



THE WORLD OF HAYLEYS

We are Sri Lanka's leading diversified conglomerate and one of the country's most socio-economically impactful organisations with business interests spanning key industry sectors of the economy.

- 12 industry verticals
- Globally leading market positions in several sectors
- Generated **5.5%** of the country's export income
- · Extensive relationships across Sri Lanka's supply chains, agricultural networks and distribution channels.

RELATIVE CONTRIBUTION OF SECTORS



ECO SOLUTIONS

Revenue: 3% PBT:5%



HAND PROTECTION

Revenue: 11% PBT: 11%



PURIFICATION

Revenue: 12% PBT: 17%



TEXTILES

Revenue: 12% PBT: 6%



CONSTRUCTION MATERIALS

Revenue: 2% PBT: 0%



PLANTATIONS

Revenue: 6% PBT: 14%



AGRICULTURE

Revenue: 7% PBT: 10%



LEISURE

Revenue: 1% PBT: -5%



INDUSTRY INPUTS, POWER & ENERGY

Revenue: 2% PBT: 3%



CONSUMER & RETAIL

Revenue: 13% PBT: 1%



TRANSPORTATION & LOGISTICS

Revenue: 28% PBT: 30%



OTHERS

Revenue: 3% PBT: 8%

YEAR AT A GLANCE

- Hayleys PLC ranked as Sri Lanka's No.1 Corporate by Business Today Top 40
- · DPL strengthens European presence through acquisitions by ICOGUANTI S.p.A, marking entry into France and Poland
- Hayleys Solar crosses 125 MW rooftop solar capacity installation
- · Alumex launches its revolutionary low-carbon aluminium range, Ozon targeting the export market
- Hayleys Advantis acquires shares of Colombo Cargo Express (Pvt) Ltd
- · Hayleys, through Hayleys Plantation Services (Pvt) Ltd acquired majority stake of Horana Plantations PLC

Hayleys PLC unveiled its corporate purpose during the year, embodying its aspirations to drive multi-stakeholder value and be a force for good in the broader economic social and environmental context.



PERFORMANCE HIGHLIGHTS

	2023	2022	Change %
FINANCIAL PERFORMANCE	,		
Revenue (Rs. mn)	487,431	338,010	44.21
Earnings before interest, taxes, depreciation & amortization (EBITDA) (Rs. mn)	71,088	42,013	69.20
Earnings before interest and tax (EBIT) (Rs. mn)	61,073	33,594	81.80
Profit before tax (Rs. mn)	42,749	35,717	19.69
Income tax (Rs. mn)	15,077	7,618	97.91
Profit after tax (Rs. mn)	27,672	28,099	(1.52
Profit attributable to owners of the parent (Rs. mn)	16,352	18,257	(10.43
Earnings per share (basic) (Rs.)	21.80	24.34	(10.43
Dividends (Rs. mn)	4,013	3,000	33.77
Total Assets (Rs. mn)	412,742	403,076	2.40
Total Debt (Rs. mn)	159,696	171,934	(7.12
Equity attributable to equity holders of the parent (Rs. mn)	78,930	67,390	17.12
Economic Value Generated (Rs. mn)	143,263	103,092	38.97
Market value per share (Rs.)	72.00	76.90	(6.37
Interest cover (No. of times)	2.15	3.37	(36.18
ESG PERFORMANCE Energy consumption (GJ mn)	4.81	5.06	(5.05
Renewable energy consumption (%)	67	67	(0.00
Total carbon footprint (tCO2e)	209,874	230,053	(8.77
Scope 1 emission	102,610	114,551	(10.42
Scope 2 emission	89,526	94,117	(4.88
Scope 3 emission	17,738	21,385	(17.06
Total water withdrawal (m³ mn)	6.79	6.59	3.09
Recycled water usage (%)	9	9	0.00
Employees on payroll (No)	31,483	32,840	(4.13
New recruits (No)	4,891	5,739	(14.78
Investments in training (Rs.mn)	180	69	(160.87
	265,877	248,649	6.93
Training hours (Hrs)	549	749	(26.70
Training hours (Hrs) No. of new products developed (No)	343		
	392,194	237,690	65.00

CHAIRMAN'S MESSAGE

It has been a year of remarkable resilience and strength for the Hayleys Group, as we delivered record Revenue and Profit Before Tax of Rs. 487.43 bn and Rs.42.75 bn respectively, the highest in the Group's operating history

- The operating environment during the year was characterised by extreme turbulence, uncertainty and a scale of volatility
 we haven't witnessed in decades.
- As converging challenges gained momentum, the Hayleys Group prioritised on ensuring the continuity of operations while safeguarding lives and livelihoods, thereby emerging as a catalyst for positive socio-economic change amidst the country's hardships.

Financial performance

- The Group's Consolidated Revenue expansion of 44% to Rs.487.43 bn was driven by the strong growth in our exportoriented sectors led by Transportation & Logistics, Textiles, Purification and Hand Protection Sectors.
- Group EBIT and PBT increased by a respective 82% and 20% to reach record-highs of Rs.61.07 bn and Rs.42.75 bn.
- Consolidated Profit After Tax declined by 2% to Rs.27.67 bn during the year mainly due to a 98% increase in the Group Tax
 expense
- Earnings per share amounted to Rs.21.80 during the year, while an interim dividend of Rs.5.35 per share was declared.

Economic value flows

- The Group generated 5.5% of Sri Lanka's total export income during the year, translating to foreign exchange income of USD650.61 mn.
- The Group also paid Rs.24.33 bn in taxes within Sri Lanka, supported the employment of 29,453 employees within the country, with 57% operating outside the Western Province.
- Injecting value through inclusive business models has always been part of our ethos and the Group connects over 11,000 rural outgrowers, suppliers and other business partners to global supply chains through diverse businesses.

