BPPL
Building Quality. Improving Life.

CYCLE OF CHANGE

BPPL HOLDINGS PLC | ANNUAL REPORT 2024/25

Contents

CYCLE OF CHANGE

BPPL HOLDINGS PLC | ANNUAL REPORT 2024/25

At BPPL Holdings, the past year was defined by progress that goes beyond numbers. Anchored in our commitment to the circular economy, we continued to transform discarded plastic into valuable products, turning waste into opportunity, and sustainability into measurable impact.

Driven by innovation, we expanded capacities, explored new markets, and advanced technologies to stay ahead of the curve. Yet at the core of everything we do lies a simple belief;meaningful change is not a single act, but an ongoing cycle of renewal, reinvention, and responsibility. Guided by our ESG framework, this philosophy strengthens accountability and ensures that every bottle recovered, every fibre spun, and every brush crafted contributes to a cycle that fuels growth, creates livelihoods, and protects the planet for generations to come.

Equally vital to our progress is the solid foundation of robust governance structures, which continue to guide our growth with integrity, accountability, and resilience. With a Board-led framework and transparent decision-making processes, we ensure integrity and accountability in all areas of operation. Our corporate governance practices go beyond compliance; they are embedded in our culture, fostering ethical leadership, stakeholder trust, and resilience as we grow.

As we look ahead, our mission remains clear to broaden our reach, deepen our impact, and lead BPPL further along a path where purpose, profit, and planet thrive together in cycles of lasting change.

ABOUT US

BPPL Holdings PLC stands at the intersection of innovation, responsibility, and sustainable growth, with a deep-rooted commitment to Environmental, Social, and Governance (ESG) principles. As a leader in eco-conscious manufacturing, our mission goes beyond business—it is about shaping a cleaner, greener, and more ethically governed future.

Our subsidiaries, Beira Brush (Private) Limited and Eco Spindles (Private) Limited, spearhead our efforts to deliver impactful change.

Beira Brush, one of Asia's most respected brush manufacturers with over 30 years of expertise, produces high-quality household, commercial, and professional cleaning tools using responsibly sourced materials. Every product reflects our dedication to quality, functionality, and environmental stewardship.

Eco Spindles has redefined recycling on a global scale. As one of only two facilities in the world capable of producing both polyester yarn and monofilaments directly from recycled plastic flakes, Eco Spindles transforms post-consumer PET bottles and waste into high-grade raw materials for textiles and cleaning tools. Our innovation extends to recycling waste fabric back into yarn, closing the loop on textile waste and accelerating the shift towards a circular economy.

Across our operations, we prioritise governance excellence, embedding transparency, accountability, and ethical value creation into every decision. Our manufacturing processes are guided by stringent environmental standards and cutting-edge technology, ensuring that we minimise our carbon footprint, reduce waste, and use resources responsibly.

We actively engage with communities and stakeholders to promote sustainable waste management, environmental conservation, and social empowerment. These initiatives strengthen our positive impact while aligning with our long-term ESG commitments.

The achievements of Beira Brush and Eco Spindles have positioned BPPL Holdings PLC as a recognised leader in sustainable manufacturing—both in Sri Lanka and internationally. Our growing influence is a testament to our vision: to integrate ESG principles into every facet of our operations while delivering innovative, eco-friendly solutions for a better world.

BPPL Holdings PLC is more than a manufacturer. We are a responsible corporate citizen, a sustainability advocate, and a driver of meaningful change. Together, we are building a cleaner, healthier, and more transparent future—for our customers, our communities, and generations to come.

GROUP STRUCTURE

BPPL Holdings PLC

Beira Brush (Pvt) Ltd
100%
Manufacturing and exporting of household and industrial cleaning products

BPPL Enterprises (Pvt) Ltd
100%
Buying and exporting

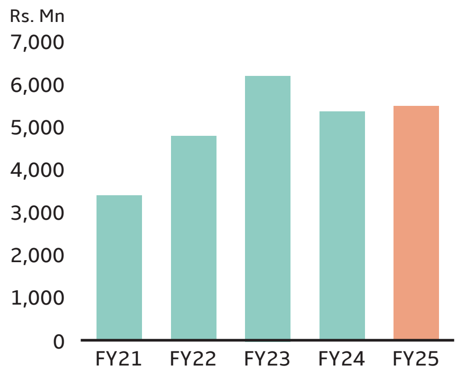
Eco Spindles (Pvt) Ltd
100%
Recycling of used PET bottles and plastics
Manufacturing of monofilaments for brush manufacturing and recycled polyester yarn for knitted fabrics for exports

Beira Brush General Trading L.L.C.
100%
Sales office – Dubai

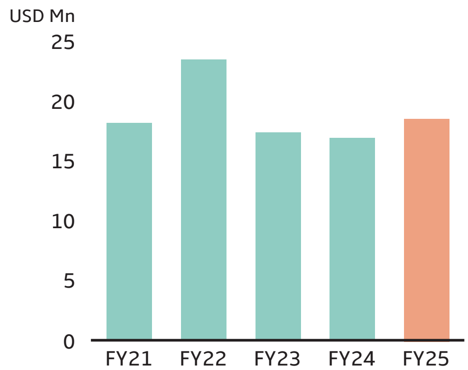
OUR GLOBAL PRESENCE

PERFORMANCE HIGHLIGHTS

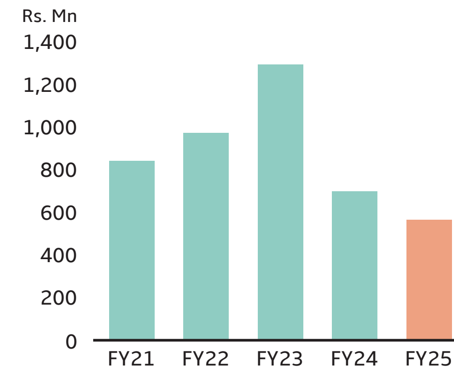
Revenue (LKR)



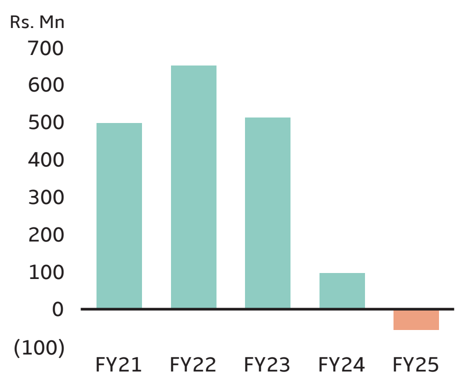
Revenue (USD)



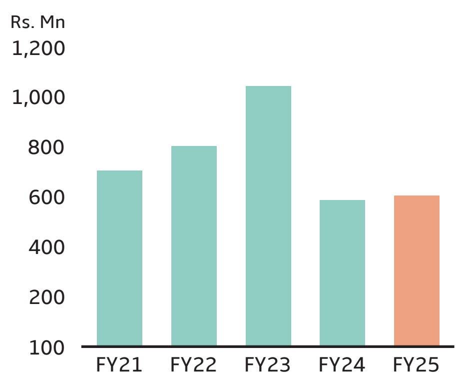
Earnings Before Interest Tax Depreciation and Amortisation (EBITDA)



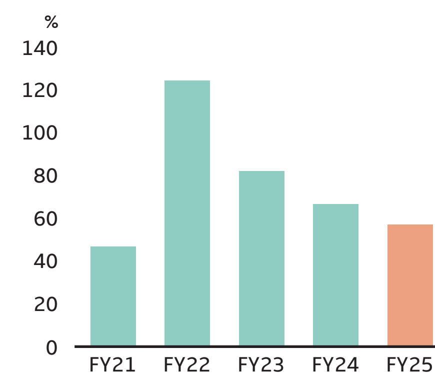
Profit After Tax (PAT)



Cash Profit



Debt-to-Equity (D/E)



CHAIRMAN'S MESSAGE

The year under review can be considered as one of consolidation, where the group revenue grew by 11% year-on-year (YoY) in US Dollar terms, together with an improvement in the combined gross operating margins

Dear Shareholder

It is with pleasure that I present the Annual Report of BPPL Holdings PLC for the year ended 31st March 2025.

The year under review can be considered as one of consolidation, where the group revenue grew by 11% year-on-year (YoY) in US Dollar terms, together with an improvement in the combined gross operating margins. The enhancement in overall gross margins were achieved despite a 6% appreciation in the Sri Lankan Rupee against the US dollar during the year. This improvement was the result of many ongoing operational improvement initiatives resulting in lower per unit operating costs, compensating for the reduction in average sales prices in Sri Lankan Rupees due to currency appreciation.

SEGMENT WISE OPERATING PERFORMANCE

The Brush segment, which accounts for over 65% of group revenue, witnessed an improvement in both its revenue and gross operating margins. The revenue from this segment has reached pre-Sri Lankan economic crisis levels, with improvement in volumes seen in both industrial as well as home care markets. The increase in cleaning products sold to the construction sector and other professional users was complemented by growth in the construction sector in North America.

The improvement in operating margins in the Brush segment on a year-on-year basis was the outcome of many operational improvement initiatives, such as reducing the cost of key input materials through import substitution and supply chain management, innovation and continuous improvement in production processes as well as favorable changes in the sales mix.

The yarn segment also witnessed an increase in sales volumes due to consistent volume allocations from our regular buyers. However, the operating margins within this sector have gradually declined over the last one to two years commensurate to the reduction in sales prices of around 30-40%, due to the availability of recycled polyester yarn imports at cheaper prices. Fabric manufacturers are also compelled to source yarn from low priced sources due to the price pressure exerted by the apparel manufacturers and consumer brands. Furthermore, the increase in cost of source materials (largely PET bottles) due to inflationary impacts and higher electricity tariffs in Sri Lanka have contributed to the decline in margins.

The monofilaments segment too performed in line with expectations, recording an increase in sales to key markets, and a gradual improvement in operating margins. We aim to enhance sales to non-captive customers by leveraging the customer base of the brush segment for monofilament sales. Sales of monofilaments to India is being re-strategized to focus on higher margin segments in order to avoid price and margin pressure from monofilaments imported to India from other sources.

GROUP FINANCIAL PERFORMANCE

A consolidated revenue of Rs. 5.9 billion was recorded for the year under review, an increase of 4% in Rupee terms from that of the previous financial year, though revenue was higher by 11% in US Dollar terms.

However, an amount of Rs. 370 million was written off in the financial year 2024/25, being the brought forward balance in the hedge reserve of the Group. As explained in previous year reviews, hedging was carried out to differ losses incurred previously on revaluation of US Dollar long-term borrowings arising due to the sharp depreciation of the Sri Lankan Rupee against the US Dollar. These hedge-related entries do not affect the operations nor the cash flow of the Group. Moreover, with this, the entirety of the brought forward hedge reserves have now been written off.

The hedge reserve write-off has been charged against the consolidated revenue in line with the requirements of Sri Lankan Accounting Standards. Accordingly, the net revenue recorded for the year under review was Rs. 5.5 billion against a comparable figure of Rs. 5.4 billion reported in the previous financial year, a growth of 2%.

Reported group EBITDA was Rs. 569 million for the financial year 2024/25 when the hedge reserve write-off and other one-off entries are included.

We feel it is prudent to review the financial performance during a period by excluding the impact of one-off items and accounting entries such as the hedge reserve write offs, as it would then provide a more accurate review of the operations and financial performance thereon.

Accordingly, an EBITDA of Rs. 992 million was recorded for the financial year 2024/25 as compared to Rs. 897 million in the previous year, an increase of 11%, when one off non-operational entries are excluded (hedge reserve write off and other one-off entries).

Given that almost the entirety of the group revenue is generated in US Dollars, exchange rate movements have a significant impact on the operations, especially when the Sri Lanka Rupee appreciates against the US Dollar. Hence, we also monitor the performance by keeping the exchange rate constant at the previous year's average, which eliminates the impact of fluctuating exchange rates.

The table below provides a summary of the EBITDA generated as reported in the annual financial statements, excluding one off items, and at a constant currency.

Rs Million	2024 / 25	2023 / 24	'% change
Group EBITDA as reported (inclusive of one-off items / hedge reserve)	569	702	-19
Group EBITDA excluding one off items / hedge reserve	992	897	+11
Group EBITDA as reported (inclusive of one-off items / hedge reserve), on a constant currency basis	977	702	+39
Group EBITDA excluding one off items / hedge reserve, on a constant currency basis	1,347	897	+50

Net earnings for the financial year 2024/25 inclusive of all one-off charges, were a negative Rs. 55 million, as compared to a positive Rs. 97 million recorded in the previous year after accounting for one-off losses and gains. As depicted in the table below, the net earnings were 16% higher than the previous year when one off entries are eliminated and would have increased by 263% if the currency remained constant, again demonstrating the significant impact of currency appreciation on operational performance.

Rs Million	2024 / 25	2023 / 24	'% change
Net earnings as reported (inclusive of one-off items / hedge reserve)	-55	97	-157
Net earnings excluding one off items / hedge reserve	311	298	+16
Net earnings as reported (inclusive of one off items / hedging reserve), on constant currency basis	352	97	+263
Net earnings excluding one off items / hedge reserve, on constant currency basis	611	298	+105

Cash profit generated for the financial year 2024/25 is Rs. 609 million, as compared to Rs. 591 million in the previous year, a growth of 3%. Cash profits, which are calculated after eliminating all non-cash entries, is the amount available for undertaking investments in fixed assets, repayment of borrowings, meeting working capital requirements, and distribution of dividends.

OUTLOOK & WAY FORWARD

At a group level, our strategy is to consolidate the existing businesses whilst generating a steady rate of growth in revenues and operating margins. Given that our businesses are exposed to external environmental risks, it is pertinent and foremost that we focus on continuously enhancing operational efficiencies as a means to sustaining profitability in the medium term. We will also explore new avenues for investment to generate higher returns on surplus funds generated, whilst maintaining a conservative level of leverage (overall debt to equity ratio) to ensure funds are deployed in an optimal manner.

The impact of the 20% tariff imposed by the United States on imports from Sri Lanka is still to be seen. Some of our customers have being using built up inventories, resulting in a slight pause to the regular ordering patterns. We aim to enhance our sales to our current customer base through continued engagement and maintaining a pipeline of new products by collaborating on new product development.

Yarn sales during the first half of the financial year 2025/26 have been stable, given that customer orders were pre-booked. However, sales during the second half are expected to be impacted by increasing price pressure from consumer brands and the availability of imported recycled yarn at much cheaper prices.

Our focus within the Yarn segment is to develop new products for non-fabric segments as well, like glove manufacturing and specialized uses by leveraging on innovation and improvements to the production processes, in order to mitigate price pressure from fabric manufacturers.

We have also strengthened the overall governance framework within the organization, improving internal controls over financial and operational processes, setting clear organizational structures and empowering management teams to perform within clearly articulated operating parameters and performance standards. Employees are empowered through a performance oriented culture and a management framework.

The strengthening of the governance structures complement the environment and social governance related processes already in place within the framework of a sustainability embedded business model.

Finally, on behalf of the Board, I take this opportunity to thank the management and staff for their commitment, the resilience demonstrated, and for swiftly responding to the many challenges posed during the year. I would also like to place on record our appreciation to our key stakeholders, our customers and suppliers, for the support extended, and being an integral part of our journey through challenging times. We thank our shareholders as well for their continued support and confidence placed on the Board and the management as we steer the Company towards achieving its strategic objectives.

I would also like to place on record, our sincere thanks to our previous Chairman, Mr. Sarath Amarasinghe, who passed away in March of this year. He was instrumental in implementing various production related initiatives over the years including our PET bottle recycling plant and phase I of our yarn spinning operation. May he rest in peace!

With best wishes,

Dr. Anush Amarasinghe
Chairman / Managing Director

MANAGEMENT DISCUSSION & ANALYSIS

REVENUE

Group revenue increased by 4% to Rs 5.9 billion in the financial year ended 31st March 2024/25 up from Rs 5.7 billion in the previous year. Group revenue increased by 11% over the previous financial year in US Dollar terms, though the appreciation of the Sri Lankan Rupee against the US Dollar resulted in a lower revenue in Sri Lanka Rupees terms upon conversion of US dollar denominated sales.

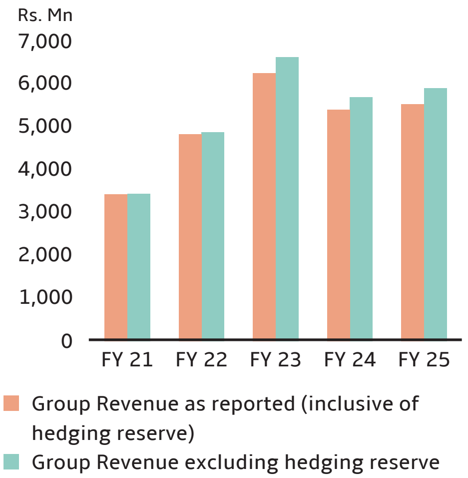
Revenues increased across all three-business segments, viz, brush, yarn and monofilaments as the operating environment remained relatively stable.

However, a brought forward balance in the hedge reserve of Rs 370 million was charged against revenue in line with requirements of the Sri Lankan Accounting standards, leading to a lower reported revenue of Rs 5.5 billion for the year under review against a comparable revenue of Rs 5.4 billion in the previous year.

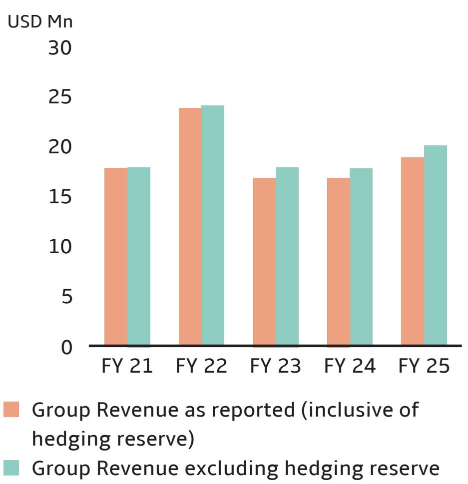
We, therefore, consider it more meaningful to review and analyse performance based on the gross revenues prior to the transfer of balances in the hedge reserve.

Revenue in US dollar terms witnessed steady growth over the last few years, recovering from the post COVID impacts and the Sri Lankan economic crisis in the 2022/23 financial year. The brush segment has performed in line with our expectations as volumes have increased across all industry sub-segments. However, and as explained in the Chairman's review, the operating environment for the yarn segment remains challenging due to price pressure stemming from customers as well as due to the presence of lower cost polyester yarn imports.

Revenue

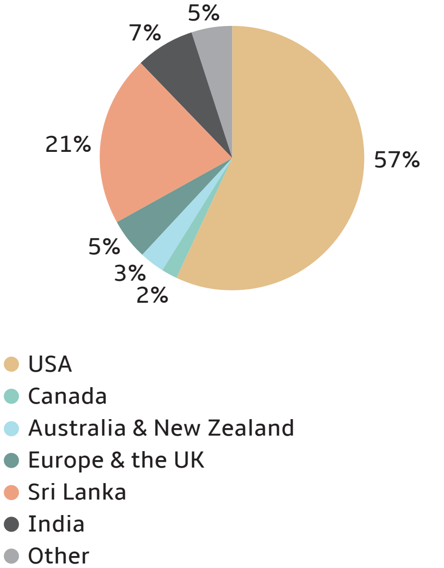


Revenue



The Unites States remain our top market contributing to 57% of Group revenue in 2024/25, whilst sales to Sri Lanka which includes indirect exports to fabric and brush manufacturers accounted for 21% of total sales. India accounts for 7% of sales, which is lower than the previous years' figure, as we have shifted focus on sale of monofilaments to other more profitable markets, as margins earned from monofilament exports to India have reduced due to price pressure from cheaper imports from other countries to that market.

Revenue by Region



PROFITABILITY

The gross profit for the 12 months under review was Rs 1.12 billion as compared to Rs 1.07 billion recorded in the previous year. The increase in gross profits was enabled by higher operating margins realized during the period due to reduction in unit costs as a result of productivity improvements. It is to be noted that the gross margins increased despite the reduction in sales prices in Sri Lankan Rupee terms resulting from the appreciation in the average currency rates vs the US Dollar during the period under review.

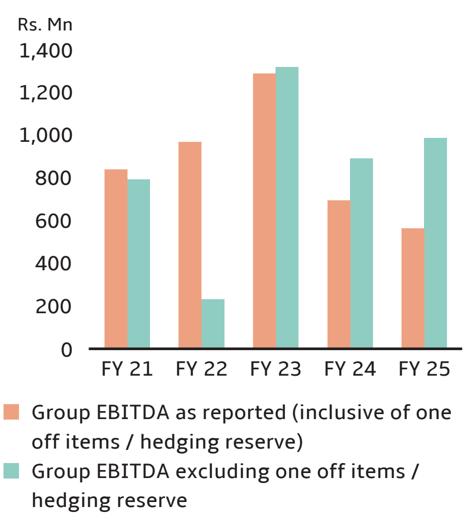
Many operational level initiatives are in place to enhance productivity and operational efficiencies which will not only safeguard our margins, but more importantly enhance our competitiveness in the key operating markets where price is a key buying factor.

An EBITDA of Rs 569 million was recorded in the year under review from operations, as compared to Rs 702 in the previous year. However, this includes the hedge reserve write-off and other one-off entries.

EBITDA generated from operations during the year excluding such one-off items is Rs 992 million, up from Rs 897 million recorded in the previous year, an increase of 11%.

The movement in EBITDA excluding one-off items and hedge reserve write-offs over the last five years is depicted in the graph below

EBITDA



Finance costs reduced to Rs 239 million from Rs 282 million recorded in the previous year, reflecting repayment of long-term loans and reduction in interest rates. We aim to further reduce finance costs through refinancing and restructuring of working capital as well as establishing long-term facilities to derive savings from prevailing lower market interest rates.

DIVIDENDS

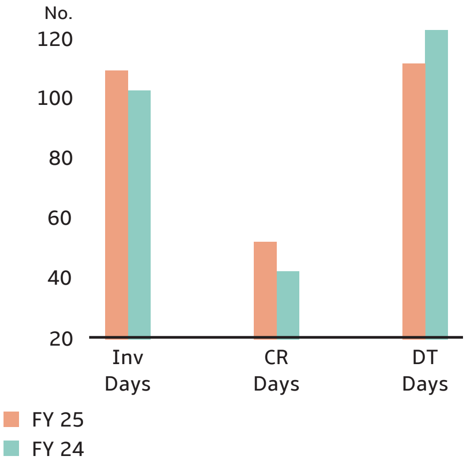
Your Board of Directors declared two interim dividends of 15 cents and 20 cents per share amounting to a total payout of Rs 107 million during the year under review, out of the cash profits generated in the previous year.

CASH AND CAPITAL

An amount of Rs 734 million was generated from operations during the year under review before payment of interest and taxes, but after accounting for changes in working capital. Inventory days increased to 90 days from 83 days as at the end of the previous financial year whilst, debtors as at the end of the year under review had improved to 92 days from 103 days at the end of the previous year.

A net cash flow of Rs 347 million was generated after payment of interest and income tax, being the amount available for investments in fixed assets, loan repayments and payment of dividends. An amount of Rs 196 million was deployed for capital expenditure and other investment activities.

Working Capital Cycle



DEBT TO EQUITY

We were able to settle part of the long-term loans as well as short-term loans through prudent utilization of surplus cash generated. Accordingly, the Group debt-to-equity ratio fell to 58% from 67% at the end of the previous financial year.

We believe that the current debt levels are sustainable given the envisaged future operating cash flows and will aim to maintain within these levels as we undertake investments in new projects through a combination of debt and own funds.

HUMAN RESOURCES DEVELOPMENT

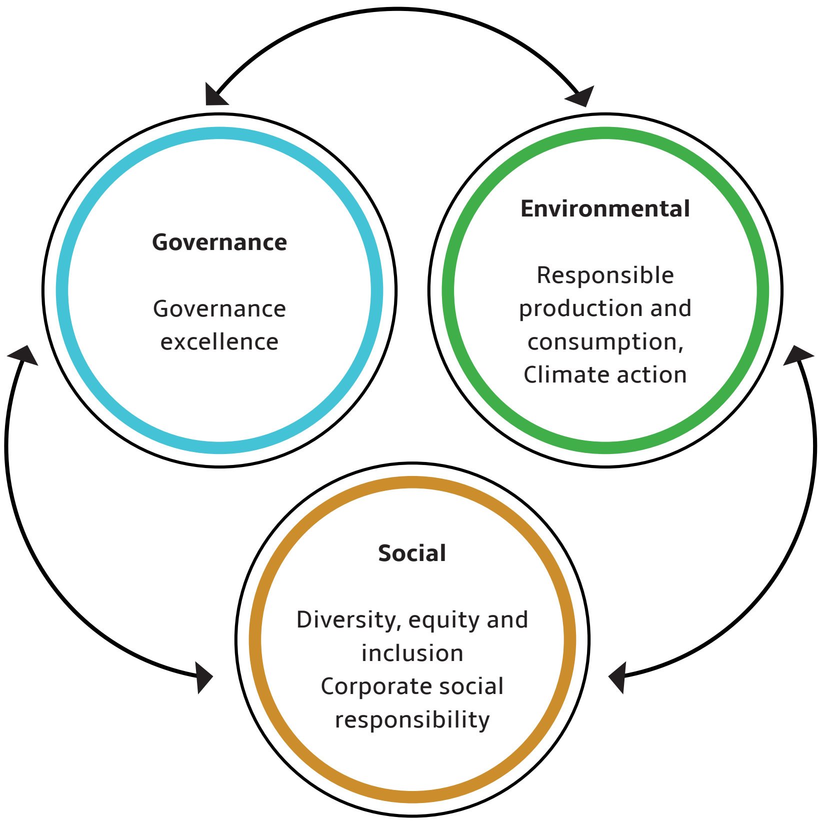
Many initiatives have been undertaken across the operating businesses to enhance employee engagement during the year, which also promotes teamwork and cooperation across different teams and functions. One of the key areas of focus is the building of a competent set of middle management handling operational and other functional areas and ensuring the presence of a clear succession-planning framework for these positions.

CYCLICAL PROGRESS

AN INTEGRATED OPERATING FRAMEWORK

SUSTAINABILITY-CENTERED OPERATING MODEL

In 2024/25, BPPL Holdings PLC, a leader in recycling and sustainable manufacturing, continued to embed sustainability at the heart of its operations. Guided by the UN Sustainable Development Goals (SDGs), our approach combines environmental stewardship, social responsibility, and robust governance to create long-term value for stakeholders.



CONNECTIVITY BETWEEN E, S, AND G

Our Environmental (E) and Social (S) initiatives are not standalone; they are directly connected to and reinforced by Governance (G). Governance provides the structure, oversight, and accountability that ensure environmental and social goals are met, measured, and continuously improved.

- **Environmental initiatives** such as PET bottle collection, renewable energy adoption, and waste reduction are governed by strict compliance protocols, sustainability reporting, and Board-level ESG review.
- **Social initiatives** like fair labour practices, DEI programmes, and community engagement are anchored in governance policies that mandate ethical conduct, equal opportunity, and transparent performance metrics.
- This integration ensures that every environmental and social action is monitored, validated, and reported with the same rigour as financial performance, aligning the organisation with both shareholder expectations and global sustainability standards.

In combining environmental leadership, social responsibility, and governance excellence, BPPL continues to strengthen its position as a purpose-driven organisation. By ensuring that ESG principles are embedded into decision-making, performance monitoring, and stakeholder engagement, we are not only delivering value today but building a sustainable foundation for the future.

GOVERNANCE FRAMEWORK

ORGANIZATIONAL STEWARDSHIP

BOARD OF DIRECTORS

MR. SARATH DAYANTHA AMARASINGHE
Chairman

DR. ANUSH AMARASINGHE
Managing Director/ Chief Executive Officer

MR. B D PRASAD DEVAPRIYA PERERA
Executive Director

MR. RANIL PRASAD PATHIRANA
Non-Executive Director

MR. MANJULA HIRANYA DE SILVA
Senior Independent Non-Executive Director

MR. SAVANTHA DE SARAM
Independent Non-Executive Director

MS. SHARMINI RATWATTE
Independent Non-Executive Director

MR. SARATH DAYANTHA AMARASINGHE

Chairman
(Deceased on 11th March 2025)

Business Experience

Mr. Sarath Dayantha Amarasinghe is a Chartered Engineer by profession. A Member of the Institute of Mechanical Engineers, UK – M I Mech E, a Member of the Institute of Marine Engineers, UK - M I Mar E and a Member of the Institute of Engineers, Sri Lanka – MIE (S.L). He is also a Member of the Institute of Chartered Engineers, UK. He counts over 35 years of service at Colombo Commercial Company (Engineers) Limited., of which he served as its General Manager/ Managing Director for a period of 10 years. He also served as Chairman/ Managing Director at Alumex Group of Companies for a period of seven years.

Other Directorships

Beira Brush (Pvt) Limited
Eco Spindles (Pvt) Limited
BPPL Enterprises (Pvt) Limited
Infinity Capital (Pvt) Limited

DR. ANUSH AMARASINGHE

Managing Director/Chief Executive Officer
(Appointed Chairman on 15th May 2025)

Business Experience

Dr. Amarasinghe holds a Bachelor of Science and a Ph.D. degree in Electronics Engineering from the Loughborough University of Technology, UK, and is a highly experienced investor with many years of hands-on business management experience.

Dr. Amarasinghe began his career as a Research Engineer at Thorn EMI Central Research Laboratories, UK where he patented two inventions on low cost, low energy consuming electronic ballasts for lighting equipment. Between 1993 and 1998, Dr. Amarasinghe worked at SG Securities as an investment research analyst and subsequently as an investment banker. He was an early investor in Millennium Information Technologies (MillenniumIT) and in 1999 joined MillenniumIT as its Chief Financial Officer. He was elected to the Board in 2001 and was appointed as its Chief Operating Officer in 2004. In 2009, MillenniumIT was sold to the London Stock Exchange Group, UK, and Dr. Amarasinghe left the company in 2012, after serving a mandatory three-year post-sale agreement.

Whilst at MillenniumIT, Dr. Amarasinghe was also a founding partner and investor in E-Channelling. Dr. Amarasinghe was also a director and an early investor in Alumex Anodising and Machine Tools (Pvt) Limited. BPPL Holdings PLC (BPPL) is Dr. Amarasinghe's most recent investment. He acquired the company in 2012.

Other Directorships

Beira Brush (Pvt) Limited
Eco Spindles (Pvt) Limited
BPPL Enterprises (Pvt) Limited
Infinity Capital (Pvt) Limited
BBL General Trading L.L.C

MR. B. D. PRASAD DEVAPRIYA PERERA

Executive Director

Business Experience

Mr. Perera, who is a science graduate with a second class from the University of Colombo and a certified Director of the Sri Lanka Institute of Directors, is the chief operating officer at Beira Brush (Pvt) Limited. Starting his career at BPPL as a Management Trainee in 1991, Mr. Perera has served the Company for 34 years in various capacities. His previous employment was at Brandix Lanka Limited, as a sectional head.

