FINANCIAL REPORTS

Independent Auditor's Report

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To the Shareholders of the 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 2022 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 a summary of significant accounting policies.

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 2022, 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 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.

Partners: H M A Jayesinghe FCA FCMA, R N de Saram ACA FCMA, Ms. N A De Silva FCA, W R H De Silva FCA ACMA, Ms. Y A De Silva FCA, Ms. K R M Fernando FCA ACMA, N Y R L Fernando ACA, W K B S P Fernando FCA FCMA, Ms. L K H L Fonseka FCA, D N Gamage ACA ACMA, A P A Gunasekera FCA FCMA, A Herath FCA, D K Hulangamuwa FCA FCMA LLB (London), Ms. A A Ludowyke FCA FCMA, Ms. G G S Manatunga FCA, A A J R Perera ACA ACMA, Ms. P V K N Sajeewani FCA N M Sulaiman ACA ACMA, B E Wijesuriya FCA FCMA, C A Yalagala ACA ACMA

Principals: G B Goudian ACMA, Ms. P S Paranavitane ACMA LLB (Colombo), T P M Ruberu FCMA FCCA

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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 24, 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. As at 31st March 2022, the Group reported a hedge reserve amounting to Rs. 801 Mn. The effective portion of the Cash flow hedge recognized in other comprehensive income amounted to Rs. 738 Mn. This was a key audit matter due to the complexity of the accounting model and significance of management judgements and assumptions applied in continuing cashflow hedge accounting, as disclosed in Note 24 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 continuing cashflow hedge accounting Assessed the adequacy of disclosures in Note 24 to the financial statements.

Other Information included in the 2022 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

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.

Independent Auditor's Report

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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 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 ethical requirements in accordance with the Code of Ethics 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, related safeguards.

Independent Auditor's Report

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

The Institute of Chartered Accountant of Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 1864.

Ernst & Young

17th August 2022
Colombo

Statement of Financial Position

As at 31 March	Notes	Group 2022 Rs.	Group 2021 Rs.	Company 2022 Rs.	Company 2021 Rs.
Assets					
Non-Current Assets					
Property, Plant and Equipment	4	**4,527,764,672**	3,493,861,869	**1,145,966,320**	1,098,202,354
Right of Use Assets	5	**40,469,653**	45,335,339	**-**	2,780,344
Intangible Asset	6	**48,294,063**	10,700,746	**2,253,163**	1,629,312
Investment in Subsidiaries	7	**-**	-	**9,102,240**	9,102,240
		4,616,528,388	3,549,897,954	**1,157,321,723**	1,111,714,250
Current Assets					
Inventories	8	**953,250,795**	622,104,990	**172,189,640**	75,501,673
Trade and Other Receivables	9	**2,493,732,685**	1,325,767,012	**718,189,136**	203,866,495
Income Tax Receivables		**8,101,132**	137,329	**-**	-
Other Financial investment	10	**59,077,600**	275,808,326	**-**	-
Cash and Bank Balances	17	**115,561,187**	55,498,469	**6,344,765**	2,732,168
		3,629,723,399	2,279,316,126	**896,723,541**	282,100,336
Total Assets		**8,246,251,787**	5,829,214,080	**2,054,045,264**	1,393,814,586
Equity and Liabilities					
Capital and Reserves					
Stated Capital	11	**100,371,584**	100,371,584	**100,371,584**	100,371,584
Revaluation reserve		**462,141,930**	462,141,930	**451,171,280**	451,171,280
Hedging Reserve		**(801,269,052)**	(63,237,620)	**-**	-
Retained Earnings		**3,307,947,573**	2,741,832,707	**594,492,602**	425,108,939
		3,069,192,035	3,241,108,601	**1,146,035,466**	976,651,803
Total Equity		**3,069,192,035**	3,241,108,601	**1,146,035,466**	976,651,803
Non-Current Liabilities					
Interest Bearing Loans and Borrowings	12	**1,910,009,447**	825,943,002	**-**	5,000,000
Deferred Tax Liabilities	14	**228,766,544**	210,935,077	**131,530,497**	116,759,865
Lease Liability	5	**35,137,843**	36,009,829	**-**	-
Retirement Benefit Obligations	15	**77,245,499**	109,458,215	**20,247,919**	28,563,908
		2,251,159,333	1,182,346,123	**151,778,416**	150,323,773

Statement of Financial Position

As at 31 March	Notes	Group 2022 Rs.	Group 2021 Rs.	Company 2022 Rs.	Company 2021 Rs.
Current Liabilities					
Trade and Other Payables	16	**824,258,513**	314,710,083	**671,721,062**	230,082,621
Income Tax Payable		**8,957,514**	52,231,793	**8,586,330**	15,889,149
Lease Liability	5	**870,389**	1,737,629	**-**	867,240
Interest Bearing Loans and Borrowings	12	**2,091,814,003**	1,037,079,851	**75,923,990**	20,000,000
		2,925,900,419	1,405,759,356	**756,231,382**	266,839,010
Total Equity and Liabilities		**8,246,251,787**	5,829,214,080	**2,054,045,264**	1,393,814,586
Net Asset per Share		**10.0**	10.6	**3.7**	3.2

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

Senior Manager – Finance

The board of directors is responsible for these Financial Statements. Signed for and on behalf of the board by:

Director

Director

The accounting policies and notes on pages 38 through 87 form an integral part of the financial statements.

17th August 2022
Colombo

Statement of Profit or Loss

For the year ended 31st March	Notes	Group 2022 Rs.	Group 2021 Rs.	Company 2022 Rs.	Company 2021 Rs.
Revenue	3	**4,834,955,216**	3,437,997,243	**1,496,657,963**	971,861,480
Cost of Sales		**(3,437,382,167)**	(2,258,889,705)	**(1,155,801,733)**	(642,702,526)
Gross Profit		**1,397,573,049**	1,179,107,538	**340,856,230**	329,158,954
Other Operating Income	18	**25,084,885**	13,874,798	**60,673,804**	9,320,733
Foreign Exchange Gain		**134,349,949**	53,381,690	**62,333,100**	7,828,976
Selling and Distribution Expenses		**(389,413,391)**	(265,691,244)	**(46,124,318)**	(33,779,495)
Administrative Expenses		**(393,585,154)**	(338,742,084)	**(79,287,290)**	(66,789,577)
Operating Profit		**774,009,338**	641,930,698	**338,451,526**	245,739,591
Finance Cost	20	**(74,152,645)**	(66,659,937)	**(3,415,273)**	(1,373,295)
Finance Income	19	**21,580,690**	34,044,865	**3,093**	52,578
Profit Before Tax	21	**721,437,383**	609,315,626	**335,039,346**	244,418,874
Income Tax Expense	13	**(71,738,659)**	(112,414,567)	**(46,546,920)**	(34,205,625)
Profit for the Year		**649,698,724**	496,901,059	**288,492,426**	210,213,249
Number of Ordinary Shares		**306,843,357**	306,843,357	**306,843,357**	306,843,357
Earnings Per Share	22	**2.12**	1.62	**0.94**	0.69
Dividend		**128,874,210**	73,642,406	**128,874,210**	73,642,406
Dividend Per Share	23	**0.42**	0.24	**0.42**	0.24
Attributable to :					
Equity Holders of the Parent		**649,698,724**	496,901,059		

The accounting policies and notes on pages 38 through 87 form an integral part of the financial statements.

Statement of Comprehensive Income

Company	Notes	2022 Rs.	2021 Rs.
Profit for the Year		**288,492,426**	210,213,249
Other Comprehensive Income			
Other Comprehensive Income not to be Reclassified subsequently to the statement of profit or loss			
Retirement Benefit Obligation Actuarial Gain/(Loss)	15.1	**11,355,169**	(2,722,593)
Deferred Tax Attributable to Actuarial (Gain)/Loss	14.1	**(1,589,724)**	381,163
Net Other Comprehensive Income not to be Reclassified subsequently to the statement of profit or loss (Net of tax)		**9,765,445**	(2,341,430)
Total Comprehensive Income for the Year, after Tax		**298,257,871**	207,871,819

Group	Notes	2022 Rs.	2021 Rs.
Profit for the Year		**649,698,724**	496,901,059
Other Comprehensive Income			
Other Comprehensive Income to be Reclassified subsequently to the statement of profit or loss			
Hedge Adjustment	24	**(738,031,432)**	(47,133,220)
Net Other Comprehensive Income to be Reclassified subsequently to the statement of profit or loss (Net of tax)		**(738,031,432)**	(47,133,220)
Other Comprehensive Income for the Year			
Other Comprehensive Income not to be Reclassified subsequently to the statement of profit or loss			
Retirement Benefit Obligation Actuarial Gain/(Loss)	15.1	**52,836,109**	(12,018,162)
Deferred Tax Attributable to Actuarial (Gain)/Loss	14.1	**(7,545,757)**	1,725,426
Net Other Comprehensive Income not to be Reclassified subsequently to the statement of profit or loss (Net of tax)		**45,290,352**	(10,292,736)
Total Comprehensive Income for the Year, after Tax		**(43,042,356)**	439,475,103
Attributable to :			
Equity Holders of the Parent		**(43,042,356)**	439,475,103

The accounting policies and notes on pages 38 through 87 form an integral part of the financial statements.