ESG performance

- · The Group continued to make progress in integrating ESG considerations into its business.
- Following its commitment to achieve a 30% reduction its Scope 1 & 2 GHG emissions by 2030, the Group's carbon footprint decreased by 9%, with 67% of energy requirements met through renewable sources.

Enriching lives, safeguarding livelihoods

- As implications of the economic crisis were felt across the country, the Group ensured its employees were cared for through providing access to a continuous supply of essential foods, fruits and vegetables.
- Through our extensive out-grower models and island-wide network of smallholder suppliers we continued to drive
 economic empowerment that supports grassroot communities.
- Our Sectors combined resources and efforts to address the critical shortage of medicines and essential consumables in the government healthcare sector.

Way forward

- We remain cautiously optimistic that the country's macro-economic fundamentals will record gradual improvement, with easing inflationary pressures, interest rates and a stabilising exchange rate.
- The Group looks to the future with renewed hope and optimism and key strategies for driving growth in the years ahead include innovation, market development, customer acquisition and operational excellence.

CORPORATE GOVERNANCE

The Hayleys Group's corporate governance philosophy is underpinned by purpose-driven leadership, high standards of integrity and an organisational culture which is founded on ethical conduct

Highlights of 2022/23

- Establishment of an ESG Steering Committee with Board and GMC representation
- Strengthened the Group's Bribery and Anti-Corruption framework
- Formulation of new corporate purpose, embodying the Company's intrinsic reason for being in the broader economic, social and environmental context

Areas of Board focus in 2022/23



BOARD OF DIRECTORS

Mohan Pandithage

Chairman & Chief Executive

Sarath Ganegoda

Executive Director

Rajitha Kariyawasan

Executive Director

Dr. Harsha Cabral, PC

Independent Non-Executive Director

Ruwan Waidyaratne

Executive Director

Hisham Jamaldeen

Independent Non-Executive Director

Aravinda Perera

Independent Non-Executive Director

Jayanthi Dharmasena

Executive Director

Rohan Karr

Executive Director

Gamini Gunaratne

Independent Non-Executive Director



VALUE CREATION



FINANCIAL CAPITAL

Inputs

Rs.122.71 bn Shareholders' funds

Rs.159.70 bn

Debt



MANUFACTURED CAPITAL

Rs.126.31 bn

Property, plant and equipment



HUMAN CAPITAL

Inputs

31,483

Employees on payroll

Sustaining and nurturing value

- Pursue growth in new markets
- Ensure continuity of operations amidst economic crisis
- Effective working capital management
- Group-wide efficiency and process improvements

Sustaining and nurturing value

- Capacity expansions in valueadded manufacturing capabilities
- Ongoing investment in technology and automation

Sustaining and nurturing value

- Group-wide initiatives to safeguard employees from the hardships of the economic crisis
- Training interventions to drive leadership capabilities

Rs.27.67 bn (-2%)PAT

Rs11.77 bn (+1%) Dividends

Rs.17.13 bn (+22%)CAPEX

16% PPE/ Turnover ratio

Rs.40.23 bn (+19%) Employee

payments

Rs.180 mn (+161%) Training investment



SOCIAL & RELATIONSHIP CAPITAL

Inputs

Partnerships with customers, suppliers and industry stakeholders



INTELLECTUAL CAPITAL

Inputs

Strength of our brands Innovation capabilities Systems, processes and standards



NATURAL CAPITAL

Inputs

431.47 acres Land extent

Energy consumption

4.81 mn GJ

6.79 m3 mn

Water use

Sustaining and nurturing value

- Strategic focus on customised offerings and sustainable innovation
- Continued value injection to suppliers
- CSR activities centered on addressing critical challenges faced by communities

Sustaining and nurturing value

- Launch of new products focusing on sustainable innovation, value addition and customised offerings
- Process innovations to drive efficiency, sustainability and cost savings

Sustaining and nurturing value

- Innovation centering on mitigating environmental impacts of products across lifecycle
- Ongoing focus on transitioning to renewable energy

Rs.392 bn (+65%)Payments to suppliers

Rs.433 mn CSR investment

Rs.323 mn (-25%)R&D investment

549 New products

169.471 **MwH** Renewable

energy

53,442 Trees planted

OPERATING ENVIRONMENT

PESTEL factor	Developments	Key impacts on Group
	Global geopolitical dynamics	- Exchange rate volatilities
D	Political instability within the country	- Slowdown in demand from Europe
		- Supply chain disruptions, downturn in demand and sharp escalation of costs
	Macro-economic vulnerabilities including the planting in formula parties.	- Operational disruptions
	including the depletion in forex reserves, shortage in fuel, high interest rates,	- Sharp escalation in the cost of input materials
	sharp depreciation of exchange rate and inflationary pressures	- Increase in borrowing costs
	Talent migration and brain drain	- Challenges in employee retention
S	Changing human capital dynamics including hybrid working models	Need to adapt new work models offering increased agility and flexibility
	Technological advances	Opportunities in pursuing manufacturing efficiency through automating processes
		+ Transforming stakeholder interactions
	Physical risks of climate change	- Direct implications on the Agriculture and Plantations
	Transition risks	Sector
-	Biodiversity loss	Impacts on sectors such as Hand Protection, Purification and Eco Solutions which rely on agricultural supply chains
_	Regulatory and policy developments	The increase in interest rates and resultant impact on borrowing costs
		- Challenges in the import of selected input materials
		- Import restrictions on consumer durables and consumer electronics