Mr. Perera also holds Director positions at Beira Brush (Pvt) Limited, Eco Spindles (Pvt) Limited and BPPL Enterprises (Pvt) Limited.

Other Directorships

Beira Brush (Pvt) Limited
Eco Spindles (Pvt) Limited
BPPL Enterprises (Pvt) Limited
BBL General Trading L.L.C

Organizational Stewardship

Board of Directors

MR. RANIL PRASAD PATHIRANA
Non-Executive director

Business Experience
Mr. Ranil Pathirana has extensive experience in finance and management in financial, apparel and energy sectors and presently serves as a Director of Hirdaramani Apparel Holdings (Private) Limited, Hirdaramani Leisure Holdings (Private) Limited and Hirdaramani Investment Holdings (Private) Limited which are the holding companies of the Hirdaramani Group. He is also the Managing Director for Hirdaramani International Exports (Pvt) Limited.

Mr. Pathirana is also the Chairman of Windforce PLC and a Non-Executive Director of Hemas Holdings PLC, BPPL Holdings PLC, Dankotuwa Porcelain PLC, Ceylon Hotels Corporation PLC.

He is a Fellow Member of the Chartered Institute of Management Accountants, UK and holds a Bachelor of Commerce Degree from the University of Sri Jayewardenepura.

MR. MANJULA HIRANYA DE SILVA
Senior Independent Non-Executive Director
(Resigned on 01st July 2025)

Business Experience
Mr. Manjula De Silva holds a BA Hons (1st Class) degree in Economics from the University of Colombo and a MBA from London Business School, UK. He is also a FCMA (UK) and a CGMA. Mr. De Silva held the positions of CEO and Managing Director at HNB Assurance PLC and Chairman at the National Insurance Trust Fund (NITF). He served as the Secretary General and CEO at the Ceylon Chamber of Commerce until 31st January 2023. He has formerly held positions at AIA Insurance, NDB Wealth Management and the Public Enterprises Reform Commission (PERC). He has also served as the Chairman of CIMA (Chartered Institute of Management Accountants) Sri Lanka Board. He was also a commission member of the Securities and Exchange Commission of Sri Lanka (SEC).

Other Directorships
Central Finance Company PLC
Tertiary and Vocational Education Commission of Sri Lanka (TVEC)
Gamani Corea Foundation

MR. SAVANTHA DE SARAM
Independent Non-Executive Director
(Resigned on 01st July 2025)

Business Experience
Savantha De Saram, is the Managing Partner of M/s D. L. & F. De Saram, Attorneys-at- Law, specialising in infrastructure, corporate restructuring, M&A, cross border financing (including project financing) and corporate and commercial law. He holds a LLB (Hons) from Holborn Law College London, and is a Barrister-of- Law (of Lincoln's Inn) and an Attorney-at- Law. He has been in practice for over 25 years. He currently serves as a Non- Executive director of Hunters & Company PLC and Windforce PLC.

Other Directorships
Hunters & Company PLC
Windforce PLC

MS. SHARMINI RATWATTE

Independent Non-Executive Director
(Resigned on 01st July 2025)

Business Experience

Ms. Sharmini Ratwatte is a Fellow member of the Chartered Institute of Management Accountants, UK and holds a Master of Business Administration from the University of Colombo.

She is currently is a Non-Executive Director at Ceylon Cold Stores PLC, a John Keells Holdings group company in consumer foods & retail. She recently assumed Non-Executive Director roles in Convenience Foods Lanka PLC, manufacturer and marketer of protein based foods in the CBL group and at the National Credit Guarantee Institution, a joint venture with the government of Sri Lanka and 13 bank and non bank financial institutions supporting growth to the MSME sector.

She also supports non profits with management input and is a Trustee of the Sunera Foundation, a non-profit organization working in theatre and arts with the differently abled. She was a former Chairperson of the Environmental Foundation Ltd - a non-profit organization working in promoting sustainable development and justice for the environment and a Founder Trustee and Chairperson of the Federation of Environmental Organisations, a non-profit organization engaging and building collaboration within the environmental space in Sri Lanka.

Sharmini has over thirty years working experience in the fields of finance and management. Previous positions include several executive C-Suite positions in the MAS Holdings group, Non-Executive Director at John Keells PLC, the tea broking arm in the JKH group. She was recognized as the Zonta "Woman of Achievement - Management" in 2004.

Other Directorships

Ceylon Cold Stores PLC
Convenience Foods Lanka PLC
National Credit Guarantee Institution (Pvt) Ltd
Trustee at Sunera Foundation

ROTATION OF DIRECTORS

The Company carried out a planned rotation of its Independent Directors in accordance with the revised listing rules of the Colombo Stock Exchange (CSE).

Accordingly, Independent Non-Executive Directors, Manjula De Silva, Sharmini Ratwatte and Savantha De Saram who have all completed nine years of service on the Board of BPPL Holdings PLC as Independent Directors, resigned from the Board on 1st July 2025.

They were replaced with three seasoned professionals as Independent Non-Executive Directors. The newly appointed directors are Dinesh Dharmadasa, Natasha Boralessa and Mohamed Adamaly, each bringing decades of experience across sustainability leadership, finance, governance, and legal affairs.

Organizational Stewardship

Board of Directors

MR. RIZAN JIFFREY
Executive Director / Chief Financial Officer

MR. DINESH DHARMADASA
Senior Independent Non-Executive Director

MS. NATASHA BORALESSA
Independent Non-Executive Director

MR. MOHAMED ADAMALY
Independent Non-Executive Director

MR. RIZAN JIFFREY

Executive Director / Chief Financial Officer
(Appointed on 01st April 2025)

Rizan Jiffrey, counts over 33 years of experience, having worked for leading local and multi-national companies in Sri Lanka, and within South East Asian region.

Rizan is a Fellow Member of the Chartered Institute of Management Accountants - UK (CIMA) and holds a M.Sc in Management from the University of Sri Jayawardenapura Sri Lanka. He is also a passed finalist of the Institute of Chartered Accountants of Sri Lanka, holds a Diploma in Marketing from the Chartered Institute of Marketing– UK (CIM), and has completed the examinations of the Australian Computer Society (ACS). Rizan is an alumnus of the executive education program at the Said Business School, University of Oxford UK.

Rizan held senior level positions within Goodhope Asia Holdings Ltd, Singapore, the overseas Oils and Fats segment of Carson Cumberbatch PLC. Rizan functioned as the Director – Processing Operations, overseeing processing plants and manufacturing operations of the Group in Malaysia and Indonesia. He was as the Director – Projects and Business Development, responsible for setting up all large-scale capacity enhancement projects & processing units in Indonesia and Malaysia. He has also provided leadership to corporate finance, strategic & corporate planning and strategic business development initiatives in new overseas locations, during his tenure with Goodhope Asia Holdings Ltd.

Most recently, he was the CEO of The Sri Lanka Institute of Directors (SLID), whilst, he has previously functioned as the Financial Controller of Kahawatte Plantations PLC, and has held senior positions within Forbes & Walker Ltd.

Rizan served on the Council of the Chartered Institute of Management Accountants (CIMA) Sri Lanka Division during the period 2005-8.

Other Directorships
Beira Brush (Pvt) Limited
Eco Spindles (Pvt) Limited
BPPL Enterprises (Pvt) Limited

MR. DINESH DHARMADASA

Senior Independent Non-Executive Director
(Appointed on 01st July 2025)

Mr. Dinesh Dharmadasa is a veteran in finance, regulatory strategy, and stakeholder relations. A Fellow of both CA Sri Lanka and CIMA (UK), he served as Director – Legal and External Affairs and Company Secretary at Ceylon Tobacco Company PLC, and later chaired the Industrial Association of Sri Lanka. Dinesh also held a board position at the Ceylon Chamber of Commerce and currently serves as a Non-Executive Director at HNB General Insurance and Expack Corrugated Cartons PLC.

MS. NATASHA BORALESSA

Independent Non-Executive Director
(Appointed on 01st July 2025)

Ms. Natasha Boralessa brings over 25 years of senior leadership experience across the apparel manufacturing sector. She most recently served as a Director at Brandix Apparel Limited, where she was responsible for ESG, governance, legal, and risk across operations in Sri Lanka, India, and Bangladesh. As a member of the Brandix Leadership Team, she played a central role in embedding sustainability and enterprise risk management into business operations, whilst publishing multiple award-winning ESG reports under global standards.

MR. MOHAMED ADAMALY

Independent Non-Executive Director
(Appointed on 01st July 2025)

Mr. Mohamed Adamaly, President's Counsel, is a distinguished legal professional with over three decades of expertise in commercial law, banking, insurance, and corporate restructuring. He has held board roles across listed and private sector companies, including Amana Bank PLC and Bogala Graphite Lanka PLC. In addition to his legal practice, Mohamed is a respected educator and communicator, with a background in marketing and a national TOYP Award winner for his contributions to drama and literature.

KEY MANAGEMENT PROFILES

MR. NALAKA SENAVIRATHNA
Chief Executive Officer –
Yarn Operations,
Eco Spindles (Pvt) Ltd

MR. PRASANTHA MALIMBADAGE
Chief Executive Officer – Recycling
Operations, Eco Spindles (Pvt) Ltd
Chief Project Officer - BPPL Holdings PLC

MR. RUWAN MALAWARAGE
Deputy General Manager –
HR & Administration,
BPPL Holdings PLC

MS. VERNEE KULARASAN
Deputy General Manager – Finance
BPPL Holdings PLC

MR. THARINDU BOKANDA
Deputy General Manager –
Yarn Operations,
Eco Spindles (Pvt) Ltd

MR. MITHILA DAYATILLEKE
Head of Sales, Beira Brush (Pvt) Ltd
Head of Sales - Monofilaments,
Eco Spindles (Pvt) Ltd

MR. NALAKA SENAVIRATHNA
Chief Executive Officer –
Yarn Operations, Eco Spindles (Pvt) Ltd

Business Experience

Mr. Nalaka Senavirathna brings over 17 years of extensive experience in the textile and apparel industry. Prior to joining Eco Spindles in March 2020, he held senior leadership positions at MAS Holdings, a globally renowned apparel manufacturer, where he led product development, innovation, and sourcing functions. He also served as the General Manager/Country Head for Unifi Inc. USA, a leading global manufacturer of PET recycled yarn. Over the course of his career, Mr. Senavirathna has collaborated with some of the world's most prestigious international brands, including Nike, Adidas, Lululemon, Decathlon, M&S, and Victoria's Secret.

He holds an MBA from the University of West London and a BSc (Chemistry Special) Hons. from the University of Colombo. In addition, he has earned an LLB from Buckinghamshire New University, UK, a Higher Diploma in Law from the University of Edhat, and an Advanced Diploma in Textile from the Sri Lanka Institute of Textile and Apparel. A Fellow Member of the Chartered Professional Managers (FCPM), Mr. Senavirathna also contributes to academia as a guest lecturer at several universities and professional institutes in Sri Lanka.

Furthering his academic and professional pursuits, he has successfully completed his Attorney-at-Law (AAL) qualification at Sri Lanka Law College with a Second Class and is currently reading for a PhD in Commercial Law at Great American University.

Key Management Profiles

MR. PRASANTHA MALIMBADAGE

Chief Executive Officer – Recycling Operations, Eco Spindles (Pvt) Ltd, Chief Project Officer - BPPL Holdings PLC

Business Experience

Mr. Malimbadage is a determined and focused leader with over 15 years of professional experience. Since joining BBPL Holdings in 2009, he has consistently demonstrated strong communication and organizational skills, a positive attitude, and the ability to adapt to any working environment. Throughout his career, Mr. Malimbadage has steadily risen through the ranks, showcasing his dedication and commitment to excellence.

Currently, Mr. Malimbadage oversees the recycling operations at Eco Spindles and new projects in the group, where he plays a pivotal role in driving efficiency and sustainability within the rganization. His expertise and leadership have been instrumental in optimizing the recycling processes and ensuring adherence to environmental standards.

Mr. Malimbadage holds an MBA from the University of Wolverhampton UK, a Masters in Manufacturing Management from the University of Colombo, a Diploma in International Trade, Shipping & Logistics from the Institute of Commercial Studies and a BSc in Applied Sciences from the Rajarata University of Sri Lanka.

MR. RUWAN MALAWARAGE

Deputy General Manager – HR & Administration- BPPL Holdings PLC

Business Experience

Mr. Malawarage is a highly accomplished professional with an extensive background in Human Resources management and administration. With over 20 years of hands- on experience in Human Resources, he brings a wealth of knowledge and expertise to his role.

Mr. Malawarage holds a BSc in Human Resources Management (Special) from the University of Sri Jayewardenepura and has further pursued his professional development by obtaining certification in Professional Human Resource from SHRM - USA.

Mr. Malawarage joined the group in August 2018. Prior to joining the organization, he has held key positions in several leading companies in the apparel and plastic industries. His strong educational foundation, combined with his extensive practical experience, enables him to effectively navigate the complex challenges of human resources management.

MS. VERNEE KULARASAN

Deputy General Manager - Finance BPPL Holdings PLC

Business Experience

Ms. Kularasan has over 28 years of experience in the field of finance. She began her career at PricewaterHouse Coopers, where she served as an Audit Senior for a period of 3 years, gaining valuable insights into financial auditing and assurance.

Since joining BPPL in 1996, Ms. Kularasan has played a pivotal role in the organization’s finance department, accumulating vast experience in all aspects of manufacturing accounts. She has also been actively involved in the preparation of final accounts for the Group, consolidating financial information and providing accurate and timely reports.

Ms. Kularasan holds a BCom from the University of Colombo. Furthermore, as an esteemed professional she is an Associate Member of the Institute of Chartered Accountants of Sri Lanka (ACA), Member of the Certified Practicing Accountants of Australia (CPA), Member of the Institute of Certified Management Accountants of Sri Lanka (CMA), and a Member of the Institute of Chartered Professional Managers of Sri Lanka (CPM).

MR. THARINDU BOKANDA

Deputy General Manager –
Yarn Operations,
Eco Spindles (Pvt) Ltd

Business Experience

Mr. Tharindu Bokanda is a result-oriented strategic and operational management specialist with over 10 years of experience in the manufacturing sector. He has served as an external lean consultant for leading companies such as Hela Clothing, Bonville, Aqua Dynamics, and Aero Dynamics. During his nine-year tenure at Stretchline (Pvt) Ltd, a subsidiary of MAS Holdings, he played a pivotal role in strategic and operational planning, driving manufacturing excellence, advancing lean transformation initiatives, and implementing specialized lean tools across the organization.

He holds an MBA from the University of Colombo and a BSc in Engineering from the University of Moratuwa. His professional development has been further strengthened through advanced training by Toyota consultants affiliated with the Toyota Engineering Corporation, coupled with exposure to world-class manufacturing facilities including Toyota Corporation in India and Hyundai Motor Corporation in China.

Mr. Bokanda is a Lean Leader Black Belt certified by the Center for Lean Excellence, Singapore, and holds the TPS Certification – Grade 4 from the TMS & TPS Certificate Institution, Japan. He is also a Certified Energy Expert under the EnMS Expert Training Program conducted by the National Cleaner Production Centre, Sri Lanka, in collaboration with UNIDO.

MR. MITHILA DAYATILLEKE

Head of Sales, Beira Brush (Pvt) Ltd
Head of Sales - Monofilaments,
Eco Spindles (Pvt) Ltd

Business Experience

With over 13 years of distinguished service at Beira Brush and Eco Spindles, Mithila Dayatilleke currently spearheads the sales operations for the Monofilament businesses of both companies. In this leadership role, he is instrumental in driving commercial growth, expanding the customer base, strengthening client partnerships, and capturing new market opportunities.

In addition to sales, Mr. Dayatilleke oversees the strategic planning of material imports, encompassing forecasting, trend analysis, and inventory management to ensure supply chain efficiency and resilience. His earlier career experience at Brandix Intimates and MAS Intimates has further enriched his expertise, equipping him with strong industry knowledge and commercial acumen.

Over the past year, he has played a pivotal role in onboarding new US-based customers and advancing innovative product developments. Looking ahead, his strategic priorities include broadening the company's international sales footprint, attracting new customers, and entering untapped markets to reinforce global competitiveness.

Mr. Dayatilleke is a Chartered Global Management Accountant (CGMA) and an Associate Member of the Chartered Institute of Management Accountants (CIMA), UK. He is also a Full Member of CPA Australia and holds a Master of Business Administration (MBA) from the University of Wolverhampton, UK.

CORPORATE GOVERNANCE COMMENTARY

The Group's framework has its own set of internal benchmarks, processes and structures towards meeting accepted best practices, in addition to the 'triggers' which ensure compliance with mandatory regulatory requirements. This framework is regularly reviewed and updated to reflect global best practices, evolving regulations, and dynamic stakeholder needs, while maintaining its foundational principles of accountability, participation and transparency.

STEWARDSHIP

Corporate governance and risk management combine to define how we conduct business at BPPL Holdings PLC. Together they form our playbook, articulating our vision, values and philosophy, providing structure for decision making at appropriate levels. Finely balanced to drive efficiency and innovation while providing sufficient safeguards to preserve value, they facilitate careful stewardship of the Company.

The Board is committed and oversees the conduct of the Company's business ethically and maintains the highest standards of Corporate Governance. The Board also ensures enhancement of stakeholders' value whilst ensuring that proper internal control systems are in place by complying with the generally accepted Corporate Governance practices such as,

- Listing Rules of the Colombo Stock Exchange (CSE)
- Companies Act No. 07 of 2007 and,
- Corporate Governance best practices stipulated jointly by the Securities & Exchange Commission (SEC) and the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

The Company's Corporate Governance framework is s designed to ensure transparency and a good governance system leading towards enhancing profitability and long-term economic and environmental sustainability.

CORPORATE GOVERNANCE STRUCTURE

The Company's Governance Framework is depicted in the following diagram.

BOARD OF DIRECTORS

- Collectively responsible for governance and provides an oversight role on performance, risk and strategic direction
- Consists of three Independent Non Executive Directors, three Executive Directors and One Non-Executive Director

↓

Internal Auditor →

BOARD SUB COMMITTEE

Audit Committee	Remuneration Committee	Related Party Transactions Committee	Nominations & Governance Committee

- In-depth focus on delegated matters in line with the Board's mandate

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GROUP MANAGING DIRECTOR

- Responsible for developing and implementing the approved strategic plan
- Leads the corporate management team

↓

CORPORATE MANAGEMENT TEAM

- Consists of business unit CEO's and functional heads
- Implements respective operational plans and manages day-to-day operations

COMPOSITION OF THE BOARD

The Board has the overall responsibility and accountability for the management of the affairs of the Company, maintenance of prudent risk management practices and safeguarding stakeholder rights. The Board is currently comprised of seven Directors consisting of three Executive Directors and four Non-Executive Directors. Out of the four Non-Executive Directors, three are independent and their independent outlook is to bring an independent view and judgment to the Board with their wide range of expertise and significant experience. There is significant balance of power, minimizing the tendency for one or few members of the board to dominate the board processes or decision making. Brief profiles of the Directors are set out on Pages 14 to 18.

Name of the Director	Executive	Non-Executive	Independent
Mr. S. D. Amarasinghe *(Deceased on 11th March 2025)*		✓	
Dr. K. A. Amarasinghe	✓		
Mr. R. P. Pathirana		✓	
Mr. M. H. De Silva *(Resigned on 01st July 2025)*		✓	✓
Ms. S. T. Ratwatte *(Resigned on 01st July 2025)*		✓	✓
Mr. S. R. Sproule De Saram *(Resigned on 01st July 2025)*		✓	✓
Mr. B. D. P. D. Perera	✓		

FIT & PROPER ASSESSMENT

The Company's fit and proper assessment for Directors and CEO is in line with the guidelines set out in the Listing Rules and includes criteria on honesty, integrity and reputation, competence and capability and financial soundness. The Directors and CEO satisfied the fit and proper assessment criteria stipulated in the Listing Rules of the CSE.

OPERATION OF THE BOARD

Board meetings are held on a quarterly basis with the flexibility to arrange ad-hoc meetings to supplement these when required. Meetings are arranged well in advance with the agenda and information relating matters set before the board circulated at least one week in advance facilitating sufficient time for due consideration of the same. The board met 4 (four) times during the year under review. The attendance of the Directors for board meetings during the financial year ended 31st March 2025 are as follows,

Name of the Director	Role	Board Meetings
Dr. K. A. Amarasinghe	ED/Managing Director/CEO	4/4
Mr. S. D. Amarasinghe *(Deceased on 11th March 2025)*	NED/Chairman	4/4
Mr. R. P. Pathirana	NED	2/4
Mr. M. H. De Silva	INED	4/4
Ms. S. T. Ratwatte	INED	4/4
Mr. S. R. Sproule De Saram	INED	4/4
Mr. B. D. P. D. Perera	ED/Director-Factory operations	4/4

SENIOR INDEPENDENT DIRECTOR (SID)

Considering that during the year, the Chairperson and the CEO are close family members, a Senior Independent Director has been appointed in terms of Section 9.6.3 of the Listing rules issued by the Colombo Stock Exchange. The Senior Independent Director also acts as the independent party to whom concerns could be voiced on a confidential basis. The Senior Independent Director is made available to discuss shareholder concerns including those of minority shareholders.

The Senior Independent Director meets with other Non-Executive Directors, without the presence of the Chairperson, at least once a year to evaluate the effectiveness of the Chairperson and has regular meetings with the other Non-Executive Directors on matters relating to the effectiveness of the Board or the Board as appropriate.

The report of the Senior Independent Director is presented in Page 31 of this report.

SUB COMMITTEES TO THE BOARD

The Board has delegated some of the functions to four Board sub committees, Audit Committee, Remuneration Committee, Related Party Transactions Review Committee, and Nominations and Governance Committee which operate within clearly defined terms of reference. Each Sub Committee consists of three Non-Executive Directors and is chaired by a Non-Executive Independent Director. Following comprises the composition during the year ended 31st March 2025.

1. Audit Committee

The Audit Committee is required to help the Company achieve a balance between conformance and performance. It is responsible for reviewing the function and process of internal controls in the Company and ensuring the effectiveness of the controls. The committee also reviews the Financial Statements of the Company to monitor the integrity of same. Furthermore, all audit activities are monitored by the committee to ensure compliance and adherence to statutory and regulatory requirements and industry best practices.

The Audit Committee updates the Board at regular intervals of the outcome of its meetings and circulates the minutes of its meetings. The Audit Committee consists of the following three Non-

Executive Directors, two of whom are Independent:

Mr. M. H. De Silva
Chairman - Non-Executive independent Director
Ms. S. T. Ratwatte
Member- Non-Executive Independent Director
Mr. R. P. Pathirana
Member - Non-Executive Director

The Company Secretary serves as its Secretary. The Board has appointed a group internal auditor to carry out the internal audit functions as directed by the Audit Committee and submit their findings. The Internal Auditor and the Chief Financial Officer (CFO) are invited to attend the meetings. Other Senior Executives are invited to attend where necessary.

The Audit Committee held four meetings for the financial year ended 31st March 2025. Audit Committee Report on Page 32 describes the activities carried out during the financial year ended 31st March 2025.

2. Remuneration Committee

Remuneration Committee ensures that the Company has well–established, formal and transparent procedures in place for developing an effective remuneration policy for both Executive and Non-Executive Directors. No Director is involved in deciding his/her own remuneration to avoid potential conflicts of Interest. The committee is also responsible for setting up the remuneration policy and providing guidelines to the Board on the overall remuneration framework (including setting performance incentives and targets) to ensure that remuneration levels are sufficient to attract and retain the caliber of professionals required for the successful management and operations of the Company. The Remuneration Committee consists of the following three Non-Executive Directors two of whom are Independent:

Mr. S. R. Sproule De Saram
Chairman - Non-Executive Independent Director
Ms. S. T. Ratwatte
Member- Non-Executive Independent Director
Mr. R. P. Pathirana
Member - Non-Executive Director

The Remuneration Committee held three meetings for the financial year ended 31st March 2025. The report on the Remuneration Committee is on Page 34 and highlights its main activities.

3. Related Party Transactions Review Committee

The Related Party Transactions Review Committee ensures that the interest of shareholders as a whole is taken into account when engaging in transactions with related parties. The Related Party Transactions Review Committee consists of the following three Non-Executive Directors two of whom are Independent:

Mr. M. H. De Silva
Chairman - Non-Executive Independent Director
Ms. S. T. Ratwatte
Member- Non-Executive Independent Director
Mr. R. P. Pathirana
Member - Non-Executive Director

The Related Party Transaction Committee held four meetings for the financial year ended 31st March 2025. The report of the Related Party Transactions Review Committee is on Page 35 and highlights its main activities.

4. Nominations and Governance Committee

In line with the recent amendments to the Listing Rules of the Colombo Stock Exchange ("CSE"), the Company constituted its Nominations and Governance Committee. The Nomination and Governance Committee of the company fulfilled its duties by overseeing the Board nomination process, succession planning, and ensuring strong governance practices. The Nominations and Governance Committee consists of the following three Non-Executive Directors two of whom are Independent:

Ms. S. T. Ratwatte
Chairperson - Non-Executive Independent Director
Mr. S. R. Sproule De Saram
Member - Non-Executive Independent Director
Mr. R. P. Pathirana
Member - Non-Executive Director

The Nominations and Governance Committee held two meetings for the financial year ended 31st March 2025. The report of the Nominations and Governance Committee is on Page 36 and highlights its main activities.

MANAGING CONFLICTS OF INTERESTS AND ENSURING INDEPENDENCE

The Company takes necessary steps to ensure that Directors avoid situations in which they have, or could have, a direct or indirect interest which conflicts with, or might possibly conflict with, the interests of the Group. In order to avoid such potential conflicts or biases, the Directors make a general disclosure of interests, at appointment, at the beginning of every financial year and during the year as required. Such potential conflicts are reviewed by the Board from time to time to ensure the integrity of the Board's independence. Details of companies in which Board members hold Board or Board Committee memberships are available with the Company Secretary for inspection by shareholders, on request.

COMPLIANCE

Statement of Compliance

The Board places significant emphasis on strong internal compliance procedures. The Financial Statements of the Company are prepared in strict compliance with the guidelines of the Sri Lanka Accounting Standards and other statutory regulations. The Board of Directors, to the best of their knowledge and belief, are satisfied that all statutory payments have been made to date.

Each of the Non-Executive Directors have submitted a declaration of their independence/non-independence pursuant to Rule 9.8.5 (a) of the Listing Rules of the Colombo Stock Exchange and the Board of Directors have made an annual determination as to the independence/non-independence of each Non-Executive Director based on their declarations pursuant to Rule 9.8.5 (b) of the Listing Rules of the Colombo Stock Exchange. Accordingly, the following Directors are determined to be Independent Non-Executive Directors:

Mr. M. H. De Silva
Ms. S. T. Ratwatte
Mr. S. R. Sproule De Saram

As a responsible organization, BPPL Holdings PLC adheres to the following regulations, code and best practices published by different Government bodies.

