginally higher than the previous year. Profits before tax remained largely unchanged at Rs. 205 Mn.

FINANCIAL POSITION - RS. MN

	Sep-24	Sep-23
Total Assets	5,217	4,072
Total Equity	4,097	3,437
Total Liabilities	1,120	635

Total assets and equity continued to increase in Q2 2024 compared to the prior year.

THIRD QUARTER

PROFIT & LOSS RS. MN

	Q03 2024	Q03 2023
Net Revenue	1,396	1,038
Cost of Sale	(1,139)	(757)
Gross Profit	258	280
Operating Profit	169	227
Profit before Tax	196	271
Net Profit	139	225

Q3 2024 recorded a significant 35% increase in net revenue compared to Q3 2023, largely attributable to increased sales volumes. However, the cost of sales rose sharply, resulting in a lower gross profit. Operating profit and net profit declined substantially.

FINANCIAL POSITION - RS. MN

	Dec-24	Dec-23
Total Assets	4,843	4,281
Total Equity	4,236	3,662
Total Liabilities	608	618

The Company's financial position strengthened during Q3 2024, with total assets increasing by 13% compared to the same period last year, reflecting continued business growth. Total equity rose by 16%, supported by retained earnings and improved profitability, enhancing the Company's capital base. Meanwhile, total liabilities slightly decreased by 2%, indicating effective management of external obligations.

Quarterly Financial Analysis

FOURTH QUARTER

PROFIT & LOSS RS. MN

	Q04 2024	Q04 2023
Net Revenue	1,335	1,132
Cost of Sale	(1,037)	(862)
Gross Profit	298	270
Operating Profit	177	206
Profit before Tax	209	252
Net Profit	146	145

Sales for Q4 2024/25 increased by 18% compared with the previous year. During the period, the cost of sales rose, mainly due to inflationary pressures. Although operating profit declined due to increased overhead expenses, the Company managed to post a slight increase in profit after tax, reaching Rs. 146 Mn.

FINANCIAL POSITION - RS. MN

	Mar-25	Mar-24
Total Assets	5,063	4,694
Total Equity	4,385	3,980
Total Liabilities	679	715

The financial position of the Company remained stable during the quarter, supported by sustained profitability and effective working capital management. The total asset base recorded a growth of 8% compared to the same quarter last year, reflecting continued operational expansion. Meanwhile, total liabilities decreased by 5%, highlighting better debt management and reduced external obligations.

FINANCIAL CALENDAR

Period	Date
1st Quarter Report	7th Aug 2024
2nd Quarter Report	6th Nov 2024
3rd Quarter Report	6th Feb 2025
4th Quarter Report	21st May 2025

ANNUAL REPORT OF THE BOARD OF DIRECTORS

The Directors have pleasure in presenting to the Members their report together with the Audited Financial Statements of Central Industries PLC and the Group for the year ended 31st March 2025.

REVIEW OF THE YEAR'S PERFORMANCE

The Chairman's and Chief Executive Officer's Review describes the Company's progress and highlights important events during the year.

PRINCIPAL ACTIVITY

The principal activity of the Company is the manufacture and distribution of Pipes and Fittings for domestic and industrial use. The Company also manufactures and distributes Electrical Switches, Sockets and Accessories, and markets other products used in the construction industry. The wholly owned subsidiary company Polymer Technologies (Pvt) Ltd did not carry out any business activity during the year.

PARENT ENTERPRISE

The Company's parent and ultimate parent enterprise is Central Finance Company PLC.

MAJOR SHAREHOLDERS

The twenty largest shareholders of the Company as at 31st March 2025 are given on page 193 together with an analysis of the shareholdings. As at that date, the Company had 2,395 shareholders.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Directors are responsible for the preparation of the Financial Statements of the Company so that it reflects a true and fair view of the state of its affairs. The Directors are of the view that these Financial Statements have been prepared in conformity with the requirements of the Sri Lanka Accounting Standards, the Companies Act No. 07 of 2007 and the Listing Rules of the Colombo Stock Exchange.

FINANCIAL RESULTS

The financial statements of the Company and the Group are given on pages 133 to 137.

	Group		Company	
	2024/25	2023/24	2024/25	2023/24
	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's
Revenue	5,313,102	4,321,998	5,313,102	4,321,998
Profit before tax for the year after providing for bad debts, depreciation of property, plant and equipment and all known liabilities	770,002	908,745	769,966	908,688
Provision for taxation	(222,133)	(258,811)	(222,133)	(258,811)
Profit for the year after taxation	547,869	649,934	547,833	649,877

DIVIDENDS

The Directors recommend the payment of a first and final dividend of Rs. 6 per share for the year ended 31st March 2025. This will be paid out of the taxable profit of the Company. As required by section 56(2) of the Companies Act No.7 of 2007, the Directors confirm that the Company satisfies the solvency test in terms of section 57 of the Act and that the Company has obtained a certificate from the Auditors to this effect.

TAXATION

The rate of corporate tax applicable to Central Industries PLC and its subsidiary is 30%.

PROPERTY PLANT AND EQUIPMENT

The Group invested Rs. 61,675,000/-.in property, plant & equipment during the year. The movement in property plant and equipment during the year is given in Note 13 to the Financial Statements. The movement in intangible assets during the year is given in Note 14 to the Financial Statements.

PUBLIC HOLDINGS

Public Holding of the Company as at 31st March 2025 was 48.05% Comprising 11,626,655 shares and a float adjusted market capitalization of Rs. 1,703,178,270/-. In terms of the rule 7.13.1.(a) of the listing rules of the Colombo Stock Exchange, the Company qualifies under option five of the minimum public holding requirement.

ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with the requirements of the Company's Act No.07 of 2007 and Sri Lanka Accounting Standards applicable for the current accounting period and are consistent with the accounting policies adopted in the previous year.

STATUTORY PAYMENTS

The directors are satisfied that statutory payments due to the Government and in relation to the employees have been made in full and on time to the best of their knowledge and belief.

Annual Report of the Board of Directors

EVENTS AFTER THE REPORTING PERIOD

There have been no material post balance sheet events which would require adjustment to, or disclosure other than as stated in Note 34 to the Financial Statements.

DONATIONS

During the year, donations to charities of Rs.32,474/-were made by the Company.

HUMAN RESOURCES

Employment policies of the company are based on recruiting the best available people, training them to enhance their skills and offering equal career opportunities regardless of gender, race or religion. There were no issues pertaining to employees and industrial relations pertaining to the company that occurred during the year under review requiring disclosure.

STATED CAPITAL

The Stated Capital of the Company as at 31st March 2025 was Rs. 453,539,402/- and is represented by 24,195,193 ordinary shares.

GOING CONCERN

The Directors continue to adopt the going concern basis in preparing the Financial Statements. The Directors, after making enquiries and following a review of the Company's budget for 2024/25, including cash flows and borrowing facilities, consider that the Company has adequate resources to continue in operation.

BOARD OF DIRECTORS

The Directors of the Company as at 31st March 2025 were:

NON - EXECUTIVE DIRECTORS

Mr. G. S. N. Peiris – Chairman

Mr. E. H. Wijenaike

Mr. A. K. Gunaratne

Mr. C. S. W. De Costa

Mr. C. S. Hettiarachchi

EXECUTIVE DIRECTOR

Mr. I. M. P Rupatunge

INDEPENDENT NON - EXECUTIVE DIRECTORS

Mr. D. T. R. De Silva

Mr. D. K. Welmillage

Mrs. T. P. Gunesekera

RE-ELECTIONS TO THE BOARD

Mr. G. S. N. Peiris has passed the age limit referred to in Section 210 of the Companies Act No. 07 of 2007. His appointment as a Director of the Company requires the approval of a resolution of the Company in general meeting. A notice is duly given by the Company that in terms of Section 211 of the Companies Act No. 07 of 2007, a resolution will be proposed that the age limit referred to in Section 210 of the Companies Act No. 07 of 2007, shall not apply to Mr. G. S. N. Peiris who has reached the age of 70 years.

Mr. E. H. Wijenaike has passed the age limit referred to in Section 210 of the Companies Act No. 07 of 2007. His appointment as a Director of the Company requires the approval of a resolution of the Company in general meeting. A notice is duly given by the Company that in terms of Section 211 of the Companies Act No. 07 of 2007, a resolution will be proposed that the age limit referred to in Section 210 of the Companies Act No. 07 of 2007, shall not apply to Mr. E. H. Wijenaike who has reached the age of 70 years.

Mr. C. S. W. De Costa has passed the age limit referred to in Section 210 of the Companies Act No. 07 of 2007. His appointment as a Director of the Company requires the approval of a resolution of the Company in general meeting. A notice is duly given by the Company that in terms of Section 211 of the Companies Act No. 07 of 2007, a resolution will be proposed that the age limit referred to in Section 210 of the Companies Act No. 07 of 2007, shall not apply to Mr. C. S. W. De Costa who has reached the age of 73 years.

In terms of Article 85 of the Articles of Association, Mr. D. T. R. De Silva is due to retire by rotation at the forthcoming Annual General Meeting and is eligible to offer himself for re-election.

In terms of Article 91 of the Articles of Association, Mr D. K. Welmillage and Ms. T. P. Gunasekera are due to retire at the forthcoming Annual General Meeting and are eligible to offer themselves for re-election.

AUDITORS

The Financial Statements for the year have been audited by KPMG Chartered Accountants, who offer themselves for re-appointment.

The remuneration of the Auditors is disclosed in Note 9 to the consolidated financial statements.

In addition, the Auditors were paid Rs.75,000.00/-for work not directly related with the audit of the financial statements, and consisted mainly of opinion expressed in relation to the As far as the Directors are aware the Auditors do not have any other relationship with the Company other than as disclosed above.

The retiring auditors have expressed their willingness to continue in office. A resolution to re-appoint them as auditors and authorizing the Directors to fix their remuneration will be proposed at the forthcoming Annual General Meeting.

The Audit Committee reviewed the appointment of the auditors, their effectiveness and relationship with the Group including the level of audit and non-audit fees paid to the Auditor.

COMPLIANCE WITH LAWS AND REGULATIONS

The Company has not engaged in any activities contravening laws and regulations. All officers responsible for ensuring compliance with the provisions of various laws and regulations confirm their compliance to the Board on a monthly basis.

DIRECTORS' INTERESTS IN TRANSACTIONS

The Directors' interests in transactions with the Company are disclosed in the Interests Register and in Note 35 to the Financial Statements. The Company carried out transactions during the year in the ordinary course of its business at commercial rates with the following related entities.

Name of the Company and Relationship	Name of Directors	Position	Nature of Transactions
Central Finance Co. PLC (Parent Company)	Mr. E. H. Wijenaike	Managing Director	Interest earned from short term deposits = Rs 37,610/- (2023/24 – Rs.37,989/-) Short term deposits as at 31st March 2025 = 664,393 (2023/24 – Rs.628,664 /-) Dividend paid Cash Rs. 63,965,664
	Mr. A. K. Gunaratne	Director	
	Mr. C. S. Hettiarachchi	Director	
CF Insurance Brokers (Pvt) Ltd (Fellow Subsidiary)	Mr. G. S. N. Peiris	Chairman	The Company has paid total premium of Rs.7.6 million (2023/24-Rs.6.5 million) to insurers during the year. CF Insurance Brokers (Pvt) Ltd is entitled to an agency/brokerage commission on such premia paid by the Company. Dividend paid Cash Rs. 8,293,710
	Mr. A. K. Gunaratne	Director	
	Mr. C. S. Hettiarachchi	Director	
Tivoli Plastics (Pvt) Ltd (An Enterprise owned by a Director)	Mr. C. S. W. De Costa	Director	Manufacture of PVC Fittings under agreement with the Company. The cost of services obtained during the year was Rs 24.17 million (2023/24 - Rs.28.04 million)
Polymer Technologies (Pvt) Ltd (A wholly owned subsidiary)	Mr. I. M. P. Rupatunge	Director	Funds advanced by the subsidiary to Central Industries PLC, repayable on demand. Amount due to the subsidiary – Rs 1.2 million (2023/24 – Rs.1.16 million) Rs 102,695/-has been paid as interest on the above funds during the year. (2023/24 – Rs. 185,703/-)
	Mr. A. K. Gunaratne	Director	

The Directors had no direct or indirect interests in any other contract or proposed contract in relation to the business of the Company.

Annual Report of the Board of Directors

INTERESTS REGISTER

The Interests Register is maintained by the Company as per the Companies Act No.07 of 2007.

SHAREHOLDINGS OF DIRECTORS

	No. of Shares held as at	
	31st March 2025	01st April 2024
Mr. G. S. N. Peiris	6	6
Mr. E. H. Wijenaike	44,081	44,081
Mr. C. S. W. De Costa	-	-
Mr. A. K. Gunaratne	-	-
Mr. C. S. Hettiarachchi	-	-
Mr. D. T. R. De Silva	-	-
Mr. D. K. Welmillage	9,178	-
Ms. T. P. Gunesekera	-	-
Mr. I. M. P. Rupatunge	-	-

The shareholdings of entities in which the Directors have controlling interest:

	No. of Shares held as at	
	31st March 2025	01st April 2024
Central Finance Company PLC	10,660,944	10,660,944
CF Insurance Brokers (Pvt) Ltd	1,382,285	1,382,285
CF Growth Fund Ltd	44,068	44,068
Expanded Plastic Products Ltd	7,894	7,894
Tivoli Lanka (Pvt) Ltd	420,082	752,101

During the year ended 31st March 2025:

Mr. E. H. Wijenaike, Mr. A. K. Gunaratne and Mr. C. S. Hettiarachchi were Directors of Central Finance Company PLC.

Mr. G. S. N. Peiris was Chairman of CF Insurance Brokers (Pvt) Ltd.

Mr. A. K. Gunaratne and Mr. C. S. Hettiarachchi were Directors of CF Insurance Brokers (Pvt.) Ltd.

Mr. E. H. Wijenaike exercised significant control over CF Insurance Brokers (Pvt) Ltd through direct/indirect voting power.

Mr. A. K. Gunaratne was a Director of CF Growth Fund Ltd.

Mr. E. H. Wijenaike exercised significant control over CF Growth Fund Ltd through direct/indirect voting power.

Mr. C. S. W. De Costa was a Director of Tivoli Lanka (Pvt) Ltd.

REMUNERATION OF DIRECTORS

The remuneration of the Directors is disclosed in Note 9 to the consolidated financial statements.

The aggregate remuneration received by the Directors during the year under review was:

	2024/25	2023/24
	Rs.'000s	Rs.'000s
Executive Directors	28,030	25,040
Non-Executive Directors	2,640	2,980

For and on behalf of the Board,

G. S. N. Peiris
Chairman

I. M. P. Rupatunge
Director/CEO

Corporate Services (Pvt) Ltd
Secretaries

Colombo
26th May 2025

STATEMENT OF CHIEF EXECUTIVE OFFICER AND MANAGER FINANCE-ASSURANCE ON OPERATION AND FINANCE

The Financial Statements of Central Industries PLC and the Consolidated Financial Statements of the Company and its Subsidiary ("the Group") as at 31st March 2025 have been prepared in conformity with the requirements of the following:

01) Sri Lanka Accounting Standards (SLFRSs & LKASs) issued by the Institute of Chartered Accountants of Sri Lanka,

02) Companies Act No. 07 of 2007 and amendments thereto,

03) Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995

04) The Listing Rules of the Colombo Stock Exchange (CSE),

05) The Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka

The Company presents its financial results to its shareholders on a quarterly basis. The formats used in the preparation of the Financial Statements and disclosures made, comply with the formats prescribed by the the Sri Lanka Accounting Standard - LKAS 1 (Presentation of Financial Statements). The significant Accounting Policies of the Company and the Group are in compliance with Sri Lanka Accounting Standards (SLFRS/ LKAS) issued by the Institute of Chartered Accountants of Sri Lanka. Further such Accounting Policies are appropriate and are consistently applied. The significant accounting policies and estimates that involve a high degree of judgment and complexity were discussed with the Board

Audit Committee and External Auditors. Comparative information has been restated wherever necessary to comply with the current presentation. The Board of Directors and the Management of the Company accept responsibility for the integrity and objectivity of these Financial Statements. We confirm that to the best of our knowledge, the Financial Statements give a true and fair view of the assets, liabilities, financial position, results of the operations and the cash flows of the Company. We have reasonable grounds to believe that the Company has adequate resources to continue in operational existence for the foreseeable future.. Our Internal Auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures were consistently followed. However, there are inherent limitations that should be recognised in weighing the assurances provided by any system of internal control and accounting. The Financial Statements of the Group were audited by KPMG, Chartered Accountants, the independent External Auditors. Their Report is given on pages 130 to 132 of this Annual Report. The Board Audit Committee report is given on pages 116 to 117. We confirm that to the best of our knowledge:

We confirm that

– The Company has complied with all applicable laws, regulations and prudential requirements;

- There are no material non compliances; and

- There are no material litigations that are pending against the Company

W.M.Mahesh Amaradasa
Manager Finance

I.M.P. Rupatunge
Director/Chief Executive Officer

26th May 2025
Colombo, Sri Lanka

INDEPENDENT AUDITORS' REPORT

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

Tel +94 - 11 542 6426
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Internet www.kpmg.com/lk

TO THE SHAREHOLDERS OF CENTRAL INDUSTRIES PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Central Industries PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31st March 2025, and the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as of 31st March 2025, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

BASIS FOR OPINION

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics for professional Accountants issued by CA Sri Lanka (Code of Ethics), and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

01. Recoverability of Trade Receivables

(Refer to the material accounting policy Note 3.3 and explanatory Note 18 to these financial statements.)

Risk Description	Our Audit Responses
The Group and Company have trade receivables amounting to LKR 1,413 Mn. There are inherent risks relating to customer's credit risk profile which varies due to the size of each customer and the industries that the customers operate in. The risk is whether the trade receivables are recoverable, and that adequate allowance has been made for doubtful receivables. An impairment provision amounting to LKR 47Mn was made for trade receivables of the Group and Company as at the reporting date. The recoverability of trade receivables and the judgements involved in determining the estimation of impairment provision were considered as key focus areas	Our audit procedures included, Obtaining an understanding of and assessing the design, implementation and operating effectiveness of the key internal controls within the credit control and approval process. On a sample basis, assessing whether items in the trade debtors ageing report were classified within the appropriate ageing bucket by comparing individual items in the report with underlying documentation, which included sales invoices and goods delivery notes. Assessing the appropriateness of the impairment on trade receivables based on the 'expected credit loss' model as per SLFRS 09, with reference to historical payment trends and forward-looking scenarios. Assessing the adequacy of relevant disclosures included in the consolidated Financial Statements

02. Carrying value of inventories

(Refer to the material accounting policy 3.8 and explanatory Note 17 to the financial statements.)

Risk Description	Our Audit Responses
The Group and Company carried inventories of Rs. 1,045 Mn as at 31st March 2025 at the lower of cost or net realizable value. The Group and Company have significant levels of inventory and judgment is exercised with regards to the categorization of stock as obsolete and or slow moving to be considered for provision; estimates are then involved in arriving at provisions against cost in respect of slow moving and obsolete inventories to arrive at a valuation based on lower of cost and net realizable value. As discussed in Note 3.8, Management judgment is applied in arriving at the cost of inventories in order to accurately reflect the manufacturing costs incurred in bringing them to their current condition and physical location. Given the level of judgments and estimates involved, the carrying value of inventories is identified as a key audit matter.	Our audit procedures included, Obtaining an understanding of and assessing the design, implementation, and operating effectiveness of key controls that management has established to manage inventories including purchases, issuing inventories, and holding of inventories. Assessing the valuation of inventories as at the reporting date, and inventory levels, including assessing the reasonableness of judgements/ estimates made regarding obsolescence. Evaluating the adequacy and consistency of provisioning for inventories at the reporting date and comparing with the Group's inventory provision policy in accordance with the requirement of relevant accounting standards. On a sample basis, compare the carrying amounts of the Group's inventories with the net realization value of those inventories subsequent to the end of the reporting period. Attending stock counts as at the year-end. In addition, assessing the effectiveness of the physical count controls in operation at the count location to identify damaged stocks, and expired stocks that are written off in a timely manner. Assessing whether the accounting policies had been consistently applied and the adequacy of the Group's disclosures in respect of the judgment and estimation made in respect of inventory provisioning.