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SYNOPSIS OF ANNUAL REPORT 2022/23

DELIVERING OUR STRATEGY

During the year under review, the strategic pillars were refined to align with Hayleys' new Corporate Purpose, setting out our roadmap to explore value accretive opportunities that leverage the Group's resources, capabilities and relationships

SHARED PROSPERITY THROUGH PORTFOLIO GROWTH Strategic actions

- Inorganic growth through acquisitions
- Organic growth and capacity expansions
- Penetration of new markets and deeper relationships in existing markets
- Ensure minimal disruptions to operations

KPIs

- Revenue growth: 44%
- EBIT growth: 82%
- Growth in economic value generated: 39%



- Group-wide focus on innovation and value addition
- Expansion of customer base with entry into new markets and segments
- Catering to customers' increased emphasis on social and environmental considerations

KPIs

- New customers: 0.9 mn
- Complaints resolved: 97%
- New products launched: 549



Strategic actions

- Leadership development
- Employee engagement
- Care and well-being
- Succession planning

KPIs

- Retention rate: 80%
- Average training hours: 8.45
- Value added per employee: Rs.4.55 mn



INCLUSIVE BUSINESS MODELS

Strategic actions

- Expansion of local supply chains
- Building supply chain security and resilience
- Ongoing investment in supplier development to build capacity and propagate sustainable practices

KPIs

- Total suppliers: >18,000
- Increase in supplier payments: +65%
- CSR beneficiaries: >997,000



PRESERVING AND REGENERATING NATURE

Strategic actions

- Formulation of sector-specific ESG roadmaps
- Biodiversity preservation
- Decarbonisation
- Sustainable innovation

KPIs

- Reduction in GHG emissions:
 9%
- Energy intensity: -34%
- Water intensity: -29%
- Emission intensity: -37%

PORTFOLIO REVIEW



ECO SOLUTIONS

The Group's Eco Solutions Sector is the leading manufacturer of value-added coconut fibre products, offering a range of high-quality, innovative and sustainable solutions across several product categories.

Highlights of 2022/23

- Performance upheld by customer acquisition in nontraditional markets, ongoing focus on cost management and process efficiencies.
- Manufacturing capabilities were strengthened with Rs.500 mn investment in expanding capacity of spring mattresses and grow bags
- Ongoing focus on expanding backward integration

Way forward

Continued focus on driving penetration of non-traditional markets, expanding the domestic market and ongoing investments in new applications

	2023	% y-o-y
Revenue (Rs.mn)	15,221	+37
PBT (Rs.mn)	2,656	+50
PAT (Rs.mn)	2,471	+65
Assets (Rs.mn)	18,694	+7
Employees (No)	908	+8
Carbon footprint (tCO2e)	5,326	+6

new markets entered

53 customers acquired Rs.45 mn cost savings



HAND PROTECTION

Dipped Products PLC is a global leader in protective hand-wear, serving close to 5% of global demand for natural and synthetic-latex based household and industrial gloves

Highlights of 2022/23

- Performance was upheld by strategic efforts to increase contributions from high-value added products and focus on cost efficiencies
- Entered the premium sports glove segment with the launch of 'DPL Sports'
- Established a presence in France and Poland, through acquisitions by ICOGUANTI S.p.A

Way forward

Pursue increased penetration in supported gloves, strengthen product capabilities and integrate ESG considerations into strategy and decision-making

	2023	% у-о-у
Revenue (Rs.mn)	51,376	+36
PBT (Rs.mn)	5,251	+5
PAT (Rs.mn)	4,277	+6
Assets (Rs.mn)	35,002	-1
Employees (No)	2,245	+3
Carbon footprint (tCO2e)	37,028	-9

new products

Rs.359 mn Cost savings Rs.225 mn R&D investment



PURIFICATION

Haycarb is a global leader in the manufacture of coconut-shell based activated carbon, with a strong reputation for innovation, quality, technical excellence and sustainability

Highlights of 2022/23

- Performance driven by continued growth in the USA together with increased focus on high-value added products
- The Sector invested Rs.1.91 bn in strengthening its manufacturing capabilities across all three locations
- Significant progress made in the technical development of hard carbon for the manufacture of sodium-ion batteries

Way forward

Efforts to enhance product development, manufacturing capabilities, people and leadership development have aptly positioned Haycarb to capitalise on the growing demand for value-added products

	2023	% у-о-у
Revenue (Rs.mn)	60,357	+84
PBT (Rs.mn)	8,247	+78
PAT (Rs.mn)	6,494	+75
Assets (Rs.mn)	38,567	+1
Employees (No)	1,880	+6
Carbon footprint (tCO2e)	29,984	-1

16 products

new green charcoaling pits



PORTFOLIO REVIEW



TEXTILES

The Group's Textile Sector, represented by Hayleys Fabric PLC and South Asia Textiles Limited is the largest textile manufacturer in the country with a strong reputation for innovation, quality and sustainability which has enabled it supply fabric to leading global fashion brands.

Highlights of 2022/23

- Core profitability was strengthened by the Sector's brandfocused strategy which enabled a richer product mix
- The Sector made inroads in driving penetration of the INNO brand, while offering customised solutions
- Overall profitability affected by high interest rates, normalisation of foreign exchange gains and an increase in tax expenses

Way forward

Continued focus on brand-centered strategy while exploring opportunities in shifting customer patterns, sustainable manufacturing and innovation

· man	2023	% у-о-у
Revenue (Rs.mn)	60,014	+90
PBT (Rs.mn)	3,013	-5
PAT (Rs.mn)	403	-85
Assets (Rs.mn)	40,175	+9
Employees (No)	3,088	+6
Carbon footprint (tCO2e)	54,957	-5

299 new products

69% reliance on renewable energy

28 Products in pipeline



CONSTRUCTION MATERIALS

ALUMEX is Sri Lanka's leading manufacturer of aluminium extrusions, with a strong reputation for innovative solutions, world-class capabilities in product design and manufacture and unmatched quality.