- Companies Act No. 7 of 2007.
- Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995
- Code of Best Practices on Corporate Governance jointly issued by the Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission of Sri Lanka.
- Corporate Governance requirements listed under Section 7 & 9 of the listing Rules Issued by the Colombo Stock Exchange
- Listing Requirements of the Colombo Stock Exchange
- Inland Revenue Act No.24 of 2017
- Foreign Exchange Act No 12 of 2017
- Customs Ordinance
- Employees Provident Fund Act No 15 of 1958
- Employees Trust Fund Act No 46 of 1980
- Payment of Gratuity Act No 12 of 1983
- Factory Ordinance No 45 of 1942
- Shop and Office employees Act No 15 of 1954
- Workman Compensation Ordinance No 19 of 1934
- Maternity Benefits Ordinance No 32 of 1939

Key Internal Policies

- Policy on the matters relating to the Board of Directors
- Policy on Board Committees
- Policy on Corporate Governance, Nominations and Re-election
- Policy on Remuneration
- Policy on Internal Code of Business conduct and Ethics for all Directors and employees
- Policy on Risk management and Internal Controls
- Policy on Relations with Shareholders and Investors
- Policy on Environmental, Social and Governance Sustainability
- Policy on Control and Management of Company Assets and Shareholder Investments
- Policy on Corporate Disclosures
- Policy on Whistleblowing
- Policy on Anti-Bribery and Corruption

STATEMENT OF COMPLIANCE WITH THE CONTINUING LISTING REQUIREMENTS SECTION 7.6 - CONTENT OF THE ANNUAL REPORT, ISSUED BY THE COLOMBO STOCK EXCHANGE

Rule	Requirement	Compliance Status	Disclosure Reference
7.6 (i)	Names of persons who were Directors during the financial year	In Compliance	Board of Directors
7.6 (ii)	Principal activities of the entity and its subsidiaries during the year, and any changes therein	In Compliance	Management Discussion and Analysis, Annual Report of the Board of Directors and Financial Statements
7.6 (iii), (iv)	Twenty largest Shareholders, float adjusted market capitalization, public holding percentage, number of public shareholders and minimum required public shareholding	In Compliance	Investor Information
7.6 (v)	Directors' and CEO's (MD's) holding in shares at the entity at the beginning and end of the Financial year	In Compliance	Note 29.4 to the Financial Statements
7.6 (vi)	Material foreseeable risk factors of the entity	In Compliance	Risk Management and Risk Heat Map
7.6 (vii)	Details of material issues pertaining to employees and industrial relations of the Entity	In Compliance	Annual Report of the Board of Directors
7.6 (viii)	Extents, locations, valuations, number of buildings	In Compliance	Note 4.4, 4.5 and 4.6 to the Financial Statements
7.6 (ix)	Number of shares representing the Entity's stated capital	In Compliance	Investor Information
7.6 (x)	Shareholder Distribution Schedule including percentage of total holding in given categories	In Compliance	Investor Information
7.6 (xi)	Ratios and Market Price Information	In Compliance	5 Year Summary and Investor Information
7.6 (xii)	Changes in Entity's and subsidiaries' fixed assets and market value of land	In Compliance	Note 4 and Note 5 to the Financial Statements
7.6 (xiii)	If during the financial year the entity has raised funds either through a public issue, rights issue or private placement	Not Applicable	The Company had no public issue, rights issue or private placement during the year under review
7.6 (xiv)	Information in respect of employee share ownership or stock option schemes	Not Applicable	The Company has no share option/ purchase schemes made available to its employees
7.6 (xv)	Disclosures pertaining to Corporate Governance practices in terms of Section 9 of the Listing Rules	In Compliance	Corporate Governance Commentary
7.6 (xvi)	Related party transactions exceeding 10% of Equity or 5% of total assets of the Entity as per audited financial statements, whichever is lower	In Compliance	Note 29.2 to the Financial Statements and Report of the Related Party Transactions Review Committee
7.6 (xvii) to (xxi)	Disclosures pertaining to Foreign Currency denominated Securities, Sustainable Bonds, Perpetual debt Securities, Infrastructure Bonds and/or Shariah Compliant Debt Securities listed on the CSE	Not Applicable	The Company had no Foreign Currency denominated Securities, Sustainable Bonds, Perpetual debt Securities, Infrastructure Bonds and/or Shariah Compliant Debt Securities listed on the CSE

STATEMENT OF COMPLIANCE WITH THE CONTINUING LISTING REQUIREMENTS SECTION 9 – CORPORATE GOVERNANCE, ISSUED BY THE COLOMBO STOCK EXCHANGE

Rule	Requirement	Compliance Status	Extent of Compliance
9.1.3	Statement confirming the extent of compliance with the Corporate Governance Rules	In Compliance	The extent of compliance with Section 9 of the Listing Rules of the Colombo Stock exchange on Corporate Governance Rules is presented in this table
9.2.1	The Company shall establish and maintain the policies and disclose the fact of existence of such policies together with the details relating to the implementation of such policies by the Company on its website	In Compliance	The Company has implemented the policies, which have been disclosed on the Company website along with information regarding their existence and implementation details
9.2.2	Any waivers from compliance with the Internal Code of business conduct and ethics or exemptions granted	Not Applicable	There has been no waivers from compliance with the Internal Code of business conduct and ethics or exemptions granted
9.2.3 (i)	List of policies in place as per Rule 9.2.1, with reference to website	In Compliance	The Company has published the information in the corporate website
9.2.3 (ii)	Any changes to policies adopted	Not Applicable	There has been no changes to the policies throughout the year
9.3.1	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	In Compliance	The said Committees have been established with written Terms of Reference and the composition in line with the requirements under the Rules
9.3.3	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	In Compliance	The Chairperson of the Board of Directors is not the Chairperson of any Board Committees referred to in Rule 9.3.1 above
9.4.2	a) The policy on effective communication and relations with shareholders and investors b) The contact person for such communication c) The policy on relations with shareholders and investors on the process to make all Directors aware of major issues and concerns of shareholders	In Compliance	The company has established a policy to effectively communicate with shareholders and investors, which is outlined in both the Annual Report and on the website
9.5.2	Confirmation on compliance with the requirements of the Policy on matters relating to the Board of Directors. If non-complied reasons for the same with proposed remedial action	In Compliance	The Company has adopted policies, along with information regarding the Board composition, the roles of the Chairperson and CEO, as well as other requirements as per Rule

Corporate Governance Commentary

Rule	Requirement	Compliance Status	Extent of Compliance
9.6.2	The Chairperson of every Listed Entity shall be a Non-Executive Director and the position of the Chairperson and CEO shall not be held by the same individual, unless otherwise a SID is appointed by such Entity in terms of Rule 9.6.3 below		A new Chairperson was appointed with effect from 15th May 2025, who is also the CEO (Profile of the Chairperson is provided on page 15) A Senior Independent Non-Executive Director has been appointed.
9.6.3	Report of Senior Independent Director demonstrating the effectiveness of duties	In Compliance	Statement by the Senior Independent Director
9.6.4	Rationale for appointing Senior Independent Director	In Compliance	Statement by the Senior Independent Director
9.7.5 (a)	A statement on Directors and CEO satisfying Fit and Proper Assessment Criteria	In Compliance	Corporate Governance Commentary
9.7.5 (b)	Any non-compliance/s by a Director and/or the CEO with the Fit and Proper Assessment Criteria and the remedial action taken.	Not Applicable	No non-compliances were reported during the year
9.8.5	Names of Directors determined to be 'independent'	In Compliance	Corporate Governance Commentary
9.9	Alternate Directors	Not Applicable	No Alternate Directors appointed during the financial year
9.10.4	Directors Details a) Name, qualifications and brief profile	In Compliance	a) Board of Directors
	b) Nature of his/her expertise in relevant functional areas		b) Board of Directors
	c) Whether either the Director or Close Family Members has any material business relationships with other Directors		c) Based on the individual declarations obtained from the Directors, it was evident that none of the Directors or their close family members have material business relationships with other Directors of the Company.
	d) Whether Executive, Non-Executive and/or independent Director		d) Board of Directors
	e) Total number and names of companies in Sri Lanka in which the Director concerned serves as a Director and/ or KMP stating whether listed or unlisted, whether functions as executive or non-executive (If the directorships are within the Group names need not be disclosed)		e) Board of Directors
	f) Number of Board meetings attended		f) 'Operation of the Board' of Corporate Governance Commentary
	g) Names of Board Committees in which the Director serves as Chairperson or a member		g) 'Sub Committees to the Board' of Corporate Governance Commentary
	h) Attendance of board committee meetings		h) Committee Reports
	j) Terms Of Reference and powers of Senior Independent Director		i) Statement of Senior Independent Director

Rule	Requirement	Compliance Status	Extent of Compliance
9.11.6	Nominations and Governance Committee Report signed by Chairperson Nominations and Governance Committee Report shall include the disclosures referred to in 9.11.6	In Compliance	Report of the Nominations and Governance Committee
9.12.8	Remuneration Committee Report a) Names of chairperson and members with nature of directorship b) Remuneration Policy c) The aggregate remuneration of the Executive and Non-Executive Directors	In Compliance	Report of the Remuneration Committee and Note 30.3 to the Financial Statements
9.13.5	1) The Audit Committee shall prepare an Audit Committee Report which shall be included in the Annual Report 2) The Audit Committee Report shall contain the disclosures referred to in 9.13.5 (2)	In Compliance	Report of the Audit Committee
9.14.8 (1)	Related Party Disclosures Non-recurrent Related Party Transactions exceeding 10% of the Equity or 5% of the Total Assets, whichever is lower (in the specified format)	Not Applicable	There were no non-recurrent Related Party Transactions which in aggregate value exceeds 10% of the equity or 5% of the total assets, whichever is lower of the Group as per Financial Statements
9.14.8 (2)	Recurrent Related Party Transactions exceeding 10% of the gross revenue/income (in the specified format)	In Compliance	Note 29.2 to the Financial Statements and Report of the Related Party Transactions Review Committee
9.14.8 (3)	Related Party Transactions Review Committee Report • Names of the Directors comprising the Committee • Statement that committee has reviewed RPTs and communicated comments/observations to the Board • Policies and procedures adopted by the Committee	In Compliance	Report of the Related Party Transactions Review Committee
9.14.8 (4)	Affirmative declaration by the Board of Directors on compliance with RPT Rules or negative statement to that effect	In Compliance	Annual Report of the Board of Directors
9.16	Additional disclosures by Board of Directors Declaration on the following: • All material interests in contracts and have refrained from voting on matters in which they were materially interested • Reviewed the internal controls covering financial, operational and compliance controls and risk management and obtained reasonable assurance of their effectiveness and successful adherence and, if unable to • make any of these declarations an explanation on why it is unable to do so; • Made themselves aware of applicable laws, rules and regulations and are aware of changes particularly to Listing Rules and applicable capital market provisions; • Disclosure of relevant areas of any material non-compliance with law or regulation and any fines, which are material, imposed by any government or regulatory authority in any jurisdiction where the Entity has operations	In Compliance	Annual Report of the Board of Directors

CULTURE AND CONDUCT

The Board is bound by the Code of Conduct and Ethics for Directors, and remains responsible for integrating a culture of fair, ethical conduct across the Group. The Board of Directors sets the tone for strong business ethics and the highest levels of integrity, embedding principles that cascade down from the top to reach every level of the organization. The Board leads by example, and therefore sets clear expectations with respect to the culture, values and behaviour of the Group's employees. All employees are required to follow the Group's Code of Conduct. The following ethic-specific topics are described under the Code of Conduct:

Non Discrimination and Equal opportunities	Anti-bribery and Corruption Policy	Grievance Handling Policy and Procedure	Prevention of Harassment and Bullying
BPPL places a significant importance on the need to provide equal opportunities to everyone since inception. It strives to be viewed as a workplace that is home to a diverse pool of people regardless of ethnicity, religion, gender, physical appearance, and cultural differences.	The policy articulates the framework in place to prevent bribery and corruption within the organization. The following aspects are covered therein. Company Personnel are prohibited from giving or offering bribes, kickbacks, or similar payment or consideration of any kind, whether at home or abroad, to/from any person or entity. Compliance with this Policy and laws is a condition of continued employment or association with BPPL, and violations will not be tolerated – any alleged breach will be investigated and disciplinary action taken as appropriate. The policy is applicable to all Directors, consultants and employees without exception. The business partners and third parties who act on behalf of the Company are aware of the guidelines set out in the Company's Anti-Corruption Policy and are required to adhere to the same.	Maintain an open-door policy where grievance is concerned, by making a general invitation to all employees, to walk in at any time and speak over the grievances with the person/ persons concerned. All appropriate procedures are in place to conduct independent investigations into incidents reported.	Workplace Anti-Harassment policy and Code of conduct reaffirmed a safe and healthy working environment for all employees. The Company believes that any form of sexual harassment can adversely impact both the individual and the organization and does not tolerate any form of harassment to its employees. Awareness of the Company Anti-Harassment and bullying Policy is created regularly through internal communication tools to all employees. The employees are able to report an incident confidentially to a committee member, and if warranted an investigation will be carried out on the matter.

STATEMENT BY THE SENIOR INDEPENDENT DIRECTOR

This Statement is presented in compliance with the requirements set out in Section 9.6.3(e) of the revised Listing Rules on Corporate Governance of the Colombo Stock Exchange ("CSE"), as a practice of good governance.

The requirement of appointing a Senior Independent Director to BPPL Holdings PLC ("the Company") during the year ended 31st March 2025, has arisen in terms of Section 9.6.3 of the Listing rules issued by the Colombo Stock Exchange, which requires a Senior Independent Director to be appointed in the event the Chairperson and CEO are close family members.

Accordingly, the Board of Directors ("the Board") of the Company appointed Mr. M. H. De Silva (Independent, Non-Executive Director) as the Senior Independent Director of the Company on 26th October 2023. A brief profile of Mr. M. H. De Silva is given on page 16 of this Annual Report.

ROLE AND RESPONSIBILITIES OF THE SENIOR INDEPENDENT DIRECTOR

The purpose of appointing a Senior Independent Director is to provide a sounding board for the Chairperson and to act as an intermediary with independent views for other Directors as needed. A formal Terms of Reference (ToR) for the Senior Independent Director is in place.

In terms of the ToR, the Senior Independent Director shall:

- Act as the Chairman of the Board of Directors when matters concerning the Chairman are considered.
- Act as a conduit to the Board for the communication of shareholder concerns when other channels of communication are inappropriate.
- Ensure that the views of other Non-Executive Directors are given due consideration.
- Chair a Meeting of the Non-Executive Directors without the Chairperson present, at least annually, to appraise the Chairperson's performance and on such other occasions as are deemed appropriate.
- Chair the meetings of the Independent Directors, without the presence of other Directors to discuss matters and concerns relating to the Entity and the operation of the Board. The Senior Independent Director shall provide feedback and recommendations from such Meetings to the Chairperson and the other Board members.
- Make himself available to attend meetings with major Shareholders, as and when required, to listen to their views to help develop a balanced understanding of the issues and concerns of major shareholders.
- Ensure the concerns of Directors are recorded in the Board Minutes, when Directors have concerns about matters of the Company, which cannot be unanimously resolved.

With respect to the above, a Meeting of the Non-Executive Directors without the Chairman and a Meeting of the Independent Directors without the presence of other Directors, were held on 20th March 2025, to discuss matters and concerns relating to the Entity and the operation of the Board. The outcome of these discussions and the concerns have been duly communicated to the Chairman and the Board of Directors.

Manjula De Silva
Senior Independent Director
30th June 2025

REPORT OF THE AUDIT COMMITTEE

PURPOSE OF THE COMMITTEE

The Board Audit Committee is delegated authority by the Board of BPPL Holdings PLC, to provide independent oversight over the Group's financial reporting and internal control framework, reviewing compliance with legal and regulatory requirements, overseeing risk management practices, and evaluating the adequacy of the external and internal audits with a view to safeguarding the interests of the shareholders and all other stakeholders

COMPOSITION OF THE COMMITTEE

The Audit Committee consists of three Non-Executive Directors, of whom two are Independent. Mr. M. H. De Silva functions as the Chairman of the Audit Committee, whilst Ms. S. T. Ratwatte and Mr. R. P. Pathirana are the other members of the Committee. All members of the Audit Committee are Fellow members of the Chartered Institute of Management Accountants (CIMA). The Company Secretary functions as Secretary to the Audit Committee.

MEETINGS AND ATTENDANCE

The Committee met four times during the year ended 31st March 2025. The attendance of the members at these meetings is given in the table below.

Mr. M. H. De Silva	4/4
Ms. S. T. Ratwatte	4/4
Mr. R. P. Pathirana	3/4

CEO, CFO, and Group Internal Auditor are permanent invitees to all Committee meetings. Representatives of the Group's External Auditors, Messrs. Ernst & Young also attend the Audit Committee meetings when required to do so.

DUTIES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE

- Following are the key responsibilities of the Audit Committee of BPPL Holdings PLC, arising from its charter, which provides the terms of reference:
  - Ensuring that an effective Financial Reporting & Assurance framework is in place
  - Overseeing the activities of the internal audit function, and providing direction as required
  - Ensuring an effective process exists for Risk Management
  - Reviewing the External Audit process and performance of external auditors
  - Ensuring that an effective compliance monitoring and reporting framework is in place

FINANCIAL REPORTING & ASSURANCE

The Committee reviewed the financial reporting system adopted by the Group in the preparation of its quarterly and annual Financial Statements to ensure reliability of the processes and consistency of the accounting policies and methods adopted and their compliance with the Sri Lanka Financial Reporting Standards. The methodology included obtaining statements of compliance from Heads of Divisions. The Committee recommended the Financial Statements to the Board for its deliberations and approval. The Committee, in its evaluation of the financial reporting system, also recognized the adequacy of the content and quality of routine management information reports forwarded to its members.

INTERNAL AUDIT

The Committee monitors the effectiveness of the internal audit function and has empowered them to access information required to conduct their audits.

The objective of the Group Internal Audit (GIA) is to have an independent review of the system of internal controls as established by the management, its adequacy and integrity vis-à-vis objectives served, and to determine the extent of adherence to the controls by staff responsible for the function and to take corrective action where necessary.

During the year 2024/25, audits were performed covering all 8-process areas of the group. The findings and contents of the GIA reports were discussed with the relevant management staff and subsequently these audit reports were circulated to the Audit Committee and to the senior management, providing an overview of the control environment, and where relevant enabling visibility of corrective and preventive measures to be taken.

RISK MANAGEMENT

The Committee obtained and reviewed the business risk management process and procedures adopted by the Group to manage and mitigate the effects of such risks and observed that a sound risk analysis had been conducted within the Group. The key risks that could impact operations have been identified and appropriate actions have been taken to mitigate their impact to the extent possible. Key risk profile, analyzed in terms of Impact vs Likelihood, is presented from pages 38 to 41 of the annual report.

Reviews of the risk management process, internal controls, business continuity planning and information security systems are carried out and appropriate remedial actions are recommended to the board.

EXTERNAL AUDIT

The Committee held meetings with the External Auditors to review the nature, approach, scope and fees of the audit prior to the commencement of the audit, and followed up on the observations noted by the External Auditors during and after the Audit of Group Companies. Remedial action was recommended wherever necessary. The Committee has reviewed and satisfied itself on the independence and objectivity of the External Auditors, Messrs. Ernst & Young.

The current auditors, Messrs. Ernst & Young, were initially appointed as the external auditors of the Company and continue to hold that position at present. A partner rotation of the auditors takes place at periodic intervals and the last rotation took place in the year 2019/20. The Committee has recommended to the Board that Messrs. Ernst & Young - Chartered Accountants be reappointed as the independent External Auditor for the financial year 2025/26 subject to the approval of the shareholders at the Annual General Meeting (AGM) and the required resolution be put to the shareholders at the AGM.

COMPLIANCE

The Committee obtained representations from Group Companies on the adequacy of provisions made for possible liabilities and reviewed reports tabled by Group Companies certifying compliance with relevant statutory requirements. It also obtains regular updates from the internal auditor and relevant Heads of Divisions regarding compliance matters.

CONCLUSION

The Audit Committee is of the view that the Group has an effective organizational structure and a process for the implementation of Group's accounting policies and operational controls, and that it provides a reasonable assurance that the affairs of the Group are managed in accordance with Group policies, and that Group assets are properly accounted for and are safeguarded. The Committee is also of the view that the Company and its subsidiaries are able to continue to operate as a going concern.

Manjula De Silva
Chairman
Audit Committee
30th June 2025

REPORT OF THE REMUNERATION COMMITTEE

For the financial year ended 31st March 2025, the Remuneration Committee, appointed by and responsible to the Board of Directors, comprises the following members.

Name of the Director	Role	Independent	Non-Executive
Mr. S. R. Sproule De Saram	Chairman	✓	✓
Ms. S. T. Ratwatte	Member	✓	✓
Mr. R. P. Pathirana	Member		✓

MEETING ATTENDANCE

The Committee met three times during the financial year, and attendance was as follows:

Mr. S. R. Sproule De Saram	3/3
Ms. S. T. Ratwatte	3/3
Mr. R. P. Pathirana	3/3

ROLE OF THE COMMITTEE

The Committee is responsible for reviewing and recommending to the Board the Company's remuneration policy for executive staff. Details of the aggregate remuneration paid to Directors during the financial year ended 31st March 2025 are disclosed in Note 29.3 of the financial statements.

REMUNERATION POLICY

In an increasingly competitive market environment, attracting and retaining high-caliber executives remains a key challenge for the Company. The Committee considered market benchmarks, competitive positioning, and the Company's performance evaluation framework in formulating its recommendations on the overall remuneration policy.

The annual performance appraisal process and bonus calculations were carried out in accordance with proposals approved by the Committee, based on its discussions with the Management.

Savantha De Saram
Chairman
Remuneration Committee
30th June 2025

REPORT OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

BPPL Holdings PLC has complied with the relevant regulations by forming the Related Party Transactions Review Committee to ensure that the interests of all shareholders are taken into account when engaging in transactions with related parties.

The Related Party Transactions Review committee consists of three Non-Executive Directors, of whom two are Independent. The Committee is chaired by Mr. M. H. De Silva whilst Ms. S. T. Ratwatte and Mr. R. P. Pathirana are the other members of the Committee. The Company Secretary functions as Secretary to the Committee.

The Committee held four meetings during the year under review. The attendance of the Directors at Related Party Transactions Review Committee meetings for the financial year ended 31st March 2025 is given below.

Mr. M. H. De Silva	4/4
Ms. S. T. Ratwatte	4/4
Mr. R. P. Pathirana	3/4

THE POLICIES AND PROCEDURES

The group has in place a Related Party Transaction Policy whereby the categories of persons who are considered as “related parties” have been identified. Accordingly, all Executive Directors and Non-Executive Directors have been identified as the Key Management Personnel of the Company. In accordance with the Related Party Transaction Policy, self-declarations are obtained annually from each Key Management Person of the Company for the purpose of identifying parties related to them.

As per the existing practice, a detailed report on the related party transactions is submitted to the Related Party Transactions Review Committee periodically and such transactions are also disclosed to the shareholders through the Company’s financial statements. The Related Party Transactions Review Committee reinforces its functions by revisiting the Terms of Reference of the Committee and the Related Party Transactions Policy periodically and re-aligning the internal procedures and policies with the requirements thereof.

The Company’s ERP system provides complete, timely, adequate and relevant information to the Board and senior management and thereby to the Related Party Transactions Review Committee.

The Related Party Transactions Review Committee reviews the related party transactions, and their compliances and communicates the same to the Board on a quarterly basis.

Non-recurrent Related Party Transactions which in aggregate value exceeding lower of 10% of the equity or 5% of the total assets of the Group as per the Audited Financial Statements of the previous year, if any, were communicated to the Committee through the Group Company Secretaries.

Recurrent Related Party Transactions exceeding 10% of the gross revenue of the Group as per the Audited Financial Statements of the previous year, if any, were communicated to the Committee through the Group Company Secretaries.

The recurrent related party transactions entered by the Company during the financial year ended 31st March 2025 are given in note 29.2 of the financial statements.

Manjula De Silva
Chairman
Related Party Transactions Review Committee
30th June 2025

REPORT OF THE NOMINATIONS AND GOVERNANCE COMMITTEE

The Nominations and Governance Committee, appointed by the Board, is constituted in compliance with the Listing Rules and the Company's Corporate Governance framework. Governed by a Charter (Terms of Reference), it defines the Committee's mandate, functions, composition, and operative practices, reviewed annually for alignment with regulatory requirements, including Section 9.11.5 of the Listing Rules and corporate governance best practices voluntarily adopted by the Company.

The Nominations and Governance Committee consists of three Non-Executive Directors out of whom two are Independent Non-Executive Directors namely Ms. S. T. Ratwatte, Mr. S. R. Sproule De Saram and one Non-Executive Director namely Mr. R. P. Pathirana. All members of the committee were first appointed in February 2024.

The Committee is chaired by Ms. S. T. Ratwatte. The Company Secretary functions as Secretary to the Committee. The committee held two meetings during the year under review. The attendance of the Directors at Nominations and Governance Committee meetings for the financial year ended 31st March 2025 is given below.

Ms. S. T. Ratwatte	2/2
Mr. S. R. Sproule De Saram	2/2
Mr. R. P. Pathirana	2/2

ROLE AND RESPONSIBILITIES OF THE COMMITTEE

The responsibilities of the Committee encompasses the following:

- Nominations process, overlooking the appointment of executive and non-executive directors.
- Providing oversight over the processes for functioning of the Board and overall corporate governance framework of the Company.

NOMINATION RELATED RESPONSIBILITIES:

- Evaluate the appointment of Directors to the Board of Directors and Board Committees of the Company.
- Review and recommend to the Board the criteria for Board membership, including assessment of necessary and desirable competencies of Board members.
- Consider and recommend the re-appointment/re-election of current Directors and assist the Board as required to identify individuals who are qualified to become Board members (including in respect of executive Directors), having regard to: the skills, experience, expertise and personal qualities that will best complement Board effectiveness,
- Ensure that an effective induction process is in place and regularly review its effectiveness, and ensure that appropriate professional development opportunities are provided on an on-going basis for Directors.

GOVERNANCE RELATED RESPONSIBILITIES:

- Assist the Board as required in relation to the performance evaluation of the Board, its Committees and individual Directors, and in developing and implementing plans for identifying, assessing and enhancing Director Competencies.
- Review the structure, size and composition of the Board and Board Committees with regard to effective discharge of duties and responsibilities.
- Periodically review and update the corporate Governance Policies / Framework of the company in line with the listing rules of Exchange, regulatory and legal developments relating to same, as a best practice, and recommend any amendments for Board consideration.
- Receive reports from the Management on compliance with the corporate governance framework of the Company including the Company's compliance with provisions of the SEC Act, Listing Rules of the Exchange and other applicable laws, together with any deviations/non-compliances and the rational for same.

IMPLEMENTATION OF POLICIES

During the year under review, the Committee recommended twelve new policies for approval of the Board, to be implemented in terms of the recent amendments to the Listing Rules of the Colombo Stock Exchange. The Committee ensured that the Policies were uploaded on the Company website on 01st October 2024.

BOARD AND BOARD COMMITTEE EVALUATIONS

The Board of Directors performs an annual self-evaluation of its own performance and effectiveness. The Committee reviewed the results of the Board Evaluation of the Company and discussed the governing structure of the Company.

The Committee carried out a self-evaluation of the performance and effectiveness of the Committee at year-end and was satisfied that it had carried out its responsibilities in an effective manner for the year 2024/25.

GOVERNANCE PRACTICES AND COMPLIANCE WITH LISTING RULES

The Committee has reviewed the management report confirming compliance with the corporate governance framework and confirms that all applicable requirements under Section 9 of the Listing Rules have been met. The Company continues to strengthen its governance practices to promote transparency, accountability, and stakeholder confidence. A detailed statement of the Company's compliance with the Listing Rules are given in the Corporate Governance section of the Annual Report.

Ms. Sharmini Tamara Ratwatte
Chairperson
Nominations and Governance Committee
30th June 2025

RISK MANAGEMENT

The risk management system of BPPL Holdings PLC, is structured to identify and control the risks specific to the industry in which it operates as well as general risks applicable to all entities. Therefore, appropriate systems, policies and procedures are in place in all areas of management and they are periodically reviewed to ensure adequacy and adherence. In the current business environment, change has become the norm rather than the exception. By managing threats to the business, in a changing environment effectively, particularly the major threats that may affect our business plans and strategic objectives, we are able to protect or enhance our key assets appropriately.

THE MAIN THREATS TO THE BUSINESS ARE IDENTIFIED.

Thereafter, each threat is assessed for potential impact and likelihood of occurring to quantify the associated risk. A risk Heat Map is then used to plot the risk associated with each threat. The horizontal axis shows the likelihood of a given threat occurring, that is, the likelihood that the threat will materialise and become an issue. The vertical axis shows the potential impact that the threat will have on the objective or goal not being achieved should it materialise. The associated risks are then quantified and the colour coded according to the level of risk

<table>
<tr><th>Risk Category</th><th>Risk Element</th><th>BPPL's Mitigating Measures</th></tr>
<tr><td rowspan="4">Risk on Financial Capital</td><td>1. GLOBAL INTEREST RATE RISK
Arising due to sensitivity to interest rate changes<table><tr><th colspan="2">Assessment</th></tr><tr><td>Impact</td><td>Major</td></tr><tr><td>Likelihood</td><td>Almost certain</td></tr></table></td><td>Effective management of working capital
Maintain a proper mix of fixed and floating rates
Continuous discussions with banks to resolve issues
Operating within a certain Debt-to-Equity Ratio</td></tr>
<tr><td>2. GLOBAL ECONOMIC RISK
Risks associated with operating in the current socioeconomic environment<table><tr><th colspan="2">Assessment</th></tr><tr><td>Impact</td><td>Major</td></tr><tr><td>Likelihood</td><td>Almost certain</td></tr></table></td><td>Diversify markets we serve to reduce concentration risk
Diversify product offering</td></tr>
<tr><td>3. FOREIGN CURRENCY RISK
Arises from exposure to foreign currency positions<table><tr><th colspan="2">Assessment</th></tr><tr><td>Impact</td><td>Major</td></tr><tr><td>Likelihood</td><td>Likely</td></tr></table></td><td>Maintain foreign currency denominated assets to hedge against liabilities
Increase export earnings and price the products in hard currencies
Close monitoring of project timelines
Continuous dialogue with banks</td></tr>
<tr><td>4. REGULATORY/COMPLIANCE RISK
Risk of generating negative goodwill, penalties or other action due to non-compliance. Risk of failure to meet regulatory requirements<table><tr><th colspan="2">Assessment</th></tr><tr><td>Impact</td><td>Major</td></tr><tr><td>Likelihood</td><td>Unlikely</td></tr></table></td><td>Close monitoring of regulatory requirements
Strong Internal Audit teams to ensure compliance
Regular third party audits</td></tr>
</table>

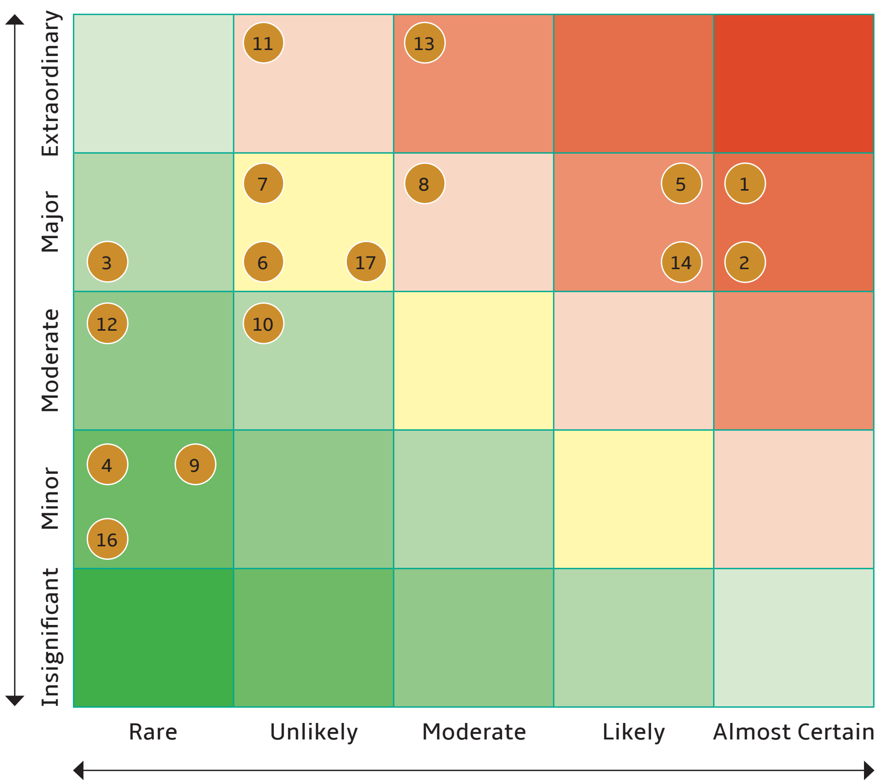
<table>
<tr><th>Risk Category</th><th>Risk Element</th><th>BPPL's Mitigating Measures</th></tr>
<tr><td rowspan="3">Risk on Financial Capital</td><td>5. FRAUD RISK
Risk of fraud resulting in losses<table><tr><th colspan="2">Assessment</th></tr><tr><td>Impact</td><td>Major</td></tr><tr><td>Likelihood</td><td>Unlikely</td></tr></table></td><td>Maintaining CT PAT compliance
Periodic inventory counts</td></tr>
<tr><td>6. LIQUIDITY RISK
Availability of funds—the Group has to be liquid and solvent to carry out its operations smoothly<table><tr><th colspan="2">Assessment</th></tr><tr><td>Impact</td><td>Major</td></tr><tr><td>Likelihood</td><td>Rare</td></tr></table></td><td>Effective treasury function to forecast fund requirements and availability
Maintain adequate working capital line
Arrange sufficient financial facilities and leverage to build organizational resilience while continuously reviewing the business model</td></tr>
<tr><td>7. RISK OF BAD DEBTS
Occurs due to settlement default by credit customers<table><tr><th colspan="2">Assessment</th></tr><tr><td>Impact</td><td>Minor</td></tr><tr><td>Likelihood</td><td>Rare</td></tr></table></td><td>Implementation of Group credit policy and strengthening relationships with creditworthy customers.
Periodic review of receivables, legal and other proactive recovery actions</td></tr>
<tr><td rowspan="2">Risk on Human Capital</td><td>8. LABOUR SHORTAGES
Reduction in skilled and un-skilled labour<table><tr><th>Assessment</th><th></th></tr><tr><td>Impact</td><td>Major</td></tr><tr><td>Likelihood</td><td>Moderate</td></tr></table></td><td>Maintaining competitive remuneration packages
Managing carrer development
A safe and peaceful work environment
Continuous training to upskill employees on new technologies, tools and good practices</td></tr>
<tr><td>9. INDUSTRIAL HEALTH AND SAFETY
Could lead to workplace accidents, penalties, negative image and hiring difficulties for future requirements<table><tr><th colspan="2">Assessment</th></tr><tr><td>Impact</td><td>Minor</td></tr><tr><td>Likelihood</td><td>Rare</td></tr></table></td><td>Complying with international health & safety standards
Focused training on health and safety to all employees
Insurance coverage to mitigate risks</td></tr>
<tr><td>Risk on Intellectual Capital</td><td>10. CONFIDENTIALITY OF INFORMATION
Loss of confidential data through security breaches<table><tr><th colspan="2">Assessment</th></tr><tr><td>Impact</td><td>Moderate</td></tr><tr><td>Likelihood</td><td>Unlikely</td></tr></table></td><td>Extensive controls and reviews to maintain security of IT infrastructure and data
Regular back up of data and off-site storage of data backup systems
Safeguard critical IT and operational assets through strict IT protocols, firewalls and business continuity plans</td></tr>
</table>

Risk Management

Risk Category	Risk Element	BPPL's Mitigating Measures
Risk on Social & Relationship Capital	**11. BUSINESS INTERRUPTION RISK** Risk of having interruptions to continuous operations **Assessment** Impact: Extraordinary Likelihood: Unlikely	• Regular fire drills, training and simulation of disaster situations to ensure uninterupted operations • Business continuity planning including implementaion of disaster recovery facilities to ensure smooth operations
	12. AVAILABILITY OF RAW MATERIALS Risk of non-availability of the local and imported raw materials **Assessment** Impact: Extraordinary Likelihood: Moderate	• Maintain adequate stock levels • Develop multiple supplier channels
	13. POLITICAL INSTABILITY Unstable political environment.Risk of not being able to carry out production due to geo-political instability **Assessment** Impact: Major Likelihood: Likely	• Stay up-to-date with policy changes • Strengthen relationships with customers inorder to provide reassurance during periods of instability
	14. SINGLE CUSTOMER / SUPPLIER Risk of having a few major customers and/or suppliers **Assessment** Impact: Moderate Likelihood: Moderate	• Diversify and increase the customer base geographically and within geographies • Widen product range inorder to widen customer base • Maintain multiple supply channels
	15. REPUTATION RISK Risk of generating negative perception due to operational issues **Assessment** Impact: Moderate Likelihood: Rare	• Close relationships to Global brands and working together with the industry association to reassure customers • Managing and improving the Group's reputation through effective public relation programmes

<table>
<tr><th>Risk Category</th><th>Risk Element</th><th>BPPL's Mitigating Measures</th></tr>
<tr><td rowspan="2">Risk on Natural & Environmental Capital</td><td>16. ENVIRONMENTAL DISTRUPTION DUE TO UNAUTHORISED WASTE DISCHARGE
Risks associated with environmental emissions and related issues
Assessment
Impact: Major
Likelihood: Unlikely</td><td>• Continuous monitoring of environmental performance and related parameters
• Strict environmental compliance followups
• Use approved chemicals with allowed dose, have proper disposal and recycling systems in the water treatment process</td></tr>
<tr><td>17. USE OF HAZARDOUS CHEMICALS
Risk of using hazardous chemicals for the production can cause health and safety issues
Assessment
Impact: Minor
Likelihood: Rare</td><td>• Ensure compliance with international environmental standards
• Maintain adequate water and effluent treatment plants
• Regular compliance audits through internal and external auditors</td></tr>
</table>

RISK HEAT MAP



Impact	Likelihood	Scaling
Insignificant	Rare	●●●● (0 of 4)
Minor	Unlikely	●●●● (1 of 4)
Moderate	Moderate	●●●● (2 of 4)
Major	Likely	●●●● (3 of 4)
Extraordinary	Almost Certain	●●●● (4 of 4)

HUMAN CAPITAL DEVELOPMENT

1. WORKFORCE COMPOSITION AND TRENDS

The table below provides an overview of the company's workforce at the end of the reporting year, highlighting changes in employee numbers across different staff grades over the past three years. It illustrates trends in workforce size, distribution, and stability, reflecting the organization's approach to maintaining an optimal balance between operational and managerial capacity.