OTHER INFORMATION

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

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

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

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

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

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

Those charged with governance are responsible for overseeing the Company's and the Group's financial reporting process.

Independent Auditors' Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 2618.

CHARTERED ACCOUNTANTS
Colombo, Sri Lanka
26th May 2025

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st March (In Thousands of Rupees)	Notes	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Revenue	6	5,313,102	4,321,998	5,313,102	4,321,998
Cost of Sales		(4,270,345)	(3,300,808)	(4,270,345)	(3,300,808)
Gross Profit		1,042,757	1,021,190	1,042,757	1,021,190
Other Income	7	2,384	4,017	2,384	4,017
Selling and Distribution Expenses		(218,881)	(127,980)	(218,881)	(127,980)
Administrative Expenses		(177,515)	(187,229)	(177,448)	(187,134)
Operating Profit		648,745	709,998	648,812	710,093
Finance Income		141,693	209,660	141,693	209,660
Finance Expense		(20,436)	(10,913)	(20,539)	(11,065)
Net Finance Income	8	121,257	198,747	121,154	198,595
Profit Before Taxation	9	770,002	908,745	769,966	908,688
Income Tax Expenses	10	(222,133)	(258,811)	(222,133)	(258,811)
Profit for the Year		547,869	649,934	547,833	649,877
Other Comprehensive Income					
Items that will not be Reclassified to Profit or Loss					
Actuarial Gain/(Loss) on Defined Benefit Obligations	25.3	3,098	(8,854)	3,098	(8,854)
Deferred Tax on Actuarial Gain/(Loss) Defined Benefit Obligations	10.2	(929)	2,683	(929)	2,683
Revaluation Surplus on Land & Building		-	185,588	-	185,588
Deferred tax Provision on Revaluation of Land and Buildings	10.2	-	(6,737)	-	(6,737)
Other Comprehensive Income /(Expenses) for the year net of tax		2,169	172,680	2,169	172,680
Total Comprehensive Income for the year Net of Tax		550,038	822,614	550,002	822,557
Profit attributable to					
Owners of the Company		547,869	649,934	547,833	649,877
Total Comprehensive Income attributable to					
Owners of the Company		550,038	822,614	550,002	822,557
Basic Earnings per Share (Rs.)	11	22.64	26.86	22.64	26.86
Dividend per Share (Rs.)	12	6.00	6.00	6.00	6.00

The annexed Notes to the Financial Statements from pages 138 to 190 form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

STATEMENT OF FINANCIAL POSITION

For the year ended 31st March (In Thousands of Rupees)	Notes	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
ASSETS					
Property, Plant and Equipment	13	1,290,237	1,306,126	1,290,237	1,306,126
Intangible Assets	14	3,789	4,318	3,789	4,318
Financial Assets at Amortised Cost	15	193,456	189,120	193,456	189,120
Investment in Subsidiary	16	-	-	1,000	1,000
Non-Current Assets		1,487,482	1,499,564	1,488,482	1,500,564
Inventories	17	965,095	957,669	965,095	957,669
Trade & Other Receivables	18	1,552,798	1,096,552	1,552,731	1,096,552
Investment valued at Fair Value Through Profit and Loss	19	93,641	285,222	93,641	285,222
Investment measured at amortised cost	21	884,213	787,089	884,213	787,089
Current Tax Assets	31.2	28	28	-	-
Cash and Cash Equivalents	20	79,828	67,431	79,704	67,306
Current Assets		3,575,603	3,193,991	3,575,384	3,193,838
Total Assets		5,063,085	4,693,555	5,063,866	4,694,402
EQUITY AND LIABILITIES					
EQUITY					
Stated Capital	22	453,539	453,539	453,539	453,539
Revaluation Reserve	23	514,461	518,147	514,461	518,147
General Reserve	24	100,814	100,814	100,814	100,814
Retained Earnings		3,315,980	2,907,427	3,315,738	2,907,221
Equity Attributable to Owners of the Company		4,384,794	3,979,927	4,384,552	3,979,721
Non-Controlling Interests		-	-	-	-
Total Equity		4,384,794	3,979,927	4,384,552	3,979,721
LIABILITIES					
Employee Benefits	25	82,431	73,078	82,431	73,078
Deferred Tax Liabilities	26	157,980	147,880	157,980	147,880
Loans and Borrowings	30	-	4,444	-	4,444
Non-Current Liabilities		240,411	225,402	240,411	225,402
Trade Creditors	27	59,252	62,856	59,185	62,856
Other Payables	28	264,582	219,982	264,465	219,870
Warranty Provision	29	6,125	3,765	6,125	3,765
Loans and Borrowings	30	4,444	13,580	4,444	13,580
Current Tax Liabilities	31	102,184	153,160	102,184	153,160
Amounts due to Related Parties	32	1,293	1,181	1,293	1,181
Amounts due to Subsidiaries	33	-	-	1,207	1,165
Bank Overdraft	20	-	33,702	-	33,702
Current Liabilities		437,880	488,226	438,903	489,279
Total Liabilities		678,291	713,628	679,314	714,681
Total Equity and Liabilities		5,063,085	4,693,555	5,063,866	4,694,402
Net Assets per Ordinary Share (Rs.)		181.23	164.49	181.22	164.48

The annexed Notes to the Financial Statements from pages 138 to 190 form an integral part of these Financial Statements.

These Financial Statements are in compliance with the requirements of the Companies Act No.7 of 2007

Mahesh Amaradasa
Manager - Finance

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

For and on behalf of the Board,

G.S.N. Peiris
Chairman

I.M.P. Rupatunge
Director / CEO

Colombo
26th May 2025

STATEMENT OF CHANGES IN EQUITY

GROUP (In Thousands of Rupees)	Stated Capital	Revaluation Reserve	General Reserve	Retained Earnings	Total Equity
Balance as at 1st April 2023	393,785	341,265	100,814	2,402,494	3,238,358
Comprehensive Income for the Year					
Profit for the Year	-	-	-	649,934	649,934
Other Comprehensive Income for the Year					
Actuarial Gain on Defined Benefit Obligations (Note 25.3)	-	-	-	(8,854)	(8,854)
Deferred Tax on Other Comprehensive Income	-	-	-	2,683	2,683
Revaluation Surplus	-	185,588	-	-	185,588
Deferred Tax Liability on Revaluation Surplus due to rate change		(6,737)			(6,737)
Total Comprehensive Income for the Year	-	178,851	-	643,763	822,614
Depreciation on Revaluation Surplus	-	(2,626)	-	2,626	-
Deferred Tax on Revaluation Surplus	-	657	-	(657)	-
Transactions with Owners of the Company					
Final Scrip and Cash Dividend 2022/23, paid	59,754	-	-	(140,799)	(81,045)
	59,754	(1,969)	-	(138,830)	(81,045)
Balance as at 31st March 2024	453,539	518,147	100,814	2,907,427	3,979,927
Balance as at 1st April 2024	453,539	518,147	100,814	2,907,427	3,979,927
Comprehensive Income for the Year					
Profit for the Year	-	-	-	547,869	547,869
Other Comprehensive Income for the Year					
Actuarial gain on Defined Benefit Obligations (Note 25.3)	-	-	-	3,098	3,098
Deferred Tax on Other Comprehensive Income	-	-	-	(929)	(929)
Total Comprehensive Income for the Year	-	-	-	550,038	550,038
Depreciation on Revaluation Surplus	-	(5,574)	-	5,574	-
Deferred Tax on Revaluation Surplus	-	1,888	-	(1,888)	-
Transactions with Owners of the Company					
Final Cash Dividend, 2023/24 - paid	-	-	-	(145,171)	(145,171)
	-	(3,686)	-	(141,485)	(145,171)
Balance as at 31st March 2025	453,539	514,461	100,814	3,315,980	4,384,794

The annexed Notes to the Financial Statements from pages 138 to 190 form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

STATEMENT OF CHANGES IN EQUITY

COMPANY (In Thousands of Rupees)	Stated Capital	Revaluation Reserve	General Reserve	Retained Earnings	Total Equity
Balance as at 1st April 2023	393,785	341,265	100,814	2,402,345	3,238,209
Comprehensive Income for the Year					
Profit for the Year	-	-	-	649,877	649,877
Other Comprehensive Income for the year					
Actuarial Gain on Defined Benefit Obligations (Note 25.3)	-	-	-	(8,854)	(8,854)
Deferred Tax on Other Comprehensive Income	-	-	-	2,683	2,683
Revaluation Surplus	-	185,588	-	-	185,588
Deferred Tax on Revaluation Surplus	-	(6,737)	-	-	(6,737)
Total Comprehensive Income for the Year	-	178,851	-	643,706	822,557
Depreciation on Revaluation Surplus	-	(2,626)	-	2,626	-
Deferred Tax on Revaluation Surplus	-	657	-	(657)	-
Transactions with Owners of the Company					
Final Scrip and Cash Dividend 2022/23 , paid	59,754	-	-	(140,799)	(81,045)
	59,754	(1,969)	-	(138,830)	(81,045)
Balance as at 31st March 2024	453,539	518,147	100,814	2,907,221	3,979,721
Balance as at 1st April 2024	453,539	518,147	100,814	2,907,221	3,979,721
Comprehensive Income for the year					
Profit for the Year	-	-	-	547,833	547,833
Other Comprehensive Income for the year					
Actuarial Loss on Defined Benefit Obligations (Note 25.3)	-	-	-	3,098	3,098
Deferred Tax on Other Comprehensive Income	-	-	-	(929)	(929)
Total Comprehensive Income for the Year	-	-	-	550,002	550,002
Depreciation on Revaluation Surplus	-	(5,574)	-	5,574	-
Deferred Tax on Revaluation Surplus	-	1,888	-	(1,888)	-
Transactions with Owners of the Company					
Final Cash Dividend, 2023/24 - paid	-	-	-	(145,171)	(145,171)
	-	(3,686)	-	(141,485)	(145,171)
Balance as at 31st March 2025	453,539	514,461	100,814	3,315,738	4,384,552

The annexed Notes to the Financial Statements from pages 138 to 190 form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

STATEMENT OF CASH FLOWS

For the year ended 31st March (In Thousands of Rupees)	Notes	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Cash Flows from Operating Activities					
Profit before taxation		770,002	908,745	769,966	908,688
Adjustments for :					
Depreciation of Property,Plant & Equipment	13	87,559	66,810	87,559	66,810
Amortisation of Intangible Assets	14	1,037	228	1,037	228
Impairment loss of Property,Plant & Equipment	13	6	176	6	176
Disposal Loss on sales of Quoted Equity Securities	19	-	133	-	133
Disposal Gain on Redemption of Unit Trust Investments	19.2	(16,632)	(18,098)	(16,632)	(18,098)
Interest Income Treasury Bill	8	(69,802)	(66,032)	(69,802)	(66,032)
(Gain)/Loss on Quoted Investment valued at Fair Value Through Profit and Loss	8	(3,112)	(1,791)	(3,112)	(1,791)
(Gain) on Unit Trust Investment valued at Value Through Profit & Loss	8	(447)	(4,499)	(447)	(4,499)
Gain on Disposal of Property ,Plant & Equipment	7	-	(18)	-	(18)
Provision for Employee Benefits	25.2	16,446	18,197	16,446	18,197
(Reversal)/Provision for Impairment of Trade Debtors & other receivables	18.1 & 18.3	(1,391)	(137,662)	(1,391)	(137,662)
(Reversal)/Write-off of Inventories	17.2	(915)	4,484	(915)	4,484
(Reversal)/Provision for Slow moving inventories	17.1	(50,225)	50,322	(50,225)	50,322
Interest Expenses	8	20,041	10,517	20,144	10,668
Interest income from other Investment	8	(51,541)	(117,289)	(51,541)	(117,289)
Dividend Income	8	(159)	(511)	(159)	(511)
Operating Profit before Working Capital Changes		700,867	713,715	700,934	713,807
Decrease in Inventories		43,713	282,388	43,713	282,388
(Increase)/Decrease in Trade and Other Receivables		(456,490)	34,136	(456,423)	34,136
Increase in Amounts due to Related Parties		112	777	112	777
Increase/(Decrease) in Amounts due to Subsidiaries		-	-	42	86
Increase/(Decrease) in Trade and Other Payables		43,356	(123,114)	43,285	(123,150)
Cash Generated from Operating Activities		331,559	907,902	331,663	908,044
Gratuity Paid	25.1	(3,995)	(18,108)	(3,995)	(18,108)
Interest Paid	8	(20,041)	(10,517)	(20,144)	(10,668)
Taxes Paid		(263,938)	(232,177)	(263,938)	(232,168)
Net Cash Generated from Operating Activities		43,584	647,100	43,584	647,100
Cash Flow from Investing Activities					
Acquisition of Property, Plant and Equipment and Intangible Assets	13 & 14	(42,160)	(26,850)	(42,160)	(26,850)
Redemption in Unit Trust	19	2,299,000	1,114,711	2,299,000	1,114,711
(Investments) in Unit Trust	19	(2,200,000)	(1,235,476)	(2,200,000)	(1,235,476)
Matured of Treasury Bill		2,755,890	1,398,516	2,755,890	1,398,516
(Investment) in Treasury Bill		(2,681,920)	(2,185,604)	(2,681,920)	(2,185,604)
Matured/(Investments) in Repo		110,230	(110,230)	110,230	(110,230)
Investments in Fixed Deposits		(170,000)	-	(170,000)	-
Sales of Quoted Equity Securities	19.1	2,543	9,023	2,543	9,023
Proceeds from Sale of Property, Plant & Equipment		-	18	-	18
Purchase of Capital Work-in-Progress	13.13	(30,023)	(71,154)	(30,023)	(71,154)
Interest Received	8	117,548	183,321	117,548	183,321
Dividend Received/(Generated)	8	159	511	159	511
Net Cash (Used in)/Generated from Investing Activities		161,267	(923,213)	161,267	(923,213)
Cash Flows from Financing Activities					
Short Term and Long Term Loans obtained	30	729,000	-	729,000	-
Repayment of Short Term and Long Term Loans	30	(742,580)	(17,280)	(742,580)	(17,280)
Dividends paid		(145,171)	(81,045)	(145,171)	(81,045)
Net Cash Used in Financing Activities		(158,751)	(98,325)	(158,751)	(98,325)
Net Decrease in Cash and Cash Equivalents		45,099	(374,438)	46,100	(374,438)
Cash and Cash Equivalents at the beginning of the Year	20	33,729	408,167	33,604	408,042
Cash and Cash Equivalents at the End of the Year	20	79,828	33,729	79,704	33,604

The annexed Notes to the Financial Statements from pages 138 to 190 attached hereto form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

ACCOUNTING POLICIES

1. REPORTING ENTITY

1.1 CORPORATE INFORMATION

Central Industries PLC ("the Company") is a public limited liability company incorporated on 18th September 1984 and domiciled in Sri Lanka.

The registered office of the Company and the principal place of business is situated at No.312, Nawala Road, Rajagiriya. The ordinary shares of the Company are listed on the Colombo Stock Exchange.

The Consolidated Financial Statements of the Company for the year ended 31st March 2025 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

The Company has fully owned subsidiary, Polymer Technologies (Pvt) Limited (incorporated on 02nd March 1993). This wholly owned subsidiary Company did not carry out any business activities during the year.

Financial statements of the Company and the subsidiaries are prepared to a common financial year which ends on 31st March using uniform accounting policies.

1.2 PRINCIPAL ACTIVITIES AND NATURE OF OPERATIONS

The principal activities of the Company are the manufacture and distribution of PVC pipes and fittings & Electrical products. The Company also manufacture and market other products for the construction and building industry.

There were no significant changes in the nature of the principal activities of the Group during the financial year under review.

1.3 PARENT ENTERPRISE AND ULTIMATE PARENT ENTERPRISE

Central Finance Company PLC is the parent for the Company as at 31st March 2025. In the opinion of the Directors, the Company's ultimate parent undertaking and controlling party is Central Finance Company PLC.

1.4 NUMBER OF EMPLOYEES

The numbers of employees of the Group and Company as at 31st March 2025 are as follows:

Group	360 (2024-347)
Company	360 (2024-347)

1.5 RESPONSIBILITIES FOR FINANCIAL STATEMENTS AND APPROVAL OF FINANCIAL STATEMENTS

The Board of Directors is responsible for the preparation and presentation of the financial statements of the Group as per the provisions of the Companies Act No. 07 of 2007 and the Sri Lanka Accounting Standards. The Directors' responsibility over financial statements is set out in detail in the Statement of Directors' Responsibility.

The financial statements of the Group for the year ended 31st March 2025 were authorized for issue in accordance with a resolution of the Board of Directors on 26th May 2025

2. BASIS OF PREPARATION

2.1 CURRENT VERSUS - NON-CURRENT CLASSIFICATION

All assets and liabilities are classified as current and non-current as per company's normal operating cycle of 12 months which is based on the nature of business of the Company. Current Assets do not include elements which are not expected to be realized within 1 year and Current Liabilities do not include items which are due after 1 year, the period of 1 year being reckoned from the reporting date.

2.2 STATEMENT OF COMPLIANCE

The Consolidated Financial Statements of the Group and Company which comprise of the Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive income, Statement of Changes in Equity and Statement of Cash Flows have been prepared in accordance with Sri Lanka Accounting Standards (hereinafter referred to as SLFRS / LKASs) as issued by the Institute of Chartered Accountants of Sri Lanka. These Financial statements except for information on cash flows, have been prepared following accruals basis of accounting.

2.2.1 STATEMENT OF PRESENTATION

The Financial Statements of the Group and Company have been presented in compliance with the requirements of the Companies Act No. 07 of 2007 and provide appropriate disclosures as required by the Listing Rules of the Colombo Stock Exchange.

2.3 BASIS OF MEASUREMENT

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

Item	Basis of Measurement	Note Number
Freehold land and buildings	Measured at cost at the time of acquisition and subsequently at revalued amounts which are the fair values at the date of revaluation	13
Defined benefit obligations	Measured at the present value of the defined benefit obligation	25
Investments valued at fair value through profit or loss	Measured at fair Value	19

2.4 FUNCTIONAL AND PRESENTATION CURRENCY

The consolidated financial statements are presented in Sri Lankan Rupees, which is the functional and presentation currency of all Group entities. There was no change in the Group's presentation and functional currency during the year under review. All financial information presented in Sri Lankan Rupees has been rounded to the nearest thousands, unless stated otherwise.

2.5 USE OF JUDGEMENTS AND ESTIMATES

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

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

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are included in the following notes;

Critical accounting assumptions and estimation uncertainties	Note
Fair value of land and buildings	2.5.1
Useful life-time of the property, plant and equipment	2.5.2
Impairment on non-financial assets	3.4
Measurement of defined benefit obligation: key actuarial assumptions	2.5.3
Impairment measurement of financial assets: determination of inputs into the ECL measurement model, including key assumptions and incorporation of forward-looking information	2.5.4

2.5.1 FAIR VALUE OF LAND AND BUILDINGS

The Group measures land and buildings at revalued amounts with changes in fair value being recognised in Equity through Other Comprehensive Income (OCI). Valuations are performed to ensure that the fair value of a revalued asset does not differ materially from it carrying amount. The Group engages independent professional valuer Mr Anuradha Seneviratne, Chartered Valuation Surveyor to assess fair value of land and buildings in terms of Sri Lanka Accounting Standard on "Fair Value Measurement"(SLFRS13). Based on the valuation techniques and inputs used, land and buildings were classified at level 3 in the fair value hierarchy.