Highlights of 2022/23

- Performance was inevitably affected by the downturn in the country's construction sector, resulting in capacity utilisation levels of 27%
- The Sector recorded 23% growth in export volumes
- Launch of Ozon, a revolutionary low-carbon aluminium, which features a 95% reduction in energy consumption

Way forward

Construction sector activity is anticipated to improve towards the second half of the year and the Sector will drive increased market penetration in both domestic and export markets, through its unique product proposition.

	2023	% у-о-у
Revenue (Rs.mn)	10,124	+6
PBT (Rs.mn)	153	-89
PAT (Rs.mn)	-10	-101
Assets (Rs.mn)	10,503	-13
Employees (No)	735	-16
Carbon footprint (tCO2e)	8,310	-30

new products

Rs.342 mn Cost savings

3Export
customers
acquired



PLANTATIONS

The Sector comprises Sri Lanka's three leading regional plantation companies (RPCs) which collectively cultivate over 14,100 hectares of tea and rubber across 55 estates. The Sector also includes Mabroc Teas (Pvt) Ltd and Martin Bauer Hayleys (Pvt) Ltd.

Highlights of 2022/23

- Performance upheld by focus on revenue maximisation, quality improvements, together with strong pricing for tea
- The Sector acquired Horana Plantations PLC during the year, which cultivates tea, rubber, coconut and oil palm through over 6,500 hectares in 14 estates
- Mabroc delivered a PBT of Rs.1.01 bn emerging as the largest Sri Lanka tea exporter to China

Way forward

The Sector will maintain focus on leveraging its competitive strengths in quality and sustainability to drive consistent improvements in production volumes, yields and profitability

	2023	% у-о-у
Revenue (Rs.mn)	28,622	+65
PBT (Rs.mn)	6,703	+136
PAT (Rs.mn)	4,967	+89
Assets (Rs.mn)	28,498	+57
Employees (No)	12,589	-10
Carbon footprint (tCO2e)	11,271	-4

83% Reliance on renewable energy 8% premium over average CTA prices

Rs.34 mn Revenue from non-traditional crops

PORTFOLIO REVIEW



AGRICULTURE

The Sector is a leading player in Sri Lanka's Agriculture industry, offering the full array of agriculture-related products and services to the local and export markets

Highlights of 2022/23

- Performance was driven by strong growth in crop protection, fertilizer, exports and Bangladesh operations
- The Sector launched two new rice herbicides enabling higher market share
- The Sector acquired a coconut-milk processing facility during the year and widened its product portfolio

Way forward

The outlook for the country's Agriculture sector remains promising and we will continue to work with our ecosystem of partners in propagating modern and sustainable agriculture practices

	2023	% y-o-y
Revenue (Rs.mn)	32,998	+37
PBT (Rs.mn)	5,010	+118
PAT (Rs.mn)	3,532	+106
Assets (Rs.mn)	26,323	+2
Employees (No)	1,205	+4
Carbon footprint (tCO2e)	4,570	+98









CONSUMER & RETAIL

Singer (Sri Lanka) PLC is the leading player in the country's consumer durables industry supported by unmatched branch reach and strength of its brand as a household name. The Sector also includes the Hayleys Consumer division, which is a distributor for Proctor & Gamble products in Sri Lanka.

Highlights of 2022/23

- Performance was affected by high interest rates, unfavorable demand dynamics in the 2nd half of the year and import restrictions
- Recognised as 'People's Brand of the Year' for the 17th consecutive year at the SLIM-KANTAR People's Awards 2023
- Certified as a Great Place to Work for the 2nd consecutive year

	2023	% у-о-у
Revenue (Rs.mn)	63,893	-24
PBT (Rs.mn)	691	-88
PAT (Rs.mn)	493	-89
Assets (Rs.mn)	80,836	-11
Employees (No)	3,190	+1
Carbon footprint (tCO2e)	14,478	-4

Way forward

Operating conditions are expected to gradually improve towards the 2nd half of the year and Singer will focus on building a world-class brand through embedding customer centricity.

SA

LEISURE

The Sector is a leading player in the hospitality sector, with a network of hotels, resorts, wellness retreats and a collection of managed boutique properties in Sri Lanka and Maldives

Highlights of 2022/23

- The Sector's performance inevitably reflected the extraordinary challenges in the country's tourism sector
- The Kingsbury and the Amaya chain of resorts focused on strengthening its proposition to domestic travelers and enhancing its F&B proposition.
- The industry was also impacted by a significant loss of talent

Way forward

The Sector is well positioned to benefit from the anticipated recovery in the country's tourism sector, reflecting recent efforts to strengthen its offering through investments in people and product capabilities

	2023	% у-о-у
Revenue (Rs.mn)	6,687	+96
PBT (Rs.mn)	-2,428	-43
PAT (Rs.mn)	-2,385	-42
Assets (Rs.mn)	19,494	+4
Employees (No)	1,537	+7
Carbon footprint (tCO2e)	10,826	+26

PORTFOLIO REVIEW



INDUSTRY INPUTS, POWER & ENERGY

Hayleys Aventura is a leading supplier of industrial raw materials, medical and analytical equipment and engineering solutions. In Power & Energy, the Sector is a leading producer of renewable energy, with a collective installed capacity of 50MW