Staff grade	2022/23	2023/24	2024/25
Senior Management	9	9	**9**
Executives	109	117	**117**
Staff	104	101	**96**
Factory floor employees (skilled,unskilled and helpers)	726	751	**708**
Management Traines	0	0	**0**
Total	948	978	**930**

2. RECRUITMENT AND TALENT ACQUISITION

This table presents the total number of new recruits during the reporting year, broken down by staff grade. It demonstrates the company's efforts to attract and retain talent across all levels, supporting both business growth and succession planning.

Staff grade	2022/23	2023/24	2024/25
Senior Management	1	0	1
Executives	11	16	22
Staff	19	23	16
Factory floor employees (skilled,unskilled and helpers)	149	182	118
Total	180	221	157

3. RECRUITMENT BY SKILL CATEGORY

The table summarizes new hires by skill category, showing the focus areas for recruitment, including technical expertise, management capabilities, and operational support. This helps to provide insight into the company's strategic approach to building a skilled and diverse workforce.

Staff grade	2022/23	2023/24	2024/25
Engineers	1	0	**1**
Management graduates	11	14	**23**
Skilled personal	33	52	**45**
Unskilled	135	155	**88**

4. LEARNING AND DEVELOPMENT

The following table outlines the scope and scale of training programs conducted during the reporting year, including total employee participation and average training hours per employee. It highlights the company's ongoing commitment to enhancing skills, fostering professional development, and promoting a culture of continuous learning.

	2022/23	2023/24	2024/25
No of employees subjected to training	Total 1,702 employee participations for all trainings	Total 1,900 employee participations for all trainings	Total 1,950 employee participations for all trainings
Number of training programs	115	120	122
Training hours per employee	3.15 hours per employee	3.15 hrs per employee	3.15 hrs per employee

5. WORKPLACE HEALTH AND SAFETY COMPLIANCE

The table below provides an overview of the company's compliance with key health, safety, and statutory regulations. It reflects the organization's dedication to maintaining a safe, secure, and legally compliant work environment for all employees.

Applicable Regulation	Status of Compliance
Shop and Office Employees Act of 1954	Fully complied
Factories Ordiance of 1942	Fully complied
Employees Provident Fund Act of 1958 (and subsequent amendments)	Fully complied
Overtime and holiday payments	Fully complied

DIVERSITY, EQUITY & INCLUSION (DEI)

The company remains committed to fostering a diverse, equitable, and inclusive workplace, with initiatives designed to promote gender parity, broaden access to professional development, and create an environment where all employees can thrive. Our DEI strategy is integrated into our human capital agenda, ensuring that diversity and inclusivity principles are embedded across recruitment, training, career progression, and leadership development.

During the reporting year, we delivered targeted learning and development programs aimed at enhancing skills and promoting equal opportunities across the organization. This included a two-day Advanced Excel training program conducted for two separate batches of staff and executive-level employees, benefitting a total of 80 participants. These sessions were designed to strengthen analytical and technical competencies, enabling employees to take on more complex and strategic responsibilities, thereby improving career growth prospects for all participants, including women and under represented groups.

Additionally, we conducted six training sessions on Teamwork, Team Building, and Effective Communication, engaging 100 participants from both factory staff and executive levels. These programs were tailored to strengthen collaboration across diverse teams, break down workplace silos, and cultivate inclusive communication practices that respect varying perspectives, cultural backgrounds, and work styles.

While gender ratio data across organizational levels is monitored to ensure balanced representation, our DEI agenda also focuses on creating pathways for under represented groups to progress into leadership roles. Although no dedicated leadership development program for such groups was launched during this reporting year, the skills-focused and collaborative learning initiatives implemented form a strong foundation for future leadership pipeline development.

By continuing to invest in skills development, fostering inclusive teamwork, and monitoring workforce representation, the company aims to build an organizational culture where diversity is valued, equity is ensured, and inclusion is a lived experience for all employees.

EMPLOYEE ENGAGEMENT AND WELFARE EVENTS

At BPPL, we recognize the importance of fostering a vibrant, inclusive, and supportive workplace culture. Throughout the year, a series of employee and family-focused events were organized across our Group companies to promote camaraderie, celebrate special occasions, and enhance the overall well-being of our employees and their families.

SINHALA AND TAMIL NEW YEAR CELEBRATION – APRIL 2024

Held at the Pasco Ground in Ingiriya, the New Year festival brought together over 1,000 employees and family members from Eco Spindles and Beira Brush. The event was filled with traditional games, cultural activities, and festive celebrations, strengthening bonds across all plants and creating a spirit of togetherness.

CHILDREN'S ART DAY – OCTOBER 2024

To celebrate the creativity and spirit of our employees' children, BPPL organized an art day filled with engaging activities. Each participant received school bags, stationery, and pen holders, reflecting our commitment to supporting education while appreciating the younger generation of our BPPL family.

INTER-FACTORY CRICKET TOURNAMENT – FEBRUARY 2025

Encouraging teamwork and sportsmanship, a cricket tournament was held at the Gamini Central College Ground in Ingiriya. Six teams comprising staff from Eco Spindles and Beira Brush showcased their talent and enthusiasm in a spirited competition, reinforcing unity through sports.



EMPLOYEE MEDICAL CAMP – 2024

A medical camp was conducted at the Ingiriya Beira Factory, where employees benefited from health checkups carried out by a team of two doctors and four nurses. This initiative underlined BPPL's commitment to safeguarding the health and wellness of its workforce.



SISU DIRI THILINA – 2024

BPPL hosted its annual educational support program, Sisu Diri Thilina, at the Ingiriya Theatre. Employees' children received essential school supplies, including complete book lists from nursery to A/L, along with vouchers for school shoes. The initiative reflects our dedication to supporting the educational aspirations and well-being of our employees' families.



Human Capital Development

ANNUAL SPORTS DAY – NOVEMBER 2024

The BPPL Welfare and Sports Society organized the Annual Sports Day at Mahinda Rajapaksha Grounds, featuring cricket matches, track events, and talent shows. Ten teams actively participated, making the day a showcase of athleticism, talent, and team spirit.

YEAR-END STAFF PARTY – DECEMBER 2024

Concluding the year, a celebratory gathering was held at Godagama Reach Hotel for the staff and executives of Eco Spindles and Beira Brush. The evening provided an opportunity for relaxation, recognition, and celebration of the year's achievements.

PRODUCT QUALITY & INTERNATIONAL STANDARDS

QUALITY, COMPLIANCE, AND GLOBAL STANDARDS

Excellence in product quality is a cornerstone of our operating model. We maintain rigorous quality control processes aligned with international standards and hold globally recognised accreditations. These practices ensure that our eco-friendly products meet the demanding specifications of global customers, while our governance framework safeguards against non-compliance and operational risks.

QUALITY CONTROL ENHANCEMENTS

At the Mawgama Plant, BPPL's quality control systems remained robust, with no major updates required during the year. Meanwhile, at Eco Spindles (Pvt) Ltd – Yarn Plant, the Built-In Quality (BIQ) initiative further strengthened process standardization. Comprehensive material and information flow charts, combined with a Quality Support Matrix and targeted problem-solving training, enhanced product quality, operational efficiency, and data transparency. Continuous improvements in problem-solving mechanisms and the development of interactive data visualization dashboards have further enabled data-driven decision-making and ongoing operational excellence.

INTERNATIONAL CERTIFICATIONS

BPPL continues to maintain internationally recognized certifications, including ISO 9001, ISO 14001, and ISO 45001, ensuring adherence to global quality, environmental, and occupational health standards. The Group has also applied for GRS certification, with the first audit successfully completed.

Eco Spindles successfully obtained additional certifications during the year:

- BIS (Bureau of Indian Standards): Confirming compliance with Indian regulatory and product quality standards.
- RCS (Recycled Claim Standard): Reinforcing traceability and responsible sourcing of recycled materials across the supply chain.

Compliance with Global Product & Sustainability Standards

BPPL and its manufacturing plants continue to integrate global quality and sustainability standards into core operations. Key practices include:

- Embedding ISO 9001 and ISO 14001 management systems into manufacturing processes.
- Conducting regular internal and external audits, with all non-conformities addressed through documented corrective actions.
- Ensuring emissions remain within legal limits and implementing waste reuse practices, such as reprocessing plastic waste into production cycles.
- Providing employees with ongoing training on sustainability practices and compliance requirements.

Through these initiatives, BPPL maintains its commitment to delivering high-quality products while adhering to evolving international standards and sustainable manufacturing practices.

ENVIRONMENTAL ACCOUNTABILITY

ENVIRONMENTAL MANAGEMENT

STRENGTHENING ENVIRONMENTAL RESPONSIBILITY

In 2024/25, BPPL further reinforced its commitment to embedding sustainability at the core of its business strategy. Long before ethical and sustainable practices became commercial priorities, we recognized the importance of environmental stewardship. Guided by a comprehensive environmental policy, we ensure that sustainability is not an isolated initiative but an integral part of our operations, decision-making, and stakeholder engagement.

GOVERNANCE AND ENVIRONMENTAL POLICY ALIGNMENT

This year, BPPL strengthened its alignment with recognized governance frameworks, ensuring that our environmental practices are not only compliant with regulations but also reflective of global best standards. Our environmental policy is designed to integrate responsibility across all business units, fostering accountability at every level of the organization. This governance-driven approach enables us to maintain transparency, uphold compliance, and drive continuous improvement in environmental performance.

Key Initiatives and Practices

- Policy Communication – Ensuring all employees and partners remain well-informed and aligned with our environmental policy.
- Capacity Building – Delivering structured training programs and sponsoring awareness initiatives to instill responsible environmental practices.
- Operational Efficiency – Implementing innovations in packaging, adopting renewable energy solutions, and optimizing processes to reduce environmental impacts.
- Regulatory Compliance – Adhering strictly to all relevant laws, standards, and stakeholder expectations.
- Performance Management – Establishing clear objectives and targets for waste reduction, pollution prevention, and continuous environmental improvements.
- Resource Conservation – Promoting the efficient use of raw materials, energy, and water while prioritizing recycling and circular practices.
- Incident Reporting – Maintaining robust mechanisms for timely reporting and response to environmental incidents.
- Stakeholder Engagement – Encouraging collaboration, knowledge sharing, and the adoption of sustainable practices across our value chain.

Our governance-backed environmental management system has fostered a culture of responsibility and accountability across all functions, ensuring that environmental awareness is embedded in our products, services, and day-to-day operations.

RESPONSIBLE PRODUCTION AND CONSUMPTION

BPPL has made significant progress in advancing responsible consumption and production, with a strong emphasis on recycling and waste management. Our nationwide PET bottle and plastic collection network supplies raw materials for high-quality polyester yarn and synthetic monofilaments used in brush manufacturing. By extending product lifecycles and maximising resource reuse, we reinforce our commitment to a circular economy and reduced environmental impact.

Circular Economy & Resource Efficiency

During the year, BPPL reinforced its commitment to circular economy principles and resource efficiency by implementing several strategic initiatives across its operations. At the recycling facilities, the mechanical label removal system was upgraded to enhance the separation of label waste from PET bottles, significantly improving the quality and purity of recovered materials. To optimize the collection of recyclable plastics in urban and semi-urban areas while reducing carbon emissions.

electric-powered three-wheelers (E-Tuks) with a carrying capacity of **80–100 kg** were introduced, with pilot operations conducted in the Wadduwa-Panadura corridor.

Complementing these efforts, a GPS-based vehicle tracking system was deployed across the transport fleet, enabling real-time monitoring, efficient route planning, and avoidance of traffic congestion. Simultaneously, the adoption of bale-form collection for recovered materials has led to over 75% of all collected plastics being transported in bale form, contributing to reduced fuel consumption, lower emissions, and improved logistics efficiency.

To improve the quality of incoming materials and maximize recycling yields, BPPL implemented structured waste segregation training programs for suppliers, supported by a monthly quality rating and evaluation system at all Material Recovery Facilities (MRFs). These initiatives have reduced contamination in the collected materials, leading to higher recycling efficiency and consistent operational standards. Significant process optimizations were also introduced in washing and flake production, particularly in dryer operations, which have enhanced yield ratios while reducing water and energy consumption.

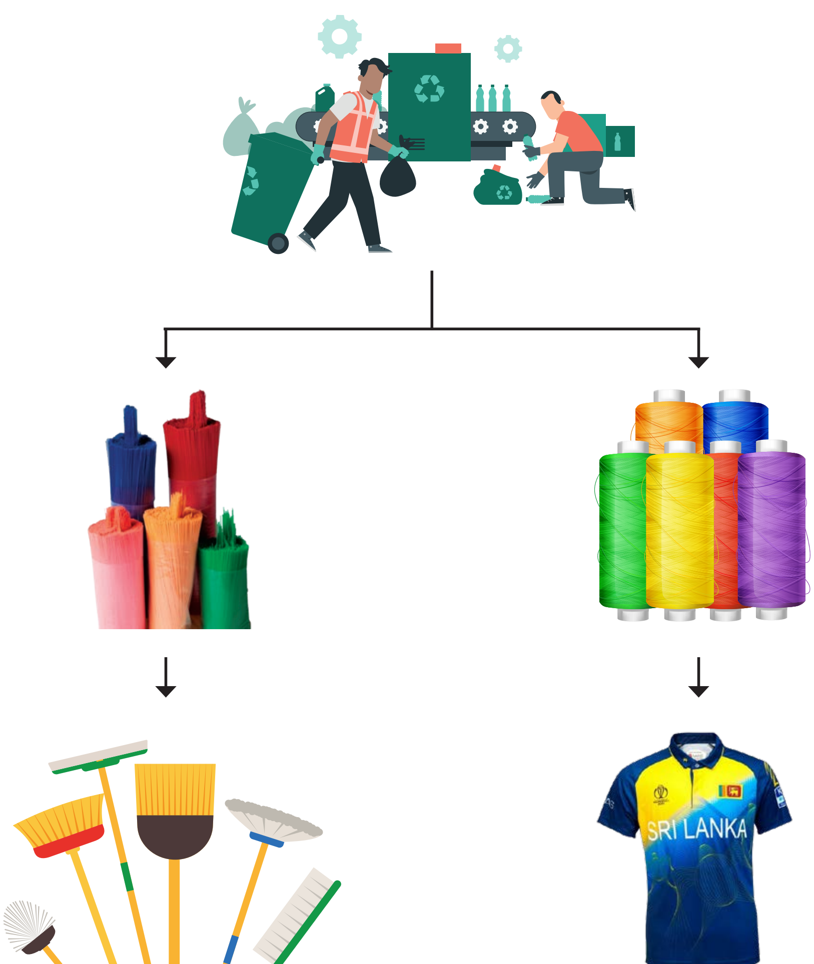
In addition, the implementation of rainwater harvesting at the recycling plant has reduced process water usage by approximately 30%

Recycling of wastewater from washing stages has further minimized effluent generation, contributing to overall water conservation. Secondary material recovery efforts have focused on non-PET outputs, such as lids and label crush, which are now pelletized and supplied to external recyclers for further processing, extending material life cycles and supporting circularity.

BPPL also made significant strides in improving product yield and quality across its polyester yarn and filament lines. At Eco Spindles (Pvt) Ltd, the Built-In-Quality (BIQ) framework was systematically applied, supported by continuous upgrades to machine hardware and software to address previously identified quality issues. Supervisors, team leaders, and production staff underwent regular training to ensure "Right Quality at First Time" across production processes. Cross-functional project teams collaborated to enhance manufacturing efficiency from flake to DTY finished goods, while close coordination with customers and masterbatch suppliers facilitated the development of innovative products, such as Eco Softflex Yarn, which expands the recycled polyester product portfolio. For filament production, new masterbatch formulations were introduced to reduce color variation defects, and process improvements, including strengthened quality inspections of incoming raw materials and the addition of a filament crushing machine, have minimized line wastage. These measures, alongside production incentives linked to yield improvements, have contributed to a consistent increase in both product quality and output.

As a result, recycled monofilaments now represent approximately 90% of total synthetic filament production, totaling 1,799,028 kg.

Outputs from PET Flakes	Volume 2022/23 (kg)	Volume 2023/24 (kg)	Volume 2024/25 (kg)
Yarn (DTY) Production	653,658	675,742	**635,814**
Filament Production	1,870,276	2,202,077	**2,023,432**



The Company also strengthened and expanded its collection network across Sri Lanka to ensure broader access to recyclable materials and support local communities. A new regional collection center was established in Sigiriya, while the Aluthgama baling center was upgraded with additional storage and baling capacity, complemented by a network of localized drop-off bins to facilitate material aggregation. The supplier base was expanded by nearly 10%, including informal sector participants, increasing collection volumes and generating new income opportunities at the grassroots level. The vehicle fleet was strengthened with additional collection vehicles, including E-Tuks specially designed for navigating narrow urban roads. Partnerships with leading corporates, including Hemas, Atlas Axilla, Sunquick, Fonterra, and Smack, as well as NGOs such as Janathakshan, enhanced collection efficiency and provided technical support to field operations. Public awareness campaigns engaged schools, private organizations, local authorities, and government institutions, promoting responsible PET waste management and recycling practices. BPPL also contributed to the BLUECAP initiative under the PLEASE project led by the South Asia Co-operative Environment Programme (SACEP), supporting community participation in sustainable plastic management and reinforcing the Company's commitment to environmental stewardship.

URBAN SUSTAINABILITY INITIATIVES

The company continues to advance urban sustainability through innovative solutions that enhance operational efficiency while supporting community empowerment. A notable initiative has been the introduction of electric bikes (e-bikes) at selected Material Recovery Facilities (MRFs). Currently deployed in Mulleriyawa, Uswetakeyyawa, Matara, Wadduwa, Anuradhapura, and Akkareipattu, these e-bikes have significantly improved short-distance collection efficiency and streamlined material handling within MRF operations.

By providing flexible and low-cost transportation for small-scale collections in densely populated urban areas and between closely located collection points, e-bikes have optimized operational workflows. The majority of these e-bikes are operated by informal sector workers and small-scale entrepreneurs, enabling them to transport recyclables more easily and cost-effectively. This initiative has delivered multiple benefits: it has reduced fuel consumption and transportation costs, improved operational efficiency, and contributed to a lower carbon footprint, demonstrating the company's commitment to environmentally responsible practices. Moreover, the initiative has empowered local community collectors by providing them with the tools to expand their livelihood opportunities, fostering entrepreneurship at the grassroots level.

Looking ahead, the company plans to scale up the e-bike program under the upcoming Green Wheels project, in collaboration with the DGB Group. This expansion will extend the initiative to key districts including Colombo, Gampaha, Kalutara, Kegalle, Kurunegala, Badulla, Galle, Matara, Anuradhapura, and Jaffna. The project is designed not only to improve material recovery efficiency across these regions but also to support community-based entrepreneurs by equipping them with the resources, training, and support needed to operate e-bikes effectively. By integrating sustainability, efficiency, and social impact, this initiative exemplifies the company's holistic approach to urban sustainability, reinforcing its commitment to environmental stewardship and community development.

MATERIAL RECOVERY FACILITIES (MRFS)

During the 2024/25 period, no new Material Recovery Facilities (MRF) were launched.

However, a new bailing site, Golden Pet Company, was established in Jaffna through a collaborative effort with JT and Coca-Cola

The MRF established in Colombo and Ampara in previous years continued to deliver substantial operational and community benefits. These facilities enabled individuals to earn income by submitting waste plastic bottles, benefiting approximately 80 people in Colombo and 25 in Ampara. In addition, the MRFs and bailing sites generated local employment, creating 20 new jobs in Colombo and 2 in Ampara. MRFs contributed significantly to overall plastic waste management, accounting for around 54%–55% of the total collection. These initiatives have led to measurable improvements in plastic waste collection volumes and recycling efficiency across the regions linked to these facilities, further advancing sustainable waste management practices and community development.

MRF Name	District	MRF Implement Year	Before MRF District Collection Average Monthly (Kg)	2024 District monthly collection Average (Kg)
Rathnapura	Rathnapura	2021/02	2,917	10,000
Wadduwa	Kaluthara	2021/04	12,250	43,250
Mathara	Mathara	2022/08	3,750	27,167
Negambo	Gampaha	2022/08	29,500	70,167
Anuradhapura	Anuradhapura	2022/10	4,083	14,250
Colombo	Colombo	2023/02	57,667	60,917

PLASTIC COLLECTION AND SUSTAINABLE RESOURCE MANAGEMENT

In line with our commitment to responsible consumption, production, and sustainable development, the company has continued to make significant strides in the collection and recycling of PET bottles and other plastics.

Total No of Bottles collected through the year 2024/25	106,377,487
Total bottles collected up to today Since 2011	748,020,000

During the 2024/25 reporting year, a total of 106,377,487 PET bottles were collected, contributing to an aggregate collection of 748,020,000 bottles since the inception of the program in 2011.

Environmental Management

This demonstrates sustained growth in our recycling efforts and the effectiveness of our collection network across the country.

Breaking down the performance by plastic type, PET collection volumes have increased steadily over the past three years. In 2022/23, 1,902,203 kg of PET was collected, followed by 2,439,611 kg in 2023/24, and reaching 3,545,916 kg in 2024/25. These figures reflect a year-on-year increase, highlighting the effectiveness of ongoing awareness campaigns, operational enhancements, and community engagement initiatives.

Types of Plastics Collected	2022/23 (kg)	2023/24 (kg)	2024/25 (kg)
PET	1,902,203	2,439,611	**3,545,916**
HDPE	35,222	59,143	**53,279**
LDPE	29,711	20,923	**17,926**

These figures reflect a year-on-year increase, highlighting the effectiveness of ongoing awareness campaigns, operational enhancements, and community engagement initiatives.

The success of these initiatives is supported by a comprehensive island-wide collection network, which currently includes 9 Material Recovery Facilities (MRF) and 14 active bale sites, across the country. More than 600 registered collectors contribute to this network, ensuring efficient collection, transportation, and sorting of recyclable materials. This robust infrastructure not only enables higher collection volumes but also strengthens the company's commitment to sustainable development, environmental stewardship, and community empowerment.

Our Island wide collection network	No.
Material Recovery Facilities	9
Bale sites - Active	14
Registered collectors	600+

Through continuous expansion of collection points, engagement of grassroots-level collectors, and strategic optimization of operations,

The company is fostering a circular economy and reinforcing its role as a leader in plastic waste management.

The growth in collection volumes and operational reach underscores the company's ongoing dedication to achieving measurable environmental impact while supporting local communities through sustainable livelihood opportunities.

WASTE MANAGEMENT

During the year 2024/25, BPPL continued to prioritize effective waste management across its operations, focusing on production waste, packaging materials, and general process-related byproducts. In line with our strengthened governance practices, waste management has been integrated into our broader sustainability framework, ensuring accountability, transparency, and measurable progress.

Waste Reduction Initiatives

This year, several targeted initiatives were implemented to reduce our reliance on non-renewable and non-biodegradable materials, while minimizing overall waste volumes:

- Enhanced Waste Segregation – We reinforced the importance of systematic waste segregation through training, workshops, and ongoing awareness campaigns. This focus on proper categorization has improved the efficiency of recycling and disposal processes.
- Material Substitution – We actively explored and adopted sustainable alternatives to non-biodegradable materials, thereby lowering the environmental impact of our production.
- Governance-Driven Monitoring – In alignment with best governance practices, we introduced strict monitoring mechanisms, supported by clear performance indicators, to ensure accountability in waste management and reporting.

These initiatives reflect our ongoing commitment to reducing environmental impacts, optimizing resource usage, and embedding governance principles into every aspect of waste management.

Waste Emission Analysis (kg)

Types of Waste	Emission Volume 2022/23 (kg)	Emission Volume 2023/24 (kg)	Emission Volume 2024/25 (kg)
Polythene	75,105	10,008	19,130
Cartons	38,864	32,120	34,301
Rejected Wooden Blocks	756,820	696,070	556,810
Wood Mix Plastic Dust	47,270	59,540	63,639
Saw Dust	633,700	639,270	609,661

Alignment with ESG and Governance

BPPL's waste management strategy is a cornerstone of our broader ESG agenda, ensuring that environmental responsibility, social accountability, and governance excellence move hand-in-hand. By reducing waste emissions, strengthening segregation, and adopting circular approaches, we contribute to resource conservation while demonstrating transparency and compliance with recognized governance standards. This structured approach reinforces our commitment to sustainable growth and responsible environmental stewardship.

FOOD WASTE

In 2024/25, BPPL continued to strengthen its sustainability efforts by addressing food waste as a critical area of focus within our broader resource management strategy. Recognizing the environmental and social implications of food waste, we implemented targeted initiatives to reduce waste volumes and foster a culture of accountability across our workforce.

Initiatives and Awareness

Building on the foundation established in previous years, we launched comprehensive awareness programs to encourage employees to adopt mindful consumption practices. These included:

- Workshops and Training – Regular sessions to educate staff on the environmental impacts of food waste and practical strategies to minimize it.
- Communication Campaigns – Ongoing reminders, visual messaging, and sharing of best practices to reinforce the importance of responsible food usage.
- Governance-Backed Monitoring – Enhanced tracking mechanisms aligned with our governance practices to ensure transparency and accountability in measuring food waste performance.

These efforts reflect our continued commitment to reducing avoidable waste while promoting responsible behavior within our manufacturing plants.

Food Waste Trends

During the year under review, food waste volumes recorded a significant reduction compared to the previous year:

	Volume 2022/23 (kg)	Volume 2023/24 (kg)	Volume 2024/25 (kg)
Food waste	9,563	13,262	8,823

This 33% reduction from the previous year demonstrates the effectiveness of our targeted initiatives and improved employee engagement.

Alignment with ESG and Governance

BPPL's approach to food waste management directly contributes to our Environmental, Social, and Governance (ESG) goals. By reducing food waste, we lower our environmental footprint, strengthen operational efficiency, and reinforce a culture of responsibility among employees. Our transparent measurement systems and governance-driven reporting ensure compliance with best practices, further highlighting BPPL's commitment to embedding sustainability into every aspect of operations.

PAPER WASTE

In 2024/25, BPPL continued to focus on minimizing paper waste as part of our broader sustainability and governance-driven resource management practices. Recognizing that paper is a widely used material across documentation, packaging, and labeling processes, we have placed strong emphasis on optimizing usage, promoting recycling, and reducing reliance on paper where possible.

Initiatives to Address Paper Waste

To mitigate the environmental impact of paper usage and ensure accountability, BPPL introduced several initiatives during the year:

- Enhanced Recycling Programs – Expanded the availability of paper recycling bins across facilities to encourage proper segregation and responsible disposal.
- Awareness Campaigns – Conducted training and communication programs to raise employee awareness on mindful paper consumption and the importance of recycling.
- Process Optimization – Explored opportunities to digitize documentation and optimize workflows, thereby reducing the dependency on physical paper.
- Governance Oversight – Introduced stronger governance mechanisms, supported by performance indicators, to monitor paper waste and reinforce accountability in reporting.

These measures reflect our continued efforts to align operations with sustainable practices while embedding governance principles into everyday resource management.