The valuation techniques, significant unobservable inputs, key assumptions used to determine the fair value of the land and building, and sensitivity analysis are provided in Note 13.10 and 13.11.

2.5.2 USEFUL LIFE-TIME OF THE PROPERTY, PLANT AND EQUIPMENT

The Group reviews the residual values, useful lives, and methods of depreciation of property, plant and equipment at each reporting date. Judgement of the Management is exercised in the estimation of these values, rates, methods and hence they are subject to uncertainty. Refer Note 3.6.3 for more details.

Accounting Policies

2.5.3 MEASUREMENT OF DEFINED BENEFIT OBLIGATION

The cost of defined benefit obligation is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases and mortality rates, etc. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Refer Note 25.4 for the assumptions used to determine defined benefit obligations. Sensitivity analysis to key assumptions is disclosed in Note 25.5.

2.5.4 IMPAIRMENT MEASUREMENT OF FINANCIAL ASSETS

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses.

The Group's Expected Credit Loss (ECL) calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

Development of ECL models, including the various statistical formulas and the choice of inputs;

Determination of associations between macro-economic inputs, such as GDP growth, inflation, interest rates, exchange rates and unemployment and the effect on Probability of Default (PDs), Exposure at Default (EAD) and Loss Given Default (LGD);

Selection of forward-looking macro-economic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

2.6. MEASUREMENT OF FAIR VALUE

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

The Group regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, the Group assesses evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of SLFRS, including the level in the fair value hierarchy in which such valuations should be classified.

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

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

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

Level 3 : Inputs for the asset or liability that is not based on observable market data. (Unobservable inputs).

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

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

Further information about the assumption made in measuring of fair value is included in Note 42.1

2.7 MATERIALITY AND AGGREGATION

Each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by the Sri Lanka Accounting Standard – LKAS 1 on 'Presentation of Financial Statements 'and amendments to the LKAS 1 on 'Disclosure Initiative'.

Notes to the Financial Statements are presented in systematic manner which ensures the understandability and comparability of Financial Statements of the Group and the Company. Understandability of the Financial Statements is not compromised by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.

2.8 GOING CONCERN

Management has determined that there is no material uncertainty that casts doubt on the entity's ability to continue as a going concern. In preparing these financial statements, based on available information, the management has assessed the existing and anticipated effects of crisis on the Group and the appropriateness of the use of the going concern basis. Group has evaluated the resilience of its businesses considering a wide range of factors such as current and expected profitability, the ability to defer nonessential capital expenditure, debt repayment schedules, if any, cash reserves and potential sources of financing facilities, if required, and the ability to continue providing goods and services.

In management's view, the Group will have sufficient resources to continue for a future period. Management concluded that the range of possible outcomes considered at arriving at this judgment does not give rise to material uncertainties related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Consolidated Financial Statements of the Group continued to be prepared on a going concern basis. Refer note 41 to the financial statements for the impact of current economic condition on the financial statements of the Group.

2.9 COMPARATIVE INFORMATION

Comparative information including quantitative, narrative, and descriptive information is disclosed in respect of the previous period in the Financial Statements to enhance the understanding of the current period's Financial Statements and to enhance the inter period comparability.

2.10 ROUNDING

The amounts in the Financial Statements have been rounded-off to the nearest rupees thousands, except where otherwise indicated as permitted by the Sri Lanka Accounting Standard - LKAS 1 on 'Presentation of Financial Statements'.

3. MATERIAL ACCOUNTING POLICES

The Group has consistently applied the following accounting policies to all periods presented in these Consolidated Financial Statements.

3.1 BASIS OF CONSOLIDATION

The Group's Financial Statements comprise of the consolidation of Financial Statements of the company and its subsidiaries prepared in terms of Sri Lanka Accounting standard (SLFRS -10) - Consolidated Financial Statements.

3.1.1. BUSINESS COMBINATIONS

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group in determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards are included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

3.1.2. SUBSIDIARIES

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Financial Statements of subsidiaries are included in the Consolidated Financial Statements from the date on which control commences until the date on which control ceases.

Adjustments required to the accounting policies of subsidiaries are changed wherever necessary to align them with the policies adopted by the Group.

The cost of an acquisition is measured at the fair value of the consideration, including contingent consideration. The acquired identifiable assets, liabilities and contingent liabilities are measured at their fair value at the date of acquisition. Subsequent to the acquisition, the Company continues to recognize the investment in the subsidiary at cost.

Name of subsidiary	Controlling interest
Polymer Technologies (Pvt) Ltd	100%

Accounting Policies

3.1.3. NON-CONTROLLING INTEREST

The proportion of the profits or losses after taxation applicable to outside shareholders of subsidiary companies are included under the heading "Non – controlling interest "in the Consolidated Income Statement. Losses applicable to the non-controlling interests in a subsidiary is allocated to the non-controlling interest even if doing so causes the non-controlling interests to have a deficit balance.

Non-controlling interests are measured at their appropriate share of acquired identifiable net assets at the date of acquisition.

Changes in the Group's interest in a Subsidiary that do not result in a loss of control are accounted for as equity transactions.

As the Company owns 100% of the equity of its subsidiaries no non-controlling interest is applicable.

3.1.4. INTRA-GROUP TRANSACTIONS

Transfer prices between Group entities are set on an arm's length basis in a manner similar to transactions with third parties.

Intra-group balances, intra-group transactions and resulting unrealized profits are eliminated in full in the Financial Statements. Unrealized losses resulting from intra-group transactions are eliminated unless the cost cannot be recovered.

3.2 FOREIGN CURRENCY TRANSACTIONS

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

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate as at that date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are generally recognised in profit or loss.

3.3 FINANCIAL INSTRUMENTS

(A) RECOGNITION AND INITIAL MEASUREMENT

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

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

(B) CLASSIFICATION AND SUBSEQUENT MEASUREMENT

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

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

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

It is held within a business model whose objective is to hold assets to collect contractual cash flows; and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount of outstanding.

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

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Business model assessment:

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

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

Transfers of financial assets to third parties in transactions that do not qualify for de recognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

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

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

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

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

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

Financial assets - Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Accounting Policies

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(C) DERECOGNITION

Financial assets

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

Financial liabilities

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

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

(D) IMPAIRMENT POLICY

Non-derivative financial assets

Financial instruments and contract assets

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost. Loss allowances for trade receivables is always measured at an amount equal to lifetime ECLs.

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

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due.

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

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 365 days past due.

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

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

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

Measurement of ECLs

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

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

Credit-impaired financial assets

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

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

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 365 days past due;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market or a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

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

3.4 IMPAIRMENT POLICY: NON-FINANCIAL ASSETS

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

An impairment loss in respect of other assets, recognised in prior periods is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.5 STATED CAPITAL

ORDINARY SHARES

Ordinary Shares are classified as equity. Incidental costs attributable to the issue of ordinary shares are recognised as an expense.

3.6 PROPERTY, PLANT AND EQUIPMENT

3.6.1 RECOGNITION AND MEASUREMENT

3.6.1.1 Basis of recognition

Property, plant and equipment are recognised if it is probable that future economic benefits associated with the asset will flow to the Group and cost of the asset can be measured reliably.

3.6.1.2 Basis of measurements

An item of property, plant and equipment that qualifies for recognition as an asset is initially measured at its cost. The cost of property, plant and equipment comprises purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the asset to the working condition of its intended use. This also includes costs of dismantling and removing the items and restoring the site on which they are located and borrowing costs on qualifying assets.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that asset. When parts of an item of Property, Plant and Equipment (major components) have different useful lives, they are accounted for as separate items of property, plant and equipment.

Subsequent measurement - Cost model

The Group applies the Cost Model to all property, plant and equipment except for freehold land and freehold building and records at cost of purchase together with any incidental expenses thereon, less accumulated depreciation and any accumulated impairment losses.

Subsequent measurement - Revaluation model

The Group applies the Revaluation Model for the entire class of freehold land and freehold building for measurement after initial recognition. Such properties are carried at revalued amounts, being their fair value at the date of revaluation, less any subsequent accumulated depreciation on buildings and any accumulated impairment losses charged subsequent to the date of valuation. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the end of each reporting period. If the fair values of land and Buildings do not change other than by a significant amount at each reporting period, the Group will revalue such land every five years.

Any surplus arising on the revaluation is recognised in other comprehensive income except to the extent that the surplus reverses a previous revaluation deficit on the same asset recognised in income statement, in which case the credit to that extent is recognised in income statement. Any deficit on revaluation is recognised in income statement except to the extent that it reverses a previous revaluation surplus on the same asset, in which case the debit to that extent is recognised in other comprehensive income. Therefore, revaluation increases, and decreases cannot be offset, even within a class of assets.

External, independent qualified valuer having appropriate experience in valuing properties in locations of properties being valued, value the land and Buildings owned by the Group based on market values, this 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 details of land valuation are disclosed in Note No. 13.10 & 13.11 to the Financial Statements.

Accounting Policies

3.6.2 SUBSEQUENT COSTS

The cost of replacing a component of an item of property or 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. The costs of the day-to-day servicing of property and equipment are recognised in Income Statement as incurred.

3.6.3. DEPRECIATION

The Group provides depreciation from the date the assets are available for use up to the date of disposal, at the following rates on a straight-line basis over the periods appropriate to the estimated useful lives of the different types of assets. Depreciation on revalued classes of assets is based on the remaining useful life of the assets at the time of the revaluation. Freehold Land is not depreciated.

Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately. Depreciation is recognised as an expense in the Income statement.

Estimated useful lives of significant items of assets are as follows:

Category of Asset	Useful Economics Life Time (Years)
Buildings	40
Plant and Machinery (Excluding the Processing Unit of the Extrusion Lines)	5-25
Solar Power Unit	5
Tools and Equipment	3 -5
Furniture and Fittings	10
Motor Vehicles	5
Computer Equipment	3-5
Processing units of Extrusion Lines	10,000-15,000 operating hours.

Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognised. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.6.4. DE-RECOGNITION

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected from its use. The gains or losses arising on derecognition (disposal or retirement) of an item of Property, Plant and Equipment are determined by comparing the proceeds from disposal with the carrying amount of the assets are recognised net within 'other income' in the Statement of profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

3.6.5 CAPITAL WORK-IN-PROGRESS

Capital expenses incurred during the year which are not completed as at the reporting date are shown as capital work–in–progress whilst, the capital assets which have been completed during the year and put to use have been transferred to property, plant and equipment.

3.7 INTANGIBLE ASSETS

(A) RECOGNITION AND MEASUREMENT

All computer software costs incurred, licensed for use by the Group, which are not integrally related to associate hardware, and can be clearly identified, reliably measured and is probable will lead to future economic benefits are included in the Statement of Financial Position under the category, Intangible Assets, and carried at cost less accumulated amortization and accumulated impairment losses if any.

(B) SUBSEQUENT EXPENDITURE

Subsequent expenditure is capitalized 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 and brands, are recognised in profit or loss as incurred.

(C) AMORTIZATION

Amortization is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful life-time in 5 years for all computer software for the current and comparative years.

Amortization methods, useful life-time and residual values are reviewed at each reporting date and adjusted if appropriate.

(D) DE-RECOGNITION

Gains or losses arising from derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in profit or loss when the asset is derecognised.

3.8 INVENTORIES

Inventories are valued at the lower of cost or net realizable value under the weighted average method, after making provision for slow moving items and obsolescence.

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The costs of raw materials are determined at purchase price including all expenses incurred in sourcing.

The cost of Work-in-Progress is the value of raw material and direct inputs transferred to production. The cost of finished goods includes raw material cost, direct labour costs and a systematic allocation of fixed and variable production overheads.

NON-MOVING AND SLOW-MOVING INVENTORIES

The management carries out an annual review of the inventories and makes provisions as follows:

Non-moving Inventories

80% provision is made on the value of items which have not moved for more than 12 months.

Slow-moving Inventories

50% provision is made on the value of slow-moving items which are in excess of 12 months' average requirements.

Machinery Spares

Provision is made in full for machinery spares which have been carried in stocks for more than 10 years.

3.9 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand and short-term deposits with original maturity of three months or less. Bank overdrafts are shown in current liabilities. For purpose of Cash Flow, Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as components of cash and cash equivalent.

3.10 LIABILITIES AND PROVISIONS

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

All known liabilities are accounted for in the statement of financial position.

3.10.1 PROVISIONS

Provisions are recognised when the Group has a binding present obligation. This may be either legal because it derives from a contract, legislation or other operation of law, or constructive because the Group created valid expectations on the part of third parties by accepting certain responsibilities. To record such an obligation, it must be probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation. The amount recognised as a provision and the indicated time range of the outflow of economic benefits are the best estimate (most probable outcome) of the expenditure required to settle the present obligation at the reporting date, considering the risks and uncertainties surrounding the obligation. Non-current provisions are discounted if the impact is material.

3.11 EMPLOYEE BENEFITS

A. DEFINED CONTRIBUTION PLANS - (EMPLOYEES PROVIDENT FUND AND EMPLOYEES TRUST FUND)

A defined contribution plan is a post-employment plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay a further amount. Obligations for contributions to defined contribution plans are recognised as expenses in the profit and loss in the period during which related services are rendered by employees.

Employees' Provident Fund

The Group and employees contribute 12% and 8% respectively on the salary of each employee. The fund is managed by the Central Bank of Sri Lanka.

Employee Trust Fund

The Group contributes 3% of the salary of each employee to the Employees' Trust Fund.

Contributions to defined contribution plans are recognised as an expense in the Statement of Comprehensive Income as incurred.

B. DEFINED BENEFIT PLANS

A defined Benefit Plan is a post- employment benefit plan other than a Defined Contribution Plan. The liability recognised in the Statement of Financial Position in respect of a Defined Benefit Plan is the present value of the defined benefit obligation at the Statement of Financial Position date. The defined benefit obligation is calculated annually by independent actuaries, using the projected unit credit method, as recommended by LKAS 19, "Employee Benefits".

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates that apply to the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability. The assumptions based on which the results of the actuarial valuation were determined are included in the note 25 to the Financial Statements. This liability is not externally funded and the item is grouped under Non-Current Liabilities in the Statement of Financial Position.

The qualifying remuneration of all permanent employees in considered in the calculation of the defined benefit obligation.

However, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of five years of continued service. Liabilities are computed on the basis of half a month's salary for each year of completed service. The Company's obligations under the said Act is determined based on an actuarial valuation using the projected unit credit method carried out by a professional actuary.

Accounting Policies

Re-measurements of the defined benefit liability, which comprise actuarial gains and losses, are recognised immediately in OCI. The Group determines the interest expense on the defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then defined benefit liability, taking into account any changes in the defined benefit liability during the period as a result of benefit payments. Interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

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

C. SHORT-TERM EMPLOYEE BENEFITS

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

D. TERMINATION BENEFITS

Termination benefits are recognised as an expense when the Group and the Company is demonstrably committed, without a realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group and the Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

3.12 CAPITAL COMMITMENTS AND CONTINGENCIES

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the Financial Statements.

Capital commitments and contingent liabilities of the Group are disclosed in Notes 38 and 39 to the Financial Statements.

4. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

4.1 REVENUE RECOGNITION

Revenue is comprised of the invoiced value of goods sold to customers after deduction of trade discounts, but before charging taxes thereon.

REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group revenue is recognised when a customer obtains control of the goods or services –Determining the timing of the transfer of control – at a point in time or overtime requires judgement.

Revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognition will not occur. Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and sales taxes and after eliminating sales within the Group.

The following specific criteria are used for the purpose of recognition of revenue:

a) Revenue from the sale of goods is recognised in the Statement of Profit or Loss when control of the goods has been transferred to the customers. Recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with trade returns and trade discounts.

b) Interest income is recognised on an accrual basis.

c) Dividend income is recognised when the shareholders' right to receive the payment is established.

d) Profit or loss of a revenue nature on the disposal of Property, Plant and Equipment and other non-current assets have been accounted in the Statement of Profit or Loss having deducted from the proceeds on disposal, the carrying amount of the asset and the related selling expenses.

4.2 EXPENDITURE RECOGNITION

I. OPERATING EXPENDITURE

All expenditure incurred in running of the business and in maintaining the Property, Plant and Equipment in a state of efficiency has been charged to the state Profit & Loss in arriving at the profit for the year. For the purpose of presentation of Statements of Profit or Loss and Other Comprehensive Income, the Directors are of the opinion that the function of expense method present fairly the elements of the enterprise's performance, hence such presentation method is adopted.

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

Repairs and renewals are recognised in Profit or Loss in the year in which the expenditure is incurred.

II. FINANCE COST

Interest cost is recognised in the Income Statement as it accrues and is calculated by using the effective interest rate method. The Group's finance cost includes interest expenses on short-term borrowing and other interest expenses.

The effective interest rate is the rate that exactly discounts the estimated future cash receipts or payments through the expected life of the financial asset or liabilities (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liabilities. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

The calculation of the effective interest rate includes all transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability.

4.3 INCOME TAX EXPENSES

Income tax expense comprises both current and deferred tax. Income tax expense is recognised in income statement except to the extent that it relates to items recognised directly in equity, in which case is recognised in the statement of comprehensive income or statement of changes in equity, in which case it is recognised directly in the respective statements.
The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under LKAS 37 Provisions, Contingent Liabilities and Contingent Assets.

A. CURRENT TAXATION

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

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

B. DEFERRED TAXATION

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

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss;
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;
- Taxable temporary differences arising on the initial recognition of goodwill.

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

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

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

Accounting Policies

C. TAX EXPOSURES

In determining the amount of current and deferred tax, the Group considers the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events.

New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact the tax expense in the period that such a determination is made.

4.4. BASIC 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 or loss 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.

4.5. DIVIDEND DISTRIBUTION

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Group's shareholders. Interim dividends are deducted from equity when they are declared and are no longer at the discretion of the Group.

4.6. STATEMENT OF CASH FLOWS

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

The Statement of Cash Flows has been prepared using the "indirect method". Interest paid is classified as an operating cash flow, interest and dividends received are classified as investing cash flows while dividends paid are classified as financing cash flows for the purpose of presenting the Statement of Cash Flow.

4.7. 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 Director/ CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment information reflects Water Management Products and Electrical Products. Inter segment transfers are based on fair market prices.

The Group's business activities are located in Sri Lanka. Consequently, assets and liabilities by geographic regions are considered not material to be segmented. Expenses that cannot be directly identified to a particular segment are allocated on the basis decided by the management and applied consistently throughout the year.

5. SRI LANKA ACCOUNTING STANDARDS (SLFRS) ISSUED BUT NOT YET EFFECTIVE

A number of new standards are effective for annual periods beginning on or after 1 January 2025 and earlier application is permitted. However, the Group and Company have not early adopted the new or amended standards in preparing these financial statements.

GENERAL REQUIREMENTS FOR DISCLOSURE OF SUSTAINABILITY RELATED FINANCIAL INFORMATION (SLFRS S1) AND CLIMATE RELATED DISCLOSURES (SLFRS S2)

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

NOTES TO THE FINANCIAL STATEMENTS

6. REVENUE

For the year ended 31st March (In Thousands of Rupees)	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Revenue from Contracts with Customers				
Water Management Products	4,803,576	3,873,444	4,803,576	3,873,444
Electrical Products	509,526	448,554	509,526	448,554
Total Revenue	5,313,102	4,321,998	5,313,102	4,321,998

6.1 TIMING OF REVENUE RECOGNITION

For the year ended 31st March (In Thousands of Rupees)	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Products & services transferred at a point in time	5,313,102	4,321,998	5,313,102	4,321,998
Products & services transferred over time	-	-	-	-
Total Revenue	5,313,102	4,321,998	5,313,102	4,321,998

Segmental Information is given in Note 36 to these Financial Statements.