Highlights of 2022/23

- Performance was driven by the industry Inputs sub-sector which saw continued regional expansion in Maldives and Bangladesh in several clusters including Industrial Raw Materials (IRM), Lifesciences and Engineering
- The Power & Energy Sector recorded a near 34% drop in Profit Before Tax mn mainly due to the downward revisions of the applicable tariff

Way forward

The Sector will continue to drive regional expansion as a strategic imperative, while pursuing new applications across its product portfolio

· memory	2023	% y-o-y
Revenue (Rs.mn)	8,718	+24
PBT (Rs.mn)	1,481	+21
PAT (Rs.mn)	1,207	+15
Assets (Rs.mn)	15,741	+4
Employees (No)	296	-
Carbon footprint (tCO2e)	485	-14



16% Export customer acquired





TRANSPORTATION & LOGISTICS

Hayleys Advantis Group is in the forefront of Sri Lanka's transportation and logistics industry, providing the entire spectrum of end-to-end solutions in integrated logistics, projects & engineering, marine & energy, international freight management and aviation

Highlights of 2022/23

- Performance was upheld by strong contributions from International Freight Management, Marine & Energy and the Aviation sub-segments which delivered record profitability during the year
- Advantis completed the construction of the nation's largest single roof multi-user distribution centre in Advantis Logistics City.

	2023	% у-о-у
Revenue (Rs.mn)	134,295	+94
PBT (Rs.mn)	15,008	+38
PAT (Rs.mn)	9,627	+12
Assets (Rs.mn)	70,325	+3
Employees (No)	2,399	-9
Carbon footprint (tCO2e)	31,012	-26

Way forward

Advantis will drive strategic efforts to pursue business and geographical diversification.

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OTHERS

The Others Sector comprises the Fentons Group, Hayleys Business International Solutions Limited and Group Services of Hayleys PLC

Highlights of 2022/23

- Hayleys PLC recorded healthy dividend upstreaming from its Group companies during the year
- The Fentons Group recorded commendable profit growth through swiftly catering to the sharp increase in demand for solar power and energy storage solutions
- HBSI's performance was driven by increased penetration of the BPO operations across key markets and expansion of the Digital Services portfolio

Way forward

The gradual recovery of residential projects is expected to augur well for Fentons, while HBSI will continue to drive increased penetration its key markets

	2023	% y-o-y
Revenue (Rs.mn)	15,126	+46
PBT (Rs.mn)	3,935	-14
PAT (Rs.mn)	3,664	-19
Assets (Rs.mn)	83,065	+5
Employees (No)	1,537	+7
Carbon footprint (tCO2e)	10,826	+26

STATEMENT OF PROFIT OR LOSS

	Conso	lidated	Company		
For the year ended 31st March	2023	2022	2023	2022	
	Rs./000	Rs.'000	Rs.'000	Rs.'000	
Revenue	487,430,881	338,009,580	608,270	497,642	
Cost of sales	(363,772,324)		(467,357)	(379,217)	
Direct interest cost	(4,424,524)	(1,920,345)	-		
Gross profit	119,234,033	77,373,881	140,913	118,425	
Group dividend	-	-	5,897,496	5,145,509	
Other income	4,279,601	1,997,601	-	13,111	
Distribution expenses	(13,764,885)	(12,514,847)	_	-	
Administrative expenses	(47,498,694)	(32,842,133)	721,291	257,512	
Other expenses	(1,177,308)	(420,743)	(306)	(6,089)	
Results from operating activities	61,072,747	33,593,759	6,759,394	5,528,468	
Finance income	20,720,866	16,831,989	609,056	188,410	
Finance cost	(39,538,267)	(14,882,770)	(5,276,184)	(2,219,372)	
Net finance cost	(18,817,401)	1,949,219	(4,667,128)	(2,030,962)	
Change in fair value of investment properties	347,457	328,543	5,900	9,250	
Share of profit of equity accounted investees (net of tax)	540,978	226,794	_	_	
Value added tax on financial services	(394,713)	(381,570)	-	-	
Profit before tax	42,749,068	35,716,745	2,098,166	3,506,756	
Tax expense	(15,076,768)	(7,617,844)	(197,146)	139,979	
Profit for the year	27,672,300	28,098,901	1,901,020	3,646,735	
Profit for the period attributable to:					
Owners of the parent	16,351,845	18,256,527	1,901,020	3,646,735	
Non-controlling interest	11,320,455	9,842,374	-	-	
Profit for the year	27,672,300	28,098,901	1,901,020	3,646,735	
Earnings per share					
Basic - (Rs.)	21.80	24.34	2.53	4.86	
Diluted - (Rs.)	21.80	24.34	2.53	4.86	
Dividend per share (Rs.)			E 7E	4.00	
Dividend her stidle (ks.)			5.35	4.00	

STATEMENT OF COMPREHENSIVE INCOME

	Consol	idated	Company		
For the year ended 31st March	2023	2022	2023	2022	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	
Profit for the year	27,672,300	28,098,901	1,901,020	3,646,735	
Other comprehensive income					
Items that will not be reclassified subsequently to the Statement of Profit or Loss					
Revaluation of land	-	3,482,837	-	-	
Actuarial loss on employee benefit obligations	(319,375)	(455,365)	(47,227)	(140,653)	
Net change on equity instruments designated at fair value through other comprehensive income	16,102	94,263	-	-	
Tax on other comprehensive income	(1,220,325)	(540,638)	2,125	2,730	
Items that will be reclassified subsequently to the Statement of Profit or Loss					
Net exchange differences on translation of foreign operations	2,794,488	7,963,619	-	-	
Net gain/(loss) on cash flow hedges	154,017	(1,782,572)	-	-	
Share of other comprehensive income of equity accounted investees	664,640	(341)	-	_	
Total other comprehensive income for the year, net of tax	2,089,547	8,761,803	(45,102)	(137,923)	
Total comprehensive income for the year, net of tax	29,761,847	36,860,704	1,855,918	3,508,812	
Total comprehensive income for the year attributable to:					
Owners of the parent	17,552,656	23,397,488	1,855,918	3,508,812	
Non- controlling interest	12,209,191	13,463,216	-	_	
	29,761,847	36,860,704	1,855,918	3,508,812	