Statement of Changes in Equity

Group	Stated Capital Rs.	Revaluation reserve	Hedging Reserve	Retained Earnings Rs.	Total Equity Rs.
Balance as at 1 April 2020	100,371,584	462,141,930	(16,104,400)	2,328,866,790	2,875,275,904
Profit for the Period	-	-	-	496,901,059	496,901,059
Other Comprehensive Income	-	-	(47,133,220)	(12,018,162)	(59,151,382)
Tax on Other Comprehensive Income	-	-	-	1,725,426	1,725,426
Total Comprehensive Income	-	-	(47,133,220)	486,608,323	439,475,103
Dividend Paid	-	-	-	(73,642,406)	(73,642,406)
Balance as at 31 March 2021	100,371,584	462,141,930	(63,237,620)	2,741,832,707	3,241,108,601
Profit for the Period	-	-	-	649,698,724	649,698,724
Other Comprehensive Income	-	-	(738,031,432)	52,836,109	(685,195,323)
Tax on Other Comprehensive Income	-	-	-	(7,545,757)	(7,545,757)
Total Comprehensive Income	-	-	(738,031,432)	694,989,076	(43,042,356)
Dividend Paid	-	-	-	(128,874,210)	(128,874,210)
Balance as at 31 March 2022	100,371,584	462,141,930	(801,269,052)	3,307,947,573	3,069,192,035

Statement of Changes in Equity

Company	Stated Capital Rs.	Revaluation reserve	Retained Earnings Rs.	Total Equity Rs.
Balance as at 31 March 2020	100,371,584	451,171,280	290,879,526	842,422,390
Profit for the Year	-	-	210,213,249	210,213,249
Other Comprehensive Income	-	-	(2,722,593)	(2,722,593)
Tax on Other Comprehensive Income	-	-	381,163	381,163
Total Comprehensive Income	-	-	207,871,819	207,871,819
Dividend Paid	-	-	(73,642,406)	(73,642,406)
Balance as at 31 March 2021	100,371,584	451,171,280	425,108,939	976,651,803
Profit for the Period	-	-	288,492,426	288,492,426
Other Comprehensive Income	-	-	11,355,169	11,355,169
Tax on Other Comprehensive Income	-	-	(1,589,724)	(1,589,724)
Total Comprehensive Income	-	-	298,257,871	298,257,871
Dividend Paid	-	-	(128,874,210)	(128,874,210)
Balance as at 31 March 2022	100,371,584	451,171,280	594,492,600	1,146,035,464

The accounting policies and notes on pages 38 through 87 form an integral part of the financial statements.

Cash Flow Statement

For the year ended 31st March	Notes	Group 2022 Rs.	Group 2021 Rs.	Company 2022 Rs.	Company 2021 Rs.
Cash Flows From / (Used in) Operating Activities					
Cash Flow from Operating Activities					
Profit before tax		**721,437,383**	609,315,626	**335,039,346**	244,418,874
Adjustments for					
Depreciation	4	**189,429,997**	189,979,388	**28,264,001**	28,405,114
Amortisation	5	**6,349,440**	2,233,066	**424,049**	348,020
Amortisation - Leasehold land		**4,865,687**	10,426,375	**2,780,344**	8,341,032
Provision for Retirement Benefit Obligations	15	**26,994,816**	22,132,059	**5,917,632**	5,125,629
Interest Income	19	**(21,580,690)**	(34,044,865)	**(3,093)**	(52,578)
Dividend Income		**-**	-	**(52,183,642)**	-
Finance Cost	20	**74,152,645**	66,659,937	**3,415,273**	1,373,295
Profit/(Loss) from disposal of fixed assets		**(619,177)**	3,134,339	**61,363**	(1,781,448)
Unrealised Exchange loss		**344,198,451**	(17,031,637)	**24,086,600**	-
Provision for Slow Moving Stocks		**2,735,192**	(217,364)	**234,305**	3,379
Operating Profit Loss Before Working Capital Changes		**1,347,963,744**	852,586,924	**348,036,178**	286,181,317
(Increase)/Decrease in Inventories		**(333,880,996)**	(45,829,832)	**(96,922,272)**	11,084,225
(Increase)/Decrease in Trade and Other Receivables		**(1,167,965,673)**	(626,179,578)	**(514,322,641)**	(82,455,993)
Increase/(Decrease) in Trade and Other Payables		**509,548,430**	99,217,000	**441,638,442**	15,251,016
Cash Generated from Operations		**355,665,505**	279,794,514	**178,429,707**	230,060,565
Income Tax Paid		**(112,691,031)**	(76,215,534)	**(40,668,831)**	(36,450,822)
Retirement Benefit Obligations Costs paid		**(6,371,423)**	(7,083,060)	**(2,878,452)**	(1,714,195)
Interest Paid		**(69,826,009)**	(61,653,022)	**(3,415,273)**	(791,817)
Cash Flow from Operating Activities		**166,777,042**	134,842,898	**131,467,151**	191,103,731

Cash Flow Statement

For the year ended 31st March	Notes	Group 2022 Rs.	Group 2021 Rs.	Company 2022 Rs.	Company 2021 Rs.
Cash Flow from Investing Activities					
Acquisition of Property, Plant and Equipment	4	**(201,587,885)**	(219,567,236)	**(71,088,189)**	(127,944,391)
Acquisition of Intangible Assets	5	**(43,942,757)**	(4,379,089)	**(1,047,900)**	-
Proceeds from Disposal of Fixed Assets		**1,855,062**	4,495,172	**-**	1,800,000
Investment in Financial assets		**-**	(905,700,000)	**-**	-
Proceeds from Financial assets		**237,674,385**	649,000,000	**-**	-
Interest Received		**637,031**	14,936,539	**3,093**	52,578
Dividend Received		**-**	-	**52,183,642**	-
Capital Work In Progress		**(1,022,980,804)**	(313,972,142)	**5,001,140**	(2,656,954)
Net Cash Flows used in Investing Activities		**(1,028,344,967)**	(775,186,756)	**(24,950,494)**	(128,748,767)
Cash Flow from Financing Activities					
Repayment of Interest Bearing Loans and Borrowings		**(4,305,306,074)**	(2,372,619,439)	**(160,489,783)**	-
Proceeds from Interest Bearing Loans and Borrowings		**5,319,185,779**	2,626,549,638	**168,027,750**	25,000,000
Lease rental paid		**(6,065,860)**	(15,605,500)	**(867,240)**	(10,406,880)
Dividends Paid		**(128,874,210)**	(73,642,406)	**(128,874,210)**	(73,642,405)
Net Cash Flows from/(used in) Financing Activities		**878,939,635**	164,682,293	**(122,203,483)**	(59,049,285)
Net Increase/ (Decrease) in Cash and Cash Equivalents		**17,371,710**	(475,661,564)	**(15,686,826)**	3,305,680
Cash and Cash Equivalent at the beginning of the year	17	**53,852,610**	529,514,174	**2,732,168**	(573,512)
Cash and Cash Equivalent at the end of the year	17	**71,224,320**	53,852,610	**(12,954,658)**	2,732,168

The accounting policies and notes on pages 38 through 87 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 2022 were authorized for issue in accordance with a resolution of the board of directors on 17th August 2022.

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 Groups 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. 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 the going concern basis.

The outbreak of the COVID-19 pandemic and the measures adopted by the government in Sri Lanka to mitigate its spread have impacted the Group. These measures required the Group to take appropriate measures including, engaging high quality medical and public health advice, social distancing, provision of protective equipment and working from home to safeguard the health of all employees and ensure compliance.

As COVID 19 pandemic situation is still evolving, the Company has taken all recommended measure to ensure the safety and well-being of its employees and all its other stakeholders as per the guidelines issued by the Government health authorities.

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 pandemic on the Groups 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 pandemic 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

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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. It is not possible to predict the exact timing or extent of recovery, at this time.

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:

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 COVID-19 pandemic, the group obtained advice of independent external valuer. Given the unprecedented and evolving set of circumstances arising due to COVID-19 pandemic, 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 31/03/2022 was 12%.

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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 2022. 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 Summary of Significant Accounting Policies

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 Company 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.

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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.

As per the Inland Act No. 24 of 2017 and amendments thereto, BPPL Holdings PLC, Beira Brush (Pvt) Ltd and BPPL Enterprises (Pvt) Ltd Companies are liable to Income Tax at 14% on qualified export profits, 18% on manufacturing profits and liable to income tax at 24% on other taxable profits during the year 2021/2022.

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 exempt from income taxes on profit the business of manufacturing of plastic resins and monofilament yarn, for a period of 07 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 10% on qualified profit, 14% on qualified export profits, 18% on manufacturing profits and liable to income tax at 24% on other taxable profits during the Year 2021/2022.

b) 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.

The Ministry of Finance has instructed on January 31, 2020 and March 05, 2020, that the revised income tax rates proposed to the Inland Revenue Act, No. 24 of 2017 by Circular No. PN/IT/2020-03 (Revised), be implemented with effect from January 01, 2020. The Bill introducing the change was placed on the Order Paper of the Parliament for the First Reading on March 26, 2021. Subsequently, the Bill along with amendments proposed at Committee stage was passed in Parliament and is awaiting certification by the Hon. Speaker.

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

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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	
	2022	**2021**	**2022**	**2021**
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

Notes to the Financial Statements

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.

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

	Group		Company	
Assets Category	**2022**	**2021**	**2022**	**2021**
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.

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(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.