7. OTHER INCOME

For the year ended 31st March (In Thousands of Rupees)	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Gain on sale of Property, Plant and Equipment	-	18	-	18
Sale of Scrap and Obsolete items	2,384	3,999	2,384	3,999
	2,384	4,017	2,384	4,017

8. NET FINANCE INCOME/ (EXPENSE)

For the year ended 31st March (In Thousands of Rupees)	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Dividend Income	159	511	159	511
Interest Income on Other Investments	5,395	50,487	5,395	50,487
Disposal Gain on Redemption of Unit Trust Investments	16,632	18,098	16,632	18,098
Interest Income - Treasury Bills	69,802	66,032	69,802	66,032
Net Change in Investments valued at Fair Value Through Profit and Loss - Quoted Equity Securities	3,112	1,791	3,112	1,791
Interest Income - Treasury Bond	46,146	66,802	46,146	66,802
Net Change in Investments valued at Fair Value Through Profit and Loss-Unit Trust	447	4,499	447	4,499
Exchange Gain	-	1,440	-	1,440
Finance Income	141,693	209,660	141,693	209,660

Notes to the Financial Statements

For the year ended 31st March (In Thousands of Rupees)	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Interest Expense on Financial Liabilities	16,901	5,202	17,004	5,354
Interest Expense on Distributor Security Deposits	3,140	5,314	3,140	5,314
Net Foreign Exchange Loss	36	-	36	-
Stamp Duty	359	264	359	264
Disposal Loss on sales of Quoted Equity Securities	-	133	-	133
Finance Expense	20,436	10,913	20,539	11,065
Net Finance Income / (Expense)	121,257	198,747	121,154	198,595

9. PROFIT BEFORE TAXATION

The profit before taxation for the year is stated after charging all expenses including the following :

For the year ended 31st March (In Thousands of Rupees)	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Directors' Emoluments	32,260	30,360	32,260	30,360
Auditors' Remuneration - Statutory Audit - KPMG	832	756	832	756
- Other Auditor	49	45	-	-
- Non Audit Services	288	173	288	173
Depreciation on Property Plant & Equipment (Note 13)	87,559	66,810	87,559	66,810
Amortization of Intangible Assets (Note 14)	1,037	228	1,037	228
Donations	32	433	32	433
Legal Expenses	1,866	1,707	1,866	1,707
Net Impairment (Reversal) for Trade Receivables (Note 18.1)	(2,878)	(137,662)	(2,878)	(137,662)
Impairment (Reversal)/Provision for Inventories (Note 17.2)	(50,225)	50,322	(50,225)	50,322
(Reversal)/Written down of inventory to Net Realizable Value (Note 17.2)	(915)	4,484	(915)	4,484
Staff Cost				
Remuneration	244,471	215,863	244,471	215,863
Defined Contribution Plans - EPF	29,336	25,903	29,336	25,903
Defined Contribution Plans - ETF	7,334	6,476	7,334	6,476
Defined Benefit Plans (Note 25.2)	16,446	18,197	16,446	18,197

10. INCOME TAXES

10.1 AMOUNTS RECOGNISED IN PROFIT OR LOSS

For the year ended 31st March (In Thousands of Rupees)	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Current Tax Expense				
Income Tax on Current Year's Profits (Note 10.3)	220,199	243,040	220,199	243,040
Income Tax on assessments 2018/19 and 2019/20	-	1,491	-	1,491
Income Tax Over Provision Prior Years	(7,237)	(1,421)	(7,237)	(1,421)
	212,962	243,110	212,962	243,110

For the year ended 31st March (In Thousands of Rupees)	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Deferred tax expense				
Reversal/(Origination) of Deferred Tax Assets (Note 26.a)	11,107	25,074	11,107	25,074
(Reversal)/Origination of Deferred Tax Liability (Note 26.b)	(1,936)	(9,373)	(1,936)	(9,373)
	9,171	15,701	9,171	15,701
Income Tax Expense recognised in Profit or Loss	222,133	258,811	222,133	258,811

10.2 AMOUNTS RECOGNISED IN OTHER COMPREHENSIVE INCOME

For the year ended 31st March (In Thousands of Rupees)	2025 Value Before Tax	2025 Tax (Expenses) / Benefit	2025 Net of Tax	2024 Value Before Tax	2024 Tax (Expenses) / Benefit	2024 Net of Tax
GROUP						
Item that will not be reclassified to profit or loss						
Actuarial (Loss)/Gain on Defined Benefit Obligations	3,098	(929)	2,169	(8,854)	2,683	(6,171)
Revaluation Surplus on Land & Building	-	-	-	185,588	(6,737)	178,851
	3,098	(929)	2,169	176,734	(4,054)	172,680
COMPANY						
Item that will not be reclassified to profit or loss						
Actuarial (Loss)/Gain on Defined Benefit Obligations	3,098	(929)	2,169	(8,854)	2,683	(6,171)
Revaluation Surplus on Land & Building	-	-	-	185,588	(6,737)	178,851
	3,098	(929)	2,169	176,734	(4,054)	172,680

10.3 RECONCILIATION OF ACCOUNTING PROFITS AND TAXABLE INCOME

For the year ended 31st March (In Thousands of Rupees)	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Profit Before Taxation	770,002	908,745	769,966	908,688
Other Source of Income	(141,693)	(206,239)	(141,693)	(206,239)
Aggregate Disallowed Expenses	105,462	141,360	105,498	141,360
Aggregate Allowed Expenses	(137,748)	(235,600)	(137,748)	(235,600)
Assessable Income from Business	596,023	608,266	596,023	608,209
Assessable Interest Income	137,974	201,929	137,974	201,929
Taxable Income	733,997	810,195	733,997	810,138
Current Tax at 30%	220,199	243,040	220,199	243,040
Total Income Tax on Current Year's Taxable Income	220,199	243,040	220,199	243,040

10.4 APPLICABLE INCOME TAX RATES AS PER THE DEPARTMENT OF INLAND REVENUE

According to the Inland Revenue(Amendment) Act No.45 of 2022,the Company is liable to pay tax at the rate of 30% of its entire taxable profit.

10.5 RECONCILIATION OF EFFECTIVE TAX RATE

For the year ended 31st March (In Thousands of Rupees)	GROUP 2025		GROUP 2024	
Profit Before Taxation	770,002		908,745	
Income Tax Using the Domestic Tax Rate	231,001	30%	272,624	30%
Other Source of Income	(42,508)	-6%	(61,872)	-7%
Aggregate Disallowed Expenses	31,639	4%	42,391	5%
Aggregate Allowed Expenses	(41,324)	-5%	(70,680)	-8%
	178,807	23%	182,463	20%
Other Statutory Income	41,392	5%	60,579	7%
Total Statutary Income	220,199	29%	243,041	27%
Adjustment For Prior Years	(7,237)	-1%	70	0.0%
Current Tax on Profit for the Year	212,962	28%	243,110	27%
Provision of Deferred Tax	9,171	1%	15,701	2%
Total Income Tax Expense	222,133	29%	258,811	28%

For the year ended 31st March (In Thousands of Rupees)	COMPANY 2025		COMPANY 2024	
Profit Before Taxation	769,966		908,688	
Income Tax Using the Domestic Tax Rate	230,990	30%	272,606	30%
Other Source of Income	(42,508)	-6%	(61,872)	-7%
Aggregate Disallowed Expenses	31,649	4%	42,408	5%
Aggregate Allowed Expenses	(41,324)	-5%	(70,680)	-8%
	178,807	23%	182,463	20%
Other Statutory Income	41,392	5%	60,579	7%
Total Statutary Income	220,199	29%	243,041	27%
Adjustment For Prior Years	(7,237)	-1%	70	0.0%
Current Tax on Profit for the Year	212,962	28%	243,110	27%
Provision of Deferred Tax	9,171	1%	15,701	2%
Total Income Tax Expense	222,133	29%	258,811	28%

11. BASIC EARNINGS PER SHARE

Basic Earnings Per Share is calculated by dividing the net profit for the year attributable to ordinary shareholders of the parent entity by the weighted average number of ordinary shares in issue during the year.

The following reflect the profit and share data used in the Basic Earnings Per Share computation:

For the year ended 31st March (In Thousands of Rupees)	GROUP		COMPANY	
	2025	2024	2025	2024
Profit attributable to Ordinary Shareholders (Rs'000)	547,869	649,934	547,833	649,877
Weighted Average Number of Ordinary Shares (Note 11.1)	24,195,193	24,195,193	24,195,193	24,195,193
Basic Earnings Per Share (Rs.)	22.64	26.86	22.64	26.86

11.1 WEIGHTED-AVERAGE NUMBER OF ORDINARY SHARES

For the year ended 31st March (In Thousands of Rupees)	GROUP		COMPANY	
	2025	2024	2025	2024
Issued ordinary shares at as at beginning of the year	24,195,193	24,195,193	24,195,193	24,195,193
Weighted-average number of ordinary shares as at 31st March	24,195,193	24,195,193	24,195,193	24,195,193

11.2 DILUTED EARNING PER SHARE

There were no potential dilutive ordinary shares outstanding at any time during the year. Therefore, diluted Earnings Per Share is the same as Basic Earnings Per Share shown above.

12. DIVIDENDS PER SHARE

12.1 DIVIDEND DECLARED AND PAID DURING THE YEAR

The final dividend declared for the year ended 31st March 2024 of Rs. 6.00 per share amounting to Rs.145,171,158 by way of cash dividend.

12.2 PROPOSED DIVIDENDS FOR APPROVAL AT AGM

The Board of Directors has declared a First and final ordinary dividend of Rs. 6.00 per ordinary share for 2024/25 and of which Rs. 145,171,158, which is to be approved by the shareholders at the Annual General meeting to be held on 26th June 2025. The entire ordinary dividends will be paid out of Profit for the year ending 31st March 2025. As stipulated by Sri Lanka Accounting Standard (LKAS 10) Events After the Reporting period", the proposed dividend is not recognised as a liability as at 31st March 2025 in the Financial Statements.

Dividend per share is calculated by dividing the dividend declared out of profits for the year attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year.

12.3 COMPLIANCE WITH SECTION 56 AND 57 OF THE COMPANIES ACT NO. 7 OF 2007

As required by Section 56 of the Companies Act, No.7 of 2007, the Board of Directors of the Company has certified that the Company satisfies the Solvency Test in accordance with the Section 57, prior to recommending the first and final dividend for the year ended 31st March 2025. A statement of solvency completed and duly signed by the Directors will be audited by M/S KPMG, Chartered Accountants.

Notes to the Financial Statements

13. PROPERTY, PLANT AND EQUIPMENT

GROUP (In Thousands of Rupees)	Freehold Land	Freehold Buildings	Solar Power Generation	Plant and Machinery	Processing Units of extrusion Lines	Tools & Equipment	Furniture & Fittings	Motor Vehicles	Computer System	Total 2024/25	Total 2023/24
Cost / Revaluation											
As at 1st April 2024	560,930	416,569	102,266	618,042	53,400	56,254	4,301	21,284	27,836	1,860,882	1,519,804
Additions during the year	-	-	-	16,374	12,408	2,815	224	-	9,831	41,652	22,788
Transfers from Capital Work-in-Progress	-	18,125	875	1,023	-	-	-	-	-	20,023	175,390
Surplus on Revaluation	-	-	-	-	-	-	-	-	-	-	185,588
Depreciation Charge on Revaluation	-	-	-	-	-	-	-	-	-	-	(36,180)
Written off/Impairment During the year	-	-	-	(3,100)	-	(123)	(33)	-	-	(3,256)	(446)
Disposals during the year	-	-	-	-	-	-	-	-	-	-	(6,062)
As at 31st March 2025	560,930	434,694	103,141	632,339	65,808	58,946	4,492	21,284	37,667	1,919,301	1,860,882
Accumulated Depreciation											
As at 1st April 2024	-	-	11,662	411,842	37,988	49,516	2,488	21,192	21,568	556,256	531,957
Charge for the year	-	14,148	20,511	40,214	5,513	2,923	372	69	3,809	87,559	66,810
On Revalued assets		-	-	-	-	-	-	-	-	-	(36,180)
Deprecation on assets Written-off/ Impairment	-	-	-	(3,100)	-	(122)	(29)	-	-	(3,250)	(446)
Deprecation on disposals	-	-	-	-	-	-	-	-	-	-	(5,886)
As at 31st March 2025	-	14,148	32,173	448,956	43,501	52,317	2,831	21,261	25,377	640,564	556,255
Carrying Amount of PPE as at 31st March 2025	560,930	420,546	70,968	183,383	22,307	6,629	1,661	23	12,290	1,278,737	
Addition : Capital Working progress during the year (Note 13.13)	-	11,500	-	-	-	-	-	-	-	11,500	
Property, Plant and Equipment as at 31st March 2025	560,930	432,046	70,968	183,383	22,307	6,629	1,661	23	12,290	1,290,237	
Carrying Amount as at 31st March 2024	560,930	418,069	90,604	206,200	15,412	6,738	1,813	92	6,268		1,306,126

PROPERTY, PLANT AND EQUIPMENT (CONTD).

COMPANY (In Thousands of Rupees)	Freehold Land	Freehold Buildings	Solar Power Generation	Plant and Machinery	Processing Units of Extrusion Lines	Tools & Equipment	Furniture & Fittings	Motor Vehicles	Computer System	Total 2024/25	Total 2023/24
Cost / Revaluation											
As at 1st April 2024	560,930	416,569	102,266	614,476	53,400	56,254	4,301	21,284	27,836	1,857,316	1,516,238
Additions during the year	-	-	-	16,374	12,408	2,815	224	-	9,831	41,652	22,788
Transfers from Capital Work-in-Progress	-	18,125	875	1,023	-	-	-	-	-	20,023	175,390
Surplus on Revaluation	-	-	-	-	-	-	-	-	-	-	185,588
Depreciation Charge on Revaluation	-	-	-	-	-	-	-	-	-	-	(36,180)
Written off / Impairment during the year	-	-	-	(3,100)	-	(123)	(33)	-	-	(3,256)	(446)
Disposals during the year	-	-	-	-	-	-	-	-	-	-	(6,062)
As at 31st March 2025	560,930	434,694	103,141	628,773	65,808	58,946	4,492	21,284	37,667	1,915,735	1,857,316
Accumulated Depreciation											
As at 1st April 2024	-	-	11,662	408,276	37,988	49,516	2,488	21,192	21,568	636,959	528,391
Charge for the year	-	14,148	20,511	40,214	5,513	2,923	372	69	3,809	87,559	66,810
On Revalued assets	-	-	-	-	-	-	-	-	-	-	(36,180)
Deprecation on assets Written-off/ Impairment	-	-	-	(3,100)	-	(121)	(29)	-	-	(3,250)	(446)
Deprecation on disposals	-	-	-	-	-	-	-	-	-	-	(5,886)
As at 31st March 2025	-	14,148	32,173	445,390	43,501	52,318	2,831	21,261	25,377	636,998	552,689
Carrying Amount of PPE as at 31st March 2025	560,930	420,546	70,968	183,383	22,307	6,628	1,661	23	12,290	1,278,737	
Addition : Capital Working progress during the year (Note 13.13)	-	11,500	-	-	-	-	-	-	-	11,500	
Property, Plant and Equipment as at 31st March 2025	560,930	432,046	70,968	183,383	22,308	6,629	1,661	23	12,290	1,290,237	
Carrying Amount as at 31st March 2024	560,930	418,069	90,604	206,200	15,412	6,738	1,813	92	6,268		1,306,126

Notes to the Financial Statements

PROPERTY, PLANT AND EQUIPMENT (CONTD).

13.1 FULLY DEPRECIATED PROPERTY, PLANT AND EQUIPMENT IN USE

Property, Plant and Equipment includes fully depreciated assets which are in the use of normal business activities having a cost of Rs.308 million. (2023/2024 280 Mn).

13.2 TITLE RESTRICTION ON PROPERTY, PLANT AND EQUIPMENT

There are no restrictions that existed on the title of the PPE of the Company as at the reporting date except assets disclosured under note 13.7.

13.3 ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT DURING THE YEAR

During the financial year, the Group acquired PPE for the aggregate value of Rs. 41.65 million (2023/2024 - Rs.22.78 Mn) by means of cash.

13.4 CAPITALISATION OF BORROWING COST

There were no capitalised borrowing costs related to the acquisition of property, plant and equipment during the year 2024/2025 (2023/2024 – Nil).

13.5 TEMPORARILY IDLE PROPERTY, PLANT AND EQUIPMENT

There is no temporarily idle property, plant or equipment as at the reporting date. (2023/2024 - Nil)

13.6 IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT

The Board of Directors has assessed the potential impairment loss of PPE as at 31 March 2025 by considering the impact from the current economic condition as well. Based on the assessment, no impairment provision is required to be made in the Financial Statements as at the reporting date in respect of PPE (2023/2024 - Nil).

13.7 PROPERTY, PLANT AND EQUIPMENT PLEDGED AS SECURITY FOR LIABILITIES

The value of the property, plant and equipment pledged as security against borrowings as follows,

Bank	Facilities Available
Public Bank Ltd	Overdraft, Import Loan and Guarantee facilities for Rs. 80 Mn.

13.8 VALUATION OF LANDS AND BUILDINGS

The Group uses the revaluation model of measurement for lands and buildings. The Group engaged Mr. Anuradha Senevirathne - MRICS (UK), FIV (Sri Lanka), an independent valuer, to determine the fair value of its lands and buildings. Fair value is determined by reference to market-based evidence. Valuations are based on open market rates, adjusted for any difference in the nature, location or condition of the specific property. The date of the most recent valuation was 31st March 2024.

13.9 FAIR VALUE HIERARCHY

The fair value of the Land and Building was determined by an external independent property valuer, Mr. Anuradha Senevirathne - MRICS (UK), FIV (Sri Lanka), having appropriate recognised professional qualifications and experience in the category of the property being valued. The valuer provides the fair value of the property. Based on the valuation techniques used it has been classified under Level 3 in fair value hierarchy. Valuation techniques and significant unobservable inputs are disclosed under Note 13.11.

PROPERTY, PLANT AND EQUIPMENT (CONTD).

13.10 THE DETAILS OF FREEHOLD LAND AND BUILDINGS WHICH ARE STATED AT VALUATION ARE AS FOLLOWS;

Location	Extent perches (Land)	Square feet (Building)	No of buildings	Method of valuation	Effective date of valuation	Name of the independent professional valuer / location and address	Revalued amount	Net book value before revaluation	Revaluation gain/(Loss)
13.10 A. FREEHOLD LAND CARRIED AT REVALUED AMOUNT									
Factory - 195/4, Kerawalapitiya Road, Hendala Wattala	3A-1R-2P	-	-	Market comparable method	31-Mar-24	Mr. Anuradha Senevirathne - MRICS (UK), FIV (Sri Lanka) No. 59/3, Urapola, Pilimathalawa, Kandy	365,470	313,260	52,210
Head Office-312, Nawala Road,Rajagiriya	18 Perches	-	-		31-Mar-24		112,000	96,000	16,000
Land-No 07, Elhena Junction, Warapalana,Udathuththiripitiya	8A-2R- 31 P	-	-		31-Mar-24		83,460	62,596	20,864
							560,930	471,856	89,074
13.10 B. FREEHOLD BUILDINGS CARRIED AT REVALUED AMOUNT									
Factory - 195/4, Kerawalapitiya Road, Hendala Wattala	-	65,429 Sq.ft	16	Contractor's method	31-Mar-24	Mr. Anuradha Senevirathne - MRICS (UK), FIV (Sri Lanka) No. 59/3, Urapola, Pilimathalawa, Kandy	111,530	72,395	39,135
Head Office-312, Nawala Road,Rajagiriya	-	14,525 Sq.ft	1		31-Mar-24		76,000	44,483	31,517
Land-No 07, Elhena Junction, Warapalana,Udathuththiripitiya	-	62,271 Sq.ft	3		31-Mar-24		229,040	203,178	25,862
							416,570	320,056	96,514

13.11 VALUATION TECHNIQUES AND SIGNIFICANT UNOBSERVABLE INPUTS USED IN MEASURING FAIR VALUE

The following table shows the valuation techniques used in measuring fair values, the significant unobservable inputs and sensitivity of the fair value measurement to changes in significant unobservable inputs.