STATEMENT OF FINANCIAL POSITION

	Conso	lidated	Company		
For the year ended 31st March	2023	2022	2023	2022	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	
Assets					
Non-current assets					
Property, plant & equipment	126,306,985	111,189,851	202,883	100,095	
Right-of-use assets	12,190,393	11,389,087	127,664	191.497	
Investment properties	1,948,326	2,601,101	94,750	88,850	
Biological assets	1,313,069	599,064	_	_	
Intangible assets	16,376,051	15,544,031	65,245	74,310	
Investments in subsidiaries	_	_	39,630,538	38,903,712	
Investments in equity accounted investees	3,364,373	2,164,377	1,504,863	1,504,863	
Other non-current financial assets	941,292	91,199	49,563	57,125	
Non- current trade and other receivables	8,359,072	12,331,710	-	-	
Other non-current assets	951,608	983,043	-	-	
Deferred tax assets	3,411,813	2,803,644	68,643	14,771	
Amounts due from subsidiaries	-	-	-	610,000	
Total non-current assets	175,162,982	159,697,107	41,744,149	41,545,223	
Current assets					
Inventories	87,502,323	82,397,947	36,535	7,493	
Amounts due from subsidiaries	-	-	4,264,131	3,897,840	
Amounts due from equity accounted investees	159,463	142,891	986	1,190	
Trade and other receivables	98,651,672	107,082,528	36,558	32,907	
Other current assets	5,508,223	4,179,463	56,203	31,555	
Income tax recoverable	944,281	837,838	-	68,645	
Other current financial assets	855,239	1,400,423	14,891	7,706	
Short term deposits	19,780,454	19,927,939	1,489,160	254,515	
Cash in hand and at bank	24,177,336	27,409,656	1,144,208	697,773	
Total current assets	237,578,991	243,378,685	7,042,672	4,999,624	
Total assets	412,741,973	403,075,792	48,786,821	46,544,847	
Equity and liabilities					
Stated capital	1,575,000	1,575,000	1,575,000	1,575,000	
Capital reserves	760,344	711,396	13,226	13,226	
Other components of equity	31,464,513	30,077,359	-	-	
Revenue reserves	45,130,447	35,026,096	12,871,201	15,027,783	
Total equity attributable to equity holders of the company	78,930,304	67,389,851	14,459,427	16,616,009	
Non-controlling interest	43,776,353	37,896,875	-	-	
Total equity	122,706,657	105,286,726	14,459,427	16,616,009	
		-			

STATEMENT OF FINANCIAL POSITION

	Conso	lidated	Company		
For the year ended 31st March	2023	2022	2023	2022	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	
Non-current liabilities					
Interest-bearing borrowings	59,158,207	63,540,193	13,185,518	18,265,278	
Grants	924,138	838,161	-	_	
Deferred tax liabilities	12,602,194	7,433,449	-	-	
Security deposits	1,468,392	1,462,347	-	-	
Other non-current liabilities	2,083,838	1,637,526	-	_	
Other non-current financial liabilities	5,844,248	2,317,848	-	_	
Employee benefit obligations	12,845,248	11,208,145	1,560,016	1,298,429	
Total non-current liabilities	94,926,265	88,437,669	14,745,534	19,563,707	
Current liabilities					
Trade and other payables	66,405,057	79,256,611	4,843,225	1,268,500	
Other current liabilities	7,815,736	7,725,691	67,602	29,704	
Deferred revenue	954,310	618,787	-	-	
Other current financial liabilities	13,355,662	9,828,666	_	_	
Amounts due to subsidiaries	-	-	305,479	672,807	
Amounts due to equity accounted investees	456	322	385	322	
Income tax payable	6,040,416	3,527,178	118,116	_	
Current portion of long term interest-bearing borrowings	31,573,389	27,568,587	9,080,337	5,361,853	
Short-term interest-bearing borrowings	68,964,025	80,825,555	5,166,716	3,031,945	
Total current liabilities	195,109,051	209,351,397	19,581,860	10,365,131	
Total liabilities	290,035,316	297,789,066	34,327,394	29,928,838	
Total equity and liabilities	412,741,973	403,075,792	48,786,821	46,544,847	

These Financial Statements have been prepared in compliance with the requirements of Companies Act No. 7 of 2007.

Milinda Hewagama

Group Chief Financial Officer

The Directors are responsible for these Financial Statements.

Signed for and on behalf of the Board.