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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.

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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.

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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.

Notes to the Financial Statements

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 25.

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.

Notes to the Financial Statements

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.

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.

Notes to the Financial Statements

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 Effects of Sri Lanka Accounting Standards Issued but not yet Effective:

The following new accounting standards and amendments/ improvements to existing standards which have been issued by the Institute of Chartered Accountants of Sri Lanka (CASL) are not effective as at 31st March 2022.

Amendments to SLFRS 9, LKAS 39, SLFRS 7, SLFRS 4 and SLFRS 16 - Interest rate benchmark reform (Phase 1 & 2)

The amendments to SLFRS 9 & LKAS 39 provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. IBOR reforms Phase 2 include number of reliefs and additional disclosures.

Amendments support companies in applying SLFRS when changes are made to contractual cash flows or hedging relationships because of the reform.

The above mentioned amendments are effective for the annual reporting periods beginning on or after 1st January 2021.

The above amendments are not expected to have an impact on the Group's Separate financial statements.

Notes to the Financial Statements

3. Revenue

As at 31 March	Group 2022 Rs.	Group 2021 Rs.	Company 2022 Rs.	Company 2021 Rs.
Export Sales	**3,695,954,694**	2,856,491,734	**461,483,036**	268,953,937
Deemd Export - Inter Company		-	**1,022,076,889**	693,849,362
- Others	**991,570,068**	479,732,455		
Local Sales	**137,337,578**	93,986,526	**3,005,162**	1,505,912
Scrap Sales	**-**	234,259	**-**	-
Rejected Log Sales	**10,092,876**	7,552,269	**10,092,876**	7,552,269
	4,834,955,216	3,437,997,243	**1,496,657,963**	971,861,480

4. Property, Plant and Equipment

4.1 At Cost

Group	Balance as at 01.04.2021 Rs.	Additions Rs.	Transfer Rs.	Disposals Rs.	Balance as at 31.03.2022 Rs.
Buildings	469,372,777	3,709,548	122,905,450	-	**595,987,775**
Plant and Machinery	2,173,008,255	107,005,165	1,064,913,606	(1,906,275)	**3,343,020,751**
Motor Vehicles	73,363,490	5,308,000	-	-	**78,671,490**
Furniture and Fittings	31,747,201	1,667,942	314,421	(144,240)	**33,585,324**
Factory Equipment	479,477,135	41,979,400	12,112,680	(22,782)	**533,546,433**
Tools	42,040,493	30,251,165	-	-	**72,291,658**
Office Equipment	74,461,913	11,666,665	539,389	(88,000)	**86,579,967**
	3,343,471,264	201,587,885	1,200,785,546	(2,161,297)	**4,743,683,398**
At Valuation			-		
Freehold Lands	739,007,001	-	-	-	**739,007,001**
Capital Work-In-Progress					
Work in Progress	315,838,623	1,022,980,803	(1,200,785,546)	-	**138,033,880**
	315,838,623	1,022,980,803	(1,200,785,546)	-	**138,033,880**
Total Value of Assets	4,398,316,888	1,224,568,488	-	(2,161,297)	**5,620,724,279**

Notes to the Financial Statements

4.2 Depreciation

At Cost	Balance as at 01.04.2021 Rs.	Additions Rs.	Disposals Rs.	Balance as at 31.03.2022 Rs.
Buildings	79,382,043	11,476,928	-	**90,858,971**
Plant and Machinery	531,267,191	107,077,261	(739,147)	**637,605,306**
Motor Vehicles	57,621,814	6,395,578	-	**64,017,392**
Furniture and Fittings	15,415,405	3,440,997	(80,347)	**18,776,055**
Factory Equipment	160,557,143	38,129,451	(17,918)	**198,668,677**
Tools	22,259,933	14,813,978	-	**37,073,911**
Office Equipment	37,951,491	8,095,803	(88,000)	**45,959,294**
Total Depreciation	904,455,020	189,429,996	(925,412)	**1,092,959,606**

4.3 Net Book Values

At Cost	Balance as at 31.03.2022 Rs.	Balance as at 01.04.2021 Rs.
Buildings	**505,128,804**	389,990,734
Plant and Machinery	**2,705,415,445**	1,641,741,063
Motor Vehicles	**14,654,097**	15,741,677
Furniture and Fittings	**14,809,269**	16,331,796
Factory Equipment	**334,877,756**	318,919,993
Tools	**35,217,747**	19,780,560
Office Equipment	**40,620,673**	36,510,422
	3,650,723,791	2,439,016,245
At Valuation		
Freehold Lands	**739,007,001**	739,007,001
Capital Work in Progress		
Work in Progress	**138,033,880**	315,838,623
	138,033,880	315,838,623
Total net book values	**4,527,764,672**	3,493,861,869

4.4 During the financial year 2019/20 the company has stated their properties at revalued amounts by expert independent valuer De Silva DPLC. The surplus arising from the revaluation was transferred to revaluation reserve.

Notes to the Financial Statements

	No. of Buildings	Extent	Method of Valuation and Significant unobservable inputs	Range of Estimate for unobservable	Valuation	Date of Valuation
BPPL Holdings PLC						
Land - Ingiriya	16	9A-1R-30.80P	Market Comparable Method	Per perch Value Rs. 444,375	671,361,000	31/03/2020
Land - Padukka	5	0A -3R-21P	Market Comparable Method	Per perch Value Rs.197,496	27,847,000	31/03/2020
Eco Spindles (Pvt) Ltd						
Land - Mawgama	7	01A-2R-27P	Market Comparable Method	per perch value Rs. 149,059.92	39,799,000	31/03/2020

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. 73,900,768/- and Rs. 69,920,869/- 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 01.04.2021 Rs.	Additions Rs.	Transfers Rs.	Disposals Rs.	Balance as at 31.03.2022 Rs.
Buildings	242,583,425	3,709,549	-	-	**246,292,974**
Plant and Machinery	173,938,416	53,012,785	-	-	**226,951,201**
Motor Vehicles	8,149,089	-	-	-	**8,149,089**
Furniture and Fittings	11,814,305	329,200	-	(139,650)	**11,814,305**
Factory Equipment	157,298,154	13,706,655	3,381,140	-	**174,385,949**
Office Equipment	7,344,371	330,000	-	-	**7,674,371**
Total Value of Assets	600,938,210	71,088,189	3,381,140	(139,650)	**675,267,889**
At Valuation					
Freehold Lands	699,208,001	-	-	-	**699,208,001**
	699,208,001	-	-	-	**699,208,001**
Capital Work-In-Progress					
Work in Progress	2,656,954	5,001,140	(3,381,140)	-	**4,276,954**
Total Value of Assets	1,302,803,165	76,089,329	-	(139,650)	**1,378,752,844**

Notes to the Financial Statements

4.8 Depreciation

At Cost	Balance as at 01.04.2021 Rs.	Charge for the period Rs.	Disposals Rs.	Balance as at 31.03.2022 Rs.
Buildings	49,809,645	5,707,904	-	**55,517,549**
Plant and Machinery	77,036,821	7,291,331	-	**84,328,152**
Motor Vehicles	6,063,508	955,232	-	**7,018,740**
Furniture and Fittings	7,283,206	1,141,523	(78,287)	**8,346,442**
Factory Equipment	58,779,881	12,700,518	-	**71,480,398**
Office Equipment	5,627,750	467,493	-	**6,095,243**
Total Depreciation	204,600,811	28,264,001	(78,287)	**232,786,524**

4.9 Net Book Values

At Cost	Balance as at 31.03.2022 Rs.	Balance as at 01.04.2021 Rs.
Buildings	**190,775,425**	192,773,780
Plant and Machinery	**142,623,048**	96,901,595
Motor Vehicles	**1,130,350**	2,085,582
Furniture and Fittings	**3,467,865**	4,341,550
Factory Equipment	**102,905,551**	98,518,273
Office Equipment	**1,579,127**	1,716,620
	442,481,365	396,337,400
At Valuation		
Freehold lands	**699,208,001**	699,208,001
Capital Work-In-Progress		
Work in Progress	**4,276,954**	2,656,954
Total net book values	**1,145,966,320**	1,098,202,354

Notes to the Financial Statements

4.10 The rates of depreciation is estimated as follows.

	Group		Company	
As at 31 March	**2022**	**2021**	**2022**	**2021**
Buildings	**40 Years**	40 Years	**40 Years**	40 Years
Plant and Machinery	**20 Years**	20 Years	**20 Years**	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	**08/20/40 years**	08 Years	**08/20/40 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

4.11 During the financial year, the Company acquired Property, Plant and Equipment to the aggregate value of Rs. 76,089,329/- (2021 Rs. 130,601,345/-). Cash payments amounting to Rs. 76,089,329/- (2021 - Rs. 130,601,345/-) 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. 1,224,568,688/- (2021 - Rs. 533,539,377/-). Cash payments amounting to Rs. 1,224,568,688/- (2021 - Rs. 533,539,377/-) 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. 70,714,721 /- (2021 - Rs. 59,998,771/-).

Property, Plant and Equipment of Group includes fully depreciated assets having a gross carrying amounts of Rs. 226,958,079/- (2021 - Rs. 195,898,412/-).