Paper Waste Trends

The year under review reflected a moderate increase in paper waste, though improvements were made to control growth:

	Volume 2022/23 (kg)	Volume 2023/24 (kg)	Volume 2024/25 (kg)
Paper waste	131.3	237	**254**

The 7% increase compared to the previous year highlights the ongoing challenge of balancing operational requirements with resource efficiency, further reinforcing the importance of continuous monitoring and corrective action.

Alignment with ESG and Governance

BPPL's paper waste management approach is closely tied to our ESG commitments. By promoting recycling, digitization, and responsible consumption, we support environmental conservation, enhance operational efficiency, and ensure transparency in our practices. Through clear governance structures and performance tracking, we remain accountable to our stakeholders and committed to fostering sustainable growth.

ELECTRONIC WASTE

During the reporting year, our electronic waste footprint increased to 282 kg in 2024/25, compared to 103.85 kg in 2023/24 and 104.55 kg in 2022/23. While this reflects a rise from previous years, the increase is largely attributable to the planned replacement of aging equipment and peripherals as part of our ongoing digital infrastructure upgrades.

	Volume 2022/23 (kg)	Volume 2023/24 (kg)	Volume 2024/25 (kg)
Electronic waste	104.55	103.85	282

Our primary electronic waste streams consist of peripherals and devices used in day-to-day operations, including toners, UPS batteries, USB drives, keyboards, mice, laptop chargers, RAM drives, motherboards, and telephones.

To ensure responsible management of e-waste and minimize environmental impact, we have adopted strict disposal and recycling practices:

- Toner cartridges are returned to suppliers during new purchases, thereby reducing waste and enabling supplier-led recycling.
- All e-waste products are carefully segregated and channelled through a certified e-waste management partner to guarantee safe, compliant, and environmentally sound processing.

By embedding these measures into our operations, we continue to align with our broader ESG goals on responsible resource use and waste management, while ensuring full compliance with governance standards on environmental stewardship. This demonstrates our commitment not only to managing current waste levels responsibly but also to strengthening circular economy practices in the long term.

WATER MANAGEMENT

Water is a fundamental necessity for life, human well-being, and industrial operations. At BPPL, we remain committed to the responsible and efficient management of this critical resource. Our water usage is carefully monitored and regulated, ensuring that consumption is limited to essential manufacturing processes and the drinking and sanitation needs of our employees.

New Changes in Water Consumption – 2024/25

During the year under review, our water usage trends across different plants reflected both efficiency improvements and operational adjustments:

- Brush Plant – Ingiriya: Water consumption decreased from 8,779 m^3 in 2023/24 to 7,103 m^3 in 2024/25, marking a significant reduction of 19%.
- Eco Spindles Yarn and Recycling Plant – BOI Zone, Horana: Usage reduced from 27,528 m^3 to 17,327 m^3, a 37% decline, largely driven by operational efficiency measures and enhanced recycling of treated water.
- Eco Spindles Monofilaments Plant – Maugama: Water usage increased from 5,979 m^3 in 2023/24 to 7,486 m^3 in 2024/25, reflecting operational scaling and higher production demand.

New Implemented Key Measures

To address these changes and enhance our water management practices, BPPL introduced several governance-aligned and sustainability-focused initiatives in 2024/25:

- Advanced Monitoring Systems – Strengthened digital monitoring of water usage across plants to identify inefficiencies in real time.
- Process Optimization – Adoption of new production techniques and process improvements that reduced overall water demand.
- Water Reuse & Recycling – Expansion of treated water reuse in the initial stages of recycling operations, minimizing reliance on external sources.
- Awareness & Training – Continuous employee engagement programs to encourage responsible water usage and conservation practices.
- Governance-Driven KPIs – Establishment of transparent performance indicators under our governance framework to ensure accountability in water management and reporting.

Water Usage Analysis (m^3)

Location	2022/23	2023/24	2024/25
Brush Plant – Ingiriya	7,688	8,779	**7,103**
Eco Spindles Yarn & Recycling Plant – BOI Zone, Horana	18,015	27,528	**17,327**
Eco Spindles Monofilaments Plant – Maugama	6,477	5,979	**7,486**

Linking to Broader ESG Goals

BPPL’s water management strategy is embedded within our wider ESG agenda, directly supporting environmental conservation, community resource protection, and operational resilience. By reducing reliance on freshwater, expanding recycling practices, and setting transparent governance-driven KPIs, we not only safeguard vital resources but also ensure compliance with national and international standards.

Our actions reflect a strong culture of accountability and continuous improvement, reinforcing our commitment to governance excellence, environmental responsibility, and social well-being, and advancing BPPL’s role in shaping a sustainable future.

CLIMATE ACTION AND EMISSION MANAGEMENT

Emission Management

BPPL continues to prioritize emission management as a key area of environmental focus. In 2024/25, we pursued targeted initiatives to reduce our carbon footprint by advancing energy efficiency, optimizing water usage, and strengthening waste management practices. Our comprehensive plans are supported by specific goals and milestones designed to track progress and mitigate environmental risks.

While emission levels may fluctuate due to operational dynamics, our proactive strategies ensure steady progress toward our sustainability objectives. Through continuous monitoring, evaluation, and refinement of our practices, BPPL demonstrates its unwavering commitment to achieving long-term environmental goals and contributing meaningfully to a low-carbon future.

Throughout the 2024/25 reporting period, the company continued to demonstrate a strong commitment to environmental sustainability, reflecting its broader ESG strategy aimed at reducing environmental impact while fostering responsible business practices.

At Eco Spindles (Pvt) Ltd – Yarn Plant, Science Based Targets initiative (SBTi) goals for CO_2 Scope 1 and 2 emissions were established and closely monitored. The plant recorded actual emissions of 3,322 tons in 2024 and 1,022 tons year-to-date in 2025, against respective SBTi targets of 3,494 and 3,285 tons, illustrating consistent progress towards long-term emission reduction objectives. The total carbon footprint for the financial year, including Scope 1, 2, and 3 emissions, amounted to 3,559 tons of CO_2, reflecting ongoing efforts to reduce greenhouse gas emissions across operational processes.

The total carbon footprint for the financial year, including Scope 1, 2, and 3 emissions, amounted to 3,559 tons of CO_2, reflecting ongoing efforts to reduce greenhouse gas emissions across operational processes.

2024/2025	April	May	June	July	August	September	October	November	December	January	February	March	Average
Exported Solar Units	6562	3604	3026	2046	1373	2627	464	3736	3769	3538	7583	1998	3360.5
Electricity Demand (kwh)	57325.7	68037.64	62301.69	96067.8	92929.2	72453.28	90083.23	74078.4	56488.05	47836.2	42886.48	72553.04	69420.05

In addition to emission management, the company has made significant strides in integrating renewable energy into its operations. The Maugama Plant generated an average of 3,361 kWh per month through solar energy, contributing to a gradual reduction in reliance on conventional energy sources, while the Yarn Plant now sources 12% of its energy from renewable sources. These measures underscore the company's strategic commitment to cleaner energy solutions, supporting its long-term sustainability goals and ESG objectives.

Energy efficiency and operational optimization remain central pillars of the company's climate action initiatives. At Eco Spindles, energy management is guided by a comprehensive energy policy, with systematic efforts to enhance energy monitoring systems, implement targeted energy efficiency improvement projects, and optimize operational processes to minimize energy consumption. By embedding energy efficiency into day-to-day operations, the company not only reduces emissions but also fosters a culture of continuous improvement and environmental responsibility.

Beyond operational measures, these initiatives form part of a broader ESG framework that emphasizes environmental stewardship, social responsibility, and corporate governance. The company recognizes that proactive climate action is integral to long-term business resilience and value creation for stakeholders. Through transparent monitoring, reporting, and continuous enhancement of environmental performance, the company is actively advancing its ESG commitments, demonstrating leadership in sustainable practices and reinforcing its role as a responsible corporate citizen.

Looking ahead, the company remains committed to expanding its climate action efforts, exploring innovative technologies, and strengthening renewable energy integration, all while maintaining rigorous oversight of emission reduction targets. These initiatives collectively reflect a strategic approach to sustainability, ensuring that environmental considerations remain central to business planning and operational execution.

SOCIAL RESPONSIBILITY

SOCIAL RESPONSIBILITY

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Strengthening community livelihoods, particularly through plastic collection partnerships and income generation initiatives.

In 2024/25, the Company continued to strengthen its role as a responsible corporate citizen by implementing impactful CSR initiatives that addressed environmental sustainability, waste management, and community empowerment. These projects were designed to foster environmental stewardship, enhance public awareness on responsible consumption, and create long-term benefits for the communities we serve.

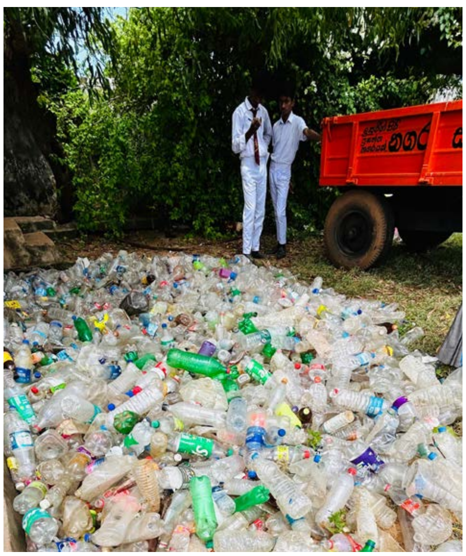
Key CSR Projects and Beneficiary Communities

1. Awareness Program on Plastic Recycling – Anula Vidyalaya, Nugegoda

In collaboration with Munchee, we conducted an educational program in September for the primary section of Anula Vidyalaya, Nugegoda. The session focused on enhancing children's knowledge of different types of plastics, their properties, and the importance of recycling. Through interactive discussions, practical demonstrations, and the presentation of sample recycled products, students were encouraged to understand the life cycle of plastics and their role in environmental protection. Following the program, our team reviewed the school's recyclable material collection center to assess progress and identify areas for improvement. Eco Spindles continues to support the school's PET plastic collection activities through this ongoing partnership.

2. Community Engagement and School Awareness Program – Chilaw

In collaboration with the Chilaw Urban Council and Negombo Recycling Club, we conducted an awareness program for students of Egodawella Kanishta Vidyalaya, Chilaw. The initiative focused on the harmful effects of plastic pollution, particularly the leakage of waste into marine ecosystems. As part of this program, students participated in a hands-on beach clean-up, collecting plastic waste for recycling. To facilitate their continued efforts, we provided durable storage bags for plastic collection.



This support was also extended to a local women's fisheries society in Chilaw, which actively engages in removing plastic waste from polluted beaches. By providing storage solutions, we enabled them to improve efficiency in their conservation work, empowering women in the community to take a lead role in environmental preservation.

3. Launch of Sri Lanka's First Electric-Powered Three-Wheeler for Plastic Collection

In partnership with the Give Back Life program of Coca-Cola Beverages Sri Lanka and VEGA Innovations, Eco Spindles introduced Sri Lanka's first electric-powered three-wheeler (e-tuk) designed specifically for collecting recyclable plastics. Converted from a conventional petrol-powered three-wheeler, the e-tuk can transport up to 75 kg of PET plastic waste and is optimized for urban collection routes.

This innovation is expected to reduce operational fuel costs, lower emissions, and improve the efficiency of waste recovery in congested urban environments. The pilot operation, managed by Eko Plasco's regional Material Recovery Facility, will focus on the Panadura–Wadduwa area. The official launch, held on March 18th at the Central Environmental Authority (CEA), was attended by the CEA Chairman, senior officials, and representatives from all partner organizations.

4. Coastal Clean-Up Initiatives

As part of our ongoing commitment to preserving marine ecosystems, BPPL continued its partnership with Parley Sri Lanka to conduct bleach clean-up campaigns along Sri Lanka's coastline. In 2024/25, clean-up activities were carried out at Iduruwa in Galle and Balapitiya, two key coastal areas impacted by waste accumulation. These initiatives not only helped remove harmful plastic and other debris from the marine environment but also raised awareness among local communities about the importance of protecting natural habitats. By engaging volunteers and community stakeholders, we reinforced the shared responsibility of safeguarding our oceans for future generations.

5. Waste Segregation Training for Suppliers

Strengthening sustainability across our supply chain remained a top priority during the year. To address challenges around waste contamination and improve recycling outcomes, BPPL's Quality Department rolled out structured training and awareness programmes for our supplier network. These sessions emphasized proper segregation at the source, which has already led to significant reductions in contamination levels of incoming material streams. As a result, recycling yields have improved, ensuring that more material is effectively recovered and repurposed. In addition, we introduced a monthly quality rating analysis system across all our Material Recovery Facilities (MRFs). This system monitors supplier performance, identifies areas for improvement, and recognizes high-performing partners, creating a culture of accountability and continuous progress within our supply chain.

6. Expansion of Regional Collection Centers

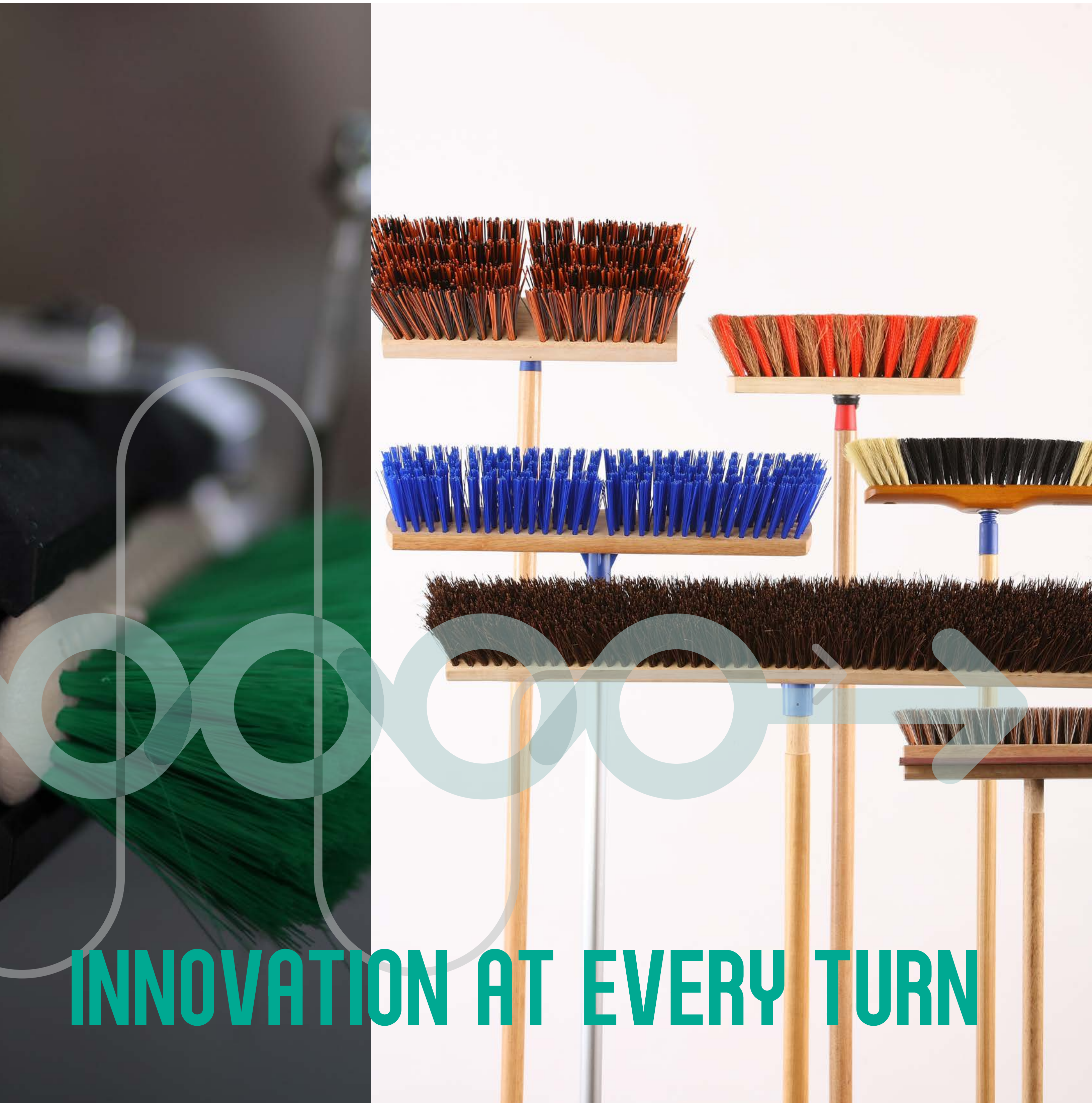
To strengthen the efficiency of plastic waste recovery and improve accessibility for communities, BPPL expanded its network of regional collection centers during the year. A new facility was established in Sigiriya, a location strategically chosen for its proximity to areas generating significant volumes of recyclable plastics. The center plays a crucial role in aggregating material more effectively while reducing the distance required for transportation to processing facilities. This, in turn, lowers fuel consumption and carbon emissions, further reinforcing the sustainability of our operations. The expansion of collection centers also strengthens our engagement with local communities, encouraging greater participation in recycling and contributing to broader environmental goals.

Community Feedback and Stakeholder Response

The Company's CSR and community engagement initiatives have been met with strong stakeholder support. Throughout the year, we collaborated with environmental organizations and community groups on various clean-up and awareness campaigns, including:

- Participating in beach clean-ups organized by Bluecap under the Negombo Recycling Club and by Parley Sri Lanka.
- Engaging in coastal clean-ups in Bentota (organized by Bluecap and Janathakasan) and in Iduruwa, Galle (organized by Parley Sri Lanka).
- Delivering a guest lecture on World Environment Day at the Department of Environmental Technology, Faculty of Technology, University of Colombo.
- Supporting Lyceum International School – Wattala in establishing a plastic collection initiative within the school premises.

These activities not only helped reduce plastic waste in sensitive ecosystems but also deepened our engagement with local communities, schools, and environmental organizations. They reflect our ongoing commitment to collaborative action for a cleaner, healthier, and more sustainable Sri Lanka.



INNOVATION AT EVERY TURN

ANNUAL REPORT OF THE BOARD OF DIRECTORS

The Board of Directors have pleasure in presenting the Ninth Annual Report of the Company for the year ended 31st March 2025, after listing on the Colombo Stock Exchange.

PRINCIPAL ACTIVITIES

The principal activities of the Company and the Group are detailed in Note 1.2 of the financial statements.

FINANCIAL STATEMENTS

The financial statements of the Group and Company for the year ended 31st March 2025 which have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) with the inclusion of signatures of the Chairman/ MD, Executive Director/CFO and DGM-Finance are set out on pages 76 to 128 which form a part of the Annual Report.

AUDITOR'S REPORT

The Auditor's Report is set out on pages 72 to 75 of the Annual Report.

FINANCIAL RESULTS AND APPROPRIATIONS

Revenue

Revenue generated by the Company amounted to Rs. Nil (2024 – Rs. 906 Mn) whilst Group revenue amounted to Rs. 5,538 Mn (2024 – Rs. 5,412 Mn).

Profit and Appropriations

The profit after tax of the Company was Rs. 35 Mn (2024 – Rs. 28 Mn) whilst the Group profit/(loss) attributable to the equity holders of the Company was a loss of Rs. 55 Mn (2024 – profit of Rs. 97 Mn).

The Company's total comprehensive income net of tax was Rs. 35 Mn (2024 – Rs. 28 Mn) and total comprehensive income attributable to the Group was a gain of Rs. 326 Mn (2024 – Rs. 474 Mn).

ACCOUNTING POLICIES

All the significant accounting policies adopted by the Company and the Group are mentioned in Note 2 to the financial statements.

DONATIONS

Total donations made by the Company and the Group during the year amounted to Rs. 24,000 (2024 – Rs. 425,969) and Rs. 3,516,899 (2024 – Rs. 2,867,028) respectively.

RELATED PARTY TRANSACTIONS

The Company's transactions with related parties given in Note 29 to the financial statements, have complied with Colombo Stock Exchange Listing Rule 9.14 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

CAPITAL EXPENDITURE

The Company's and Group's capital expenditure on property, plant and equipment amounted to Rs. 18 Mn (2024 – Rs. 12 Mn) and Rs. 151 Mn (2024 – Rs. 597 Mn) respectively and all other information and movements have been disclosed in Note 4 to the financial statements.

The Company did not acquire any intangible assets during the financial year and previous financial year. The Group's additions to intangible assets amounted to Rs. 4 Mn (2024 – Rs. 10 Mn) and all other information and movements have been disclosed in Note 6 to the financial statements.

VALUATION OF PROPERTY, PLANT & EQUIPMENT

All information relating to property, plant and equipment is given in Note 2.4.8 and 4 to the financial statements.

STATED CAPITAL

The stated capital of the Company as at 31st March 2025 was Rs. 100,371,584/- represented by 306,843,357 Shares.

SHARE INFORMATION

The distribution and composition of shareholders and the information relating to dividends, market value per share, and share trading are given in the Investor Information section of the Annual Report.

MAJOR SHAREHOLDERS

Details of the twenty five largest shareholders of the Company and the percentages held by each of them are disclosed in the Investor Information section of the Annual Report.

INVESTMENTS

Detailed description of the long term investments held as at the reporting date is given in Note 7 to the financial statements.

REVENUE RESERVES

Revenue reserves as at 31st March 2025 for the Company and the Group amounted to Rs. 488 Mn (2024 – Rs. 561 Mn) and Rs. 3,546 Mn (2024 – Rs. 3,696 Mn) respectively. The movement and composition of the reserves are disclosed in the Statement of Changes in Equity.

THE BOARD OF DIRECTORS

The Directors of the Company as at 31st March 2025 were as follows and their brief profiles are given in the Board of Directors section of the Annual Report:

Mr. S. D. Amarasinghe
(Deceased on 11th March 2025)
Dr. K. A. Amarasinghe
Mr. R. P. Pathirana
Mr. B. D. P. D. Perera
Mr. M. H. De Silva
(Resigned on 01st July 2025)
Mrs. S. T. Ratwatte
(Resigned on 01st July 2025)
Mr. S. R. Sproule De Saram
(Resigned on 01st July 2025)
Mr. M. R. Jiffrey
(Appointed w.e.f. 01st April 2025)

Mr. M H De Silva, Mrs. S T Ratwatte and Mr. S R Sproule De Saram resigned as Directors with effect from 1st July 2025 on the completion of nine years as Directors of the Company and Mr. U K D Dharamdasa, Ms. N M Boralessa and Mr. M Adamaly were appointed on 1st July 2025.

RETIREMENT AND RE-ELECTION OF DIRECTORS

As per Article 81 of the Articles of Association of the Company, Mr. R P Pathirana retires by rotation, and being eligible, offers himself for re-election.

As per Article 88 of the Articles of Association of the Company, Mr. M R Jiffrey, Mr. U K D Dharmadasa, Ms. N M Boralessa and Mr. M Adamaly who were appointed since the last Annual General Meeting of the Company, offer themselves for election.

INTERESTS REGISTER AND INTERESTS IN CONTRACTS

The Company has maintained an Interests Register as required by the Companies Act No. 7 of 2007.

All the Directors have made a general disclosure relating to share dealings and other Directorships to the Board of Directors as required by Section 192(2) of the Companies Act No. 7 of 2007 and no additional interests have been disclosed by any Director. The Interests Register is available at the office of the Company Secretaries of the Company, in keeping with the requirements of Section 119(1) (d) of the Companies Act No. 7 of 2007.

DIRECTORS REMUNERATION

Details of the remuneration and other benefits received by the Directors are set out in Note 29.3 to the financial statements.

CORPORATE GOVERNANCE

The Board of Directors are committed towards maintaining an effective Corporate Governance Framework and implementing systems and structures required to ensure best practices in Corporate Governance and their effective implementation. The company is opposed to all forms of bribery and corruption. The Corporate Governance Framework is given in the Corporate Governance Review section of the Annual Report.

EMPLOYMENT

The Group employment policies focus on recruiting the best people, providing them training to enhance their skills, recognition of innate skills and competencies of each individual while offering equality of opportunity for all employees irrespective of ethnic origin, religion, political opinion, gender, marital status or physical disability. Employee's behavior is governed by a separate code of conduct including other policies and procedures such as the anti-bribery policy, disciplinary code, whistle blowing policy, anti-money laundering policy, etc. Regular training is conducted for employees to raise awareness, reiterate the importance of reporting potential violations and to commit themselves to counter corruption by all means.

The number of persons employed by the Company and Group as at 31st March 2025 was nil (2024 - Nil) and 930 (2024 - 978) respectively.

There have been no material issues pertaining to employees and industrial relations of the Company and the Group.

ENVIRONMENTAL PROTECTION

The Group complies with the relevant environmental laws, regulations and endeavors to comply with best practices applicable.

STATUTORY PAYMENTS

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

RISK MANAGEMENT

The Board confirms that there is an ongoing process of identifying, evaluating and managing any significant risks faced by the Group. The significant risks faced by the group and the group's risk mitigating strategies are given in the Risk Management section of the Annual Report.

EVENTS AFTER THE REPORTING PERIOD

There have been no material events subsequent to the reporting date which require disclosure or adjustments to the financial statements.

GOING CONCERN

The Directors are satisfied that the Company and its subsidiaries have adequate resources to continue in operational existence for the foreseeable future, to justify adopting the going concern basis in preparing these financial statements.

AMOUNTS PAYABLE TO THE FIRM HOLDING OFFICE AS AN AUDITOR

Details of audit fees paid to the Auditors for the period under review are set out in Note 20 to the financial statements.

AUDITOR'S RELATIONSHIP OR ANY INTEREST WITH THE COMPANY

The Directors are satisfied that the auditors did not have any relationship or any interest with the Company that would impair their independence.

APPOINTMENT OF AUDITORS

The Audit Committee of the Company has recommended the re-appointment of M/s. Ernst & Young, Chartered Accountants, as the auditors of the Company and a resolution to re-appoint the auditors, M/s. Ernst & Young, Chartered Accountants, who have expressed their willingness to continue, will be proposed at the Annual General Meeting of the Company.

COMPLIANCE WITH LAWS AND REGULATIONS

To the best of knowledge and belief of the Directors, the Company or Group has not engaged in any activity which contravenes laws and regulations of the Country.

ANNUAL REPORT

The Board of Directors approved the financial statements on 30th June 2025. The appropriate number of copies of this report will be submitted to the Colombo Stock Exchange and to the Sri Lanka Accounting and Auditing Standards Monitoring Board on 08th September 2025.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held at Excel World, Marcopolo Lounge, No. 338 T.B. Jayah Mawatha, Colombo 10 on Tuesday, 30th September 2025 at 11.00 am. The Notice of Meeting appears on page 135 of this Annual Report.

This Annual Report of the Directors has been signed on behalf of the Board by:

Dr. Anush Amarasinghe
Chairman/MD

Mr. Rizan Jiffrey
Director

Secretarius (Private) Limited
Secretaries
Colombo
29th August 2025

FINANCIAL REPORTS

INDEPENDENT AUDITOR'S REPORT

Shape the future with confidence

Ernst & Young
Chartered Accountants
Rotunda Towers
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P.O. Box 101
Colombo 03, Sri Lanka

Tel: +94 11 246 3500
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Email: eysl@lk.ey.com
ey.com

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF BPPL HOLDINGS PLC

Report on the audit of the financial statements

Opinion

We have audited the financial statements of BPPL Holdings PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31 March 2025 and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31 March 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 matter that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

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Key audit matter

Key audit matter	How our audit addressed the key audit matter
Cash Flow Hedge As disclosed in Note 23, the Group has hedged its exposure to variability of US Dollar cashflows by a cashflow hedge and has accounted for it in accordance with its accounting policy disclosed in Note 2.4.14 (iii) to the financial statements. In the year ended 31st March 2025, the effective portion of the Cash flow hedge recognized in other comprehensive income amounted to Rs. 366 Mn, resulting in a hedge reserve balance of nil as of 31 March 2025. Accordingly, the Group discontinued hedge accounting for this cash flow hedge. This was a key audit matter due to the complexity of the accounting model and significance of management judgements and assumptions applied in discontinuing cashflow hedge accounting, as disclosed in Note 23 of the financial statements	**Our audit procedures included the following:** - Assessed the nature of the hedge relationship and compliance with hedge accounting requirements for cashflow hedge. Our procedures included evaluating the appropriateness of reclassifying gains and losses from hedge reserve to the income statement and adjustments to the carrying value of the hedged item. - Involved our internal specialized resources to assist us in assessing appropriateness of the accounting model and reasonableness of management judgements and assumptions applied in discontinuing cashflow hedge accounting by recycling of the cashflow hedge reserve to statement of profit or loss. Assessed the adequacy of disclosures in Note 23 to the financial statements.

Other Information included in the 2025 Annual Report

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover 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 other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, 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

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if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements 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 controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Company and the Group.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls 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.

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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 1864.

Ernst & Young

26 June 2025
Colombo

STATEMENT OF FINANCIAL POSITION

		Group		Company	
	Note	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	4	4,549,104	4,736,271	1,056,255	1,052,297
Right of Use Assets	5	39,938	37,000	-	702
Intangible Asset	6	38,948	42,902	-	-
Investment in Financial Assets		43,061	-	-	-
Investment in Subsidiaries	7	-	-	501,572	501,572
Deferred Tax Assets		54,990	-	-	-
		4,726,041	4,816,173	1,557,827	1,554,571
Current Assets					
Inventories	8	1,391,200	1,220,061	-	-
Trade and Other Receivables	9	1,634,855	1,680,903	8,313	22,125
Income Tax Receivables		805	805	-	-
Cash and Bank Balances	16	303,483	35,446	1,782	2,770
		3,330,343	2,937,215	10,095	24,895
Total Assets		8,056,384	7,753,389	1,567,922	1,579,466
EQUITY AND LIABILITIES					
Capital and Reserves					
Stated Capital	10	100,372	100,372	100,372	100,372
Revaluation Reserve		604,272	604,272	549,663	549,663
Hedging Reserve		-	(366,495)	-	-
Translation Reserve		2,410	-	-	-
Retained Earnings		3,545,591	3,696,364	488,474	561,297
		4,252,645	4,034,513	1,138,509	1,211,332
Non-Controlling Interests		-	-	-	-
Total Equity		4,252,645	4,034,513	1,138,509	1,211,332
Non-Current Liabilities					
Interest Bearing Loans and Borrowings	11	863,891	705,541	-	-
Deferred Tax Liabilities	13	338,101	342,020	273,552	270,558
Lease Liability	5	23,675	32,781	-	-
Retirement Benefit Obligations	14	76,390	90,542	-	-
		1,302,057	1,170,884	273,552	270,558

		Group		Company	
	Note	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Current Liabilities					
Trade and Other Payables	15	558,790	424,634	151,800	8,445
Income Tax Payable		45,566	84,127	1,240	56,593
Lease Liability	5	12,391	2,179	-	1,041
Interest Bearing Loans and Borrowings	11	1,884,935	2,037,051	2,821	31,497
		2,501,682	2,547,991	155,861	97,576
Total Equity and Liabilities		8,056,384	7,753,389	1,567,922	1,579,466
Net Asset per Share		13.9	13.1	3.7	3.9

These Financial Statements are in compliance with the requirements of the Companies Act No :07 of 2007.