Property	Effective date of valuation	Valuation technique	Significant unobservable inputs	Range of estimates for unobservable inputs	Interrelationship between key unobservable inputs and Fair value measurement	Sensitivity of the fair value measurement to inputs
13.11 A. FREEHOLD LAND						
Factory- 195/4, Kerawalapitiya Road, Hendala Wattala	31-Mar-24	Market comparable method	Market value per perch	Rs. 700,000	Positive correlated sensitivity	Estimated fair value would increase/ (decrease) if price per perch would increase /(decrease)
Head Office-312, Nawala Road,Rajagiriya	31-Mar-24			Rs. 6,500,000		
Land-No 07, Elhena Junction, Warapalana,Udathuththiripitiya	31-Mar-24			Rs. 60,000		

Notes to the Financial Statements

PROPERTY, PLANT AND EQUIPMENT (CONTD).

Property	Effective date of valuation	Valuation technique	Significant unobservable inputs	Range of estimates for unobservable inputs	Interrelationship between key unobservable inputs and Fair value measurement	Sensitivity of the fair value measurement to inputs
13.11 B. FREEHOLD BUILDINGS						
Factory- 195/4, Kerawalapitiya Road, Hendala Wattala	31-Mar-24	Contractor's method	Rate per square foot for building	Between Rs. 500 - Rs. 2,000	Positive correlated sensitivity	Estimated fair value would increase/ (decrease) if Rate per square foot would increase /(decrease)
Head Office-312, Nawala Road,Rajagiriya	31-Mar-24			Rs. 5,250		
Land-No 07, Elhena Junction, Warapalana,Udathuththiripitiya	31-Mar-24			Between Rs.3,500 - Rs. 4,500		

Market comparable method

This method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of the property being revalued. This involves evaluation of recent market prices of similar assets, making appropriate adjustments for differences in size, nature, location, condition of specific property. In this process outlier transactions, indicative of particular motivated buyers or sellers are too compensated for since the price may not adequately reflect the fair market value.

Contractor's method

The valuation model considers reconstructing a new building of similar structure and design based on current market prices for material, labour and present construction techniques and thereafter adjusting the depreciation due to use, age and obsolescence through market changes.

13.12 IF LANDS AND BUILDINGS WERE STATED AT HISTORICAL COST, THE AMOUNTS WOULD HAVE BEEN AS FOLLOWS;

The carrying amount of Group's asset that would have been included in the Financial Statements if the asset has carried at cost less depreciation as follows,

	GROUP		COMPANY	
As at 31st March	2025	2024	2025	2024
(In Thousands of Rupees)				
Freehold Land				
Cost as at 1st April	44,256	44,256	44,256	44,256
Carrying value as at 31st March	44,256	44,256	44,256	44,256

	GROUP		COMPANY	
As at 31st March	2025	2024	2025	2024
(In Thousands of Rupees)				
Freehold Building				
Cost as at 1st April	165,943	136,300	165,943	136,300
Additions during the year	18,125	117,890	18,125	117,890
Accumulated Depreciation	(94,727)	(88,247)	(94,727)	(88,247)
Carrying value as at 31st March	89,341	165,943	89,341	165,943

13.13 CAPITAL WORK-IN-PROGRESS

As at 31st March (In Thousands of Rupees)	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Balance as at 1st April	1,500	105,736	1,500	105,736
Additions during the Year	30,023	71,154	30,023	71,154
Transfered to Property, Plant and Equipment	(20,023)	(175,390)	(20,023)	(175,390)
Balance as at 31st March	11,500	1,500	11,500	1,500

Capital work in progress represents the amount of expenditure recognised under property, plant and equipment during the design and construction of Road network at Yakkala Factory.

14. INTANGIBLE ASSETS

As at 31st March (In Thousands of Rupees)	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Cost				
Balance as at 1st April	8,624	4,562	8,624	4,562
Additions during the year	508	4,062	508	4,062
Balance at 31st March	9,132	8,624	9,132	8,624
Accumulated Amortisation				
Balance at 1st April	4,306	4,078	4,306	4,078
Charge for the year	1,037	228	1,037	228
Balance at 31st March	5,343	4,306	5,343	4,306
Carrying Value as at 31st March	3,789	4,318	3,789	4,318

Intangible assets consists of computer software acquired by the Group/Company.

15. FINANCIAL ASSETS AT AMORTISED COST

Financial Assets at amortised cost represents Treasury Bonds received during 2023/24 at an effective interest rate of 23.24% in lieu of outstanding receivable from the National Water Supply and Drainage Board of Sri Lanka for the value of Rs.189 Mn. The Financial Asset is measured at amortised Cost as at 31st March 2025 for the value of Rs. 193Mn, which is matured on 15th September 2027.

16. INVESTMENT IN SUBSIDIARY

As at 31st March (In Thousands of Rupees)	COMPANY 2025	COMPANY 2024
Polymer Technologies (Pvt) Limited (100,000 Ordinary Shares - 100% at cost)	1,000	1,000
	1,000	1,000

Polymer Technologies (Pvt) Limited did not carry out any commercial operations during the year. The Board is of the view that there is no requirement for any provision against impairment of the investments in the Polymer Technology as at the reporting date based on the assessment of the net asset value.

Notes to the Financial Statements

17. INVENTORIES

As at 31st March (In Thousands of Rupees)	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Raw Materials	458,496	533,084	458,496	533,084
Work-in-Progress	10,824	15,698	10,824	15,698
Finished Goods	386,462	373,697	386,462	373,697
Machinery Spares	21,106	19,573	21,106	19,573
Consumable Stock and By products	1,634	4,732	1,634	4,732
Goods-in-Transit	166,515	141,052	166,515	141,052
	1,045,037	1,087,836	1,045,037	1,087,836
Less :- Provision for non-moving and slow moving				
Inventories (Note 17.1)	(79,942)	(130,167)	(79,942)	(130,167)
	965,095	957,669	965,095	957,669

As at 31st March (In Thousands of Rupees)	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
17.1 PROVISION FOR NON MOVING AND SLOW MOVING INVENTORIES.				
(In Thousands of Rupees)				
Balance as at 1st April	130,167	79,845	130,167	79,845
(Reversal)/Provision recognised during the year	(50,225)	50,322	(50,225)	50,322
Balance as at 31st March	79,942	130,167	79,942	130,167
17.2 THE AMOUNT RECOGNISED IN THE PROFIT AND LOSS AS EXPENSE				
(In Thousands of Rupees)				
The Amount of inventories recognised as an expense during the year	3,268,267	2,506,876	3,268,267	2,506,876
Impairment (Reversal)/ Provision for Inventories	(50,225)	50,322	(50,225)	50,322
(Reversal) / Write-down of inventory to Net Realizable Value	(915)	4,484	(915)	4,484

17.3 FACILITIES AVAILABLE FROM BANKS AGAINST A NEGATIVE PLEDGE OVER THE COMPANY'S INVENTORIES

Bank	Facilities Available
Nations Trust Bank PLC	Short Term Loan, Overdraft, Import Loan and Guarantee facilities for Rs.500 Million
Hatton National Bank PLC	Short Term Loan, Overdraft, Import Loan and Guarantee facilities for Rs.1,000 Million
Commercial Bank of Ceylon PLC	Short Term Loan, Overdraft, Import Loan and Guarantee facilities for Rs.1,169.40 Million
Seylan Bank PLC	Short Term Loan, Overdraft, Import Loan and Guarantee facilities for Rs.1,100 Million
People's Bank	Short Term Loan, Overdraft, Import Loan and Guarantee facilities for Rs.420 Million
Pan Asia Banking Corporation PLC	Short Term Loan, Overdraft, Import Loan and Guarantee facilities for Rs.270 Million
Sampath Bank PLC	Short Term Loan, Overdraft, Import Loan for Rs.500 Million
Union Bank	Short Term Loan, Overdraft, Import Loan for Rs.250 Million

18. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
As at 31st March	2025	2024	2025	2024
(In Thousands of Rupees)				
Trade Receivables	1,412,811	1,003,684	1,412,248	1,003,188
Impairment of Trade Debtors (Note 18.1)	(47,046)	(50,142)	(46,550)	(49,646)
	1,365,765	953,542	1,365,698	953,542
Deposits	31,340	4,585	31,340	4,585
Advances and Prepayments (Note 18.2)	154,225	136,462	154,225	136,462
Other Receivables (Note 18.3)	1,468	1,963	1,468	1,963
	1,552,798	1,096,552	1,552,731	1,096,552

18.1 IMPAIRMENT OF TRADE DEBTORS

	GROUP		COMPANY	
As at 31st March	2025	2024	2025	2024
(In Thousands of Rupees)				
Balance as at 1st April	50,142	187,804	49,646	187,308
Provision recognised during the year	17,718	492	17,718	492
Provision/(reversal) during the year	(20,596)	(138,154)	(20,596)	(138,154)
Write-off of previously impaired Debtors	(218)	-	(218)	-
Balance at 31st March	47,046	50,142	46,550	49,646

There is no enforcement activities relating to the write-off of debtors during the year.

18.2 Advances and Prepayments include the advance payment made to suppliers

18.3 OTHER RECEIVABLES

	GROUP		COMPANY	
As at 31st March	2025	2024	2025	2024
(In Thousands of Rupees)				
Other Receivables	2,955	1,963	2,955	1,963
Impairment of other receivables	(1,487)	-	(1,487)	-
	1,468	1,963	1,468	1,963

19. INVESTMENT VALUED AT FAIR VALUE THROUGH PROFIT AND LOSS

	GROUP		COMPANY	
As at 31st March	2025	2024	2025	2024
(In Thousands of Rupees)				
Investment in Quoted Equity Securities (19.1)	12,177	11,608	12,177	11,608
Investment in Repo	-	110,229	-	110,229
Investment in Unit Trust (19.2)	81,464	163,385	81,464	163,385
	93,641	285,222	93,641	285,222

Notes to the Financial Statements

19.1 INVESTMENTS IN QUOTED EQUITY SECURITIES

	GROUP					
(In Thousands of Rupees)	No of Shares	Cost	Market value as at 31.03.2025	No of Shares	Cost	Market value as at 31.03.2024
Hemas Holding PLC	1,295	73	155	1,295	73	104
Lanka Tiles PLC	20,000	1,378	1,014	20,000	1,378	1,034
Expo Lanka Holdings PLC	-	-	-	13,750	1,709	2,544
Browns Investment PLC	340,000	2,862	2,482	340,000	2,862	1,836
LOLC Holdings PLC	10,500	5,886	6,245	10,500	5,886	4,174
Royal Ceramics Lanka PLC	61,586	2,641	2,279	61,586	2,641	1,915
Sarvodaya Development Finance PLC	100	2	2	100	2	1
		12,842	12,177		14,551	11,608

	COMPANY					
(In Thousands of Rupees)	No of Shares	Cost	Market value as at 31.03.2025	No of Shares	Cost	Market value as at 31.03.2024
Hemas Holding PLC	1,295	73	155	1,295	73	104
Lanka Tiles PLC	20,000	1,378	1,014	20,000	1,378	1,034
Expo Lanka Holdings PLC	-	-	-	13,750	1,709	2,544
Browns Investment PLC	340,000	2,862	2,482	340,000	2,862	1,836
LOLC Holdings PLC	10,500	5,886	6,245	10,500	5,886	4,174
Royal Ceramics Lanka PLC	61,586	2,641	2,279	61,586	2,641	1,915
Sarvodaya Development Finance PLC	100	2	2	100	2	1
		12,842	12,177		14,551	11,608

As at 31st March (In Thousands of Rupees)	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Balance as at 1st April	11,608	18,973	11,608	18,973
Sales during the year	(2,543)	(9,023)	(2,543)	(9,023)
Disposal Gain / (Loss) on sales of Quoted Equity Securities	-	(133)	-	(133)
Appreciation for Value of Investments	3,112	1,791	3,112	1,791
Balance as at 31st March	12,177	11,608	12,177	11,608

19.2 INVESTMENTS IN UNIT TRUST

	GROUP/COMPANY					
(In Thousands of Rupees)	No. of Unit	Cost	Fair value as at 31.03.2025	No. of Unit	Cost	Fair value as at 31.03.2024
NDB Wealth Money Fund	2,272,869	36	81,464	4,723,364	34	163,385
	2,272,869	36	81,464	4,723,364	34	163,385

Investments in unit trusts are valued under level 2 by referring to prices published by the unit trusts managers.

As at 31st March (In Thousands of Rupees)	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Fair value as at 1st April	163,385	20,023	163,385	20,023
Investments made during the year	2,200,000	1,235,476	2,200,000	1,235,476
Redemption made during the year	(2,299,000)	(1,114,711)	(2,299,000)	(1,114,711)
Disposal Gain on sales of Unit Trust Investments	16,632	18,098	16,632	18,098
Fair Gain on re-measurement	447	4,499	447	4,499
Fair Value of Unit Trust as at 31st March	81,464	163,385	81,464	163,385

20. CASH AND CASH EQUIVALENTS

As at 31st March (In Thousands of Rupees)	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Cash in Hand	370	345	370	345
Cash at Bank	79,458	67,086	79,334	66,961
Cash and Cash Equivalents in the Statement of Financial Position	79,828	67,431	79,704	67,306
Bank Overdraft	-	(33,702)	-	(33,702)
Cash and Cash Equivalents in the Statement of Cash flows	79,828	33,729	79,704	33,604

21. INVESTMENT MEASURED AT AMORTISED COST

As at 31st March (In Thousands of Rupees)	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Deposits with financial institutions at amortised cost	171,093	-	171,093	-
Investment in treasury bills (LCY) at amortised cost	713,120	787,089	713,120	787,089
	884,213	787,089	884,213	787,089

22. STATED CAPITAL

As at 31st March (In Thousands of Rupees)	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Issued and fully paid Ordinary Shares	453,539	453,539	453,539	453,539

22.1 MOVEMENT IN NUMBER OF ORDINARY SHARES

As at 31st March (In Thousands of Rupees)	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Issued ordinary shares at as at the beginning of the year	24,195,193	23,466,490	24,195,193	23,466,490
Shares issued as a scrip dividend	-	728,703	-	728,703
Number of ordinary shares at 31 March	24,195,193	24,195,193	24,195,193	24,195,193

Notes to the Financial Statements

22.2 MOVEMENT IN STATED CAPITAL

As at 31st March (In Thousands of Rupees)	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Issued ordinary shares at as at the beginning of the year	453,539	393,785	453,539	393,785
Shares issued as a scrip dividend	-	59,754	-	59,754
Number of ordinary shares at 31 March	453,539	453,539	453,539	453,539

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

23. REVALUATION RESERVE

The revaluation reserve relates to freehold land and building which has been revalued by the Group.

As at 31st March (In Thousands of Rupees)	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Balance as at 1st April	518,147	341,265	518,147	341,265
Depreciation on Revaluation Surplus	(5,574)	(2,626)	(5,574)	(2,626)
Deferred Tax on Revaluation Surplus	1,888	657	1,888	657
Revaluation Surplus	-	185,588	-	185,588
Deferred Tax on Revaluation Surplus	-	(6,737)	-	(6,737)
Balance as at 31st March	514,461	518,147	514,461	518,147

24. GENERAL RESERVE

The General Reserve represents the amount set aside by the Group/Company for future expansion and contingencies.

As at 31st March (In Thousands of Rupees)	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
General Reserve	100,814	100,814	100,814	100,814
	100,814	100,814	100,814	100,814

25. EMPLOYEE BENEFITS

As at 31st March (In Thousands of Rupees)	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Defined benefit obligation	82,431	73,078	82,431	73,078
	82,431	73,078	82,431	73,078

25.1 MOVEMENT IN PRESENT VALUE OF THE DEFINED BENEFIT OBLIGATIONS

As at 31st March (In Thousands of Rupees)	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Defined Benefit Obligation as at 1st April	73,078	64,135	73,078	64,135
Included in profit or loss				
Current Service Cost and Interest Cost (Note 25.2)	16,446	18,197	16,446	18,197
Included in other comprehensive income				
Actuarial (Gain) / Loss (Note 25.3)	(3,098)	8,854	(3,098)	8,854
	86,426	91,186	86,426	91,186
Payments during the year	(3,995)	(18,108)	(3,995)	(18,108)
Defined benefit obligation at 31st March	82,431	73,078	82,431	73,078

The provision for retirement benefits obligations as at 31st March 2025 is based on the actuarial valuation carried out by professionally qualified actuaries, Mr.Pushpakumar Gunasekara , an Actuary/Associate of Institute of Acturies of Australia, using “Projected Unit Credit” (PUC) method, the method recommended by the Sri Lanka Accounting Standard – LKAS 19 on “Employee Benefits”

The actuarial present value of the promised retirement benefits as at 31st March 2025 amounted to Rs.82,431,358/-

25.2 AMOUNTS RECOGNISED IN PROFIT OR LOSS

For the Year ended 31st March (In Thousands of Rupees)	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Current Service cost	7,311	6,813	7,311	6,813
Interest Cost	9,135	11,384	9,135	11,384
	16,446	18,197	16,446	18,197

25.3 AMOUNTS RECOGNISED IN OTHER COMPREHENSIVE INCOME

For the Year ended 31st March (In Thousands of Rupees)	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Actuarial (Gain) / Loss during the year	(3,098)	8,854	(3,098)	8,854
	(3,098)	8,854	(3,098)	8,854

Notes to the Financial Statements

25.4 ACTUARIAL ASSUMPTIONS

The following are the principle assumptions used by the valuer for the valuation as at 31st March 2025.

For the Year ended 31st March (In Thousands of Rupees)	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Discount rate	10%	12.5%	10%	12.5%
A Long-Term treasury bond rate of 10% P.a.(2024 -12.5%) was used to discount future liability taking in to consideration the remaining working life of employees				
Expected Future salary increases	10%	15%	10%	15%
Staff turnover rate	20.5%	17%	20.5%	17%
Retirement age (Years)	60	60	60	60
Weighted average retirement age	4.36 years	5.15 years	4.36 years	5.15 years

Other assumptions regarding future mortality are based on A67-70 (Ultimate) UK Assured Lives Table.

The gratuity liability is not externally funded.

It is also assumed that the company will continue in business as a going concern.;

25.5 SENSITIVITY OF ASSUMPTIONS EMPLOYED IN THE ACTUARIAL VALUATION

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

As at 31st March (In Thousands of Rupees)	GROUP 2025 Effect on defined benefit liability	GROUP 2024 Estimated defined benefit liability	COMPANY 2025 Effect on defined benefit liability	COMPANY 2024 Estimated defined benefit liability
Discount rate				
1% increase in discount rate	(2,290)	80,141	(2,565)	70,514
1% decrease in discount rate	2,467	84,898	2,800	75,879
Salary increment rate				
1% increase in salary increment rate	2,811	85,242	3,029	76,107
1% decrease in salary increment rate	(2,658)	79,774	(2,828)	70,250

25.6 MATURITY ANALYSIS OF PAYMENTS

The following payments are expected on defined benefit obligation in future years.