Notes to the Financial Statements

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;

Group

5.1.1 At Gross Value

	Balance as at 01.04.2021 Rs.	Additions Rs.	Balance as at 31.03.2022 Rs.
Building - Office Premises	19,462,408	-	**19,462,408**
Land - Factory Premises	47,671,560	-	**47,671,560**
	67,133,968	-	**67,133,968**

5.1.2 Depreciation

	Balance as at 01.04.2021 Rs.	Charge for the period Rs.	Balance as at 31.03.2022 Rs.
Building - Office Premises	16,682,064	2,780,344	**19,462,408**
Land - Factory Premises	5,116,565	2,085,342	**7,201,907**
	21,798,629	4,865,687	**26,664,315**

5.1.3 Net book values

	2022 Rs.	2021 Rs.
Building - Office Premises	**-**	2,780,344
Land - Factory Premises	**40,469,653**	42,554,995
	40,469,653	45,335,339

Notes to the Financial Statements

Company

5.1.4 At Gross Value

	Balance as at 01.04.2021 Rs.	Additions Rs.	Balance as at 31.03.2022 Rs.
Buildings - Office Premises	19,462,408	-	**19,462,408**
	19,462,408	-	**19,462,408**

5.1.5 Depreciation

	Balance as at 01.04.2021 Rs.	Charge for the period Rs.	Balance as at 31.03.2022 Rs.
Buildings - Office Premises	16,682,064	2,780,344	**19,462,408**
	16,682,064	2,780,344	**19,462,408**

5.1.6 Net book values

	2022 Rs.	2021 Rs.
Buildings - Office Premises	**-**	2,780,344
	-	2,780,344

5.1.7 The Rates of Amortization is Estimated as follows; (Straight line basis)

	2022 Rs.	2021 Rs.
Group		
Land - Factory Premises	**42 Years**	43 Years
Building - Office Premises	**10 Years**	11 Years
Company		
Building - Office Premises	**-**	1 year

Notes to the Financial Statements

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 01.04.2021 Rs.	Interest Expense Recognized in Profit or Loss Rs.	Realization of Liability Rs.	Balance as at 31.03.2022 Rs.
Building - Office Premises	867,240	-	(867,240)	**-**
Land and Buildings - Factory Premises	36,880,218	4,326,635	(5,198,620)	**36,008,233**
	37,747,458	4,326,635	(6,065,860)	**36,008,233**

	Amount repayable within 1 year Rs.	Amount repayable after 1 year Rs.	Total Rs.
Land and Buildings - Factory Premises	870,390	35,137,843	36,008,233
	870,390	35,137,843	36,008,233

5.2.2 Company

	Balance as at 01.04.2021 Rs.	Interest Expense Recognized in Profit or Loss Rs.	Realization of Liability Rs.	Balance as at 31.03.2022 Rs.
Building - Office Premises	867,240	-	(867,240)	**-**
	867,240	-	(867,240)	**-**

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

Notes to the Financial Statements

6. Intangible Assets

6.1 Group

	2022 Rs.	2021 Rs.
As at 1 April	**40,392,914**	36,013,825
Disposed	**-**	-
Acquired	**43,942,757**	4,379,089
As at 31 March	**84,335,671**	40,392,914
As at 1 April	**29,692,168**	27,459,102
Disposed	**-**	-
Amortisation for the year	**6,349,440**	2,233,066
As at 31 March	**36,041,608**	29,692,168
Net book value		
As at 1 April	**10,700,746**	8,554,723
As at 31 March	**48,294,063**	10,700,746

Intangible assets consists of ERP System.

6.2 Company

	2022 Rs.	2021 Rs.
As at 1 April	**4,938,768**	4,938,768
Disposed	**-**	-
Acquired	**1,047,900**	
As at 31 March	**5,986,668**	4,938,768
As at 1 April	**3,309,456**	2,961,436
Disposed		
Amortisation for the year	**424,049**	348,020
As at 31 March	**3,733,505**	3,309,456
Net book value		
As at 1 April	**1,629,312**	1,977,332
As at 31 March	**2,253,163**	1,629,312

Notes to the Financial Statements

7. Investment

7.1 Company

	Direct Holdings		Direct Investments	
	2022	2021	2022	2021
Beira Brush (Pvt) Limited	**99.9%**	99.9%	**9,102,230**	9,102,230
BPPL Enterprises (Pvt) Ltd	**100%**	100%	**10**	10
Total			**9,102,240**	9,102,240

7.2 Group Companies

	Principal Place of Business	Relationship	Principal Activities
Beira Brush (Pvt) Limited	Level 17 Access Towers, 278/4 Union Place , Colombo 2	Subsidiary	Manufacturing and exporting of brooms, brushes and mops
BPPL Enterprises (Pvt) Ltd		Subsidiary	Buying and exporting brushes, mops and cleaning materials

8. Inventories

As at 31 March	Group 2022 Rs.	Group 2021 Rs.	Company 2022 Rs.	Company 2021 Rs.
Raw Materials	**555,195,378**	412,178,040	**105,653,957**	30,910,267
Work in Progress	**12,006,167**	14,202,893	**12,205,657**	13,838,805
Finished Goods	**174,232,379**	99,405,780	**38,503,794**	12,696,716
Good In Transit	**131,581,944**	39,876,119	**690,500**	1,770,932
Consumables and Spares	**82,791,849**	56,263,888	**15,373,530**	16,288,446
Allowance/(reversals) of slow moving inventory	**(2,556,922)**	178,270	**(237,798)**	(3,493)
	953,250,795	622,104,990	**172,189,640**	75,501,673

Notes to the Financial Statements

9. Trade and Other Receivables

9.1 Summary

As at 31 March		Group 2022 Rs.	Group 2021 Rs.	Company 2022 Rs.	Company 2021 Rs.
Trade Receivables	- Other	**2,223,134,602**	1,158,127,452	**345,679,675**	90,979,581
	- Related Parties (9.2)	**-**	-	**279,731,670**	28,825,858
Other Debtors	- Other	**164,780,797**	31,344,994	**6,654,476**	6,204,068
Loans to Company Officers (9.3)		**21,654**	2,287,876	**21,654**	2,287,876
Advances and Prepayments		**94,049,342**	123,898,201	**74,355,371**	65,460,623
Other Receivables		**11,746,290**	10,108,489	**11,746,290**	10,108,489
		2,493,732,685	1,325,767,012	**718,189,136**	203,866,495

9.2 Trade Receivables - Related Party

As at 31 March	Relationship	Company 2022 Rs.	Company 2021 Rs.
ECO Spindles (Pvt) Ltd	Sub-Subsidiary	**279,731,670**	28,825,858
		279,731,670	28,825,858

9.3 Loans to Company Officers

	Balance as at 01.04.2021 Rs.	Loans Granted During the year Rs.	Repayments During the year Rs.	Balance as at 31.03.2022 Rs.
Loans to Company Officers	2,287,876	80,000	(2,346,222)	**21,654**
	2,287,876	80,000	(2,346,222)	**21,654**

Notes to the Financial Statements

9.4 Trade Debtors Age Analysis

			Past due but not impaired		
Group	**Total**	**Neither past due nor impaired**	**30-90 days**	**91-120 days**	**>120 days**
2022	2,223,134,602	1,784,166,801	438,967,801	-	-
2021	1,158,127,452	867,460,742	290,258,578	408,132	-

			Past due but not impaired		
Company	**Total**	**Neither past due nor impaired**	**30-90 days**	**91-120 days**	**>120 days**
2022	345,679,675	272,723,449	72,956,226	-	-
2021	90,979,581	76,760,539	14,219,042	-	-

10. Other Financial Investments

	Group	
As at 31 March	**2022 Rs.**	**2021 Rs.**
Financial Instrument - Amortized Cost		
Investments in Commercial Paper (10.1)	**59,077,600**	275,808,326
	59,077,600	275,808,326

10.1 Terms and Conditions

Commercial papers are invested for a interest rate of 11.25% at LOLC Holdings PLC.

Notes to the Financial Statements

11. Stated Capital

As at 31 March	Group 2022 Number	Group 2021 Number	Company 2022 Number	Company 2021 Number
Ordinary Shares	**306,843,357**	306,843,357	**306,843,357**	306,843,357

As at 31 March	Group 2022 Rs.	Group 2021 Rs.	Company 2022 Rs.	Company 2021 Rs.
Ordinary Shares	**100,371,584**	100,371,584	**100,371,584**	100,371,584

12. Interest Bearing Loans and Borrowings

12.1 Group

As at 31 March	2022 Amount Payable within one year Rs.	2022 Amount Payable after one year Rs.	2022 Total Rs.	2021 Amount Payable within one year Rs.	2021 Amount Payable after one year Rs.	2021 Total Rs.
Bank Loan (12.1.1)	**2,047,477,136**	**1,910,009,447**	**3,957,486,583**	1,035,433,992	825,943,002	1,861,376,994
Bank Overdraft (17.2)	**44,336,867**	**-**	**44,336,867**	1,645,859	-	1,645,859
	2,091,814,003	**1,910,009,447**	**4,001,823,450**	1,037,079,851	825,943,002	1,863,022,853