Ms. T Kularasan
DGM - Finance

The Board of Directors is responsible for these Financial Statements. Signed for and on behalf of the Board by;

Dr. K A Amarasinghe
Chairman

Mr. Rizan Jiffrey
Director

The accounting policies and notes on pages 83 through 128 form an integral part of the financial statements.

26 June 2025
Colombo

STATEMENT OF PROFIT OR LOSS

		Group		Company	
	Note	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Revenue	3	5,537,934	5,411,506	-	906,286
Cost of Sales		(4,420,119)	(4,338,321)	-	(763,255)
Gross Profit		1,117,815	1,073,185	-	143,031
Other Operating Income	17	9,836	45,587	97,200	12,489
Foreign Exchange Gain/ (Loss)		11,783	6,489	(342)	145
Selling and Distribution Expenses		(270,682)	(281,730)	(1,180)	(28,409)
Administrative Expenses		(646,352)	(465,536)	(45,564)	(34,735)
Operating Profit		222,400	377,995	50,114	92,521
Finance Cost	19	(239,100)	(281,907)	(37)	(3,366)
Finance Income	18	4,293	295	6	10
Profit/ (Loss) Before Tax	20	(12,407)	96,383	50,082	89,165
Income Tax Expense	12	(42,198)	198	(15,510)	(61,465)
Profit/ (Loss) for the Year		(54,605)	96,581	34,572	27,700
Number of Ordinary Shares		306,843,357	306,843,357	306,843,357	306,843,357
Earnings Per Share	21	(0.18)	0.31	0.11	0.09
Dividend		107,395	55,232	107,395	55,232
Dividend Per Share	22	0.35	0.18	0.35	0.18
Attributable to :					
Equity Holders of the Parent		(54,605)	96,581		

The accounting policies and notes on pages 83 through 128 form an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME

Group	Note	2025 Rs. '000	2024 Rs. '000
Profit/ (Loss) for the Year		(54,605)	96,581
Other Comprehensive Income			
Other Comprehensive Income to be Reclassified to Profit or Loss in Subsequent Year (Net of tax)			
Hedge Adjustment	23	366,495	406,048
Translation Reserve		2,410	-
Other Comprehensive Income not to be Reclassified to Profit or Loss in Subsequent Year (Net of tax)			
Retirement Benefit Obligation Actuarial Gain/(Loss)	14	14,931	(38,289)
Deferred Tax Attributable to Actuarial (Gain)/Loss	13	(3,704)	10,022
Revaluation Surplus		-	-
Tax on Land revaluation		-	-
Other comprehensive income for the year (Net of tax)		380,132	377,781
Total Comprehensive Income for the Year, after Tax		325,527	474,362
Attributable to :			
Equity Holders of the Parent		325,527	474,362

Company		2025 Rs. '000	2024 Rs. '000
Profit for the Year		34,572	27,700
Other Comprehensive Income			
Other Comprehensive Income that will not be Reclassified to Profit or Loss			
Other comprehensive income for the year (Net of tax)		-	-
Total Comprehensive Income for the Year, after Tax		34,572	27,700

The accounting policies and notes on pages 83 through 128 form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

Group	Stated Capital Rs. '000	Revaluation Reserve Rs. '000	Hedging Reserve Rs. '000	Translation Reserve Rs. '000	Retained Earnings Rs. '000	Total Equity Rs. '000
Balance as at 31 March 2023	100,372	604,272	(772,543)	-	3,683,282	3,615,383
Profit for the Year	-	-	-	-	96,581	96,581
Other Comprehensive Income	-	-	406,048	-	(38,289)	367,759
Tax on Other Comprehensive Income	-	-	-	-	10,022	10,022
Total Comprehensive Income	-	-	406,048	-	68,314	474,362
Dividend Paid	-	-	-	-	(55,232)	(55,232)
Balance as at 31 March 2024	100,372	604,272	(366,495)	-	3,696,364	4,034,513
Profit for the Year	-	-	-	2,410	(54,605)	(52,195)
Other Comprehensive Income	-	-	366,495	-	14,931	381,426
Tax on Other Comprehensive Income	-	-	-	-	(3,704)	(3,704)
Total Comprehensive Income	-	-	366,495	2,410	(43,378)	325,527
Dividend Paid	-	-	-	-	(107,395)	(107,395)
Balance as at 31 March 2025	100,372	604,272	-	2,410	3,545,591	4,252,645

Company	Stated Capital Rs. '000	Revaluation Reserve Rs. '000	Hedging Reserve Rs. '000	Translation Reserve Rs. '000	Retained Earnings Rs. '000	Total Equity Rs. '000
Balance as at 31 March 2023	100,372	549,663	-	-	588,828	1,238,863
Profit for the Year	-	-	-	-	27,700	27,700
Total Comprehensive Income	-	-	-	-	27,700	27,700
Dividend Paid	-	-	-	-	(55,232)	(55,232)
Balance as at 31 March 2024	100,372	549,663	-	-	561,297	1,211,332
Profit for the Year	-	-	-	-	34,572	34,572
Total Comprehensive Income	-	-	-	-	34,572	34,572
Dividend Paid	-	-	-	-	(107,395)	(107,395)
Balance as at 31 March 2025	100,372	549,663	-	-	488,474	1,138,509

The accounting policies and notes on pages 83 through 128 form an integral part of the financial statements.

STATEMENT OF CASH FLOWS

		Group		Company	
	Note	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Cash Flows From / (Used in) Operating Activities					
Cash Flow from Operating Activities					
Profit before tax		(12,407)	96,383	50,082	89,165
Adjustments for					
Depreciation	4	338,031	302,969	13,828	30,032
Amortisation	6	8,325	7,684	-	498
Amortisation - Leasehold land	5	101,919	13,557	702	11,471
Provision for Retirement Benefit Obligations	14	25,296	16,979	-	4,087
Interest Income	18	(351)	(295)	(5)	(10)
Finance Cost	19	239,100	281,907	37	3,366
Profit/(Loss) from disposal of fixed assets		(1,560)	(80,739)	-	(79,739)
Translation reserve		2,410	-	-	-
Gain/loss on lease modification		(2,699)	-	-	-
Unrealised Exchange loss		37,340	57,323	-	-
Provision for Slow Moving Stocks		(2,989)	(1,418)	-	(372)
Operating Profit Loss Before Working Capital Changes		732,415	694,350	64,644	58,498
(Increase)/Decrease in Inventories		(168,150)	104,842	-	224,736
(Increase)/Decrease in Trade and Other Receivables		46,048	(116,777)	13,813	212,737
Increase/(Decrease) in Trade and Other Payables		134,155	55,051	143,355	(164,893)
Cash Generated from Operations		744,468	737,465	221,811	331,078
Income Tax Paid		(143,372)	(79,112)	(67,869)	(15,813)
Retirement Benefit Obligations Costs paid		(24,517)	(17,016)	-	(18,552)
Interest Paid		(230,003)	(277,040)	(37)	(2,591)
Cash Flow from Operating Activities		346,576	364,297	153,905	294,122
Cash Flow from Investing Activities					
Acquisition of Property, Plant and Equipment	4	(151,038)	(411,302)	(17,786)	(12,057)
Acquisition of investment		-	-	-	(492,470)
Acquisition of Intangible Assets	6	(4,371)	(10,406)	-	-
Proceeds from Disposal of Fixed Assets		1,941	241,285	-	240,046
Investment in Financial assets		(43,060)	-	-	-
Interest Received		351	295	6	10
Capital Work In Progress	4	(207)	(185,493)	-	-
Net Cash Flows used in Investing Activities		(196,384)	(365,622)	(17,781)	(264,471)

Statement of Cash Flows

		Group		Company	
	Note	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Cash Flow from Financing Activities					
Repayment of Interest Bearing Loans and Borrowings		(7,388,040)	(5,064,087)	-	(43,887)
Proceeds from Interest Bearing Loans and Borrowings		7,763,631	4,959,615	-	43,887
Lease rental paid		(110,147)	(17,687)	(1,041)	(12,488)
WHT on dividend		(16,109)	(8,285)	(16,109)	(8,285)
Dividends Paid		(91,286)	(46,947)	(91,286)	(46,947)
Net Cash Flows from/(used in) Financing Activities		158,048	(177,391)	(108,436)	(67,720)
Net Increase/ (Decrease) in Cash and Cash Equivalents		308,240	(178,715)	27,689	(38,069)
Cash and Cash Equivalent at the beginning of the period	16	(24,117)	154,598	(28,727)	9,342
Cash and Cash Equivalent at the end of the period	16	284,123	(24,117)	(1,039)	(28,727)

The accounting policies and notes on pages 83 through 128 form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

1.1 General

BPPL Holdings PLC ("Company") is a limited liability Company incorporated and domiciled in Sri Lanka. The registered office of the Company and principle place of business is located at level 17, Access Towers, No. 278/4, Union Place, Colombo 02.

1.2 Principal Activities and Nature of Operations

Company

During the year, the principal activities of the Company were manufacturing and exporting of wooden handles for brooms and brushes.

Group

During the year, the principal activities of the Group were manufacturing and exporting of wooden handles, brooms, brushes, mops, synthetic filament and polyester yarn.

1.3 Parent Enterprise and Ultimate Parent Enterprise

The Company's parent undertaking is Infinity Capital (Private) Limited, which is incorporated in Sri Lanka.

1.4 Date of Authorization for Issue

The consolidated financial statements of BPPL Holdings PLC for the year ended 31 March 2025 were authorized for issue in accordance with a resolution of the board of directors on 26 June 2025.

2. GENERAL POLICIES

2.1 Basis of Preparation

The consolidated financial statements of the Group have been on an accrual basis under the historical cost convention unless otherwise stated. The consolidated financial statements are presented in Sri Lankan Rupees which is the Group functional and presentation currency.

2.1.1 Statement of Compliance

The financial statements which comprise the statement of profit and loss and other comprehensive income, statement of financial position, statement of changes in equity and statement of cash flows for the year then ended and notes (to the "financial statements") have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) as issued by the Institute of Charted Accountants of Sri Lanka (CA Sri Lanka) and the requirements of the Companies Act No. 7 of 2007.

2.1.2 Going Concern

The Directors have made an assessment of the Group's ability to continue as a going concern and are satisfied that it has the resources to continue in business for the foreseeable future. The management has considered the potential downsides that the economic recession could bring to the business operations of the Group, in making this assessment.

The consequences of the economic recession on significant assumptions that are sensitive or susceptible to change or are inconsistent with historical trends. As the economic effects continue to evolve, the management has considered a range of scenarios to determine the potential impact on the underlying performance and future funding requirements. Furthermore, Board is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern and they do not intend either to liquidate or to cease operations of the Group. Therefore, the Financial Statements continue to be prepared on a going concern basis.

During the year under review, demand for brush ware remained strong during the year as the cleaning sector was declared as an essential service by most governments around the world. This process helped to minimise the adverse effect of the inflation on the Group's performance.

The Group has adequate resources comprising cash and cash equivalents and sufficient headroom on unused credit lines at the date of authorisation of these financial statements.

Future Outlook

The continued impact of the recession on Sri Lanka's economy, global demand and supply cannot be accurately predicted at this time. The recovery period of key industries most likely to take at least several months. Hence, the overall future impact on the operations of the Group is not immediately predictable. Multiple risks that have persisted including increased exchange rate volatility, foreign currency availability and import restrictions.

The Group's businesses focus primarily on the foreign consumer. As such, The Group anticipates that demand for its products and services will continue to recover.

2.2 Significant Accounting Judgements, Estimates and Assumptions

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which has the most significant effect on the amounts recognized in the financial statements.

Deferred Tax Assets:
Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies.

Capitalization of borrowing cost on the foreign currency loan obtained to finance the capital work in progress:

The maximum amount of borrowing costs capitalised on the foreign loan obtained to finance the capital work in progress is the amount of borrowing costs on the functional currency equivalent borrowing. The maximum amount of currency exchange differences attributed to interest rates that are capitalised is limited to the difference between the interest costs on the foreign currency loan and the local currency loan.

Revaluation of Freehold Lands
The Lands of the Group are reflected at fair value. Freehold Lands are valued by reference to market based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of Freehold Lands, with the assistance of an independent professional valuer.

In determining the fair value of the lands as at reporting date in the wake of economic recession, the group obtained advice of independent external valuer. Given the unprecedented and evolving set of circumstances arising due to economic recession, the external independent valuer has valued the lands having regarded all the relevant factors and reported the values as reflected on the basis of material valuation uncertainty.

In determining the regularity of revaluation, the Group refers to general market prices of lands in districts where the Group's operations are based, in consultation with an independent professional valuer. Further information including key inputs used to determine the fair value of the freehold lands and sensitivity analysis are provided in Note 4.

Estimates and Assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the date of statement of financial position, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The respective carrying amounts of assets and liabilities are given in related notes to the financial statements.

Defined Benefit Plans
The Defined Benefit Obligation and the related charge for the year are determined using actuarial valuations. The actuarial valuations involve making assumptions about discount rates, future salary increases, mortality rates etc. Due to the long term nature of such obligations these estimates are subject to significant uncertainty. Further information is given in Note 15.

Incremental Borrowing rate
The Group recognised its lease liabilities in relation to leases and liabilities that were measured at the present value of the future lease payments, after discounting based on the lessee's incremental borrowing rate as of commencement date of the lease. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 31/03/2025 was 12%.

2.3 Consolidation Policy

2.3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

i. Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
ii. Exposure, or rights, to variable returns from its involvement with the investee
iii. The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

i. The contractual arrangement(s) with the other vote holders of the investee
ii. Rights arising from other contractual arrangements
iii. The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.3.2 Transactions Eliminated on Consolidation

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.4 Material Accounting Policy Information

2.4.1 Foreign Currency Translation

The financial statements are presented in Sri Lankan Rupees, which is the Group's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

2.4.2. Taxation

a) Current Taxes

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the Commissioner General of Inland Revenue. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted on the reporting date in the country where the group operates and generates taxable income. Current income tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Profit or Loss.

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the Inland Revenue Act No 24 of 2017 and the amendments thereto.

Management has used its judgment on the application of tax laws including transfer pricing regulations involving identification of associated undertakings, estimation of the respective arm's length prices and selection of appropriate pricing mechanism.

Pursuant to the agreement dated 17 September 2009 entered into with the Board of Investment of Sri Lanka under section 17 of the Board of Investment Law No. 4 of 1978, Eco Spindles (Pvt) Ltd was 24% from income taxes on profit the business of manufacturing of plastic resins and monofilament yarn, for a period of 08 years, reckoned from the year in which the enterprise commences to make profits or any year of assessment not later than two years reckoned from the date of commencement of commercial operation which ever year is earlier as may be specified in a certificate issued by the Board. Thereafter it will be 10% for a period of 02 years immediately succeeding the last date of the tax exemption period and thereafter profit and income of the enterprise shall be charged for any year of assessment at the rate of 15%. The Company is liable to pay tax on other income. Accordingly, Eco Spindles (Pvt) Ltd will be taxed at 15% on qualified profit, 30% on qualified export profits, 30% on manufacturing profits and liable to income tax at 30% on other taxable profits during the Year 2024/2025.

Deferred Taxation

Deferred income tax is provided, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss and other comprehensive income.

On April 23, 2021 the institute of Chartered Accountants of Sri Lanka issued a guideline to provide an interpretation on the application of tax rates which is "substantively enacted" in the measurement of current tax and deferred tax for the financial reporting period ended after March 26, 2021 by replacing the guideline issued in 2015 on Application of Tax Rates in Measurement of Deferred Tax.

According to the said guidance 'Substantively enacted' means the Bill introducing the change being taken up at the Parliament for the First Reading. Accordingly, Financial Statements having a period ended after March 26, 2021, should use such proposed tax rules and rates in the Bill for determination of current tax and deferred tax.

2.4.3 Borrowing Costs

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

2.4.4. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the statement of profit and loss and other comprehensive income in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. The rates of amortizations estimated as follows.

Assets Category	Group		Company	
	2025	**2024**	**2025**	**2024**
Enterprise Resource Planning System	**8 Years**	8 Years	**8 Years**	8 Years

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in statement of profit and loss and other comprehensive income in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

2.4.5 Inventories

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

The cost incurred in bringing inventories to its present location and condition are accounted using the following cost formulae: -

Raw Materials	**At actual cost on weighted average cost basis**
Finished Goods & Work-in-progress	At the cost of direct materials, direct labour and an appropriate proportion of manufacturing overheads based on normal operating capacity, but excluding borrowing Costs.
Consumables & Spares	At purchase cost on weighted average basis.
Good in Transit	At Purchase cost

2.4.6 Trade and Other Receivables

Most sales are made on the basis of normal credit terms, and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortized cost using the effective interest method. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognized immediately in profit or loss.

2.4.7 Cash and Cash Equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits and short term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purpose of cash flow statement, 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.

2.4.8 Property, Plant and Equipment

Property, Plant and Equipment is stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing component parts of the Property, Plant and Equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of Property, Plant and Equipment are required to be replaced at intervals, the Group derecognises the replaced part, and recognises the new part with its own associated useful life and depreciation. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the Plant and Equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit or Loss as incurred.

Capital expenditure incurred in relation to fixed assets which are not completed as at the reporting date are shown as capital work-in-progress and is stated at cost less accumulated impairment. On completion, the related assets are transferred to property, plant and equipment. Depreciation on such assets commences when the assets are ready for their intended use.

When items of Property, Plant and Equipment are subsequently revalued, the entire class of such assets is revalued. Any revaluation surplus is recognised in other comprehensive income and accumulated in equity in the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the Statement of Profit or Loss, in which case the increase is recognised in the Statement of Profit or Loss. A revaluation deficit is recognised in the Statement of Profit or Loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Lands are measured at fair value at the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Depreciation is calculated on straight line basis over the estimated useful lives of all Property, Plant and Equipment.

Depreciation is calculated on straight line basis over the estimated useful lives of the assets as follows;

Assets Category	Group		Company	
	2025	2024	2025	2024
Buildings on Freehold Lands	40 Years	40 Years	40 Years	40 Years
Plant and Machinery	10 - 20 Years	10 - 20 Years	10 - 20 Years	10 - 20 Years
Motor Vehicles	6 Years	6 Years	6 Years	6 Years
Furniture and Fittings	08 Years	08 Years	08 Years	08 Years
Factory Equipment	08 Years	08 Years	08 Years	08 Years
Air Conditioner and Generator	08 Years	08 Years	08 Years	08 Years
Office Equipment	08 Years	08 Years	08 Years	08 Years

An item of Property, Plant and Equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit or Loss when the asset is derecognised.

2.4.9 Investments

a. Initial Recognition:

Cost of investment includes purchase cost and acquisition charges such as brokerages, fees, duties and bank regulatory fees. The Group distinguishes and presents current and non current investments in the date of statement of financial position.

b. Measurement

Current Investments

Current Investments are stated at the Cost or if the investment is traded at the market then at Market Value.

Long Term Investments

Long term investments are stated at cost. Carrying amounts are reduced to recognize a decline other than temporary, determined for each investment individually. These reductions for other than temporary declines in carrying amounts are charged to profit or loss.

2.4.10 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

2.4.11 Retirement Benefit Obligations

a. Defined Contribution Plans – Employees' Provident Fund and Employees' Trust Fund

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed determinable contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Employees are eligible to Employees' Provident Fund (EPF) contributions and Employees' Trust Fund (ETF) contributions as per the respective statutes. These obligations come within the scope of a defined contribution plan as per LKAS -19 on 'Employee Benefits'.

The Group contributes 12% and 3% of gross emoluments of employees to Employees' Provident Fund and Employees' Trust Fund respectively.

The contributions made are expensed to Profit or Loss as and when the contributions are made.

b. Defined Benefit Plan – Gratuity
In accordance with the Gratuity Act No. 12 of 1983, a liability arises for a defined benefit obligation to employees. Such defined benefit obligation is a post-employment benefit obligation falling within the scope of Sri Lanka Accounting Standard LKAS -19 on 'Employee Benefits'.

The liability recognised in the Statement of financial position is the present value of the defined benefit obligation at the reporting date. The calculations performed annually by a qualified actuary using the projected unit credit method (PUC). Any actuarial gains and losses arising are recognised immediately in other comprehensive income.
The discount rate has been derived considering the yield of government bonds.

However, as per the payment of Gratuity Act No. 12 of 1983 this liability only arises upon completion of 5 years of continued service.

The gratuity liability is not externally funded.

2.4.12 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration as per SLFRS 16 and recognise right of use assets and lease liabilities.

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

Right-of-use assets
The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

The right-of-use assets are presented within Note 5 and are subject to impairment in line with the Group's policy for Impairment of non-financial assets.

Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (less any lease incentives receivable), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

Determination of the lease term for lease contracts with renewal and termination options (Group as a lessee)
The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has lease contracts that include extension and termination options. The Group applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate.

Estimating the incremental borrowing rate
The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ('IBR') to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use assets in a similar economic

environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific adjustments.

2.4.13 Impairment of Non Financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

Impairment losses of continuing operations are recognized in the statement of profit or loss in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to equity. In this case the impairment is also recognized in equity up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot "exceed' the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior periods. Such reversal is recognized in the Statement of Profit and loss and other Comprehensive Income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment losses recognized in relation to goodwill are not reversed for subsequent increases in its recoverable amount.

2.4.14 Financial Instruments

i. Financial Assets

Initial recognition and measurement

Financial assets within the scope of SLFRS 9, are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Subsequent measurement

The Group classifies all of these financial assets in the measurement category of financial assets at amortised cost, financial assets at fair value through profit or loss and financial assets at fair value through OCI. Categories of financial assets as per SLFRS 9 are limited only for the followings.

i. Financial assets at amortised cost

This category is the most relevant to the Group. The Group measures financial assets (debt instruments) at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and

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

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade and other receivables, short term deposits and cash and bank.

ii. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss

iii. Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under LKAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
- The Group has transferred substantially all the risks and rewards of the asset, or
- The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

ii. Financial Liabilities

Initial recognition and measurement

Financial liabilities within the scope of LKAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, bank overdrafts and loans and borrowings and. Accordingly Group financial liabilities have been classified as and loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification as described below:

- **Loans and borrowings**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit or Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the Statement of Profit or Loss.

The accounting for financial liabilities under SLFRS 9 remains largely the same as it was under LKAS 39.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit or Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if, and only if:

- There is a currently enforceable legal right to offset the recognised amounts and
- There is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

- Using recent arm's length market transactions
- Reference to the current fair value of another instrument that is substantially the same
- A discounted cash flow analysis or other valuation models.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 26.

iii. Hedge Accounting

Initial Recognition and Subsequent Measurement

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined).

A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged.

The item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Cash Flow Hedges
When a financial instrument is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the financial instrument is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the financial instrument that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the financial instrument is recognised immediately in profit or loss.

The Group has established a hedge ratio of 0.98 between the quantity of the hedging instrument and the quantity of the hedged item in terms of their relative weighting. Moreover, the hedge effectiveness is set at 98% as per the contractual terms where the fair value change in the hedge item is 98% efficient in offsetting the fair value change of the liability. The fair value is calculated as the present value of the estimated future cash flows.

Discontinuation of Cash flow Hedge
If the hedge no longer meets the criteria for hedge accounting (after taking into account any rebalancing of the hedging relationship) or the hedging instrument sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedge is discontinued, the amount that has been accumulated in the hedge reserve remain in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or , for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedge expected future cash flows affect profit or loss.

Cash Flow Hedge Reserve
The Group designates its identified foreign currency loans as a hedging instrument in order to hedge the variation in highly probable specifically identified future foreign currency revenue attributable to changes in foreign exchange rates.

The effective portion of the gain or loss on the hedging instrument is recognised in the Cash Flow Hedge Reserve, through Other Comprehensive Income while any ineffective portion is recognised immediately in the Statement of Profit or Loss.

2.4.15 Statement of profit and loss and other comprehensive income

Revenue Recognition
The Group is in the business of manufacturing and exporting of wooden handles, brooms, brushes, mops and synthetic fibre. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group, and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts, driver incentives and customer incentives.

The following specific criteria are used for recognition of revenue:

a. Sale of Goods
Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, considering relevant terms of delivery. The normal credit term is 30 to 120 days upon Bill of Lading date.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, customer loyalty points and claims). In determining the transaction price for the sale of products, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

b. Significant Financing Component
Occasionally, the Group receives short-term advances from its customers. Using the practical expedient in SLFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

c. Rent Income
Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms.

d. Interest
For all financial instruments measured at amortised cost and interest bearing financial assets classified as available for sale, interest income or expense is recorded using the Effective Interest Rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial

asset or liability. Interest income is included in finance income in the Statement of Profit or Loss of Profit or Loss.

e. Dividends
Revenue is recognised when the Group's right to receive the payment is established.

f. Others
Other income is recognised on an accrual basis.

2.4.16 Expenditure Recognition

Expenses are recognised in the income statement on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to the statement of comprehensive income. For the purpose of presentation of the statement of comprehensive income, the "function of expenses" method has been adopted, on the basis that it presents fairly the elements of the Group's performance.

2.4.17 Finance Cost

Finance costs comprise interest expense on borrowings that is recognized in the statement of comprehensive income.

2.4.18 Operating Segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. All operating segments operating results are reviewed regularly by the Group's Chief Executive Officer (CEO) to make decisions about resources to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

2.5 Standards Issued but not yet Effective:

The new and amended standards and interpretations that are issued up to the date of issuance of the Group financial statements but are not effective for the current annual reporting period, are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

SLFRS 17 - Insurance Contracts
SLFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, SLFRS 17 will replace SLFRS 4 Insurance Contracts (SLFRS 4) that was issued in 2005. SLFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. The core of SLFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

SLFRS 17 is effective for annual reporting periods beginning on or after 1 January 2026, with comparative figures required. Early application is permitted, provided the entity also applies SLFRS 9 and SLFRS 15 on or before the date it first applies SLFRS 17.

Lack of exchangeability – Amendments to LKAS 21
The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

3. REVENUE

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Export Sales	4,631,203	4,523,008	-	251,557
Discontinuation of Cash Flow Hedging Instrument	(369,679)	(287,719)	-	-
Deemed Export - Inter Company	-	-	-	638,790
- Others	1,104,525	1,018,299	-	-
Local Sales - Inter comp	-	-	-	-
- Others	150,785	134,222	-	692
Rejected Log Sales	21,100	23,696	-	15,247
	5,537,934	5,411,506	-	906,286

4. PROPERTY, PLANT AND EQUIPMENT

4.1 At Cost

Group	Balance as at 01.04.2024 Rs. '000	Additions Rs. '000	Transfer Rs. '000	Disposals Rs. '000	Balance as at 31.03.2025 Rs. '000
Buildings	621,961	4,787	-	-	626,748
Plant and Machinery	3,509,441	19,431	179	(3,760)	3,525,291
Motor Vehicles	81,940	-	-	(7,600)	74,340
Furniture and Fittings	34,181	1,961	-	-	36,142
Factory Equipment	782,961	76,608	-	(19,920)	839,649
Tools	208,691	36,729	-	-	245,420
Office Equipment	102,465	11,523	-	(631)	113,357
	5,341,640	151,039	179	(31,911)	5,460,947
At Valuation					
Freehold Lands	881,138	-	-	-	881,138
	881,138	-	-	-	881,138
Capital Work-In-Progress					
Plant and Machinery	3,180	207	(179)	-	3,208
	3,180	207	(179)	-	3,208
Total Value of Assets	6,225,958	151,246	-	(31,911)	6,345,293

4. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

4.2 Depreciation

At Cost	Balance as at 01.04.2024 Rs. '000	Charge for the period Rs. '000	Transfer Rs. '000	Disposals Rs. '000	Balance as at 31.03.2025 Rs. '000
Buildings	120,594	15,157	-	-	**135,751**
Plant and Machinery	865,659	170,444	-	(3,535)	**1,032,568**
Motor Vehicles	66,154	3,915	-	(7,600)	**62,469**
Furniture and Fittings	16,922	3,463	-	-	**20,385**
Factory Equipment	261,456	78,480	-	(19,890)	**320,046**
Tools	100,250	56,689	-	-	**156,939**
Office Equipment	58,650	9,884	-	(506)	**68,028**
Total Depreciation	1,489,685	338,032	-	(31,531)	**1,796,186**

4.3 Net Book Values

Group	31.03.2025 Rs. '000	31.03.2024 Rs. '000
Buildings	**490,996**	501,367
Plant and Machinery	**2,492,722**	2,643,781
Motor Vehicles	**11,870**	15,785
Furniture and Fittings	**15,757**	17,260
Factory Equipment	**519,602**	521,505
Tools	**88,481**	108,441
Office Equipment	**45,329**	43,815
	3,664,758	3,851,954
At Valuation		
Freehold Lands	**881,138**	881,138
	881,138	881,138
Capital Work-In-Progress		
Plant and Machinery	**3,208**	3,180
	3,208	3,180
	4,549,104	4,736,271

4.4 During the financial year 2022/2023, the company has stated their properties at revalued amounts by expert independent valuer D Prathapasinghe . The surplus arising from the revaluation was transferred to revaluation reserve.

	Extent	Method of Valuation and Significant unobservable inputs	Range of Estimate for unobservable	Valuation (Rs. '000)	Date of Valuation
BPPL Holdings Plc					
Land - Ingiriya	9A-1R-30.80P	Market Comparable Method	Per Perch Value Rs 500,000	755,000	31/03/2023
Land - Padukka	0A -3R-21P	Market Comparable Method	Per Perch Value Rs.300,000	42,300	31/03/2023
Eco Spindles (Pvt) Ltd					
Land - Mawgama	01A-2R-27P	Market Comparable Method	Per Perch Value Rs 312,500	83,438	31/03/2023

4.5 Increase or decrease in estimated price per perch in isolation would result in a higher or lower fair value measurement. Accordingly, a change of 10% in the estimated price per perch of the Group and Company will cause a Rs. 88,113,750/- and Rs. 79,770,000/- change respectively in the fair value of freehold land, directionally.

4.6 The carrying amount of revalued land that would have been included in the financial statements of the Group and Company had the asset been carried at cost Rs. 49,794,331/- and Rs. 22,530,333/- respectively.