As at 31st March (In Thousands of Rupees)	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Within next 12 months	23,509	14,306	23,509	14,306
Between 1-2 years	2,047	7,076	2,047	7,076
Between 2-5 years	56,875	20,128	56,875	20,128
Between 5-10 years	-	31,568	-	31,568
	82,431	73,078	82,431	73,078

26. DEFERRED TAXATION

As at 31st March (In Thousands of Rupees)	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Deferred Tax Liabilities - Note 26.(b)	222,940	224,876	222,940	224,876
Deferred Tax Assets - Note 26.(a)	(64,960)	(76,996)	(64,960)	(76,996)
	157,980	147,880	157,980	147,880

26.(A) DEFERRED TAX ASSETS

As at 31st March (In Thousands of Rupees)	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Balance at the beginning of the year	76,996	99,387	76,996	99,387
(Reversal) during the year - Profit or Loss	(11,107)	(25,074)	(11,107)	(25,074)
(Reversal)/Provision during the year - Other Comprehensive Income	(929)	2,683	(929)	2,683
Balance at the end of the year	64,960	76,996	64,960	76,996

26.(B) DEFERRED TAX LIABILITIES

As at 31st March (In Thousands of Rupees)	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Balance at the beginning of the year	224,876	227,512	224,876	227,512
Reversal during the year - Profit or Loss	(1,936)	(9,373)	(1,936)	(9,373)
Provision during the year - Other Comprehensive Income	-	6,737	-	6,737
Balance at the end of the year	222,940	224,876	222,940	224,876

26.(C) PROVISION FOR THE YEAR

For the Year ended 31st March, (In Thousands of Rupees)	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Provision during the year recognised in Profit/(Loss)	(9,171)	15,701	(9,171)	15,701
Provision during the year recognised in Other Comprehensive Income	(929)	4,054	(929)	4,054
Reversal during the year recognised in Comprehensive Income	(10,100)	19,755	(10,100)	19,755

Notes to the Financial Statements

26.(D) RECONCILIATION OF DEFFERED TAX EFFECT ON TEMPORARY DIFFERENCES

As at 31st March, (In Thousands of Rupees)	2025		2024	
	Temporary difference	Tax effect on temporary difference	Temporary difference	Tax effect on temporary difference
GROUP / COMPANY				
Temporary Difference on Property Plant & Equipment	(248,344)	(74,503)	(254,799)	(76,440)
Temporary Difference on Revaluation of Land and Buildings	(494,788)	(148,436)	(494,787)	(148,436)
Temporary Difference on Retirement Benefit Obligations	82,431	24,729	73,078	21,923
Temporary Difference on Stock Provision	79,942	23,983	130,167	39,050
Temporary Difference on Provision for Bad and Doubtful Debts	48,037	14,411	49,647	14,893
Temporary Difference on Warranty Claim	6,125	1,838	3,765	1,130
	(526,597)	(157,980)	(492,929)	(147,880)

27. TRADE CREDITORS

As at 31st March (In Thousands of Rupees)	GROUP		COMPANY	
	2025	2024	2025	2024
Local Suppliers	59,184	62,856	59,117	62,856
Foreign Suppliers	68	-	68	-
Balance as at 31st March	59,252	62,856	59,185	62,856

28. OTHER PAYABLES

As at 31st March (In Thousands of Rupees)	GROUP		COMPANY	
	2025	2024	2025	2024
Accrued Expenses	143,336	128,215	143,233	128,115
Distributor Security Deposits	40,585	42,279	40,585	42,279
Other Liabilities	80,661	49,488	80,647	49,476
Balance as at 31st March	264,582	219,982	264,465	219,870

29. WARRANTY PROVISION

As at 31st March (In Thousands of Rupees)	GROUP		COMPANY	
	2025	2024	2025	2024
Balance as at 1st April	3,765	2,235	3,765	2,235
Provision made during the year	3,155	2,610	3,155	2,610
Warranty claim paid during the year	(795)	(1,080)	(795)	(1,080)
Balance as at 31st March	6,125	3,765	6,125	3,765

Warranty provision is recognised for expected warranty claims of 0.5% on electrical products sales.

30. LOANS AND BORROWINGS

As at 31st March (In Thousands of Rupees)	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Current				
Long term Loans	4,444	13,580	4,444	13,580
	4,444	13,580	4,444	13,580
Non Current				
Long term Loans	-	4,444	-	4,444
	-	4,444	-	4,444

As at 31st March (In Thousands of Rupees)	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Balance as at 1st April	18,024	35,304	18,024	35,304
Loans obtained during the Year	729,000	-	729,000	-
	747,024	35,304	747,024	35,304
Repayments during the Year	(742,580)	(17,280)	(742,580)	(17,280)
Balance at 31st March	4,444	18,024	4,444	18,024
Current	4,444	13,580	4,444	13,580
Non Current	-	4,444	-	4,444
Total Loan as at 31st March	4,444	18,024	4,444	18,024

30.1 THE INTEREST RATE EXPOSURE ON THE BANK BORROWINGS AS AT THE REPORTING DATE ARE AS FOLLOWS :

Loan and Borrowings	Loan Amount	Balance Amount	Interest Rate	Term and Condition
Long Term Loans				
Commercial Bank Loan	35,524	4,444	8.00%	In 60 equal monthly installment of Rs.740,000/-.
Sampath Bank Loan	25,000	-	8.50%	In 35 monthly installment of Rs.700,000/- and final installment of Rs. 500,000/-.
	60,524	4,444		
Short Term Loans				
Hatton National Bank	500,000	-	8.50%	
Sampath Bank	84,000	-	8.53%	
Sampath Bank	95,000	-	8.56%	
Sampath Bank	50,000	-	8.88%	
	729,000	-		

Notes to the Financial Statements

30.2 MATURITY ANALYSIS

As at 31st March (In Thousands of Rupees)	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Within One Year	4,444	13,580	4,444	13,580
Between 1 and 2 years	-	4,444	-	4,444
	4,444	18,024	4,444	18,024

31. CURRENT TAX ASSETS/ LIABILITIES

31.1 CURRENT TAX LIABILITIES

As at 31st March (In Thousands of Rupees)	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Balance as at 1st April	153,160	145,484	153,160	145,484
Provision for the year	220,199	243,040	220,199	243,040
Income Tax on assessments 2018/19 and 2019/20	-	1,491	-	1,491
Income tax liability set off with current tax assets	-	9	-	-
Income Tax (Over)/ under Provision Prior Years	(7,237)	(1,421)	(7,237)	(1,421)
WHT Recoverable during the year	(160)	(3,266)	(160)	(3,266)
Payments made during the year	(263,778)	(232,177)	(263,778)	(232,168)
Balance at 31st March	102,184	153,160	102,184	153,160

31.2 CURRENT TAX ASSETS

As at 31st March (In Thousands of Rupees)	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Income Tax Receivables	28	28	-	-

32. DUE TO RELATED PARTIES

As at 31st March (In Thousands of Rupees)	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Tivoli Plastics (Pvt) Ltd.	1,293	1,181	1,293	1,181
	1,293	1,181	1,293	1,181

33. DUE TO SUBSIDIARIES

As at 31st March (In Thousands of Rupees)	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Polymer Technologies (Pvt) Ltd.	-	-	1,207	1,165
	-	-	1,207	1,165

The above balances represent funds advanced by the subsidiaries to the Company. Interest has been paid to the subsidiaries on these funds at average weighted deposit rates (AWDR) that prevailed during the year.

34. EVENTS AFTER THE REPORTING PERIOD

There have been no material events occurring after the reporting date that require adjustments to or disclosure in the Financial Statements, other than those disclosed in Note 12, in respect of proposed dividend for the year.

35. RELATED PARTY TRANSACTION

35.1 PARENT AND ULTIMATE CONTROLLING ENTITY

In the opinion of Directors, Central Finance Co. PLC is the parent and Ultimate parent of the Company.

35.2 TRANSACTIONS WITH GROUP ENTITIES

The Company carried out transactions in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standard LKAS 24 -"Related Party Disclosures" the details of which are reported below. The consideration for the goods and services provided has been paid or accrued at prices offered to unrelated customers prevailing at that time.

Name of the Related Parties (In Thousands of Rupees)	Nature of Relationship	Nature of Transactions	Status	Balance Value 31st March 2025	Balance Value 31st March 2024
Central Finance Co. PLC	Parent Company	Interest earned from savings account	Recurrent	38	38
		Dividend Paid	Recurrent	63,966	31,018
		Scrip Dividend	Recurrent	-	31,018
CF Insurance Brokers (Pvt) Ltd.	Fellow Subsidiary	Value of Insurance premia Paid	Recurrent	7,592	6,598
		Dividend Paid	Recurrent	8,294	4,022
		Scrip Dividend	Recurrent	-	4,022
CF Growth Fund Ltd	Fellow Subsidiary	Dividend Paid	Recurrent	264	128
		Scrip Dividend	Recurrent	-	128
Expanded Plastic Product Ltd.	Fellow Subsidiary	Dividend Paid	Recurrent	47	23
		Scrip Dividend	Recurrent	-	23
Nations Trust Bank PLC.	An Associate of the Parent Company	Interest received	Recurrent	2,395	578
		Interest and Charges Paid	Recurrent	3,013	1,732
Polymer Technologies (pvt) Ltd	A wholly owned subsidiary	Interest paid on funds advanced	Recurrent	103	186

Notes to the Financial Statements

35.2.(A) DUE TO / FROM GROUP ENTITIES

Name of the Related Parties (In Thousands of Rupees)	Nature of Relationship	Nature of Transactions	Status	Transaction Value 31st March 2025	Transaction Value 31st March 2024
Central Finance Co. PLC	Parent Company	Saving account balance as at 31 st March	Recurrent	664	629
Nations Trust Bank PLC	An Associate of the parent company	Banking facilities in the normal course of business.	Recurrent		
		Short term finance (Limit of Facilities - Rs. 500 million)		-	-

35.3 TRANSACTIONS WITH OTHER RELATED PARTIES

Name of the Related Parties (In Thousands of Rupees)	Nature of Relationship	Nature of Transactions	Status	Transaction for the year ended 31March			Balance outstanding as at 31 March	
				2025	Aggregate value of Related Party Transactions as a % of Net Revenue	2024	2025	2024
Tivoli Plastics (Pvt) Ltd	An entity controlled by Director - Mr. C.S.W. De Costa	Subcontract Manufacture of PVC Pipe Fittings Value of Processing Charges paid	Recurrent	24,178	0.46%	28,049	1,293	1,181
		Dividend Paid	Recurrent	4,513	0.08%	2,188		
		Scrip Dividend	Recurrent	-		2,188		
Amano Construction (Pvt) Ltd	An entity controlled by Director - Mr. C.S.W. De Costa	A contract for 7 Million to construct a Boundry Wall at Yakkala		7,004	0.13%	-	-	-
		Contract for Rs. 23 Million to design and construction of Road network at Yakkala Factory	Non Recurrent					
		- Advance payment made during the year		11,500	0.22%	-	-	-

All transactions negotiated and carried out in the ordinary course of business have been reviewed and approved by the Related Party Transactions Review Committee of the Company. All the transactions entered into with these related parties on an arms length basis under normal commercial terms & conditions.

TRANSACTIONS WITH RELATED PARTIES

35.4 KEY MANAGEMENT PERSONNEL

According to LKAS 24 Related Party Disclosure, Key Management Personnel are those having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, the Directors (including Executive and Non-Executive Directors) and CEO of the Company have been classified as Key Management Personnel of the Company and the Group.

As Central Finance Co. PLC (CFC) is the ultimate parent of the Company, the Board of Directors of CFC have the authority and responsibility of planning, directing and controlling the activities of the Company. Accordingly the Directors (including Executive and Non-Executive Directors)of CFC have also been classified as Key Management Personnel of the Company and the Group.

I LOANS GIVEN TO DIRECTORS

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

II KEY MANAGEMENT PERSONNEL COMPENSATION

Compensation paid to/on behalf of Key Management Personnel of the Group and Company are as follow:

	GROUP		COMPANY	
For the Year ended 31st March,	**2025**	**2024**	**2025**	**2024**
(In Thousands of Rupees)				
Short-term employee benefits	29,470	28,020	29,470	28,020
Post employment benefits	2,790	2,340	2,790	2,340
	32,260	30,360	32,260	30,360

35.5 The Group/Company has not made any provision with respect to related party receivables as there were no such receivables at the year end. (2024-Nil)

35.6 GUARANTEES WERE GIVEN TO/ RECEIVED FROM RELATED PARTIES

There are no guarantees given to/ received from related parties

35.7 THE TRANSACTION WITH CLOSE FAMILY MEMBERS

There were no transaction with Close Family Members during the year ended 31st March 2025.

36. SEGMENT INFORMATION

BASIS FOR SEGMENTATION

The Group has the following two strategic divisions, which are its reportable segments. These divisions offer different products and services, and are managed separately because they require different technology and marketing strategies.

The following summary describes the operations of each reportable segment.

Reportable segments	Operations
Water Management Products	Manufacturing and distributing of Water Management Products
Electrical Products	Manufacturing and distributing of Electrical Products

Notes to the Financial Statements

For the Year ended 31st March, (In Thousands of Rupees)	2025	2024
Revenue		
Water Management Products	4,803,576	3,873,444
Electrical Products	509,526	448,554
	5,313,102	4,321,998
Profit Before Taxation		
Water Management Products	749,963	954,213
Electrical Products	20,039	(45,468)
	770,002	908,745

For the Year ended 31st March, (In Thousands of Rupees)	2025	2024
Segment Assets & Liabilities		
Total Assets		
Water Management Products	4,626,753	4,204,241
Electrical Products	436,332	489,314
	5,063,085	4,693,555
Total Liabilities		
Water Management Products	656,345	691,621
Electrical Products	21,946	22,007
	678,291	713,628

37. LITIGATIONS AND CLAIMS

The Company had no Litigations and Claims as at 31st March 2025.

38. CONTINGENT LIABILITIES

The Company has serviced the customer with commitment via bank guarantees of Rs 72,043,879

The outstanding tax assessments related to the company amounted to Rs. 17.8 Mn which have been duly appealed as at 23.05.2025

39. CAPITAL COMMITMENTS

The Board of Directors had approved to purchase capital assets totalling Rs.86.42 million of which Rs.11.5 million has been paid as an advance. The Company had no other capital commitments as at the 31st March 2025. (2024-Capital Assets totalling Rs.3.43 million)

40. DIRECTORS' RESPONSIBILITIES

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

41. IMPACT FROM RAPID CHANGE IN MACRO ECONOMIC FACTORS

THE MACRO ECONOMIC ENVIRONMENT OF SRI LANKA

The Sri Lankan economy rebounded in 2024, achieving a robust 5.0% real economic growth, after two years of annual contraction, from the 7.3% decline in 2022. All other economic indicators followed this recovery trend by the end of December 2024. The Sri Lankan rupee reversed its nosedive from Rs 365 to the US dollar in the second week of May 2022, to appreciate to Rs. 293 to the US dollar by the end of 2024. Interest Rate (AWPR), which was 29.7% in Nov 2022, declined to 8.9% by the end of 2024. The rate of inflation as captured by the Colombo Consumer Price Index declined from the height of 69.8% in Sep 2022, to negative 1.7% by the end of 2024.

INDUSTRY PERFORMANCE

The construction industry rebounded from its 20.8% contraction in 2023 to a 19.4% growth by the end of 2024 and contributed to 7% of GDP, from 6.2% one year ago. Growth was supported by lower interest rates, improved access to raw materials, recommencement of donor-funded projects, and private sector and household construction activities. Commercial banks' loans to the construction sector increased by 5.5%, reaching Rs. 1,569 billion in 2024 (19.0% of total loans), with personal housing loans increasing by 3.3%, and staff housing loans grew significantly by 25.0%.

The construction industry in Sri Lanka is expected to record steady growth in 2025, driven by improved access to raw materials due to the removal of import restrictions, and the lower interest rates are expected to stimulate private sector and household construction activities. In addition, a number of donor-funded infrastructure projects are expected to be recommenced in 2025, boosting demand for construction products and services.

IMPACT ON ASSETS & IMPAIRMENTS

As a result of the steps taken by company, Company could maintain the standard operations without causing disturbance to performance of the company and its assets. Therefore, no requirement arose on impairment of Financial and Non-Financial Assets of the company while the Company has improved the plant and machinery for serving a better quality of product to the market.

42. FINANCIAL INSTRUMENTS – FAIR VALUE & RISK MANAGEMENT

42.1 ACCOUNTING CLASSIFICATION & FAIR VALUE

Financial Instruments are measured on an ongoing basis either at Fair Value or at Amortised Cost. The summary of material accounting policies describes how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised.

The following tables analyse financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorized and a comparison of the carrying amounts and fair values of the financial assets and liabilities of the Company and Group which are not measured at fair value in the financial statements. The amounts are based on the values recognised in the statement of financial position.

Based on normal market conditions, the carrying value of financial assets and liabilities with shorter maturity periods have been considered as a reasonable approximation to the fair value. Accordingly, the fair value hierarchy does not apply to cash and cash equivalents, trade and other receivables, loans and borrowings, trade and other payables and amounts due to related parties and subsidiaries.

Notes to the Financial Statements

ACCOUNTING CLASSIFICATIONS OF FINANCIAL INSTRUMENTS – GROUP

As at 31st March 2025 (In Thousands of Rupees)	Financial Assets at FVTPL	Financial Assets At Amortised cost	Other Financial Liabilities	Total Carrying Amount	Fair value hierarchy			
					Fair value	Level 01	Level 02	Level 03
Financial assets measured at Fair Value								
Investments in Treasury Bills		713,120		713,120	713,120		713,120	
Investments in Treasury Bond		193,456		193,456	193,456		193,456	
Investments in Quoted Equity Securities	12,177	-	-	12,177	12,177	12,177	-	-
Investments in Unit Trust	81,464	-	-	81,464	81,464	-	81,464	-
	93,641	906,576	-	1,000,217	1,000,217	12,177	988,040	-
Financial assets not measured at Fair Value								
Trade Receivables	-	1,365,765	-	1,365,765	-	-	-	-
Cash and Cash Equivalents	-	79,828	-	79,828	-	-	-	-
	-	1,445,593	-	1,445,593	-	-	-	-
Total	93,641	2,352,169	-	2,445,810	1,000,217	12,177	988,040	-
Financial liabilities not measured at Fair Value								
Loans and Borrowings	-	-	4,444	4,444	-	-	-	-
Trade Creditors	-	-	59,252	59,252	-	-	-	-
Amount due to Related Parties	-	-	1,293	1,293	-	-	-	-
Total	-	-	64,989	64,989	-	-	-	-

ACCOUNTING CLASSIFICATIONS OF FINANCIAL INSTRUMENTS – GROUP

As at 31st March 2024 (In Thousands of Rupees)	Financial Assets at FVTPL	Financial Assets At Amortised cost	Other Financial Liabilities	Total Carrying Amount	Fair value hierarchy			
					Fair value	Level 01	Level 02	Level 03
Financial assets measured at Fair Value								
Investments in Treasury Bills		787,089		787,089	787,089		787,089	
Investments in Treasury Bond		189,120		189,120	189,120		189,120	
Investments in Quoted Equity Securities	11,608	-	-	11,608	11,608	11,608	-	-
Investments in Unit Trust	163,385	-	-	163,385	163,385		163,385	-
Investments in Repo	110,229			110,229	110,229		110,229	-
	285,222	976,209	-	1,261,431	1,261,431	11,608	1,249,823	-
Financial assets not measured at Fair Value								
Trade Receivables	-	953,542	-	953,542	-	-	-	-
Cash and Cash Equivalents	-	67,431	-	67,431	-	-	-	-
	-	1,020,973	-	1,020,973	-	-	-	-
Total	285,222	1,997,182	-	2,282,404	1,261,431	11,608	1,249,823	-
Financial liabilities not measured at Fair Value								
Loans and Borrowings	-	-	18,024	18,024	-	-	-	-
Trade Creditors	-	-	62,856	62,856	-	-	-	-
Amount due to Related Parties	-	-	1,181	1,181	-	-	-	-
Bank Overdraft	-	-	33,702	33,702	-	-	-	-
Total	-	-	115,763	115,763	-	-	-	-