Notes to the Financial Statements

12.1.1 Bank Loan

	Balance as at 01.04.2021 Rs.	New Loans Obtained Rs.	Loan Repayment Rs.	Exchange Gain / (loss) Rs.	Balance as at 31.03.2022 Rs.
HNB Term loan	-	139,000,000	(24,350,000)	-	**114,650,000**
HSBC - Term Loan	672,494,811	1,050,302,648	(327,655,494)	655,604,228	**2,050,746,193**
Money market - NDB	442,623,450	2,894,163,700	(2,505,741,400)	246,575,540	**1,077,621,293**
Short Term Loan - SCB	159,864,000	1,235,719,431	(1,209,840,337)	47,873,475	**233,616,569**
Term Loan - NDB	515,561,400	-	(185,774,400)	132,176,640	**461,963,640**
Saubagya Loan - HSBC & NDB	70,833,333	-	(51,944,445)	-	**18,888,888**
	1,861,376,994	5,319,185,779	(4,305,306,076)	1,082,229,883	**3,957,486,583**

12.2 Company

As at 31 March	2022			2021		
	Amount Payable within one year Rs.	Amount Payable after one year Rs.	Total Rs.	Amount Payable within one year Rs.	Amount Payable after one year Rs.	Total Rs.
Bank Loan (12.2.1)	**56,624,567**	**-**	**56,624,567**	20,000,000	5,000,000	25,000,000
Bank Overdraft (17.2)	**19,299,423**	**-**	**19,299,423**	-	-	-
	75,923,990	**-**	**75,923,990**	20,000,000	5,000,000	25,000,000

Notes to the Financial Statements

12.2.1 Bank Loan

	Balance as at 01.04.2021 Rs.	New Loans Obtained Rs.	Loan Repayment Rs.	Exchange Gain / (loss) Rs.	Balance as at 31.03.2022 Rs.
Money Market Loan - NDB	-	168,027,750	24,086,600	142,156,450	**49,957,900**
Saubagya Loan - NDB	25,000,000	-	-	18,333,333	**6,666,667**
	25,000,000	168,027,750	24,086,600	160,489,783	**56,624,567**

12.3 Interest Bearing Loans and Borrowings

	2022		2021	
As at 31 March	Interest Bearing Loans and Borrowings Rs.	Loans Designated with Cash Flow Hedge Rs.	Interest Bearing Loans and Borrowings Rs.	Loans Designated with Cash Flow Hedge Rs.
ECO Spindles(Pvt) Ltd				
Term Loan - HSBC	204,360,992	204,360,992	672,494,811	672,494,811
Term Loan - HSBC	1,846,385,201	1,846,385,201	-	-
Saubagya Loan - HSBC	5,555,556	-	20,833,333	-
	2,056,301,749	2,050,746,193	693,328,144	672,494,811
Beira Brush (Pvt) Ltd				
Money market - NDB	1,027,663,390	-	442,623,450	-
Saubagya loan - NDB	6,666,667	-	25,000,000	-
Term Loan - NDB	461,963,640	461,963,640	515,561,400	515,561,400
Money market - SCB	233,616,570	-	159,864,000	-
Term Loan - HNB	114,650,000	-	-	-
Bank Overdraft	25,037,444	-	1,645,859	-
	1,869,597,711	461,963,640	1,144,694,709	515,561,400
BPPL Holdings PLC				
Money Market Loan - NDB	49,957,900	-	-	-
Saubagya Loan - NDB	6,666,667	-	25,000,000	-
Bank Overdraft	19,299,423	-	-	-
	75,923,990	-	25,000,000	-
Total	4,001,823,450	2,512,709,833	1,863,022,853	1,188,056,211

Notes to the Financial Statements

12.4 Terms and conditions

1) Short Term Loan - National Development Bank
Security - Building
Repayment - To be repaid within 90 days
Interest - 6.25%

2) Term Loan - HSBC
Security - Plant & Machinery Yarn
Repayment - To be repaid within 48 months
Interest - 1M LIBOR + 3.15% & 3M LIBOR + 3.20%

3) Short Term Loan - Standard chartered Bank
Security - Stock & Debtors
Repayment - To be repaid within 90 days
Interest - 3M LIBOR + 3%

4) Short Term Loan - Hatton National Bank
Security - Solar panel
Repayment - 32 months
Interest - AWPLR + 0.75%

13. Income Tax

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

	Group		Company	
For the year ended 31st March	**2022 Rs.**	**2021 Rs.**	**2022 Rs.**	**2021 Rs.**
Income Statement				
Current Income Tax				
Current Income Tax charge	**60,305,296**	77,415,814	**33,387,504**	32,453,181
Under/(Over) Provision of current taxes in respect of prior years	**236,610**	(290,608)	**(21,492)**	(322,600)
ESC expired	**911,043**	774,104	**-**	-
Dividend Tax				
Deferred Income Tax				
Deferred Taxation Charge/(Reversal) (13.2)	**10,285,710**	34,515,257	**13,180,908**	2,075,044
Income tax expense reported in the Income Statement	**71,738,659**	112,414,567	**46,546,920**	34,205,625

Notes to the Financial Statements

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

	Group		Company	
For the year ended 31st March	**2022 Rs.**	**2021 Rs.**	**2022 Rs.**	**2021 Rs.**
Accounting Profit before Income Tax	**721,437,384**	609,315,626	**335,039,348**	244,418,874
Allowed Expenses	**(664,898,079)**	(432,908,869)	**(52,445,019)**	(58,809,888)
Disallowed expenses	**794,182,986**	247,493,688	**59,995,662**	46,584,964
Investment Income	**(101,969,867)**	(33,939,709)	**(56,507,633)**	52,578
Non taxable item	**(723,467,314)**	(19,304,334)	**(94,462,730)**	2,563,489
Taxable Profit/ (Loss)	**25,285,110**	370,656,402	**191,619,628**	234,810,017
Other sources of income	**36,635,079**	8,419,882	**-**	-
Less - Business loss	**-**	(888,888)	**-**	-
Taxable Income	**36,635,079**	7,530,994	**-**	-
Income tax expense reported in the income statement				
Income tax at 14%	**50,695,484**	65,631,580	**32,944,194**	31,543,578
Income tax at 18%	**2,225,305**	1,534,759	**311,222**	378,508
Income tax at 24%	**7,384,507**	10,249,475	**132,088**	531,095
	60,305,296	77,415,814	**33,387,504**	32,453,181

13.2 Deferred Tax Expenses / (Income)

	Group		Company	
For the year ended 31st March	**2022 Rs.**	**2021 Rs.**	**2022 Rs.**	**2021 Rs.**
Deferred tax expense / (income) arising due to origination and reversal of timing differences	**10,285,710**	34,515,257	**13,180,908**	2,075,044

Notes to the Financial Statements

14. 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 and14% for all other companies.

14.1 Deferred Tax Liability/(Assets)

As at 31 March	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Balance as at Beginning of the Year	**210,935,077**	178,145,246	**116,759,865**	115,065,984
Provision / (Reversal) Made During the Year	**10,285,710**	34,515,257	**13,180,908**	2,075,044
Tax on Land revaluation	**-**	-	**-**	-
Impact on Other Comprehensive Income	**7,545,757**	(1,725,426)	**1,589,724**	(381,163)
Balance as at the end of the Year	**228,766,544**	210,935,077	**131,530,497**	116,759,865

14.1.1 Group

As at 31 March	Statement of Financial Position		Other Comprehensive Income		Income Statement	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Deferred Tax Liability/Asset						
Deferred tax liability						
Property Plant and Equipment	**201,263,363**	129,870,360	**-**	-	**71,393,003**	36,622,545
Deferred tax attributable to land revaluation	**96,615,124**	96,615,124	**-**	-	**-**	-
Unrealized Foreign Exchange Gain	**23,970,580**	-	**-**	-	**23,970,580**	-
ROU & Lease creditor	**957,287**	-	**-**	-	**957,287**	-
	322,806,354	226,485,484	**-**	-	**96,320,870**	36,622,545
Deferred tax asset						
Employee Benefits Liabilities	**(10,946,144)**	(15,535,029)	**7,545,758**	(1,725,426)	**4,588,885**	(3,832,715)
Tax Loss	**(82,672,857)**	-	**-**	-	**(82,672,857)**	-
Inventory Provision	**(225,988)**	(15,378)	**-**	-	**(210,609)**	(18)
Debtor Provision	**(194,821)**	-	**-**	-	**(194,821)**	-
	(94,039,810)	(15,550,407)	**7,545,758**	(1,725,426)	**(78,489,402)**	(3,832,733)
Deferred tax charge /(Reversal)	**-**	-	**7,545,758**	(1,725,426)	**17,831,468**	32,789,812
Net deferred tax liability /(Asset)	**228,766,544**	210,935,077				

Notes to the Financial Statements

14.1.2 Company

As at 31 March	Statement of Financial Position 2022 Rs.	Statement of Financial Position 2021 Rs.	Other Comprehensive Income 2022 Rs.	Other Comprehensive Income 2021 Rs.	Income Statement 2022 Rs.	Income Statement 2021 Rs.
Deferred Tax Liability/Asset						
Deferred tax liability						
Property Plant and Equipment	**30,487,425**	26,023,714	**-**	-	**4,463,711**	2,552,405
Unrealized Foreign Exchange Gain	**9,316,171**	-	**-**	-	**9,316,171**	-
Deferred tax attributable to land revaluation	**94,734,874**	94,734,874	**-**	-	**-**	-
	134,538,470	120,758,588	**-**	-	**13,779,882**	2,552,405
Deferred tax asset						
Employee Benefits Liabilities	**(2,834,709)**	(3,998,723)	**1,589,724**	(381,163)	**1,164,014**	(858,520)
Debtor Provision	**(140,461)**	-	**-**	-	**(140,461)**	-
Inventory Provision	**(32,803)**	-	**-**	-	**(32,803)**	-
	(3,007,973)	(3,998,723)	**1,589,724**	(381,163)	**990,750**	(890,256)
Deferred tax charge /(Reversal)			**1,589,724**	(381,163)	**14,770,632**	1,693,885
Net deferred tax liability /(Asset)	**131,530,497**	116,759,865				