4.7 Company

At Cost	Balance as at 01.04.2024 Rs. '000	Additions Rs. '000	Balance as at 31.03.2025 Rs. '000
Buildings	248,626	-	**248,626**
Plant and Machinery	57,840	-	**57,840**
Furniture and Fittings	1,089	-	**1,089**
Factory Equipment	71,604	17,786	**89,390**
Office Equipment	3,029	-	**3,029**
Total Value of Assets	382,188	17,786	**399,974**
At Valuation			
Freehold Lands	797,700	-	**797,700**
	797,700	-	**797,700**
	-	-	**-**
	1,179,888	17,786	**1,197,674**

4. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

4.8 Depreciation

At Cost	Balance as at 01.04.2024 Rs. '000	Charge for the period Rs. '000	Balance as at 31.03.2025 Rs. '000
Buildings	67,045	5,886	72,932
Plant and Machinery	7,783	2,672	10,455
Motor Vehicles	-	-	-
Furniture and Fittings	833	51	884
Factory Equipment	49,644	5,063	54,708
Office Equipment	2,286	155	2,441
Total Depreciation	127,591	13,828	141,420

4.9 Net Book Values

Group	31.03.2025 Rs. '000	31.03.2024 Rs. '000
Buildings	175,695	181,581
Plant and Machinery	47,385	50,057
Furniture and Fittings	204	256
Factory Equipment	34,683	21,960
Office Equipment	588	743
	258,555	254,597
At Valuation		
Freehold Lands	797,700	797,700
	797,700	797,700
	1,056,255	1,052,297

4.10 The rates of depreciation is estimated as follows.

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Buildings	40 Years	40 Years	40 Years	40 Years
Plant and Machinery	20 Years	20 Years	20 Years	20 Years
Motor Vehicles	06 Years	06 Years	06 Years	06 Years
Furniture and Fittings	08 Years	08 Years	08 Years	08 Years
Factory Equipment	08 Years / 20 Years / 40 years	08 Years / 20 Years / 40 years	08 Years / 20 Years / 40 years	08 Years / 20 Years / 40 years
Air Conditioner and Generator	08 Years	08 Years	08 Years	08 Years
Office Equipment	08 Years	08 Years	08 Years	08 Years

4.11 During the financial year, the Company acquired Property, Plant and Equipment to the aggregate value of Rs 17,786,333/- (2024 Rs12,057,424/-). Cash payments amounting to Rs17,786,333/- (2024 - Rs.12,057,424/-) were made during the year for purchase of Property, Plant and Equipment.

During the financial year, the Group acquired Property, Plant and Equipment to the aggregate value of Rs 151,037,721/- (2024 - Rs.596,795,004/-). Cash payments amounting to Rs 151,037,721/- (2024 - Rs.596,795,004 /-) were made during the year for purchase of Property, Plant and Equipment.

4.12 Property, Plant and Equipment of Company includes fully depreciated assets having a gross carrying amounts of Rs 38,279,320/- (2024 - Rs.27,692,138/-)

Property, Plant and Equipment of Group includes fully depreciated assets having a gross carrying amounts of Rs 377,467,457 /- (2024 - Rs.292,850,234/-)

5. RIGHT OF USE ASSETS

5.1 Right of Use Asset

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability (present value of future lease payments discounted using the Company's incremental borrowing rate) adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The movement of right of use lease assets of the company is as follows;

5.1.1 At Gross Value

Group	Balance as at 01.04.2024 Rs. '000	Additions Rs. '000	Balance as at 31.03.2025 Rs. '000
Building - Office & Factory Premises	56,235	114,745	**170,980**
Land - Factory Premises	30,720	-	**30,720**
	86,954	114,745	**201,700**

5.1.2 Amortization

	Balance As at 01.04.2024 Rs. '000	Charge during the year Rs. '000	De-Recognition Rs. '000	Balance As at 31.03.2025 Rs. '000
Building - Office & Factory Premises	45,644	101,246	9,888	**156,779**
Land - Factory Premises	4,310	673	-	**4,983**
	49,954	101,919	9,888	**161,761**

5.1.3 Net book values

	2025 Rs. '000	2024 Rs. '000
Building - Office & Factory Premises	**14,201**	10,590
Land - Factory Premises	**25,737**	26,410
	39,938	37,000

5.1.4 At Gross Value

Company	Balance as at 01.04.2024 Rs. '000	Additions/ Adjustments Rs. '000	Balance as at 31.03.2025 Rs. '000
Building - Office Premises	39,283	-	**39,283**
	39,283	-	**39,283**

5.1.5 Amortization

	Balance as at 01.04.2024 Rs. '000	Charge during the year Rs. '000	Balance as at 31.03.2025 Rs. '000
Building - Office Premises	38,581	702	**39,283**
	38,581	702	**39,283**

5.1.6 Net book values

Company	2025 Rs. '000	2024 Rs. '000
Building - Office Premises	**-**	702
	-	702

5.1.7 The Rates of Amortization is estimated as follows; (Straight Line basis)

Company	2025 Rs. '000	2024 Rs. '000
Group		
Land - Factory Premises	**39 Years**	40 Years
Building - Office & Factory Premises	**7 Years**	8 Years
Company		
Building - Office Premises	**-**	1 Year

5. RIGHT OF USE ASSETS (CONTD.)

5.2 Lease Liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate can not be readily determined, the company's incremental borrowing rate. The movement of Lease creditor for the period is as follows;

5.2.1 Group

	Balance as at 01.04.2024 Rs. '000	Addition Rs. '000	Interest Expense Recognized in Profit or Loss Rs. '000	Lease Payment Rs. '000	De-Recognition Rs. '000	Balance as at 31.03.2025 Rs. '000
Building - Office & Factory Premises	13,629	114,745	6,564	(107,589)	(12,588)	**14,761**
Land - Factory Premises	21,331	-	2,533	(2,559)	-	**21,305**
	34,959	114,745	9,097	(110,147)	(12,588)	**36,066**

Group	Amount repayable within 1 year Rs. '000	Amount repayable after 1 year Rs. '000	Total Rs. '000
Building - Office & Factory Premises	12,364	2,397	**14,761**
Land - Factory Premises	27	21,278	**21,305**
	12,391	23,675	**36,066**

5.2.2 Company

	Balance as at 01.04.2024 Rs. '000	Addition / Adjustment Rs. '000	Interest Expense Recognized in Profit or Loss Rs. '000	Lease Payments Rs. '000	Balance as at 31.03.2025 Rs. '000
Building - Office Premises	1,041	-	-	(1,041)	**-**
	1,041	-	-	(1,041)	**-**

	Amount repayable within 1 year Rs. '000	Amount repayable after 1 year Rs. '000	Total Rs. '000
Building - Office Premises	-	-	-
	-	-	-

6. INTANGIBLE ASSETS

6.1 Group

	2025 Rs. '000	2024 Rs. '000
Cost		
As at 1 April	89,385	87,101
Acquired	4,371	10,406
Disposed	-	(8,122)
As at 31 March	93,757	89,385
Amortisation		
As at 1 April	46,484	43,574
Disposed	-	(4,774)
Amortisation for the year	8,325	7,684
As at 31 March	54,808	46,484
Net book value		
As at 1 April	42,902	43,527
As at 31 March	38,948	42,902

Notes to the Financial Statements

6.2 Company

	2025 Rs. '000	2024 Rs. '000
Cost		
As at 1 April	-	8,122
Disposed	-	(8,122)
As at 31 March		
Amortisation	-	-
As at 1 April	-	4,276
Disposed	-	(4,774)
Amortisation for the year	-	498
As at 31 March	-	-
Net book value		
As at 1 April	-	3,845
As at 31 March	-	-

7. INVESTMENT

7.1 Company

	Direct Holdings		Direct Investments	
			2025	2024
Beira Brush (Pvt) Limited	100%	100%	501,572,230	501,572,230
BPPL Enterprises (Pvt) Ltd	100%	100%	10	10
Total			501,572,240	501,572,240

7.2 Group companies

Group companies	Principal Place of Business	Relationship	Principal activities
Beira Brush (Private) Limited	Level 17 Access Tower, 278/4 Union Place, Colombo 2	Subsidiary	Manufacturing and exporting of brooms and brushes and mops
ECO Spindles (Private) Ltd		Sub-Subsidiary	Manufacturing of Monofilament and yarn for direct and indirect export
BPPL Enterprises (Private) Ltd		Subsidiary	Buying and exporting brush, mops and cleaning material
Beira Brush General Trading L.L.C.	Office MF 70, Nooraniyah Building, Hor Al Anz, Dubai, United Arab Emirates.	Sub-Subsidiary	Sales office - Dubai

8. INVENTORIES

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Raw Materials	809,069	766,304	-	-
Work in Progress	1,512	8,090	-	-
Finished Goods	249,316	169,755	-	-
Goods In Transit	134,885	86,082	-	-
Consumables and Spares	196,417	192,819	-	-
Less: Provision for slow moving inventory (8.1)	-	(2,989)	-	-
	1,391,200	1,220,061	-	-

8.1 Provision for slow moving inventory

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
At the begining of the year	2,989	4,407	-	372
Charge/ (Reversal) for the year	-	(1,418)	-	(372)
Inventory Written Off	(2,989)	-	-	-
At the end of the year	-	2,989	-	-

9. TRADE AND OTHER RECEIVABLES

9.1 Summary

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Trade Receivables - Other	1,399,517	1,533,278	-	-
- Related Parties (9.2)	-	-	25	7,152
Other Debtors - Other	37,355	77,949	6,023	6,023
Advances and Prepayments	196,091	64,764	376	4,038
Other Receivables	1,892	4,912	1,887	4,912
	1,634,855	1,680,903	8,313	22,125

9.2 Trade Receivables - Related Party

		Company	
Group	Relationship	2025 Rs. '000	2024 Rs. '000
Beira Brush (Private) Limited	Subsidiary	-	6,989
ECO Spindles (Private) Limited	Sub-Subsidiary	25	163
		25	7,152

9.3 Trade Debtors Age Analysis

Group			Past due but not impaired		
	Total	Neither past due nor impaired	30-90 days	91-120 days	>120 days
2025	1,399,517	1,297,720	101,786	11	-
2024	1,533,278	1,375,406	157,696	177	-

The Group considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

10. STATED CAPITAL

	Group		Company	
	2025 Number	2024 Number	2025 Number	2024 Number
Ordinary Shares	**306,843,357**	306,843,357	**306,843,357**	306,843,357

	Group		Company	
	2025 Number	2024 Number	2025 Number	2024 Number
Ordinary Shares	**100,372**	100,372	**100,372**	100,372

11. INTEREST BEARING LOANS AND BORROWINGS

11.1 Group

	2025			2024		
	Amount Payable within one year Rs. '000	Amount Payable after one year Rs. '000	Total Rs. '000	Amount Payable within one year Rs. '000	Amount Payable after one year Rs. '000	Total Rs. '000
Bank Loan (11.1.1)	**1,865,575**	**863,891**	**2,729,466**	1,977,488	705,541	2,683,030
Bank Overdraft (16.2)	**19,360**	**-**	**19,360**	59,563	-	59,563
	1,884,935	**863,891**	**2,748,826**	2,037,051	705,541	2,742,592

Notes to the Financial Statements

11. INTEREST BEARING LOANS AND BORROWINGS (CONTD.)

11.1 Group (Contd.)

11.1.1 Bank Loan

	Balance as at 01.04.2024 Rs. '000	New Loans Obtained Rs. '000	Loan Repayment Rs. '000	Exchange Gain / (loss) Rs. '000	Balance as at 31.03.2025 Rs. '000
Term Loan - Hongkong and Shanghai Banking Corporation Limited	1,085,490	-	(725,310)	(360,180)	-
Money market - National Development Bank PLC	1,055,625	5,059,374	(4,900,359)	38,682	1,253,322
	-	-	-	-	-
Money market - Standard Chartered Bank Ltd	338,962	1,426,744	(1,487,613)	10,489	288,582
	-	-	-	-	-
Term Loan - National Development Bank PLC	160,844	1,193,727	(176,343)	(17,779)	1,160,448
	-	-	-	-	-
Short Term Loan - Hong kong and Shanghai Banking Corporation Limited	42,110	83,785	(98,416)	(366)	27,113
	2,683,030	7,763,631	(7,388,040)	(329,154)	2,729,466

11.2 Company

	2025			2024		
	Amount Payable within one year Rs. '000	Amount Payable after one year Rs. '000	Total Rs. '000	Amount Payable within one year Rs. '000	Amount Payable after one year Rs. '000	Total Rs. '000
Bank Overdraft (16.2)	2,821	-	2,821	31,497	-	31,497
	2,821	-	2,821	31,497	-	31,497

11.3 Interest Bearing Loans and Borrowings

	2025		2024	
	Rs. '000 Interest Bearing Loans and Borrowings	Rs. '000 Loans Designated with Cash Flow Hedge	Rs. '000 Interest Bearing Loans and Borrowings	Rs. '000 Loans Designated with Cash Flow Hedge
ECO Spindles (Private) Limited				
Term Loan - Hongkong and Shanghai Banking Corporation Limited	-	-	1,085,490	1,819,880
Short Term Loan - Hongkong and Shanghai Banking Corporation Limited	27,113	-	-	-
	27,113	-	1,085,490	1,819,880
Beira Brush (Private) Limited				
Money market - National Development Bank PLC	1,253,322	-	1,055,625	-
Term Loan - National Development Bank PLC	1,160,448	-	160,844	-
Money market - Standard Chartered Bank Ltd	288,582	-	338,962	-
Bank Overdraft	13,022	-	28,066	-
	2,715,375	-	1,583,496	-
BPPL Holdings PLC				
Bank Overdraft	2,821	-	31,497	-
	2,821	-	31,497	-
Total	2,745,309	-	2,700,482	1,819,880

11.4 Terms and conditions

1) Short Term Loan - National Development Bank
   Security - Nil
   Repayment - To be repaid within 90 days
   Interest - 1 month SOFR+2.9%

2) Long Term Loan -National Development Bank
   Security - Ingriya land, building & Brush plant & Machinery /Padukka Land & Building / Maugama Land & Building and Filament Plant & Machineries
   Repayment - To be repaid within 60 months
   Interest - 1 month SOFR+2.9%

3) Short Term Loan - Hongkong and Shanghai Banking Corporation Limited
   Security - Machinery, Stocks and Debtors
   Repayment - To be repaid within 90 days
   Interest - 3 months SOFR + 4.08%

4) Short Term Loan - Standard Chartered Bank Ltd
   Security - Stock and Debtors
   Repayment - To be repaid within 90 days
   Interest - 3 month SOFR+4.6%

12. INCOME TAX

The major components of income tax expense for the years ended 31 March are as follows :

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Income Statement Current Income Tax				
Current Income Tax charge	105,243	147,272	12,563	62,200
Under/(Over) Provision of current taxes in respect of prior years	(432)	(250)	(48)	-
Tax on reversal of Hedge	-	(20,569)	-	-
Deferred Income Tax				
Deferred Taxation Charge/(Reversal) (12.2)	(62,613)	(126,651)	2,994	(734)
Income tax expense reported in the Income Statement	42,198	(198)	15,510	61,465

12.1 A reconciliation between tax expense and the product of accounting profit multiplied by the statutory tax rate is as follows :

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Accounting Profit before Income Tax	(12,407)	96,383	50,082	89,165
Allowed Expenses	(639,189)	(814,301)	(23,370)	(44,667)
Disallowed Expenses	534,036	613,402	15,172	242,584
Investment Income	(9,899)	(30,021)	(6)	(10)
Non Taxable Item	(417,811)	(231,784)	-	(79,739)
Taxable Profit/ (Loss)	(545,271)	(366,322)	41,878	207,332
Other sources of income	-	-	-	-
Less - Business loss	-	-	-	-
Taxable Income	-	-	41,878	207,332
Income tax expense reported in the income statement				
Income tax at 30%	103,982	-	12,563	62,200
	103,982	-	12,563	62,200

12.2 Deferred Tax Expenses / (Income)

Deferred tax expense / (income) arising due to origination and reversal of timing differences	(62,613)	(126,651)	2,994	(734)

13. DEFERRED TAX

Deferred Income taxes are calculated on all temporary differences under the liability method using the principal tax rate of 15% for Eco Spindles (Pvt) Ltd and 30% for all other companies.

13.1 Deferred Tax Liability /(Assets)

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Balance as at Beginning of the Year	328,372	478,694	270,558	271,292
Provision / (Reversal) Made During the Year	-	-	-	-
Due to change in the temprory differences	6,801	(76,029)	2,994	(734)
Impact on reclassification on cash flow hedgeing	-	(50,623)	-	-
Impact on Other Comprehensive Income	2,928	(10,022)	-	-
Balance as at the end of the Year	338,101	342,020	273,552	270,558

	Group		Company	
Deferred Tax Liability /(Assets)	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Balance as at Beginning of the Year	(13,648)	-	-	-
Provision / (Reversal) Made During the Year	69,414	-	-	-
Impact on reclassification on cash flow hedgeing	(776)	-	-	-
Balance as at the end of the Year	54,990	-	-	-

Notes to the Financial Statements

13. DEFERRED TAX(CONTD.)

13.1 Deferred Tax Liability /(Assets) (Contd.)

13.1.1 Group

Deferred Tax Liability/Asset	Statement of Financial Position		Other Comprehensive Income		Income Statement	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Deferred tax liability						
Property Plant and Equipment	417,462	387,179	-	-	30,283	44,032
Deferred tax attributable to land revaluation	240,977	240,977	-	-	-	-
Unrealized Foreign Exchange Gain	56,495	13,240	-	-	43,255	(53,728)
ROU & Lease creditor	665	660	-	-	5	(124)
	715,599	642,056	-	-	73,543	(9,819)
Deferred tax asset						
Employee Benefits Liabilities	(19,977)	(23,830)	3,704	(10,022)	150	133
Tax Loss	(412,512)	(275,469)	-	-	(137,043)	(66,754)
Inventory Provision	-	(737)	-	-	737	411
	(432,488)	(300,036)	3,704	(10,022)	(136,156)	(66,209)
Deferred tax charge /(Reversal)	-	-	3,704	(10,022)	(62,613)	(76,029)
Net deferred tax liability /(Asset)	283,111	342,020				

13.1.2 Company

Deferred Tax Liability/Asset	Statement of Financial Position		Other Comprehensive Income		Income Statement	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Deferred tax liability						
Property Plant and Equipment	41,104	38,477	-	-	2,628	(34,294)
Deferred tax attributable to land revaluation	232,551	232,551	-	-	-	-
Unrealized Foreign Exchange Gain	(103)	(368)	-	-	265	29,109
ROU & Lease creditor	-	(102)	-	-	102	73
	273,552	270,558	-	-	2,994	(5,113)
Deferred tax asset						
Employee Benefits Liabilities	-	-	-	-	-	4,267
Inventory Provision	-	-	-	-	-	112
	-	-	-	-	-	4,378
Deferred tax charge /(Reversal)	-	-	-	-	2,994	(734)
Net deferred tax liability /(Asset)	273,552	270,558				

14. EXPENSE ON RETIREMENT BENEFIT OBLIGATION - GRAUITY

14.1 Expense on Defined Benefit Plan

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Current Service Cost	11,606	6,860	-	1,526
Interest Cost on Benefit Obligation	13,690	10,119	-	2,560
	25,296	16,979	-	4,087
Actuarial (Gain)/Loss on Obligation	(14,931)	38,289	-	-
	(14,931)	38,289	-	-
	10,365	55,268	-	4,087

14.2 Defined Benefit Obligation

Changes in the Present Value of the Defined Benefit Obligation are as follows:

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Defined Benefit Obligation as at the Beginning of the Period	90,542	52,291	-	14,466
Interest Cost	13,690	10,119	-	2,560
Current Service Cost	11,606	6,860	-	1,526
Benefits Paid	(24,517)	(17,016)	-	(3,575)
Transfers	-	-	-	(14,977)
	91,321	52,253	-	-
Actuarial (Gain)/Loss on Obligation	(14,931)	38,289	-	-
Defined Benefit Obligation as at the End of the Period	76,390	90,542	-	-

14.3 An Actuarial valuation of the employee retirement benefit liability scheme was carried out by Piyal S Goonetilake and Associates as at 31st March 2025. The principle assumptions used are follows

	Group		Company	
	2025	2024	2025	2024
Rate of Interest	11.60%	12.60%	11.60%	12.60%
Rate of Salary Increase	7%	10%	7%	10%
Retirement Age : Male	60 years	60 years	60 years	60 years
: Female	60 years	60 years	60 years	60 years

14. EXPENSE ON RETIREMENT BENEFIT OBLIGATION - GRAUITY (CONTD.)

14.4 Sensitivity of Assumptions Used in the Actuarial Valuation

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

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

	Group		Company	
Assumed Change in Financial Assumptions	**Effect on Profit or Loss 2025 Rs. '000**	**Performa Post Employment Benefit liability 2024 Rs. '000**	**Effect on Profit or Loss 2025 Rs. '000**	**Performa Post Employment Benefit liability 2024 Rs. '000**
If Discount Rate Increased By 1%	**6,851**	8,978	**-**	-
If Discount Rate Decreased By 1%	**(8,005)**	(10,585)	**-**	-
	-	-	**-**	-
If Salary Increment Rate Increased By 1%	**(8,035)**	(10,453)	**-**	-
If Salary Increment Rate Decreased By 1%	**6,972**	9,012	**-**	-

14.5 Following payments are expected weighted average life span obligation on the future years:

	Group		Company	
Years from the Current Period	**2025 Rs. '000**	**2024 Rs. '000**	**2025 Rs. '000**	**2024 Rs. '000**
1st Following Year	**3,428**	3,350	**-**	-
2nd Following Year	**3,810**	4,034	**-**	-
3rd Following Year	**7,419**	4,600	**-**	-
4th Following Year	**17,680**	8,852	**-**	-
5th Following Year	**15,593**	12,755	**-**	-
Beyond 5 Years	**91,681**	105,178	**-**	-

15. TRADE AND OTHER PAYABLES

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Trade Payable - Related Parties (15.1)	-	-	5,139	-
- Others	364,824	251,895	144,013	5,176
Other Payables	131,529	130,762	2,008	2,551
Sundry Creditors including Accrued Expenses	62,437	41,978	640	718
	558,790	424,634	151,800	8,445

15.1 Trade Payables - Related Parties

		Company	
	Relationship	2025 Rs. '000	2024 Rs. '000
Beira Brush (Private) Limited	Subsidiary	5,139	-
		5,139	-

16. CASH AND CASH EQUIVALENTS

16.1 Favourable Cash and Cash Equivalents Balance

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Cash and Bank Balances	303,483	35,446	1,782	2,770
	303,483	35,446	1,782	2,770

16.2 Unfavourable Cash and Cash Equivalents Balance

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Bank Overdraft	(19,360)	(59,563)	(2,821)	(31,497)
Cash and cash equivalents for the purpose of Cash Flow Statement	284,123	(24,117)	(1,039)	(28,727)

Notes to the Financial Statements

17. OTHER OPERATING INCOME

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Rent Income	-	-	96,912	1,980
Solar income	1,412	36,747	-	8,790
Sundry Income	8,424	8,839	288	776
Drying charges	-	-	-	942
	9,836	45,587	97,200	12,489

18. FINANCE INCOME

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Interest Income on FD	1,242	-	-	-
Gain on lease modification	2,699	-	-	-
Interest Income	351	295	5	10
	4,293	295	5	10

19. FINANCE COST

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Interest Expense on Overdrafts	532	2,569	37	1,506
Lease interest	9,097	4,867	-	775
Interest Expense on Bank Loans	229,472	274,471	-	1,085
	239,100	281,907	37	3,366

20. PROFIT/(LOSS) BEFORE TAX

Stated after Charging/(Crediting)

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Including in Cost of Sales				
Depreciation	403,046	291,861	-	29,091
Personnel Costs including the following;				
- Defined Benefit Plan Costs -Gratuity	20,805	14,424	-	3,755
- Defined Contribution Plan Costs - EPF & ETF	17,019	17,214	-	561
Including in Administration Expenses				
Personnel Costs including the following;				
- Defined Benefit Plan Costs -Gratuity	4,491	2,554	-	61
- Defined Contribution Plan Costs - EPF & ETF	34,684	30,234	-	1,723
Directors' Fees and Emoluments	2,850	2,400	2,850	2,400
Auditors' Remuneration				
Audit Services	2,967	2,448	819	915
Non-Audit Services	-	1,630	-	592
Depreciation	36,633	24,390	14,530	12,413
Amortization	-	498	-	498
Provision for slow moving inventory (8.1)	(1,418)	1,850	(372)	134
Including in Selling and Distribution Costs				
Advertising Costs	4,332	5,864	1,170	1,589

21. EARNINGS PER SHARE

21.1 Basic Earnings Per Share is calculated by dividing the net profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. The weighted average number of ordinary shares outstanding during the period and the previous year are adjusted for events that have changed the number of ordinary shares outstanding, without a corresponding change in the resources such as a bonus issue.

Notes to the Financial Statements

21. EARNINGS PER SHARE (CONTD.)

21.2 The following reflects the income and share data used in the basic Earnings Per Share computations.

	Group		Company	
	Year ended 2025 Rs. '000	Year ended 2024 Rs. '000	Year ended 2025 Rs. '000	Year ended 2024 Rs. '000
Net Profit/(Loss) Attributable to Ordinary Shareholders for basic Earnings/(Loss) Per Share	(54,605)	96,581	34,572	27,700

	Group		Company	
	As at 2025 Number	As at 2024 Number	As at 2025 Number	As at 2024 Number
Number of Ordinary Shares Used as Denominator:				
Weighted Average number of Ordinary Shares in issue	306,843,357	306,843,357	306,843,357	306,843,357
Earnings per share	(0.18)	0.31	0.11	0.09

22. DIVIDEND PER SHARE

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Declared and Paid During the Year				
Dividend on ordinary shares	107,395	55,232	107,395	55,232
Dividend per share	0.35	0.18	0.35	0.18

23. OTHER COMPONENT OF EQUITY

Revaluation Reserve

The Revaluation Reserve relates to the net surplus on revaluation of Property, Plant and Equipment.

Hedging Reserve

Cash Flow Hedge

The Group designates its identified foreign currency loans as a hedging instrument in order to hedge the variation in highly probable specifically identified future foreign currency revenue attributable to changes in foreign exchange rates.

The hedge effectiveness is set at 98% as per the contractual terms where the fair value change in the hedge item is 98% efficient in offsetting the fair value change of the liability. The fair value is calculated as the present value of the estimated future cash flows.

The effective portion of the gain or loss on the hedging instrument is recognized in the Cash Flow Hedge Reserve, through Other Comprehensive Income while any ineffective portion is recognized immediately in the Statement of Profit and Loss.

The hedge ineffectiveness can arise from:
(1) Differences in the timing of the cash flows of the hedged items and the hedging instruments
(2) Different indexes (and accordingly different curves) linked to the hedged risk of the hedged items and hedging instruments
(3) The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items
(4) Changes to the forecasted amount of cash flows of hedged items and hedging instruments

In respect of the cash flow hedge instrument, Group recognized Nil (2023/2024- Rs.366.5 Mn) under cash flow hedge reserve being the Group's portion of the fair value loss recognized by the subsidiaries

	Group		Company	
	2025 Rs. '000	**2024 Rs. '000**	**2025 Rs. '000**	**2024 Rs. '000**
Balance at the Beginning of the Year	**(366,495)**	(772,543)	**-**	-
Hedge Adjustment	**366,495**	406,048	**-**	-
Balance at the End of the Year	**-**	(366,495)	**-**	-

24. FAIR VALUE

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

Cash and short-term deposits, trade receivables and trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

Long-term floating-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. As at 31 March 2025, the carrying amounts of such receivables, net of allowances, are not materially different from their calculated fair values.

24. FAIR VALUE (CONTD.)

Fair value hierarchy -Group and Company

The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques.

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

Group	31 Mar 2025 Rs. '000	Level 1 Rs. '000	Level 2 Rs. '000	Level 3 Rs. '000
Non-Financial Assets Measured at Fair Value				
Land	881,138	-	-	881,138

Company	31 Mar 2025 Rs. '000	Level 1 Rs. '000	Level 2 Rs. '000	Level 3 Rs. '000
Non-Financial Assets Measured at Fair Value				
Land	797,700	-	-	797,700

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company’s principal financial liabilities, other than derivatives, comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Company’s operations and to provide guarantees to support its operations. The Company has loan and other receivables, trade and other receivables, and cash and short-term deposits that arrive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk.

The Company’s senior management oversees the management of these risks. The Company’s senior management is supported by the Board of Directors (BOD) that advises on financial risks and the appropriate financial risk governance framework for the Company. BOD provides assurance to the Company’s senior management that the Company’s financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company policies and risk appetite. It is the Company’s policy that all derivative activities for risk management purposes are required to be approved by Board of Directors of Beira Group.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below.

Market Risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings and deposits.

The overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the entity's financial performance.

Interest Rate Risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest rates sensitivity
The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Company's profit before tax (through the impact on floating rate borrowings).

		Effect on Profit Before Tax	
	Increase/ (Decrease) in basis points	Group Rs. '000	Company Rs. '000
2025	+ 100 basis points	27,295	-
	- 100 basis points	(27,295)	-
2024	+ 100 basis points	26,830	-
	- 100 basis points	(26,830)	-

The assumed spread of basis points for the interest rate sensitivity analysis is based on the currently observable market environment changes to base rates such as LIBOR.

Foreign Currency Risk
Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency).

Foreign currency sensitivity
The following table demonstrates the sensitivity of net operating cash flows before taxation and derivative financial instruments existing as at 31 March in GBP,CAD and USD to a reasonably possible change of such underlining foreign currencies (GBP,CAD and USD) exchange rate against LKR, with all other variables held constant. The company's exposure to foreign currency changes for all other currencies is not material.

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

			Effect on Profit Before Tax	
	Foreign Currency	Change in exchange rate	Group Rs. '000	Company Rs. '000
2025	GBP	1%	301	-
	CAD	1%	135	-
	USD	1%	(19,474)	-
	AUD	1%	-	-
	NZD	1%	-	-
2024	GBP	1%	461	-
	CAD	1%	401	-
	USD	1%	(13,468)	-
	AUD	1%	-	-
	NZD	1%	-	-

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities which includes deposits with banks.

Capital Management

The Company monitors the adequacy of capital structure of the company. In determining the capital structure, the Board of Directors is concerned about the controlling interest of the Parent, BPPL Holdings PLC. The objective of the Company is to maintain a balance between access to funds and flexibility through borrowed funds (Long term /Project loans, short term loans and bank overdrafts) rather than using equity funding. Access to source of funds is sufficiently available and financing for operational purposes has already been secured.

	2025 Rs. '000	2024 Rs. '000
Borrowings (Note 11)	2,748,826	2,742,592
Trade and other payables (Note 15)	558,790	424,634
Less: cash and short-term deposits (Note 16)	(284,123)	24,117
Net debt	3,023,493	3,191,343
	-	-
Equity	4,252,645	4,034,513
Capital and net debt	7,276,138	7,225,856
Gearing ratio	42%	44%

Trade Receivables
Customer credit risk is managed by each company subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed based on the credit risk evaluation model and individual credit limits are defined in accordance with this assessment.

Outstanding customer receivables are regularly monitored and contracts are signed and agreed with all credit customers.

Additionally, a large number of minor receivables are grouped into homogenous groups and assessed for Impairment collectively. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 9. The Company does not hold collateral as security.