Mohan Pandithage

19th May 2023

Chairman & Chief Executive

Sarath Ganegoda

Director

STATEMENT OF CHANGES IN EQUITY

		Capital F	Reserves	Other co	omponents	
For the year ended 31st March 2023	Stated	Reserve	Other	Revaluation		Cash f
	capital	on scrip	capital	reserve	reserve	
			reserve		of financial	
					assets	
					at FVOCI	
Consolidated	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'C
Balance as at 31st March 2022	1,575,000	175,636	535,760	24,091,156	15,645	(2,439,
Adjustment for Surcharge Tax levied under the Surcharge Tax	-	-	-	-	-	
Act No. 14 of 2022						
Balance as at 1st April 2022 - Adjusted	1,575,000	175,636	535,760	24,091,156	15,645	(2,439,
Profit for the year	_	_	_	_		
Other comprehensive income						
Net exchange differences on translation of foreign operations	-	-	-	-	-	
Share of other comprehensive income of equity accounted investees	-					
Net loss on cash flow hedges	-	-	-	-	-	117,8
Net change on equity instruments designated at fair value through other	-	-	-	-	14,942	
comprehensive income						
Realised gain on timber	-	-	-	-	-	
Actuarial loss on employee benefit obligations	-	-	-	-	-	_
Tax on other comprehensive income	-	-	-	(1,121,904)	-	
Total other comprehensive income	-	-	-	(1,121,904)	14,942	117,
Total comprehensive income for the year	-	-	-	(1,121,904)	14,942	117,8
Transactions with owners, recorded directly in equity						
Dividends to equity holders	-	-	-	-	-	
Transfers	-	-	48,591	(5,285)	-	
Total contributions by and distributions to owners	-	-	48,591	(5,285)	-	
Changes in ownership interests in subsidiaries						
Adjustment on changes to non-controlling interest in subsidiaries	-	52	305	32,540	364	(25,
Acquisition of subsidiaries	-	-	-	-	-	
Total changes in ownership interests in subsidiaries	-	52	305	32,540	364	(25)
Total transactions with owners	_	52	48,896	27,255	364	(25
Balance as at 31st March 2023	1,575,000	175,688	584,656	22,996,507	30,951	(2,34

STATEMENT OF CHANGES IN EQUITY

of eq	quity		Revenue F	Reserves				
Cash flow hedge reserve	Foreign currency translation reserve	General reserve	Timber reserve	Bearer Biological reserve	Retained earnings	Shareholders' funds	Non-controlling interest	Total equity
Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
(2.470.617)	0 410 171	2 200 540	120.106	11 705	70.604.745	67.700.051	77,006,075	105 206 726
(2,439,613)	8,410,171	2,280,540	129,106	11,705	32,604,745	67,389,851	37,896,875	105,286,726
(2,439,613)	8,410,171	2,280,540	129,106	11,705	(1,915,963)	(1,915,963)	(553,417)	(2,469,380)
(2,439,613)	0,410,171	2,260,540	129,100	11,705	30,000,702	03,473,000	37,343,436	102,817,346
	_	_	41,665	6,246	16,303,934	16,351,845	11,320,455	27,672,300
			11,000	0,2 10	10,000,001	10,001,010	11,020, 100	27,072,000
-	1,700,985	-	-	-	-	1,700,985	1,093,503	2,794,488
	664,591				56	664,647	(7)	664,640
117,835	-	-	-	-	-	117,835	36,182	154,017
_	_	_			_	14,942	1,160	16,102
-	-	-	(9,120)	-	9,120	-	-	-
-	-	-	-	-	(248,659)	(248,659)	(70,716)	(319,375)
-	-	-	-	-	72,965	(1,048,939)	(171,386)	(1,220,325)
117,835	2,365,576	-	(9,120)	-	(166,518)	1,200,811	888,736	2,089,547
117,835	2,365,576	-	32,545	6,246	16,137,416	17,552,656	12,209,191	29,761,847
					(4.012.500)	(4.012.500)	(0.701110)	(10.777.616)
-	-	-	_	_	(4,012,500)	(4,012,500)	(6,361,116)	(10,373,616)
-					· · · · ·	(4.012.500)	(6.761116)	(10.777.616)
-					(4,055,806)	(4,012,500)	(6,361,116)	(10,373,616)
(25,369)	8,455	11,620		_	(111,707)	(83,740)	(96,016)	(179,756)
-	-	-	-	-	-	-	680,836	680,836
(25,369)	8,455	11,620	-	-	(111,707)	(83,740)	584,820	501,080
, ., , ,	.,	,			. , , , , ,	(, , , , , , , ,		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
(25,369)	8,455	11,620	_	-	(4,167,513)	(4,096,240)	(5,776,296)	(9,872,536)
(2,347,147)	10,784,202	2,292,160	161,651	17,951	42,658,685	78,930,304	43,776,353	122,706,657