15. Expense on Retirement Benefit Obligation - Gratuity

15.1 Expense on Defined Benefit Plan

As at 31 March	Group 2022 Rs.	Group 2021 Rs.	Company 2022 Rs.	Company 2021 Rs.
Current Service Cost	**17,876,948**	13,934,150	**3,538,259**	2,893,856
Interest Cost on Benefit Obligation	**9,117,868**	8,197,909	**2,379,373**	2,231,773
	26,994,816	22,132,059	**5,917,632**	5,125,629
Actuarial (Gain)/Loss on Obligation	**(52,836,109)**	12,018,162	**(11,355,169)**	2,722,593
	(52,836,109)	12,018,162	**(11,355,169)**	2,722,593
	(25,841,293)	34,150,221	**(5,437,537)**	7,848,222

Notes to the Financial Statements

15.2 Defined Benefit Obligation

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

As at 31 March	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Defined Benefit Obligation as at the Beginning of the year	**109,458,215**	82,391,054	**28,563,908**	22,429,881
Interest Cost	**9,117,868**	8,197,909	**2,379,373**	2,231,773
Current Service Cost	**17,876,948**	13,934,150	**3,538,259**	2,893,856
Benefits Paid	**(6,371,423)**	(7,083,060)	**(2,878,452)**	(1,714,195)
	130,081,608	97,440,053	**31,603,088**	25,841,315
Actuarial (Gain)/Loss on Obligation	**(52,836,109)**	12,018,162	**(11,355,169)**	2,722,593
Defined Benefit Obligation as at the End of the year	**77,245,499**	109,458,215	**20,247,919**	28,563,908

15.3 An Actuarial valuation of the employee retirement benefit liability scheme was carried out by Piyal S Goonetilake and Associates as at 31st March 2022. The principle assumptions used are follows.

	Group		Company	
	2022	2021	2022	2021
Rate of Interest	**15.00%**	8.33%	**15.00%**	8.33%
Rate of Salary Increase	**10%**	10%	**10%**	10%
Retirement Age : Male	**55 years**	55 years	**55 years**	55 years
: Female	**55 years**	50 years	**55 years**	50 years

Notes to the Financial Statements

15.4 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	
	Effect on Profit or Loss 2022 Rs.	Performa Post Employment Benefit liability 2022 Rs.	Effect on Profit or Loss 2022 Rs.	Performa Post Employment Benefit liability 2022 Rs.
Assumed Change in Financial Assumptions				
If Discount Rate Increased By 1%	**4,414,025**	**(4,414,025)**	986,615	(986,615)
If Discount Rate Decreased By 1%	**(5,029,741)**	**5,029,741**	(1,102,072)	1,102,072
If Salary Increment Rate Increased By 1%	**(4,991,413)**	**4,991,413**	(1,068,937)	1,068,937
If Salary Increment Rate Decreased By 1%	**4,414,025**	**(4,414,025)**	971,868	(971,868)

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

	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Years from the Current Period				
1st Following Year	**6,580,940**	7,939,089	**2,580,688**	3,961,217
2nd Following Year	**10,274,258**	7,370,727	**1,529,256**	3,437,390
3rd Following Year	**14,018,965**	10,597,452	**5,393,593**	1,688,917
4th Following Year	**10,692,121**	14,043,140	**2,290,696**	5,520,434
5th Following Year	**11,320,391**	10,646,969	**3,391,727**	2,428,274
Beyond 5 Years	**99,947,119**	88,753,009	**27,767,501**	26,631,660

Notes to the Financial Statements

16. Trade and Other Payables

As at 31 March	Group 2022 Rs.	Group 2021 Rs.	Company 2022 Rs.	Company 2021 Rs.
Trade Payable - Related Parties (16.1)	**-**	-	**586,248,336**	201,981,094
- Others	**670,802,099**	226,369,152	**61,549,958**	18,382,608
Other Payables	**124,143,952**	68,673,228	**23,392,792**	9,188,943
Sundry Creditors including Accrued Expenses	**29,312,462**	19,667,703	**530,000**	530,000
	824,258,513	314,710,083	**671,721,867**	230,082,645

16.1 Trade Payables - Related Parties

As at 31 March	Relationship	Group 2022 Rs.	Group 2021 Rs.	Company 2022 Rs.	Company 2021 Rs.
BPPL Enterprises (Pvt) Ltd	Subsidiary	**-**	-	**-**	57
Beira Brush (Pvt) Ltd	Subsidiary	**-**	-	**586,248,336**	201,981,037
		-	-	**586,248,336**	201,981,094

17. Cash and Cash Equivalents

As at 31 March	Group 2022 Rs.	Group 2021 Rs.	Company 2022 Rs.	Company 2021 Rs.
17.1 Favorable Cash and Cash Equivalents Balance				
Cash and Bank Balances	**115,561,187**	55,498,469	**6,344,765**	2,732,168
	115,561,187	55,498,469	**6,344,765**	2,732,168
17.2 Unfavorable Cash and Cash Equivalents Balance				
Bank Overdraft	**(44,336,867)**	(1,645,859)	**(19,299,423)**	-
Cash and cash equivalents for the purpose of Cash Flow Statement	**71,224,320**	53,852,610	**(12,954,658)**	2,732,168

Notes to the Financial Statements

18. Other Operating Income

For the year ended 31st March	Group 2022 Rs.	Group 2021 Rs.	Company 2022 Rs.	Company 2021 Rs.
Bad Debt Recovery	**-**	150,878	**-**	150,878
Dividend Income	**-**	-	**52,183,642**	-
Rent Income	**-**	-	**2,640,000**	2,640,000
Solar income	**15,854,940**	8,595,279	**4,320,898**	-
Sundry Income	**9,229,945**	5,128,641	**63,344**	5,107,711
Drying charges	**-**	-	**1,465,920**	1,422,144
	25,084,885	13,874,798	**60,673,804**	9,320,733

19. Finance Income

For the year ended 31st March	Group 2022 Rs.	Group 2021 Rs.	Company 2022 Rs.	Company 2021 Rs.
Interest Income on Commercial Papers	**20,943,659**	32,986,415	**-**	49,122
Interest Income	**637,031**	1,058,450	**3,093**	3,456
	21,580,690	34,044,865	**3,093**	52,578

20. Finance Cost

For the year ended 31st March	Group 2022 Rs.	Group 2021 Rs.	Company 2022 Rs.	Company 2021 Rs.
Interest Expense on Overdrafts	**1,127,457**	204,444	**481,726**	119,483
Lease Interest	**4,326,636**	5,006,916	**-**	581,478
Interest Expense on Bank Loans	**68,698,552**	61,448,577	**2,933,547**	672,334
	74,152,645	66,659,937	**3,415,273**	1,373,295

Notes to the Financial Statements

21. Profit/(Loss) Before Tax

Stated after Charging/(Crediting)

For the year ended 31st March	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Including in Cost of Sales				
Depreciation	**177,666,342**	177,869,565	**26,615,836**	26,635,981
Personnel Costs including the following;				
- Defined Benefit Plan Costs - Gratuity	**22,406,346**	18,368,604	**5,822,430**	5,043,169
- Defined Contribution Plan Costs - EPF & ETF	**11,394,001**	9,900,153	**895,923**	956,031
Including in Administration Expenses				
Personnel Costs including the following;				
- Defined Benefit Plan Costs - Gratuity	**4,588,470**	3,763,455	**95,202**	82,460
- Defined Contribution Plan Costs - EPF & ETF	**22,062,604**	20,436,021	**2,218,090**	1,885,556
Directors' Fees and Emoluments	**26,073,496**	25,552,310	**16,867,840**	17,633,974
Auditors' Remuneration - Fees and Expenses	**1,307,758**	1,340,505	**523,529**	543,280
Depreciation	**16,344,652**	22,048,192	**4,428,510**	10,110,165
Amortisation	**424,049**	348,020	**424,049**	348,020
Including in Selling and Distribution Costs				
Advertising Costs	**4,890,870**	8,101,733	**1,135,516**	1,214,285

Notes to the Financial Statements

22. Earnings Per Share

22.1 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.

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

	Group		Company	
Amount Used as the Numerator:	**Year ended 2022 Rs.**	**Year ended 2021 Rs.**	**Year ended 2022 Rs.**	**Year ended 2021 Rs.**
Net Profit/(Loss) Attributable to Ordinary Shareholders for basic Earnings/(Loss) Per Share	**649,698,724**	496,901,059	**288,492,426**	210,213,249

Number of Ordinary Shares Used as Denominator:	**As at 2022 Number**	**As at 2021 Number**	**As at 2022 Number**	**As at 2021 Number**
Weighted Average number of Ordinary Shares in issue	**306,843,357**	306,843,357	**306,843,357**	306,843,357
Earnings per share - Basics/Diluted	**2.12**	1.62	**0.94**	0.69

23. Dividend Per Share

	Group		Company	
	2022 Rs.	**2021 Rs.**	**2022 Rs.**	**2021 Rs.**
Declared and Paid During the Year				
Dividend on ordinary shares	**128,874,210**	73,642,406	**128,874,210**	73,642,406
Dividend per share	**0.42**	0.24	**0.42**	0.24

Notes to the Financial Statements

24. 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.