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ACCOUNTING CLASSIFICATIONS OF FINANCIAL INSTRUMENTS – COMPANY

As at 31st March 2025 (In Thousands of Rupees)	Financial Assets at FVTPL	Financial Assets At Amortised cost	Other Financial Liabilities	Total Carrying Amount	Fair value hierarchy			
					Fair value	Level 01	Level 02	Level 03
Financial assets measured at Fair Value								
Investments in Treasury Bills		713,120		713,120	713,120		713,120	
Investments in Treasury Bond		193,456		193,456	193,456		193,456	
Investments in Quoted Equity Securities	12,177	-	-	12,177	12,177	12,177	-	-
Investments in Unit Trust	81,464	-	-	81,464	81,464	-	81,464	-
Investments in Repo	-			-	-	-	-	-
	93,641	906,576	-	1,000,217	1,000,217	12,177	988,040	-
Financial assets not measured at Fair Value								
Trade Receivables	-	1,365,698	-	1,365,698	-	-	-	-
Cash and Cash Equivalents	-	79,704	-	79,704	-	-	-	-
	-	1,445,402	-	1,445,402	-	-	-	-
Total	93,641	2,351,978	-	2,445,619	1,000,217	12,177	988,040	-
Financial liabilities not measured at Fair Value								
Loans and Borrowings	-	-	4,444	4,444	-	-	-	-
Trade Creditors	-	-	59,185	59,185	-	-	-	-
Amount due to Related Parties	-	-	1,293	1,293	-	-	-	-
Amount due to Subsidiaries	-	-	1,207	1,207	-	-	-	-
Bank Overdraft	-	-	-	-	-	-	-	-
Total	-	-	66,130	66,130	-	-	-	-

ACCOUNTING CLASSIFICATIONS OF FINANCIAL INSTRUMENTS – COMPANY

As at 31st March 2024 (In Thousands of Rupees)	Financial Assets at FVTPL	Financial Assets At Amortised cost	Other Financial Liabilities	Total Carrying Amount	Fair value	Fair value hierarchy Level 01	Level 02	Level 03
Financial assets measured at Fair Value								
Investments in Treasury Bills		787,089		787,089	787,089		787,089	
Investments in Treasury Bond		189,120		189,120	189,120		189,120	
Investments in Quoted Equity Securities	11,608	-	-	11,608	11,608	11,608	-	-
Investments in Unit Trust	163,385	-	-	163,385	163,385		163,385	-
Investments in Repo	110,229			110,229	110,229		110,229	-
	285,222	976,209	-	1,261,431	1,261,431	11,608	1,249,823	-
Financial assets not measured at Fair Value								
Trade Receivables	-	953,542	-	953,542	-	-	-	-
Cash and Cash Equivalents	-	67,306	-	67,306	-	-	-	-
	-	1,020,848	-	1,020,848	-	-	-	-
Total	285,222	1,997,057	-	2,282,279	1,261,431	11,608	1,249,823	-
Financial liabilities not measured at Fair Value								
Loans and Borrowings	-	-	18,024	18,024	-	-	-	-
Trade Creditors	-	-	62,856	62,856	-	-	-	-
Amount due to Related Parties	-	-	1,181	1,181	-	-	-	-
Amount due to Subsidiaries	-	-	1,165	1,165	-	-	-	-
Bank Overdraft	-	-	33,702	33,702	-	-	-	-
Total	-	-	116,928	116,928	-	-	-	-

Notes to the Financial Statements

43. FINANCIAL RISK MANAGEMENT

OVERVIEW

The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

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

RISK MANAGEMENT FRAMEWORK

The Group Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors has delegated this function to the Director/Chief Executive Officer who develops and monitors the Group's risk management policies and reports regularly to the Board of Directors on its activities. The Group's risk management policies are established to identify and analyse the risks faced by the Group, set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

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

43.1 CREDIT RISK

Credit risk is the risk of financial loss to the Group, if a customer or counter-party to a financial instrument fails to meet contractual obligations. Credit risk arises principally from the Group's receivables from customers and placement of deposits with banking institutions.

43.1.1 EXPOSURE TO CREDIT RISK

The Group's maximum exposure to credit risk as at the year end based on the carrying value of financial assets in the statement of financial position is given below. There were no off-balance sheet exposures as at the year end date.

		GROUP		COMPANY	
As at 31st March	**Note**	**2025**	**2024**	**2025**	**2024**
(In Thousands of Rupees)					
Financial assets at fair value through Profit or Loss					
Investment in Quoted Equity Securities	Note 19.1	12,177	11,608	12,177	11,608
Investment in Unit Trust	Note 19.2	81,464	163,385	81,464	163,385
Financial assets at amortised cost					
Trade Receivables	Note 18	1,365,765	953,542	1,365,698	953,542
Investment in Fixed Deposit		171,093	-	171,093	-
Investment in Treasury Bills	Note 21	713,120	787,089	713,120	787,089
Investment in Treasury Bond		193,456	189,120	193,456	189,120
Cash at Bank	Note 20	79,458	67,086	79,334	66,961
Total		2,616,533	2,171,830	2,616,342	2,171,705

43.1.2 MANAGEMENT OF CREDIT RISK

a) Trade Receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the market segment of the Group's customer base, including the default risk of the industry in which customers operate, as these factors may have an influence on credit risk.

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. Sales limits are established for each customer, which represents the maximum open amount without requiring further approval from the Director/ Chief Executive Officer; these limits are reviewed annually. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis or on secured basis. In response to the current economic conditions , the risk management committee has also been performing more frequent reviews of sales limits for customers in regions and industries that are severely impacted.

The Group limits its exposure to credit risk from trade receivables by establishing a maximum payment period of 30 and 60 days for individual and corporate customers respectively. All extensions were granted within current sales limits after careful consideration of the impact of the current economic conditions on the creditworthiness of the customer and each customer that was granted an extension is closely monitored for credit deterioration.

More than 84 percent of the Group's customers have been transacting with the Group for over four years. In monitoring customer credit risk, customers are grouped according to the credit characteristics of the market segment, including whether they are an individual or legal entity, whether they are a corporate customer or a state entity.

The Group does not require collateral in respect of trade and other receivables. The Group does not have trade receivable and contract assets for which no loss allowance is recognised because of collateral.

The maximum exposure to credit risk for trade receivables at the end of the reporting period by type of counterparty was as follows;

	GROUP		COMPANY	
As at 31st March	**2025**	**2024**	**2025**	**2024**
(In Thousands of Rupees)				
Retail Dealer Channel Customers	797,520	654,065	796,957	653,569
Corporate Customers	226,460	256,495	226,460	256,495
State Entities	388,831	93,124	388,831	93,124
Total Trade Receivable	1,412,811	1,003,684	1,412,248	1,003,188

EXPECTED CREDIT LOSS ASSESSMENT FOR TRADE RECEIVABLES

The Company and the Group establishes an allowance for impairment that represents its estimate of expected losses in respect of Trade Receivables. Since the Company and Group operates in an environment where each customer contract is different, developing an allowance matrix as a whole would be impracticable. Therefore the Board of Directors has decided to assess each receivable separately based on the segment, age of customer relationship and historical data of payment statistics as at every reporting date.

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

	GROUP			COMPANY		
As at 31st March 2025	**Gross carrying amount**	**Loss allowance**	**Net carrying amount**	**Gross carrying amount**	**Loss allowance**	**Net carrying amount**
(In Thousands of Rupees)						
1 – 60 days	926,832	1,845	926,832	926,269	1,845	926,269
61 – 182 days	434,369	8,743	434,369	434,369	8,743	434,369
Above 182 days	51,610	36,458	15,152	51,610	35,962	15,648
Total	1,412,811	47,046	1,365,765	1,412,248	46,550	1,365,698

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MOVEMENTS IN THE ALLOWANCE FOR IMPAIRMENT IN RESPECT OF TRADE RECEIVABLES

The movement in the allowance for impairment in respect of trade receivables during the year was as follows.

As at 31st March 2025 (In Thousands of Rupees)	GROUP	COMPANY
Balance at the beginning of the year	50,142	49,646
Impairment provision - recognised for the year	(2,878)	(2,878)
Written off during the year	(218)	(218)
Balance at the end of the year	47,046	46,550

b) Credit risk on financial investments

The Group is also exposed to credit risk through its financial investments. The credit worthiness of the financial instruments are assessed using the credit ratings assigned to each security and fixed deposit. This rating provides the Company the indication of the financial stability of the investment. The ratings are based on Fitch Ratings.

Credit quality analysis of financial investments

	GROUP		COMPANY	
As at 31st March 2025 (In Thousands of Rupees)	2025	2024	2025	2024
FD Investment having credit ratings				
A+ to A-	171,093	-	171,093	-
	171,093	-	171,093	-
Unit Trust Investment having credit ratings				
AA+ to AA-	81,464	161,385	81,464	161,385
	81,464	161,385	81,464	161,385
Cash at Bank having credit ratings				
AA+ to AA-	48,306	-	48,182	-
A+ to A-	28,795	17,212	28,795	17,087
BBB to BBB-	2,357	49,874	2,357	49,874
	79,458	67,086	79,334	66,961

The above has been derived as per the Group's risk management policy of using the carrying values in the Statement of Financial Position. There were no off - balance sheet exposures as at the date. This does not include the exposure that would arise in the future as a result of changes in values.

Risk response to credit risk on financial investments

- The Company's investment policy prohibits non-graded investments, unless specifically authorised.
- Regularly review credit worthiness of counterparties and take necessary actions if required.
- Appropriate actions are implemented when the investments are expected to be a high credit risk.

43.2 LIQUIDITY RISK

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

43.2.1. EXPOSURE TO LIQUIDITY RISK

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

GROUP

As at 31st March 2025		Contractual cash flows				
(In Thousands of Rupees)	Total Carrying Amount	Total	6 months or less	6 - 12 months	1-2 Years	More than 2 years
Non-derivative financial liabilities						
Loans and Borrowings	4,444	4,548	4,548	-	-	-
Trade Payables	59,252	59,252	59,252	-	-	-
Other Payables	121,246	121,246	121,246	-	-	-
Amounts due to related parties	1,293	1,293	1,293	-	-	-
	186,235	186,339	186,339	-	-	-

As at 31st March 2024		Contractual cash flows				
(In Thousands of Rupees)	Total Carrying Amount	Total	6 months or less	6 - 12 months	1-2 Years	More than 2 years
Non-derivative financial liabilities						
Loans and Borrowings	18,024	19,000	9,228	5,223	4,548	-
Trade Payables	62,856	62,856	62,856	-	-	-
Other Payables	91,772	91,772	91,772	-	-	-
Amounts due to related parties	1,181	1,181	1,181	-	-	-
	173,833	174,809	165,037	5,223	4,548	-

COMPANY

As at 31st March 2025		Contractual cash flows				
(In Thousands of Rupees)	Total Carrying Amount	Total	6 months or less	6 - 12 months	1-2 Years	More than 2 years
Non-derivative financial liabilities						
Loans and Borrowings	4,444	4,548	4,548	-	-	-
Trade Payables	59,185	59,185	59,185	-	-	-
Other Payables	121,233	121,233	121,233	-	-	-
Amounts due to related parties	1,293	1,293	1,293	-	-	-
Amounts due to subsidiaries	1,207	1,207	1,207	-	-	-
	187,362	187,466	187,466	-	-	-

As at 31st March 2024		Contractual cash flows				
(In Thousands of Rupees)	Total Carrying Amount	Total	6 months or less	6 - 12 months	1-2 Years	More than 2 years
Non-derivative financial liabilities						
Loans and Borrowings	18,024	19,000	9,228	5,223	4,548	-
Trade Payables	62,856	62,856	62,856	-	-	-
Other Payables	91,755	91,755	91,755	-	-	-
Amounts due to related parties	1,181	1,181	1,181	-	-	-
Amounts due to subsidiaries	1,165	1,165	1,165	-	-	-
	174,987	175,964	166,192	5,223	4,548	-

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Management of Liquidity Risk

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 has access to approved short-term financing facilities from commercial banks, if required.

The Group monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables and it is estimated that the maturity of trade receivables as at the reporting date would occur in sufficient quantity and timing, given the historical trends, and currently available information which would enable the Group to meet its contractual obligations.

The Group monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables, As at 31 March 2025, the expected cash flows from trade and other receivables maturing within two months were Rs 524 Mn (2024- Rs.139Mn). This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

- Maintaining a diversified funding base and appropriate contingency facilities.
- Carrying a portfolio of highly liquid assets that can be readily converted into cash to protect against unforeseen short-term interruptions to cash flows.
- Monitoring liquidity ratios and carrying out stress-testing of the Company's liquidity position.
- Regular reviews cash flow projections.
- Availability of stand by overdraft facility to be used in the event of an emergency.

Unutilised bank overdraft facilities

As at 31st March 2025 the Group had approved overdraft facilities amounting to Rs. 270 Mn of which is not utilized at reporting date. In addition, the Company has access to approved trade and short-term financing facilities of Rs. 5,019.4 Mn from commercial banks, of which Rs. 76.48 Mn was utilized on term Loans & bank guarantees as at 31st March 2025.

43.3 MARKET RISK

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates that would impact Group's income or the value of investment in financial instruments. The objective of managing market risk is to manage and control market risk exposures within acceptable parameters, while optimising returns.

Market risk principally arises from the Group's equity investments, interest-bearing financial assets and financial liabilities, and financial assets and financial liabilities denominated in foreign currencies.

43.3.1. CURRENCY RISK

The foreign currency risk is the risk that the fair value or future cash flows of a financial instrument fluctuating due to changes in foreign exchange rates. The Group is exposed to foreign currency risk on purchases, borrowings and cash deposits denominated in currencies other than the functional currency of the Group. The currencies giving rise to this risk are primarily US Dollars.

43.3.1.1 Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows,

As at 31st March,	2025		2024	
(In Thousands of Rupees)	Amount in USD	Amount in LKR	Amount in USD	Amount in LKR
Financial Assets				
Cash and cash equivalents	3.90	1,138	0.29	88
	3.90	1,138	0.29	88
Financial Liability				
Trade Payables	-	-	-	-
Net Finance Liability/(Assets) exposure	(3.90)	(1,138)	(0.29)	(88)

Closing exchange rate as at 31st March 2025 is Rs. 292.07 (2023/2024- Rs. 301.18).

43.3.1.2 Sensitivity to foreign exchange risk

The Group, as of the reporting date holds financial instruments denominated in currencies other than its functional / reporting currency. A reasonable possible strengthening or weakening of the US Dollar (USD) against Sri Lanka Rupee (LKR) as of the reporting date would have affected the measurement of USD denominated Assets and Liabilities and affected equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

The Group has not liabilities which are to be settled in US Dollars at the reporting date.

(In Thousands of Rupees)	Impact on Profit or Loss		Impact on Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
As at 31st March 2025				
Impact of change in 1% USD rate	11	(11)	8	(8)
Impact of change in 15% USD rate	171	(171)	119	(119)
As at 31st March 2024				
Impact of change in 1% USD rate	1	(1)	1	(1)
Impact of change in 15% USD rate	13	(13)	9	(9)

Management of Foreign exchange risk

- The Treasury officer analyses the market condition of foreign exchange and analyse the utilisation of cash flows.
- Regularly review timing of foreign currency cash in flows and outflows and takes decisions on whether to reinvest the foreign cash flows or utilise to make the foreign currency payments.
- Looking out forward contract possibilities.

43.3.2 INTEREST RATE RISK

Interest rate risk mainly arises as a result of the Group having interest sensitive assets and liabilities which are directly impacted by changes in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The management monitors the sensitivities on regular basis and ensures that such risks are managed in a timely manner.

43.3.2.1 Exposure to interest rate risk

The interest rate profile of the Group's interest bearing financial instruments as reported to the management of the Group is as follows,

As at 31st March,	2025			2024		
(In Thousands of Rupees)	Variable interest rate	Fixed interest rate	Total	Variable interest rate	Fixed interest rate	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Financial Assets						
Investments in Treasury Bills		713,120	713,120		787,089	787,089
Investments in Treasury Bond		193,456	193,456		189,120	787,089
Investments in Fixed Deposits	-	171,093	171,093	-	-	-
	-	1,077,669	1,077,669	-	976,209	1,574,178
Financial liabilities						
Loans and borrowings	-	4,444	4,444	-	18,024	18,024
Bank Overdraft	-	-	-	33,702	-	33,702
	-	4,444	4,444	33,702	18,024	51,726
Maximum exposure	-	(1,073,225)	(1,073,225)	33,702	(958,185)	(1,522,452)

43.3.2.2 Sensitivity analysis

The following table shows the estimated impact on profitability and equity by fluctuation of interest rates assuming that all other variables remain constant on the following financial assets. Floating rate instruments expose the Group to cash flow fluctuations.

As at 31st March, (In Thousands of Rupees)	2025 Variable-rate		2024 Variable-rate	
	Impact on PBT	Impact on equity	Impact on PBT	Impact on equity
Increase in 100 basis points Financial assets / liabilities				
Loans and borrowings	-	-	-	-
Bank Overdraft	-	-	(337)	(236)
	-	-	(337)	(236)
Decrease in 100 basis points Financial assets / liabilities				
Loans and borrowings	-	-	-	-
Bank Overdraft	-	-	337	236
	-	-	337	236

Management of Interest rate risk

- The Group monitors its interest rate risk exposure through periodic reviews of asset and liability positions.
- The Group limited to obtain short term (less than 3 months) loan with the variable interest rate. The Long term loans are obtained with fixed interest rate.

43.3.3 EQUITY RISK

The Group's exposure to equity risk arises from its investments in equity securities. Equity risk is the risk that the fair value or future cash flows of financial instruments will fluctuate as a result of changes in market prices.

43.3.3.1 Listed equity investments

	GROUP		COMPANY	
As at 31st March (In Thousands of Rupees)	2025	2024	2025	2024
Investment in Quoted Equity Securities	12,177	11,608	12,177	11,608
	12,177	11,608	12,177	11,608

43.3.3.2. Sensitivity analysis of equity risk

The following table shows the estimated impact on profitability and equity by fluctuation of stock market prices at the reporting date, assuming that all other variables remain constant.

As at 31st March (In Thousands of Rupees)	GROUP		COMPANY	
	2025	2024	2025	2024
10% decline in stock prices	(1,218)	(1,161)	(1,218)	(1,161)
10% Increase in stock prices	1,218	1,161	(1,218)	1,161

Management of Equity Risk

The Group manages the equity risk through diversification and placing limits on individual and total equity portfolio investments. The Group's equity risk management policies are;

- Investment decisions are based on in depth macroeconomic and industry analysis as well as research reports on company performance.
- Reports on the equity portfolio are submitted to the Company's senior management on a regular basis.
- Adherence to the investment policy which includes stringent guidelines on risk exposures.

43.4 OPERATIONAL RISKS

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks, such as the risks of misselling of products and non-compliance with legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Group's operations.

The Group's objective in managing operational risk is to balance the avoidance of financial losses and damage to the Group's reputation with overall cost-effectiveness and innovation. In all cases, Group policy requires compliance with all applicable legal and regulatory requirements.

The Board of Directors has delegated responsibility of operational risk to the Risk Committee, the committee is responsible for the development and implementation of controls to address operational risk.

MANAGEMENT OF OPERATIONAL RISK

- Segregation of duties, including the independent authorisation of transactions;
- Reconciliation and monitoring of transactions.
- Compliance with regulatory and other legal requirements.
- Documentation of controls and procedures.
- Training and professional development.
- The results of internal audit reviews are discussed, with audit committee and management.
- Compliance with the Company standards is supported by a programme of periodic reviews undertaken by internal audit.

Notes to the Financial Statements

44. CAPITAL MANAGEMENT

"The Group's policy is to retain a strong capital base so as to maintain investor, creditor & market confidence and to sustain future development of the business. Capital consists of share capital, reserves and retain earning . The Board of Directors monitors the return on capital, interest covering ratio, dividend to ordinary shareholders.

The gearing ratio at the reporting date is as follows.