STATEMENT OF CASH FLOWS

	Consoli	dated	Company		
For the year ended 31st March	2023	2022	2023	2022	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	
Cash flows from operating activities					
Cash generated from operations	70,708,044	17,183,289	6,563,911	5,147,092	
Employee benefit paid	(1,481,118)	(1,011,913)	(36,172)	(34,924)	
Income tax paid	(9,963,868)	(6,635,021)	(62,132)	(667)	
Surcharge tax paid	(2,469,380)	-	-	-	
Net cash inflow from operating activities	56,793,678	9,536,355	6,465,607	5,111,501	
Cash flows from investing activities					
Purchase and construction of property, plant & equipment	(17,128,378)	(14,040,140)	(151,959)	(19,908)	
Investments in other non- current assets	(275,472)	(178,458)	-	-	
Investments in other current financial assets	(9,665,751)	(10,594,939)	(1,450,168)	(7,278,000)	
Investments in other non -current financial assets	(841,495)	(1,200)	-	-	
Decrease due to harvest/(Development of biological assets)	16,168	1,059	-	-	
Grants received - capital	19,110	38,950	-	-	
Improvements to investment property	(94,768)	-	-	-	
Proceeds from disposal of property, plant & equipment	663,580	166,971	245	30	
Proceeds from insurance claims	1,662,991	-	-	-	
Proceeds from disposal of intangible assets	2,181	49,722	-	-	
Proceeds from disposal of current financial assets	10,382,342	9,731,452	1,450,000	7,308,563	
Proceed from sale of investment properties	-	400,000			
Proceeds from disposal of subsidiaries	-	30,592	-	-	
Purchase of intangible assets	(608,281)	(487,147)	(4,095)	(15,885)	
Long term investments in group companies and others	(1,171,650)	(4,608,960)	(116,775)	(70,161)	
Proceeds from disposal of subsidiary shares	-	-	-	249,921	
Proceeds from sale of non-current financial assets	-	245,611	-	-	
Interest received	4,531,247	1,301,488	554,193	99,828	
Net movement in deferred revenue	335,523	126,707	-	-	
Dividends received from Equity accounted investees	113,321	137,500	-	-	
Dividends received from non-group companies	3,851	6,413	1,323	249	
Net cash used in investing activities	(12,055,481)	(17,674,379)	282,764	274,637	
Net cash inflow/(outflow) before financing	44,738,197	(8,138,024)	6,748,371	5,386,138	
Cash flows from financing activities					
Payment on lease	(2,514,676)	(2,446,418)	(86,170)	(86,166)	
Interest paid (including interest capitalised)	(27,219,377)	(9,955,142)	(5,213,789)	(2,173,690)	
Dividend paid to non-controlling interest	(6,361,116)	(3,656,018)	-	-	
Proceeds from interest-bearing borrowings	21,159,381	37,806,769	4,000,000	5,800,000	
Repayment of interest-bearing borrowings net of issue costs	(27,604,264)	(28,099,956)	(5,305,998)	(6,188,834)	
Net movement in financial liabilities	7,053,396	1,681,316	-	-	
Net movement in Security deposits	6,045	95,782	-	-	
Acquisition of non-controlling interest	(179,756)	(152,815)	-	-	
Dividends paid to equity holders of parent	(596,105)	(3,132,708)	(596,105)	(3,132,708)	
Net cash inflow / (outflow) from financing activities	(36,256,472)	(7,859,190)	(7,202,062)	(5,781,398)	
Net increase / (decrease) in cash and cash equivalents	8,481,725	(15,997,214)	(453,691)	(395,260)	
Cash and cash equivalents at beginning of the year	(33,487,960)	(17,490,746)	(2,079,657)	(1,684,397)	
Cash and cash equivalents at end of the year	(25,006,235)	(33,487,960)	(2,533,348)	(2,079,657)	

STATEMENT OF CASH FLOWS

	Conso	lidated	Company		
For the year ended 31st March	2023	2022	2023	2022	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	
A. Cash generated from operations					
Profit before tax	42,749,068	35,716,745	2,098,166	3,506,756	
Adjustments for:					
Net finance costs	18,817,401	(1,949,219)	4,667,128	2,030,962	
Share of profits from Equity accounted investees	(540,978)	(226,794)	-	-	
Depreciation on Property, plant & equipment	8,052,642	6,407,181	48,623	48,585	
Impairment of Property, plant & equipment	1,448	97,620	40,023	40,303	
Depreciation of Right-of-use assets	1,639,893	1,752,023	63,833	63,832	
		-			
Change in fair value of Investment properties	(347,457)	(328,543)	(5,900)	(9,250)	
Change in fair value of agricultural produce on bearer biological assets	(17,173)	(2,511)	-	-	
Change in fair value of Biological assets	(138,628)	(67,692)			
(Gain)/loss on the disposal of Property, plant & equipment	(57,808)	(37,258)	306	6,089	
Gain on fire damages and claims	(673,025)		-	-	
Write off of property, plant & equipment	8,082	_	-	-	
Loss on the disposal of Intangible assets	173	-	-	-	
Gain on disposal of subsidiary/subsidiary shares	_	(6,592)	-	(13,111)	
Gain on the disposal of Investment properties	-	(7,378)	-	-	
Amortisation of Intangible assets	317,937	259,642	13,160	2,606	
Impairment of Goodwill	-	137,864	-	-	
Net loss on translation of foreign currency	8,559,783	12,456,930	22,578	_	
Impairment of Trade & other receivables	154,503	925,027	_	_	
Provision for unrealised profit and write-down of inventories	1,923,455	1,915,933	-	-	
Impairment/ amortisation of other non -current assets	100,386	95,904	-	-	
Gain on bargain purchase	(209,690)	(12,305)	-	-	
Provision for post employee benefit obligations	2,215,028	1,514,224	250,533	137,836	
Grants amortised	(39,608)	(37,407)	-	-	
	82,515,432	58,603,424	7,158,427	5,774,305	
	,,	,, :	1,100,100		
(Increase)/decrease in trade and other receivables and other current assets	11,564,451	(40,063,552)	(394,438)	(1,247,436)	
(Increase)/decrease in inventories	(7,045,587)	(29,456,558)	(29,042)	(5,754)	
Increase/(decrease) in trade and other payables	(16,326,252)	28,099,975	(171,036)	625,977	
microassy (decrease) in those and exher payables	70,708,044	17,183,289	6,563,911	5,147,092	
B. Analysis of cash and cash equivalents					
Cash in hand and at bank	24 177 776	27.400.656	11// 200	607777	
	24,177,336	27,409,656	1,144,208	697,773	
Short - term deposits	19,780,454	19,927,939	1,489,160	254,515	
	43,957,790	47,337,595	2,633,368	952,288	
Short-term interest bearing borrowings	(68,964,025)	(80,825,555)	(5,166,716)	(3,031,945)	
Cash and cash equivalents	(25,006,235)	(33,487,960)	(2,533,348)	(2,079,657)	