Group reflects ineffective hedging loss as amounting to Rs. 1.13 Mn and it is recognized 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 recognised Rs. 801.3 Mn (2020/2021- Rs.63.2 Mn) under cash flow hedge reserve being the Group's portion of the fair value loss recognized by the subsidiaries.

	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Balance at the Beginning of the Year	**(63,237,620)**	(16,104,400)	**-**	-
Net Movement	**(738,031,432)**	(47,133,220)	**-**	-
Balance at the End of the Year	**(801,269,052)**	(63,237,620)	**-**	-

Notes to the Financial Statements

25. 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 2022, the carrying amounts of such receivables, net of allowances, are not materially different from their calculated fair values.

Fair value hierarchy - Company and Group

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

Company	31-Mar-2022	Level 1	Level 2	Level 3
Non-Financial Assets Measured at Fair Value				
Land	**699,208,001**	-	-	699,208,001

Group	31-Mar-2022	Level 1	Level 2	Level 3
Non-Financial Assets Measured at Fair Value				
Land	**739,007,001**	-	-	739,007,001

Notes to the Financial Statements

26. 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
2022	+ 100 basis points	40,018	759
	- 100 basis points	(40,018)	(759)
2021	+ 100 basis points	(18,630)	(250)
	- 100 basis points	18,630	(250)

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.

Notes to the Financial Statements

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).

It is designated as hedging instruments in cash flow hedges of forecast sales in US dollars. These forecast transactions are highly probable, and they comprise about 76% of the Group's total expected sales in US dollars.

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.

			Effect on Profit Before Tax	
	Foreign Currency	Change in exchange rate	Group Rs. '000	Company Rs. '000
2022	GBP	1%	1,564	1,183
	CAD	1%	997	151
	USD	1%	(19,274)	2,132
	AUD	1%	1,920	-
	NZD	1%	101	-
2021	GBP	1%	195	83
	CAD	1%	366	78
	USD	1%	(8,183)	492
	AUD	1%	146	-
	NZD	1%	37	37

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.

Notes to the Financial Statements

26. Financial Risk Management Objectives and Policies (Contd.)

Group	2022 Rs.	2021 Rs.
Borrowings – (Note 12)	**4,001,823,450**	1,863,022,853
Trade and other payables – (Note 16)	**824,258,513**	314,710,083
Less: cash and short-term deposits	**(130,301,920)**	(329,660,926)
Net debt	**4,695,780,042**	1,848,072,001
Equity	**3,069,192,035**	3,241,108,601
Capital and net debt	**7,764,972,078**	5,089,180,602
Gearing ratio	**60%**	36%

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.

Notes to the Financial Statements

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

Group

As at 31 March 2022	On Demand Rs.	Less Than 3 Months Rs.	3 to 12 Months Rs.	1 to 5 Years Rs.	> 5 Years Rs.	Total Rs.
Interest-Bearing Loans and Borrowings	**44,336,867**		**2,109,495,301**	**2,222,397,933**	**-**	**4,376,230,101**
Trade and Other Payable		**652,487,931**	**18,314,168**		**-**	**670,802,099**
	44,336,867	**652,487,931**	**2,127,809,469**	**2,222,397,933**	**-**	**5,047,032,200**

As at 31 March 2021	On Demand Rs.	Less Than 3 Months Rs.	3 to 12 Months Rs.	1 to 5 Years Rs.	> 5 Years Rs.	Total Rs.
Interest-Bearing Loans and Borrowings	1,645,859	-	1,035,433,992	825,943,002	-	1,863,022,854
Trade and Other Payable	190,710,180	-	35,658,972	-	-	226,369,152
	192,356,040	-	1,071,092,964	825,943,002	-	2,089,392,006

Company

As at 31 March 2022	On Demand Rs.	Less Than 3 Months Rs.	3 to 12 Months Rs.	1 to 5 Years Rs.	> 5 Years Rs.	Total Rs.
Interest-Bearing Loans and Borrowings	**19,299,423**	**-**	**57,815,286**	**-**	**-**	**77,114,709**
Trade and Other Payable	**-**	**58,921,410**	**2,628,548**	**-**	**-**	**61,549,958**
	19,299,423	**58,921,410**	**60,443,834**	**-**	**-**	**138,664,667**

Notes to the Financial Statements

As at 31 March 2021	On Demand Rs.	Less Than 3 Months Rs.	3 to 12 Months Rs.	1 to 5 Years Rs.	> 5 Years Rs.	Total Rs.
Interest-Bearing Loans and Borrowings	-	-	5,000,000	20,000,000	-	25,000,000
Trade and Other Payable	8,550,600	-	9,832,009	-	-	18,382,608
	8,550,600	-	14,832,009	20,000,000	-	43,382,608

27. Commitments and Contingencies

27.1 Capital Expenditure Commitments

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

28. Assets Pledged

Company	Nature of Assets	Nature of Liability	Carrying Amount Pledged 2022 Rs.	Carrying Amount Pledged 2021 Rs.
BPPL Holdings Plc	Inventory, Trade Receivable ,Land & Building	Money market loan - NDB	USD 5,500,000 NDB USD 2,000,000 SCB Combine facility with Beira Brush	USD 5,500,000 NDB USD 2,000,000 SCB Combine facility with Beira Brush
Eco Spindles (Pvt) Ltd	Yarn Plant & Machinery	Term Loan - HSBC	USD 3,500,000 USD 6,373,000	USD 9,873,000
Beira Brush (Pvt) Ltd	Inventory, Trade Receivable ,Land & Building	Money market loan - NDB & SCB	USD 5,500,000 NDB USD 2,000,000 SCB Combine facility with BPPL Holding	USD 5,500,000 NDB USD 1,500,000 Sampath USD 2,000,000 SCB Combine facility with BPPL Holding

29. Events Occurring after the Balance Sheet Date

Interest Rate

The Monetary Board of the Central Bank of Sri Lanka, at its meeting held on 08 April 2022, decided to increase the Standing Deposit Facility Rate (SDFR) and the Standing Lending Facility Rate (SLFR) of the Central Bank by 700 basis points to 13.50 per cent and 14.50 per cent, respectively, effective from the close of business on 08 April 2022. The policy response was made by the Central Bank of Sri Lanka after the reporting period and consequently, no adjustments were necessary to the amounts recognized in the financial statements. The financial effects of the interest rate movement have been more fully described in Note 26.

Notes to the Financial Statements

Foreign Exchange Rate

In March 2022, the Central Bank of Sri Lanka abandoned the temporary peg on US Dollar / LK Rupee (USD / LKR) Exchange Rate. The resulting impact of exchange rate movement during the period have been adjusted to these financial statements. The USD / LKR exchange rate continued to substantively increase subsequent to the period end. However, no adjustments to these financial statements were necessary, as such large increases arose only after the period end. The financial effects of the exchange rate movement have been more fully described in Note 26.

30. Related Party Disclosures

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

30.1 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.

Nature of Transactions	Subsidiaries Rs.	Total 2022 Rs.	Total 2021 Rs.
Balance as at 1st of April	(173,155,237)	**(173,155,237)**	(166,985,285)
Sale of Goods	1,025,914,113	**1,025,914,113**	693,849,951
Purchase of Goods	(58,650,108)	**(58,650,108)**	(49,182,534)
Settlements	(1,072,462,654)	**(1,072,462,654)**	(742,615,938)
Settlement of Liabilities on by the Company on Behalf of theirs	(28,162,838)	**(28,162,838)**	91,778,568
Balance as at 31st March	(306,516,724)	**(306,516,724)**	(173,155,237)

30.2 Recurrent related party transactions

Name of the Related Party	Relationship	Nature of the Transaction	Aggregate value of Related Party Transactions entered into during the financial year	Aggregate value of Related Party Transactions as a % of Net Revenue	Terms and Conditions of the Related Party Transactions
Beira Brush (pvt) Ltd	Subsidiary	Sales	633,352,773	42%	The transactions from related parties are made at terms equivalent to those that in arm's length transaction
		Purchased	(58,650,108)	-4%	
		Settlement of sales/fund trf	(926,418,909)	-62%	
		Expenses paid	(32,551,055)	-2%	
Eco Spindles (Pvt) Ltd	Sub-Subsidiary	Sales	392,561,340	26%	
		Purchased	-	0%	
		Fund trf	(146,043,745)	-10%	
		Expenses paid	4,388,217	0%	

Notes to the Financial Statements

30.3 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.