Financial Instruments and Cash Deposits
Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties as per the Treasury Policy and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Treasury Committee. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through potential counterparty's failure. The Company's maximum exposure to credit risk for the components of the statement of financial position is the carrying amounts as illustrated in Note 9 except for financial guarantees and derivative financial instruments.

Liquidity Risk
The Company monitors its risk to a shortage of funds by setting up a minimum liquidity level. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual payments.

Group

As at 31 March 2025	On Demand Rs. '000	Less Than 3 Months Rs. '000	3 to 12 Months Rs. '000	1 to 5 Years Rs. '000	> 5 Years Rs. '000	Total Rs. '000
Interest-Bearing Loans and Borrowings	19,360	-	1,865,575	863,891	-	2,748,826
Trade and Other Payable	-	364,824	-	-	-	364,824
	19,360	364,824	1,865,575	863,891	-	3,113,650

As at 31 March 2024	On Demand Rs. '000	Less Than 3 Months Rs. '000	3 to 12 Months Rs. '000	1 to 5 Years Rs. '000	> 5 Years Rs. '000	Total Rs. '000
Interest-Bearing Loans and Borrowings	59,563	-	1,977,488	705,541	-	2,742,592
Trade and Other Payable	-	251,895	-	-	-	251,895
	59,563	251,895	1,977,488	705,541	-	2,994,487

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

Company

As at 31 March 2025	On Demand Rs. '000	Less Than 3 Months Rs. '000	3 to 12 Months Rs. '000	1 to 5 Years Rs. '000	> 5 Years Rs. '000	Total Rs. '000
Interest-Bearing Loans and Borrowings	2,821	-	-	-	-	2,821
Trade and Other Payable	-	144,013	-	-	-	144,013
	2,821	144,013	-	-	-	146,833

As at 31 March 2024	On Demand Rs. '000	Less Than 3 Months Rs. '000	3 to 12 Months Rs. '000	1 to 5 Years Rs. '000	> 5 Years Rs. '000	Total Rs. '000
Interest-Bearing Loans and Borrowings	31,497	-	-	-	-	31,497
Trade and Other Payable	-	5,176	-	-	-	5,176
	31,497	5,176	-	-	-	36,674

26. COMMITMENTS AND CONTINGENCIES

26.1 Capital Expenditure Commitments

Company does not have significant capital commitments and contingencies as at the reporting date.

27. ASSETS PLEDGED

			Carrying Amount Pledged	
	Nature of Assets	**Nature of Liability**	**2025 Rs.**	**2024 Rs.**
BPPL Holdings PLC	Inventory, Trade Receivable ,Land & Building Ingriya	Money market loan - NDB & SCB	-	USD 5,500,000 NDB USD 3,000,000 SCB Combine facility with BBL (Pvt) Ltd
Eco Spindles (Pvt) Ltd	Yarn Plant & Machinery	Term Loan - HSBC	USD 3,500,000 USD 6,373,000	USD 3,500,000 USD 6,373,000
Eco Spindles (Pvt) Ltd	Filament Machinery, Land & Building Maugama	Term Loan - NDB for Beira Brush	USD 3,912,000	-
Beira Brush (Pvt) Ltd	Inventory, Trade Receivable, Land & Building, Ingriya	Money market loan - NDB & SCB		USD 5,500,000 NDB USD 3,000,000 SCB Combine facility with BPPL Holding
Beira Brush (Pvt) Ltd	Inventory, Trade Receivable	Money market loan - SCB	USD 3,000,000 SCB Combine facility with BPPL Holding	
Beira Brush (Pvt) Ltd	Plant & Machinery,Ingriya and Plant & Machinery Padukka	Term Loan - NDB	USD 3,912,000	

28. EVENTS OCCURRING AFTER THE REPORTING DATE

In April 2025, new trade measures from Trump-administration announced tariffs on imports from around 90 countries to the United States of America. As a result of this trade measure, a 44% tariff on imports from Sri Lanka to the US was proposed and subsequently reduce to 10% on a temporally basis for 90 days. Sri Lanka has appealed to U.S. authorities to reconsider imposition, and as the date of authorisation of these financial statements, Sri Lanka is actively engaging with U.S. authorities to negotiate a deferral or reduction of the 44% tariff on Sri Lanka exports to the U.S. Since this tariff is expected to severely impact exports from Sri Lanka to the U.S., and therefore, business and asset pricing.

No other circumstances have arisen since the Statement of Financial Position date, which would require adjustments/discloses to the Financial Statements.

29. RELATED PARTY DISCLOSURES

During the period the Company entered into transactions with the following Related Parties.

29.1 Transaction with Group Companies

Company

Terms and Conditions

The sales to and purchases from related parties are made at terms equivalent to those that in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

	Subsidiaries Rs. '000	2025 Rs. '000	2024 Rs. '000
Balance as at 1st of April	7,152	**7,152**	(128,069)
Sale of Goods	-	-	477,370
Purchase of Goods	-	-	(62,701)
Settlements	(102,849)	**(102,849)**	(847,446)
Settlement of Liabilities on behalf of the Company	90,583	**90,583**	567,997
Balance as at 31st March	(5,114)	**(5,114)**	7,152

29.2 Recurrent related party transactions

Name of the Related Party	Relationship	Nature of the Transaction		Aggregate value of Related Party Transactions as a % of Net Revenue	Terms and Conditions of the Related Party Transactions
Beira Brush (Private) Limited	Subsidiary	Sales	-	-	The transactions from related parties are made at terms equivalent to those that in arm's length transaction
		Purchased	-	-	
		Settlement of sales/ fund transfer	(100,044)	-	
		Expenses paid	87,916	-	
Eco Spindles (Private) Limited	Subsidiary	Sales	-	-	
		Purchased	-	-	
		Fund Transfer	(2,805)	-	
		Expenses paid	2,667	-	

29.3 Transactions with Directors/ Key Management Personnel

According to LKAS 24, KMPs are those having authority and responsibility for planning, directing and controlling the activities of the entity.Accordingly KMP includes member of Board of Directors and identified senior management personnel of the company and its ultimate parent company BPPL Holdings PLC.Close family members of a KMP are those family members who may be expected to influence or be influenced by,that KMP in their dealing with the company.

	2025 Rs. '000	2024 Rs. '000
Group		
Short term employment benefit	13,829	20,296
Post employment benefit	-	-
	13,829	20,296
Company		
Short term employment benefit	1,077	20,296
Post employment benefit	-	-
	1,077	20,296

29.4 Directors Shareholdings

	No. of Shares	
Name of the Director	**2025**	**2024**
Mr. Sarath Amarasinghe	NIL	NIL
Dr. Anushal Amarasinghe	NIL	NIL
Mr. B D P D Perera	NIL	NIL
Mr. Ranil Pathirana	NIL	NIL
Mr. Manjula De Silva	NIL	NIL
Mrs. Sharmini Ratwatte	6,200	6,200
Mr. Savantha S De Saram	NIL	NIL

30. SEGMENT INFORMATION

For management purposes, the Group is organized into business units based on their products and services and has two reportable segments as follows:

Operating Segments	Brush ware		Filament and Yarn		Eliminations and Adjustments		Consolidated	
For the Year Ended 31 March	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Revenue - Internal	709,169	700,537	504,488	633,617	(1,213,657)	(1,334,154)	-	-
- External	4,215,608	3,962,813	1,322,326	1,448,693	-	-	5,537,934	5,411,506
Cost of Sales	(3,737,710)	(3,674,071)	(1,993,079)	(1,996,284)	1,310,670	1,332,034	(4,420,119)	(4,338,321)
Gross Profit	1,187,066	989,279	(166,264)	86,026	97,013	(2,120)	1,117,815	1,073,185
Other Operating Income	97,200	18,819	9,548	29,690	(96,912)	(2,922)	9,836	45,587
Foreign Exchange Gain	16,677	25,125	(4,894)	(18,636)	-	-	11,783	6,489
Selling and Distribution Expenses	(230,471)	(240,331)	(40,210)	(41,399)	-	-	(270,682)	(281,730)
Administrative Expenses	(455,110)	(290,351)	(191,242)	(175,185)	-	-	(646,352)	(465,536)
Net Finance (Cost)/ Income	(204,055)	(144,951)	(30,753)	(136,661)	-	-	(234,807)	(281,612)
Profit Before Tax	411,307	357,589	(423,815)	(256,163)	101	(5,043)	(12,407)	96,383
Income Tax Expense	(111,612)	(54,596)	69,414	54,794	-	-	(42,198)	198
Profit for the Year	299,695	302,993	(354,401)	(201,369)	101	(5,043)	(54,605)	96,581
Assets & Liabilities								
Balance as at,								
Total Non-Current Assets	6,033,480	4,562,159	3,051,844	3,149,878	(4,359,283)	(2,895,863)	4,726,041	4,816,173
Total Current Assets	2,582,272	2,210,525	1,220,269	978,041	(472,198)	(251,351)	3,330,343	2,937,215
Total Assets	8,615,752	6,772,684	4,272,113	4,127,919	(4,831,481)	(3,147,214)	8,056,384	7,753,389
Total Equity	4,592,332	4,366,005	4,070,912	2,615,748	(4,410,599)	(2,947,240)	4,252,645	4,034,513
Total Non-Current Liabilities	1,261,180	569,147	40,877	601,737	-	-	1,302,057	1,170,884
Total Current Liabilities	2,762,240	1,837,531	160,324	910,435	(420,883)	(199,975)	2,501,682	2,547,991
Total Liabilities	8,615,752	6,772,684	4,272,113	4,127,919	(4,831,481)	(3,147,214)	8,056,384	7,753,389

Inter-segment revenues are eliminated upon consolidation; and operation results, assets and liabilities of segments are reflected in the eliminations and adjustments column.

FINANCIAL INFORMATION

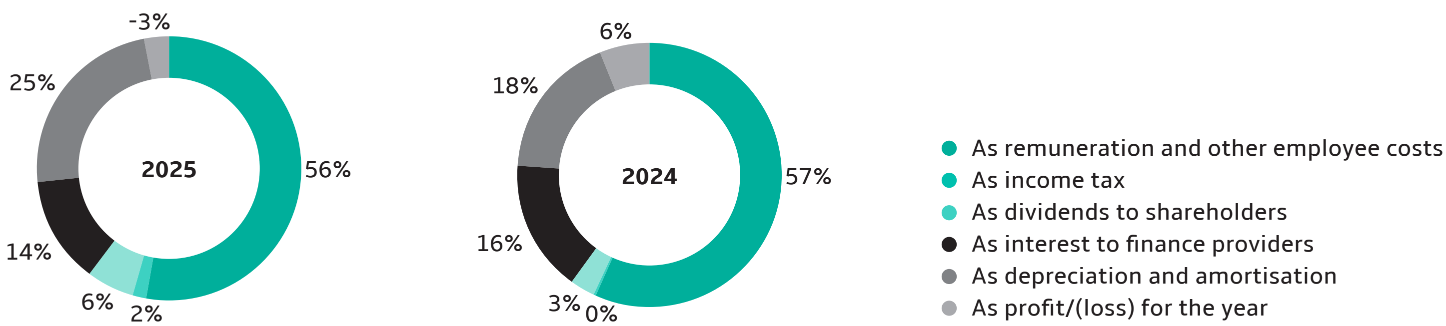
	Group		Company	
For the year ended 31 March	**2025 Rs. '000**	**2024 Rs. '000**	**2025 Rs. '000**	**2024 Rs. '000**
Turnover	**5,537,934**	5,411,506	**-**	906,286
Other Operating Income/(Loss)	**9,836**	45,587	**97,200**	12,489
Finance Income	**4,293**	295	**6**	10
Cost of Material & Services	**(3,789)**	(3,703)	**75**	(495)
Value added	**1,762,726**	1,754,135	**172,044**	423,440

	Group				Company			
	2025 Rs. '000	**%**	**2024 Rs. '000**	**%**	**2025 Rs. '000**	**%**	**2024 Rs. '000**	**%**
Distributed as follows:								
To Employees								
as remuneration and other employee costs	**980,363**	**56%**	996,407	57%	**-**	**0%**	233,674	55%
To Government								
as income tax	**42,198**	**2%**	(199)	0%	**15,510**	**9%**	61,465	15%
To Providers of Capital								
as dividends to shareholders	**107,395**	**6%**	55,232	3%	**107,395**	**62%**	55,232	13%
as interest to finance providers	**239,100**	**14%**	281,907	16%	**37**	**0%**	3,366	1%
Retained in Business								
as depreciation and amortisation	**448,275**	**25%**	324,207	18%	**14,530**	**8%**	42,002	10%
as profit/(loss) for the year	**(54,605)**	**-3%**	96,581	6%	**34,572**	**20%**	27,700	7%

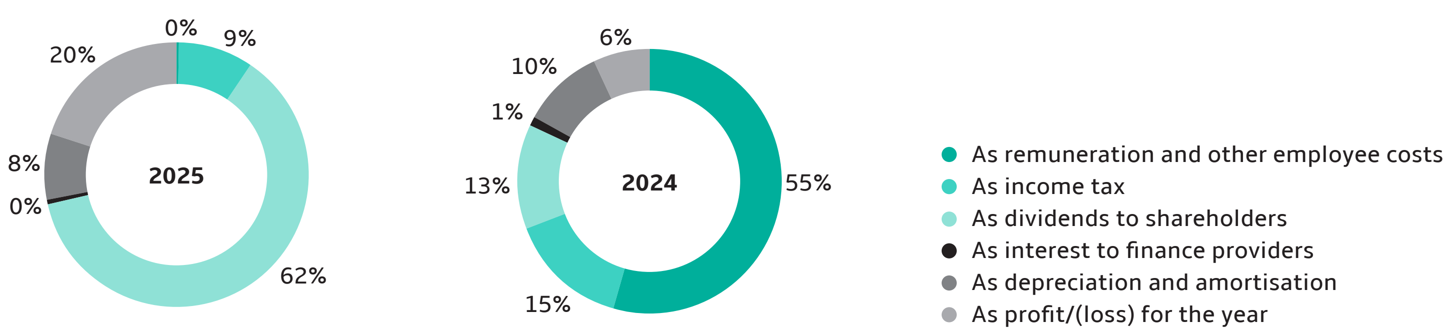
Financial Information

	Group		Company	
	2024	2025	2024	2025
As remuneration and other employee costs	57%	56%	55%	0%
As income tax	0%	2%	15%	9%
As dividends to shareholders	3%	6%	13%	62%
As interest to finance providers	16%	14%	1%	0%
As depreciation and amortisation	18%	25%	10%	8%
As profit/(loss) for the year	6%	-3%	7%	20%

GROUP



COMPANY



FIVE YEAR SUMMARY

	2021 Rs. '000	2022 Rs. '000	2023 Rs. '000	2024 Rs. '000	2025 Rs. '000
Revenue	3,437,997	4,834,955	6,250,891	5,411,506	**5,537,934**
Profit Before Tax	609,316	721,437	706,436	96,383	**(12,407)**
Taxation	(112,415)	(71,739)	(195,276)	199	**(42,198)**
Profit for the Year	496,901	649,699	511,160	96,581	**(54,605)**
Earnings before Interest and Taxes	641,931	774,009	1,012,303	377,995	**222,400**
Earnings before Interest, Taxes, Depreciation, and Amortisation	844,570	974,654	1,294,718	702,205	**568,756**
Cash Profit	709,970	806,506	1,046,984	590,930	**609,341**
Equity Funds Employed					
Stated Capital	100,372	100,372	100,372	100,372	**100,372**
Reserves	398,904	(339,127)	(168,270)	237,778	**606,682**
Retained Earnings	2,741,833	3,307,948	3,683,281	3,696,364	**3,545,591**
Assets Employed					
Non-Current Assets	3,549,898	4,616,528	4,696,850	4,816,173	**4,726,041**
Current Assets	2,279,316	3,629,723	3,073,164	2,937,215	**3,330,343**
Current Liability	1,405,759	2,925,900	2,357,213	2,547,991	**2,501,682**
Capital Employed (Net Debt Basis)	4,772,825	6,896,377	6,782,427	6,777,106	**7,001,471**
Cash Flow					
Net Cash Inflow/(Outflow) from Operating Activities	134,843	166,777	591,639	364,297	**346,576**
Net Cash Inflow/(Outflow) from Investing Activities	(775,187)	(1,028,345)	(129,857)	(365,622)	**(196,384)**
Net Cash Inflow/(Outflow) from Financing Activities	164,682	878,940	(378,408)	(177,391)	**158,048**
Net Increase/(Decrease) in Cash and Cash Equivalents	(475,662)	17,372	83,374	(178,715)	**308,240**
Key Indicators					
Current Ratio	1.62	1.24	1.30	1.15	**1.33**
Gearing Ratio	47%	125%	82%	67%	**58%**
Asset Turnover Ratio	0.59	0.59	0.80	0.70	**0.69**
Earnings per Share (Rs)	1.62	2.12	1.67	0.31	**(0.18)**
Dividends per Share (Rs)	0.24	0.42	-	0.18	**0.35**
Net assets per Share (Rs)	10.56	10.00	11.78	13.15	**13.86**
Return on Equity	15%	21%	14%	2%	**-1%**
Return on Capital Employed	13%	11%	15%	6%	**3%**
Interest Cover (Times)	19.68	14.72	3.31	1.34	**0.95**
Dividend Payout Ratio	15%	20%	0%	57%	**-197%**

ANNEXURES

INVESTOR INFORMATION

ANALYSIS OF SHAREHOLDERS ACCORDING TO THE NUMBER OF SHARES AS AT 31ST MARCH 2025

Shareholdings	Resident			Non-Resident			Total		
	Number of Shareholders	No. of Shares	Percentage (%)	Number of Shareholders	No. of Shares	Percentage (%)	Number of Shareholders	No. of Shares	Percentage (%)
1 to 1,000 Shares	783	213,294	0.08	3	1,401	0.00	786	214,695	0.08
1,001 to 10,000 Shares	335	1,420,172	0.46	3	9,595	0.00	338	1,429,767	0.46
10,001 to 100,000 Shares	149	5,136,005	1.67	1	30,000	0.01	150	5,166,005	1.68
100,001 to 1,000,000 Shares	31	11,992,510	3.91	2	608,600	0.20	33	12,601,110	4.11
Over 1,000,000 Shares	9	285,931,780	93.18	1	1,500,000	0.49	10	287,431,780	93.67
Total	1,307	304,693,761	99.30	10	2,149,596	0.70	1,317	306,843,357	100

CATEGORIES OF SHAREHOLDERS

Categories of Shareholders	No. of Shareholders	No. of Shares
Individual	1,240	97,713,914
Institutional	77	209,129,443
Total	1,317	306,843,357

SHARE TRADING INFORMATION

Year Ended	31 March 2025	31 March 2024
Share Information		
Highest Price (Rs.)	**24.50**	23.40
Lowest Price (Rs.)	**16.20**	18.60
Closing Price (Rs.)	**19.00**	20.00

PUBLIC HOLDING AS AT 31ST MARCH 2025

The Company is in compliance with the Minimum Public Holding requirements for Companies listed in the Diri Savi Board as per Rule 7.13.1 (b) of the Listing Rules of the Colombo Stock Exchange, under Option 2, i.e. Float-Adjusted Market Capitalization is less than Rs.1 Billion with more than 200 Public Shareholders and a Public Holding percentage of 10%.

Ordinary shares of the Company held by the public as at 31st March 2025;

Float-Adjusted Market Capitalization (Rs.)	799,743,174
Percentage of Ordinary Shares Held by the Public	13.72%
Number of Public Shareholders	1,313

There were no non-voting shares as at 31st March 2025.
The Stock Exchange code for BPPL Holdings PLC shares is "BPPL".

LIST OF 25 MAJOR SHAREHOLDERS BASED ON THEIR SHAREHOLDINGS AS AT 31ST MARCH 2025

No	Name of the Shareholder	No. of Shares as at 31st March 2025	%
1	Infinity Capital (Pvt) Ltd	154,382,777	50.31%
2	Mrs. Kalsha Upeka Amarasinghe	80,546,372	26.25%
3	Hirdaramani Investment Holdings Private Limited	29,816,262	9.72%
4	MAS Capital (Private) Limited	9,208,692	3.00%
5	Mr. Roger Keith Modder	4,904,500	1.60%
6	Deutsche Bank AG AS Trustee To Assetline Income Plus Growth Fund	2,337,676	0.76%
7	People's Leasing & Finance PLC/Mr.D.M.P.Disanayake	1,865,482	0.61%
8	People's Leasing & Finance PLC/L.P.Hapangama	1,588,083	0.52%
9	Hallsville Frontier Equities Ltd	1,500,000	0.49%
10	Hatton National Bank PLC Account No. 04	1,281,936	0.42%
11	Capital Alliance Holdings Ltd	1,000,000	0.33%
12	Mrs. D.G. Ushani Pavithra Jayasekara	999,219	0.33%
13	Mrs. Iromi Chandi Angella Alles	850,000	0.28%
14	Jafferjee Brothers (Exports) Limited	772,800	0.25%
15	Est. of Late Mr. M.J. Fernando	750,000	0.24%
16	Mr. Akshay Anil Hirdaramani	732,100	0.24%
17	Mr. M.A.H. Esufally	565,068	0.18%
18	Hatton National Bank PLC- CT CLSA Equity Fund	526,600	0.17%
19	J.B. Cocoshell (Pvt) Ltd	500,000	0.16%
20	GF Capital Global Limited	476,600	0.16%
21	Mr. Mahesh Lalchand Hirdaramani	425,693	0.14%
22	Katunayake Garments Limited	419,200	0.14%
23	Mr. Kishore Shashi Nikhil Hirdaramani	412,300	0.13%
24	Mr. Derek Joseph De Silva Wijeyeratne	355,000	0.12%
25	Allianz Life Insurance Lanka Limited - A/C No. 02 (Allianz Growth Fund)	338,340	0.11%
Total		296,554,700	96.65%

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of B P P L Holdings PLC will be held on 30th September 2025 at 11:00 a.m. at Excel World, Marcopolo Lounge, No. 338 T. B. Jayah Mawatha, Colombo 10 for the following purposes:

1. To read the Notice convening the Meeting.
2. To receive and consider the Annual Report and the Financial Statements for the Financial Year ended 31st March 2025 with the Report of the Auditors thereon.
3. To re-elect as a Director Mr. R. P. Pathirana who retires by rotation in terms of Article 81 of the Articles of Association of the Company.
4. To elect as a Director, Mr. M. R. Jiffrey who retires in terms of Article 88 of the Articles of Association of the Company.
5. To elect as a Director, Mr. U. K. D. Dharmadasa who retires in terms of Article 88 of the Articles of Association of the Company.
6. To elect as a Director, Ms. N. M. Boralessa who retires in terms of Article 88 of the Articles of Association of the Company.
7. To elect as a Director, Mr. M. Adamaly who retires in terms of Article 88 of the Articles of Association of the Company.
8. To re-appoint Messrs. Ernst & Young, Chartered Accountants, as Auditors and to authorize the Directors to determine their remuneration.

9.Any Other Business of which due notice has been given in terms of the relevant laws and regulations.

By Order of the Board
B P P L HOLDINGS PLC

Secretarius (Private) Limited
Secretaries
Colombo
29th August 2025

Notes:

- A member unable to attend is entitled to appoint a Proxy to attend and vote at the Meeting in his/her place.
- A form of proxy is enclosed for this purpose.
- A proxy need not be a member of the Company.
- Members are encouraged to vote by Proxy through the appointment of a member of the Board of Directors to vote on their behalf and to include their voting preferences on the resolutions to be taken up at the Meeting in the Form of Proxy
- In order to be valid, the completed Proxy Form must be lodged at the Registered Office of the Company not less than forty eight hours before the time fixed for the Meeting.
- Should Members wish to obtain a hard copy of the Annual Report, they may send a request to the Company by filling the request form attached to the Form of Proxy. A printed copy of the Annual Report will be forwarded by the Company within eight (8) market days, subject to the prevailing circumstances at the time, from the date of receipt of the request.

NOTES

FORM OF PROXY

I/We..

of ....

being a member/members of B P P L HOLDINGS PLC hereby appoint:

Mr./Mrs./Miss ....

of ....

or failing him/her,

DR. K. A. AMARASINGHE	of Colombo, or failing him
MR. B. D. P. D. PERERA	of Negombo, or failing him
MR. R. P. PATHIRANA	of Rajagiriya, or failing him
MR. M. R. JIFFREY	of Colombo, or failing him
MR. U. K. D. DHARMADASA	of Colombo, or failing him
MS. N. M. BORALESSA	of Battaramulla, of failing her
MR. M. ADAMALY	of Colombo

as my/our proxy to represent me/us and vote on my/our behalf at the Annual General Meeting of the Company to be held on 30th September 2025 at 11:00 a.m. and at any adjournment thereof and at every poll which may be taken in consequence thereof.

I/We, the undersigned, hereby direct my/our proxy to vote for me/us and on my/our behalf on the specified Resolution as indicated by the letter "X" in the appropriate cage:

	FOR	AGAINST
To re-elect as a Director, Mr. R. P. Pathirana who retires by rotation in terms of Article 81 of the Articles of Association of the Company.		
To elect as a Director, Mr. M. R. Jiffrey who retires in terms of Article 88 of the Articles of Association of the Company.		
To elect as a Director, Mr. U. K. D. Dharmadasa who retires in terms of Article 88 of the Article of Association of the Company.		
To elect as a Director, Ms. N. M. Boralessa who retires in terms of Article 88 of the Articles of Association of the Company.		
To elect as a Director, Mr. M. Adamaly who retires in terms of Article 88 of the Articles of Association of the Company.		
To re-appoint Messrs. Ernst & Young, Chartered Accountants, as Auditors and to authorize the Directors to determine their remuneration.		

As witness my/our hands on this .... day of .... Two Thousand & Twenty Five.

....

Signature/s

Instructions as to Completion of the Form of Proxy are set out on the Reverse.

Form of Proxy

INSTRUCTIONS AS TO COMPLETION OF THE FORM OF PROXY

Kindly perfect the Form of Proxy by filling in legibly your full name and address and signing in the space provided. Please fill in the date of signature.

If the Form of Proxy is signed by an Attorney, the relevant Power of Attorney should also accompany the completed Form of Proxy for registration, if such Power of Attorney has not already been registered with the Company.

If the appointer is a Company/Corporation, the Form of Proxy should be executed under its Common Seal or by a duly authorised officer of the company or Corporation in accordance with its Articles of Association.

The completed Form of Proxy should be deposited at the Registered office of the Company at Level 17, Access Towers, No. 278/4, Union Place, Colombo 2 not later than forty eight hours before the time appointed for the holding of the meeting.

Please fill in the following details:

Name	:	
Address	:	
Jointly with	:	
Share Folio No	:	

OFFICE ADDRESS

HEAD OFFICE

Level 17,
Access Towers II,
No. 278/4, Union Place,
Colombo 02

WOOD, BRUSH AND MOP FACTORY

No 88,
Ratnapura Road,
Ingiriya

SYNTHETIC FILAMENT FACTORY

Batuvita,
Mawgama,
Horana.

RECYCLING AND YARN FACTORY

Lot 7,
Horana Export Processing Zone,
Boralugoda,
Poruwadonda,
Horana.

DUBAI SALES OFFICE

Office MF 70,
Nooraniyah Building,
Hor Al Anz,
Dubai,
U.A.E

CORPORATE INFORMATION

COMPANY NAME

B P P L Holdings PLC

DATE OF INCORPORATION

26th August 1991

LEGAL FORM

Incorporated in Sri Lanka on 26th August 1991 as a public company under the Companies Act No. 17 of 1982 [N (PBS) 291)], re-registered under the Companies Act No. 07 of 2007 on 21st January 2009 (PB 859), converted to a private limited liability on 20th July 2012 (PB 859 PV),converted to a public company on 29th July 2016 (PB 859 PV) and subsequently converted to Public Quoted Company (PB 859 PQ) on 29th June 2017. Authority of Incorporation: Registrar of Companies (ROC), Colombo.

COMPANY REGISTRATION NUMBER

PB 859 PQ

REGISTERED OFFICE AND CURRENT PLACE OF BUSINESS

B P P L Holdings PLC,
Level 17, Access Towers II,
No. 278/4, Union Place,
Colombo 02.
Tel : +94 11 2307168
Fax: +94 11 2307169

BOARD OF DIRECTORS

Mr. Sarath Dayantha Amarasinghe - *Chairman*
(Deceased on 11th March 2025)
Dr. Anush Amarasinghe - *Managing Director / Chief Executive Officer*
(Appointed on 15th May 2025)
Mr. B. D. Prasad Devapriya Perera - *Executive Director*
Mr. Rizan Jiffrey - *Executive Director / Chief Financial Officer (Appointed w.e.f. 01st April 2025)*
Mr. Ranil Pathirana - *Non-Executive Director*
Mr. Manjula De Silva - *Senior Independent Non-Executive Director*
(Resigned on 01st July 2025)
Ms. Sharmini Ratwatte - *Independent Non-Executive Director*
(Resigned on 01st July 2025)
Mr. Savantha De Saram - *Independent Non-Executive Director*
(Resigned on 01st July 2025)
Mr. Dinesh Dharmadasa - *Senior Independent Non-Executive Director*
(Appointed on 01st July 2025)
Ms. Natasha Boralessa - *Independent Non-Executive Director*
(Appointed on 01st July 2025)
Mr. Mohamed Adamaly - *Independent Non-Executive Director*
(Appointed on 01st July 2025)

COMPANY SECRETARY

Secretarius (Pvt) Ltd.
3rd Floor, 40, Galle Face Court 2,
Colombo 03.
Tel : +94 11 2333431
Fax: +94 11 2381907

COMPANY REGISTRAR

S S P Corporate Services (Private) Limited,
101, Inner Flower Road, Colombo 03.
Tel : +94 11 2573894
Fax : +94 11 2573609
Email: sspsec@sltnet.lk

AUDITORS TO THE COMPANY

Messrs. Ernst & Young
(Chartered Accountants)
Rotunda Towers,
No. 109, Galle Road,
Colombo 03.
Tel : +94 11 2204444
Fax: +94 11 2697369

LAWYERS TO THE COMPANY

D. L. & F. De Saram Law
Attorneys-at-Law and Notaries Public
No. 47, C.W.W. Kannangara Mawatha,
Alexandra Pl, Colombo 07.
Tel: +94 11 2015200
Email: info@desaram.com

COMPANY WEBSITE

www.bpplholdings.com

COMPANY E-MAIL

info@bpplholdings.com

BANKERS TO THE COMPANY AND GROUP

Bank of Ceylon
04, Bank of Ceylon Mawatha,
Colombo 01.

National Development Bank
42, DHPL Building,
Nawam Mawatha,
Colombo 02.

Sampath Bank
110, Sir James Pieris Mawatha,
Colombo 02.

Hongkong and Shanghai Banking Corporation Limited
24, Sir Baron Jayathilake Mawatha,
Colombo 01.

Hatton National Bank
HNB Towers,
479, T.B. Jayah Mawatha,
Colombo 10.

Standard Chartered Bank
37, York Street,
Colombo 01.

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www.optimadesigns.lk

BPPL

Building Quality. Improving Life.