	GROUP		COMPANY	
As at 31st March	**2025**	**2024**	**2025**	**2024**
(In Thousands of Rupees)				
Interest bearing borrowing				
Total Liabilities	678,291	713,628	679,313	714,681
Less:Cash and cash equivalents	(79,828)	(67,431)	(79,704)	(67,306)
Net Debt	598,463	646,197	599,610	647,375
Equity	4,384,794	3,979,927	4,384,552	3,979,721
Gearing ratio	0.14	0.16	0.14	0.16

SUPPLEMENTARY INFORMATION

SHARE INFORMATION

1. STOCK EXCHANGE LISTING

Central Industries PLC is a Public Listed Company (Reg.PQ 121) the issued ordinary shares of which are listed on the Colombo Stock Exchange.

2. STATED CAPITAL

The Stated Capital of the Company as defined by the Companies Act No. 07 of 2007 was Rs. 453.5 Mn. as at 31st March 2025.

3. SHAREHOLDERS AS AT 31ST MARCH 2025

	Quantity	%
Issued Ordinary Shares	24,195,193	
Shares held by the Parent Enterprise, Subsidiaries, Associates, Directors, and Shareholders whose holdings exceed 10%	12,568,538	51.95
Shares held by the public (In terms of the rule 7.13.1(a) of the Listing Rules,the		
Company qualifies under option five of the minimum public holding requirement)	11,626,655	48.05
Number of Public Shareholders	2,387	

4. DISTRIBUTION OF SHAREHOLDINGS AS AT 31ST MARCH 2025

	Residents			Non- Residents			Total		
Number of Shares held	No of Share holders	No. of Shares	%	No of Share holders	No.of Shares	%	No.of Share holders	No.of Shares	%
1-1,000	1,588	325,048	1.34	3	266	-	1,591	325,314	1.34
1,001-10,000	624	2,086,465	8.62	5	21,016	0.09	629	2,107,481	8.71
10,001-100,000	152	3,827,198	15.82	2	84,699	0.35	154	3,911,897	16.17
100,001-1,000,000	19	5,807,272	24.00	-	-	-	19	5,807,272	24.00
1,000,001 & Over	2	12,043,229	49.78	-	-	-	2	12,043,229	49.78
Total	2,385	24,089,212	99.56	10	105,981	0.44	2,395	24,195,193	100.00

5. TWENTY LARGEST SHAREHOLDERS

		2025		2024	
	Name	No. of Shares	%	No. of Shares	%
1	CENTRAL FINANCE COMPANY PLC A/C NO 03	10,660,944	44.06	10,660,944	44.06
2	CF INSURANCE BROKERS (PRIVATE) LIMITED	1,382,285	5.71	1,382,285	5.71
3	EMPLOYEES TRUST FUND BOARD	846,421	3.50	847,421	3.50
4	MRS. THUSHARIE TILOTTAMA ANJALEE DE SILVA WEERASOORIA	836,962	3.46		
5	MR. RUWANPURA CHANAKA DHARMAJITH DE SILVA	739,262	3.06		
6	MRS. SARASVATHI VASUDEVAN	500,000	2.07	501,854	2.07
7	TIVOLI LANKA (PRIVATE) LIMITED	420,082	1.74	752,101	3.10
8	MR. SARATH CHANDRA WEERASOORIA	340,701	1.41		
9	MR. OSHAN SENANAYAKE	270,000	1.12		
10	DEUTSCHE BANK AG-NATIONAL EQUITY FUND	255,000	1.05	110,000	0.45
11	MR. VARATHARAJAH SIVAKUMAR	236,246	0.98	197,754	0.82
12	SEYLAN BANK PLC /F. J. P. RAJ	193,577	0.80	293,577	1.21
13	MR. PRASHANTHA WANIGASURIYA	175,286	0.72	175,286	0.72
14	MR. HANIF YUSOOF	159,590	0.66		
15	MR. BUDRIKA TARUSHA DE S WEERASOORIA	142,711	0.59		
16	SEYLAN BANK PLC/R. A. RISHARD	130,040	0.54	30,040	0.12
17	HATTON NATIONAL BANK PLC/RUWAN PRASSANA SUGATHADASA	124,600	0.51	129,551	0.54
18	SEYLAN BANK PLC/EMILE JOSEPH GUNESEKERA & MICHELLE GENEIEVE MARTHA GUNASEKERA	121,000	0.50	120,873	0.50
19	HATTON NATIONAL BANK PLC/JUDE NISHANTHA WEERAKOON	107,184	0.44	17,217	0.07
20	HATTON NATIONAL BANK PLC/ WIJESINGHE JAYAWEERA MUDIYANSELAGE PUNSITH RASHMIN LOKUBANDARA	106,710	0.44	43,020	0.18
		17,748,601	73.36		

6. SHARE TRADING DURING THE YEAR ENDED 31ST MARCH 2025

Highest Price - 31st January 2025	Rs. 173.50
Lowest Price - 11th September 2024	Rs. 92.00
Last Traded Price - 28th March 2025	Rs. 146.50
No. of Trades	3,682
No.of Shares Traded	Rs.3,642,316
Value of the Shares Traded	Rs.575,833,314.25
Float Adjusted Market Capitalization as at 31 March 2024	Rs. 1,703,178,270

7. KEY FINANCIAL RATIOS

	2024/25	2023/24
Dividend per share(Rs.)	6.00	6.00
Dividend pay out	26.5%	22%
Net Assets per share(Rs.)	181.23	164.49
No of Shares in issue	24,195,193	24,195,193

FIVE YEAR SUMMARY

Year ended 31st March (In Thousands of Rupees)	2025	2024	2023	2022	2021
Income Statement					
Gross Revenue	5,313,102	4,321,998	4,333,998	6,731,883	4,122,942
Profit Before Taxation	770,002	908,745	773,043	675,638	469,298
Income Tax Expenses	(222,133)	(258,811)	(129,854)	(173,544)	(66,185)
Profit for the Year	547,869	649,934	643,189	502,094	403,113
Statement of Financial Position					
Assets					
Property, Plant and equipment	1,290,237	1,306,126	1,093,583	1,025,026	922,408
Intangible Assets	3,789	4,318	484	646	27
Financial Assets at Amortised Cost	193,456	189,120	-	-	-
Total Current Assets	3,575,603	3,193,991	2,966,985	4,238,722	2,685,397
Total Assets	5,063,085	4,693,555	4,061,052	5,264,394	3,607,830
Equity and Liabilities					
Share Capital	453,539	453,539	393,785	284,912	160,831
Reserves	3,931,255	3,526,388	2,844,573	2,365,596	2,021,159
Total Equity	4,384,794	3,979,927	3,238,358	2,650,508	2,181,990
Deferred Taxation	157,980	147,880	128,125	109,357	111,253
Retirement Benefit Obligation	82,431	73,078	64,135	65,033	68,158
Loans and Borrowings	-	4,444	18,024	21,984	-
Total Current Liabilities	437,880	488,226	612,410	2,417,512	1,246,429
Total Equity and Liabilities	5,063,085	4,693,555	4,061,052	5,264,394	3,607,830
Earnings Per Share(Rs.)	22.64	26.86	26.86	21.40	18.50
Net Assets Per Share (Rs.)	181.23	164.49	133.84	112.95	105.42
Dividend Per Share (Rs,)	6.00	6.00	6.00	5.00	8.00
Price Earning ratio	6.47	4.13	3.17	4.26	5.29
Dividend yield	4.1%	5.41%	7.12%	5.10%	7.80%
Dividend pay out	26.5%	22.34%	21.89%	23.00%	41.07%
Price to book value	0.81%	0.51%	0.71%	0.81%	0.98%

OUR VALUED CORPORATE CUSTOMERS

TUDAWE BROTHERS LIMITED
ENGINEERS & CONSTRUCTORS

EDCC

MÄGA
the saga of quality construction

Sanken
CONSTRUCTION
sky's the limit

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தேசிய நீர் வழங்கல் வடிகாலமைப்பு சபை
NATIONAL WATER SUPPLY AND DRAINAGE BOARD

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GRI INDEX

Statement of use	CIPLC has reported the information cited in this GRI content index for the period April 1st, 2024 to March 31st 2025 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organisational details	About us page: 3
	2-2 Entities included in the organisation's sustainability reporting	About this report Page: 3
	2-3 Reporting period, frequency and contact point	About this report Page: 3
	2-4 Restatements of information	About this report Page: 3
	2-5 External assurance	About this report Page: 3
	2-6 Activities, value chain and other business relationships	About us page: 11
	2-7 Employees	Human Capital Page: 61
	2-8 Workers who are not employees	Human Capital Page: 62
	2-9 Governance structure and composition	Corporate Governance Page : 84
	2-10 Nomination and selection of the highest governance body	Corporate Governance Page : 89
	2-11 Chair of the highest governance body	Corporate Governance Page : 84
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance Page : 88
	2-13 Delegation of responsibility for managing impacts	Corporate Governance Page : 90
	2-14 Role of the highest governance body in sustainability reporting	Managing Sustainability and Climate Change Risks and Opportunities Page : 51
	2-15 Conflicts of interest	Annual Report of the board of Directors Page : 127
	2-16 Communication of critical concerns	Intergraded stake holder engagement Page : 37
	2-17 Collective knowledge of the highest governance body	Corporate Governance Page : 89
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance Page : 89
	2-19 Remuneration policies	Human Capital Page : 65
	2-20 Process to determine remuneration	Human Capital Page : 65
	2-21 Annual total compensation ratio	Human Capital Page : 62
	2-22 Statement on sustainable development strategy	Managing Sustainability and Climate Change Risks and Opportunities Page : 49
	2-23 Policy commitments	Managing Sustainability and Climate Change Risks and Opportunities Page : 49-53
	2-24 Embedding policy commitments	Managing Sustainability and Climate Change Risks and Opportunities Page : 49-53
	2-25 Processes to remediate negative impacts	Managing Sustainability and Climate Change Risks and Opportunities Page : 49-53
	2-26 Mechanisms for seeking advice and raising concerns	Corporate Governance Page : 90
	2-27 Compliance with laws and regulations	Compliance report Page : 93-106
	2-28 Membership associations	About us Page: 11
	2-29 Approach to stakeholder engagement	Integrated stakeholders' engagement Page : 37
	2-30 Collective bargaining agreements	Human Capital Page : 62

GRI STANDARD	DISCLOSURE	LOCATION
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Page: 36
	3-2 List of material topics	Materiality Page: 36
	3-3 Management of material topics	Please refer ca[ital chapters for management of each topic
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Socio Economic Impact Page: 9-10
	201-2 Financial implications and other risks and opportunities due to climate change	Managing Sustainability and Climate Change Risks and Opportunities Page : 52
	201-3 Defined benefit plan obligations and other retirement plans	Notes to the financial statements Page: 166-168
GRI 207: Tax 2019	207-1 Approach to tax	Notes to the financial statements Page: 152-154
	207-2 Tax governance, control, and risk management	Notes to the financial statements Page: 134
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Natural Capital Page: 79
	302-2 Energy consumption outside of the organisation	Natural Capital Page: 79
	302-4 Reduction of energy consumption	Natural Capital Page: 79
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Managing Sustainability and Climate Change Risks and Opportunities Page : 53
	305-2 Energy indirect (Scope 2) GHG emissions	Managing Sustainability and Climate Change Risks and Opportunities Page : 53
	305-3 Other indirect (Scope 3) GHG emissions	Managing Sustainability and Climate Change Risks and Opportunities Page : 53
GRI 401:	401-1 New employee hires and employee turnover	Human Capital Page: 63
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Human Capital Page: 66
	403-9 Work-related injuries	Human Capital Page: 66
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Human Capital Page: 65
	404-3 Percentage of employees receiving regular performance and career development reviews	Human Capital Page: 64

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Forty Third (43rd) Annual General Meeting of Central Industries PLC be held at Central Finance Company PLC, No. 270, Vauxhall Street, Colombo 02 on this 26th day of June 2025 at 3.00 p.m., for the following purposes:

1. To receive and consider the Annual Report of the Board together with the Financial Statements of the Company for the year ended 31st March 2025 and Report of the Auditors thereon.
2. To declare a final dividend of Rs. 6 per share for the financial year ended 31st March 2025 as recommended by the board of directors.
3. To propose the following resolution as an ordinary resolution for the reappointment of Mr. G. S. N. Peiris who has reached the age of 70 years.

   "IT IS HEREBY RESOLVED that the age limit referred to in section 210 of the Companies Act No.07 of 2007 shall not apply to Mr. G. S. N. Peiris who has reached the age of 70 years prior to this Annual General Meeting and that he be reappointed as a director of the Company".
4. To propose the following resolution as an ordinary resolution for the reappointment of Mr. E. H. Wijenaike who has reached the age of 70 years.

   "IT IS HEREBY RESOLVED that the age limit referred to in section 210 of the Companies Act No.07 of 2007 shall not apply to Mr. E. H. Wijenaike who has reached the age of 70 years prior to this Annual General Meeting and that he be reappointed as a director of the Company".
5. To propose the following resolution as an ordinary resolution for the reappointment of Mr. C. S. W. De Costa who has reached the age of 73 years.

   "IT IS HEREBY RESOLVED that the age limit referred to in section 210 of the Companies Act No.07 of 2007 shall not apply to Mr. C. S. W. De Costa who has reached the age of 73 years prior to this Annual General Meeting and that he be reappointed as a director of the Company".
6. To re-elect Mr. D. T. R. De Silva a director who retires by rotation in terms of Article 85 of the Articles of Association of the Company and being eligible has offered himself for re-election.
7. To re-elect Mr. D. K. Welmillage, who retires in terms of Article 91 of the Articles of Association and being eligible has offered himself for re-election.
8. To re-elect Ms. T. P. Gunasekera, who retires in terms of Article 91 of the Articles of Association and being eligible has offered herself for re-election.
9. To re-appoint M/s KPMG, Chartered Accountants, as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company at a remuneration to be agreed with by the Board of Directors and to audit the Financial Statements of the Company for the accounting period ending 31st March 2026.
10. To authorize the Directors to determine contributions to charities for the ensuing year.

By Order of the Board,

(Sgd.)
CORPORATE SERVICES (PRIVATE) LIMITED
Secretaries
CENTRAL INDUSTRIES PLC

Colombo on this 03rd day of June 2025

Note:
Any shareholder entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote/speak in his/her stead and a form of proxy is sent herewith for this purpose. A proxy need not be a shareholder of the Company. A completed form of proxy must be deposited at the registered office of the Company, at No.312, Nawala, Road, Rajagiriya or e-mailed to corporateservices@corporateservices.lk not less than 48 hours before the time appointed for the holding of the meeting.

FORM OF PROXY

*I/We…….................................…… of ……………………………………………………………..…………………………………….. .being *a member/members of CENTRAL INDUSTRIES PLC do hereby appoint

1. Mr. G. S. N. Peiris	or failing him,
2. Mr. E. H. Wijenaike	or failing him,
3. Mr. C. S. W. De Costa	or failing him,
4. Mr. A. K. Gunaratne	or failing him,
5. Mr. C. S. Hettiarachchi	or failing him,
6. Mr. D. T. R. De Silva	or failing him,
7. Mr. I. M. P. Rupatunge	or failing him,
8. Mr. D. K. Welmillage	or failing him,
9. Ms. T. P. Gunasekera	or failing her,

………..…… of
………..……………
as *my/our Proxy to vote/speak for *me/us on *my/our behalf at the 43rd Annual General Meeting of the Company to be held on the 26th day of June 2025 at 3.00 p.m. and at any adjournment thereof, and at every poll which may be taken in consequence thereof.

		For	Against	Abstain
01	To receive and consider the annual report of the board of directors along with the financial statements of the Company for the year ended 31st March 2025 and the report of the auditors thereon.			
02	To declare a final dividend of Rs. 6 per share for the financial year ended 31st March 2025 as recommended by the board of directors.			
03	IT IS HEREBY RESOLVED THAT the age limit referred to in section 210 of the Companies Act No. 07 of 2007 shall not apply to Mr. G. S. N. Peiris who has reached the age of seventy (70) years and that he be re-appointed as a director of the Company.			
04	IT IS HEREBY RESOLVED THAT the age limit referred to in section 210 of the Companies Act No. 07 of 2007 shall not apply to Mr. E. H. Wijenaike who has reached the age of seventy (70) years and that he be re-appointed as a director of the Company.			
05	IT IS HEREBY RESOLVED THAT the age limit referred to in section 210 of the Companies Act No. 07 of 2007 shall not apply to Mr. C. S. W. De Costa who has reached the age of seventy-three (73) years and that he be re-appointed as a director of the Company.			
06	To re-elect Mr. D. T. R. De Silva a director who retires by rotation in terms of Article 85 of the Articles of Association of the Company and being eligible has offered himself for re-election.			
07	To re-elect Mr. D. K. Welmillage, who retires in terms of Article 91 of the Articles of Association and being eligible has offered himself for re-election.			
08	To re-elect Ms. T. P. Gunasekera, who retires in terms of Article 91 of the Articles of Association and being eligible has offered herself for re-election.			
09	To re-appoint M/s KPMG, Chartered Accountants, as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company at a remuneration to be agreed with by the Board of Directors and to audit the Financial Statements of the Company for the accounting period ending 31st March 2026.			
10	To authorize the directors to determine the contributions to charities for the ensuing year.			

Signed this…day of………Two Thousand and Twenty Five.

………………
*Signature/s

Note: Please delete the inappropriate words
Instructions as to completion are noted on the reverse hereof.

FORM OF PROXY

INSTRUCTIONS AS TO COMPLETION

1. Kindly perfect the Form of Proxy after filling in legibly your full name and address and sign in the space provided. Please fill in the date of signature.
2. A Member entitled to attend and vote/speak at the Meeting is entitled to appoint a Proxy who need not be a member, to attend and vote instead of him.
3. In the case of a Corporate Member, the Form must be completed under its Common Seal, or signed by its attorney or by an officer on behalf of the corporation. The Company may, but shall not be bound to require evidence of the authority of any such attorney or officer.
4. If the Form of Proxy is signed by an Attorney, the relevant Power of Attorney should also accompany the completed Form of Proxy, in the manner prescribed by Articles of Association.
5. The completed Form of Proxy should be deposited at the Registered Office of the Company, No. 312, Nawala Road, Rajagiriya not less than forty eight (48) hours before the appointed time for the Meeting.

CORPORATE INFORMATION

NAME OF COMPANY

Central Industries PLC

LEGAL FORM

A Public Limited Liability Company Incorporated in Sri Lanka

DATE OF INCORPORATION

18th September 1984

COMPANY REGISTRATION NUMBER

PQ 121

ULTIMATE PARENT COMPANY

Central Finance Company PLC

SUBSIDIARY COMPANY

Polymer Technologies (Pvt.) Ltd. (Reg. No. PV 2468)

DIRECTORS

1. Mr. G. S. N. Peiris (Chairman)
2. Mr. E. H. Wijenaike
3. Mr. C. S. W. De Costa
4. Mr. A. K. Gunaratne
5. Mr. C. S. Hettiarachchi
6. Mr. D. T. R. De Silva
7. Mr. I. M. P. Rupatunge (Chief Executive Officer)
8. Mr. D. K. Welmillage
9. Ms. T. P. Gunasekera

HEAD OFFICE AND REGISTERED OFFICE

No. 312, Nawala Road,
Rajagiriya, Sri Lanka
Telephone : +94-11-7421421
Fax: +94-11-7421432
E-mail: info@nationalpvc.com
Website: www.nationalpvc.com

SECRETARIES

Corporate Services (Private) Limited
216, De Saram Place, Colombo 10.

AUDITORS

KPMG, Chartered Accountants
32 A, Sir Mohamed Macan Marker Mawatha,
Colombo 03.

BANKERS

Hatton National Bank PLC
Nations Trust Bank PLC
Commercial Bank of Ceylon PLC
Sampath Bank PLC
Public Bank PLC
Seylan Bank PLC
Bank Of Ceylon
Bank Of China Limited
Pan Asia Banking Corporation PLC
People's Bank
National Development Bank PLC

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