Year ended 31 March	2022 Rs.	2021 Rs.
Group		
Short term employment benefit	**21,889,997**	21,059,980
Post employment benefit	**3,283,500**	3,158,997
	25,173,497	24,218,977
Company		
Short term employment benefit	**13,885,078**	14,174,470
Post employment benefit	**2,082,762**	2,126,171
	15,967,840	16,300,641

30.4 Directors Shareholdings

Name of the Director	Role	2022 Rs.	2021 Rs.
Mr. Sarath Amarasinghe	Chairman	**-**	-
Dr. Anush Amarasinghe	Managing Director/CEO	**-**	-
Mr. Vaithilingam Selvaraj	Director - Finance/CFO	**-**	-
Mr. B D P D Perera	Director - Factory Operations	**-**	-
Mr. Ranil Pathirana	NED	**-**	-
Mr. Manjula De Silva	INED	**-**	-
Ms. Sharmini Ratwatte	INED	**-**	-
Mr. Savantha S De Saram	INED	**-**	-
Ms. Keshya Amarasinghe	Alternate Director to Mr. S. Amarasinghe	**-**	-

Notes to the Financial Statements

31. 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	
For the Year Ended 31 March	**2022 Rs.**	**2021 Rs.**	**2022 Rs.**	**2021 Rs.**
Revenue	**4,550,131,481**	3,515,261,262	**1,754,276,313**	999,636,365
Cost of Sales	**(3,429,481,178)**	(2,545,740,096)	**(1,459,468,378)**	(792,910,262)
Gross Profit	**1,120,650,303**	969,521,166	**294,807,935**	206,726,103
Other Operating Income	**70,323,143**	9,341,665	**17,467,971**	8,595,279
Foreign exchange Gain/(Loss)	**(14,403,963)**	46,372,353	**148,753,912**	7,009,337
Selling and Distribution Expenses	**(362,341,868)**	(246,001,326)	**(27,071,523)**	(19,689,918)
Administrative Expenses	**(286,362,031)**	(240,492,626)	**(107,223,123)**	(98,249,459)
Net Finance (Cost)/ Income	**(42,316,185)**	(17,667,187)	**(10,255,770)**	(14,947,885)
Profit Before Tax	**485,549,399**	521,074,045	**316,479,402**	89,443,457
Income Tax Expense	**(70,733,916)**	(75,617,769)	**(1,004,744)**	(36,796,798)
Profit for the Year	**414,815,483**	445,456,275	**315,474,658**	52,646,659
Assets & Liabilities Balance as at,				
Total Non-Current Assets	**2,864,575,469**	2,763,517,637	**3,076,250,322**	2,110,673,686
Total Current Assets	**3,639,943,250**	2,003,750,358	**1,147,644,865**	548,818,457
Total Assets	**6,504,518,719**	4,767,267,995	**4,223,895,187**	2,659,492,143
Total Equity	**3,003,220,337**	2,861,089,280	**1,428,692,008**	1,720,748,522
Total Non-Current Liabilities	**453,780,634**	563,145,447	**1,797,376,601**	619,200,674
Total Current Liabilities	**3,047,517,748**	1,343,033,268	**997,826,578**	319,542,947
Total Liabilities	**6,504,518,719**	4,767,267,995	**4,223,895,187**	2,659,492,143

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

Notes to the Financial Statements

Eliminations and Adjustments		Consolidated	
2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
(1,469,452,578)	(1,076,900,384)	**4,834,955,216**	3,437,997,243
1,451,567,389	1,079,760,653	**(3,437,382,167)**	(2,258,889,705)
(17,885,189)	2,860,269	**1,397,573,049**	1,179,107,538
(62,706,229)	(4,062,145)	**25,084,885**	13,874,798
-	-	**134,349,949**	53,381,690
-	-	**(389,413,391)**	(265,691,244)
-	-	**(393,585,154)**	(338,742,084)
-	-	**(52,571,954)**	(32,615,072)
(80,591,418)	(1,201,876)	**721,437,383**	609,315,626
-	-	**(71,738,659)**	(112,414,567)
(80,591,416)	(1,201,876)	**649,698,724**	496,901,059
(1,324,297,404)	(1,324,293,369)	**4,616,528,388**	3,549,897,954
(1,157,864,716)	(273,252,689)	**3,629,723,399**	2,279,316,126
(2,482,162,120)	(1,597,546,058)	**8,246,251,787**	5,829,214,080
(1,362,720,309)	(1,340,729,201)	**3,069,192,035**	3,241,108,601
2,097	2	**2,251,159,333**	1,182,346,123
(1,119,443,909)	(256,816,859)	**2,925,900,419**	1,405,759,356
(2,482,162,120)	(1,597,546,058)	**8,246,251,787**	5,829,214,080

Investor Information

Analysis of Shareholders According to the Number of Shares as at 31-Mar-2022

	Resident			Non Resident			Total		
Shareholdings	Number of Shareholders	No of Shares	Percentage (%)	Number of Shareholders	No of Shares	Percentage (%)	Number of Shareholders	No of Shares	Percentage (%)
1 to 1000 Shares	727	218,405	0.07	1	1,000	0.00	728	219,405	0.07
1001 to 10,000 Shares	367	1,645,017	0.54	4	12,992	0.00	371	1,658,009	0.54
10,001 to 100,000 Shares	188	6,250,014	2.04	2	64,600	0.02	190	6,314,614	2.06
100,001 to 1000,000 Shares	45	14,312,753	4.66	4	1,189,148	0.39	49	15,501,901	5.05
Over 1,000,000 Shares	7	281,649,428	91.79	1	1,500,000	0.49	8	283,149,428	92.28
Total	1,334	304,075,617	99.10	12	2,767,740	0.90	1,346	306,843,357	100.00

Categories of Shareholders

Categories of Shareholders	No of Shareholders	No of Shares
Individual	1,244	103,521,588
Institutional	102	203,321,769
Total	1,346	306,843,357

Share Trading Information

Year Ended	31 March 2022	31 March 2021
Share Information		
Highest Price (Rs.)	**31.80**	17.50
Lowest Price (Rs.)	**13.50**	6.80
Closing Price (Rs.)	**19.70**	13.50

Public Holding as at 31st March 2022

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 2022;

Float-Adjusted Market Capitalization (Rs.)	827,980,973
Percentage of Ordinary Shares Held by the Public	13.7%
Number of Public Shareholders	1,343

There were no non-voting shares as at 31st March 2022.

The Stock Exchange code for BPPL Holding PLC shares is “BPPL”.

Investor Information

List of 25 Major Shareholders Based on their Shareholdings as at 31st March 2022

No	Name of the Shareholder	No. of Shares as at 31st March 2022	%
1.	Infinity Capital (Pvt) Ltd	**154,382,777**	50.31
2.	Mrs. K.U. Amarasinghe	**80,546,372**	26.25
3.	Hirdaramani Investment Holdings Private Limited	**29,884,717**	9.74
4.	Mas Capital (Private) Limited	**9,208,692**	3.00
5.	Mr. R.K. Modder	**5,521,237**	1.80
6.	Hallsville Trading Group Inc.	**1,500,000**	0.49
7.	Usui Lanka Pvt Limited	**1,100,000**	0.36
8.	Mr. A.M. Weerasinghe	**1,005,633**	0.33
9.	Mrs. D.G.U.P. Jayasekara	**999,219**	0.33
10.	J.B. Cocoshell (Pvt) Ltd	**790,257**	0.26
11.	Jafferjee Brothers (Exports) Limited	**772,800**	0.25
12.	Mr. M.j. Fernando	**750,000**	0.24
13.	Mr. A.A. Hirdaramani	**732,100**	0.24
14.	Mr. M.l. Hirdaramani	**713,137**	0.23
15.	Mr. K.U.D. Silva	**530,395**	0.17
16.	Mr. M.H.M. Fawsan	**525,000**	0.17
17.	Asia Pacific Investments (Private) Limited	**500,000**	0.16
18.	Mr. N. Samarasuriya (Joint Account)	**498,500**	0.16
19.	Gf Capital Global Limited	**476,600**	0.16
20.	Citibank Newyork S/A Norges Bank Account 2	**473,770**	0.15
21.	Ambeon Holdings PLC	**457,777**	0.15
22.	Mr. J.D. Bandaranayake (Joint Account)	**438,370**	0.14
23.	Mr. J.D. Bandaranayake (Joint Account)	**425,775**	0.14
24.	Katunayake Garments Limited.	**419,200**	0.14
25.	Mr. S.J. Hirdaramani	**412,700**	0.13
Total		**293,065,028**	95.50

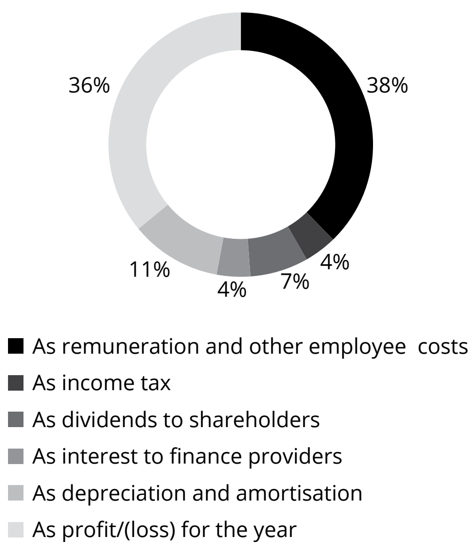
Statement of Value Added

For the year ended 31 March	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Turnover	**4,834,955,216**	3,437,997,243	**1,496,657,963**	971,861,480
Other Operating Income/(Loss)	**25,084,885**	13,874,798	**60,673,804**	9,320,733
Finance Income	**21,580,690**	34,044,865	**3,093**	52,578
Cost of Material & Services	**(3,074,862,545)**	(1,970,839,940)	**(912,304,850)**	(500,688,994)
Value added	**1,806,758,246**	1,515,076,966	**645,030,010**	480,545,797

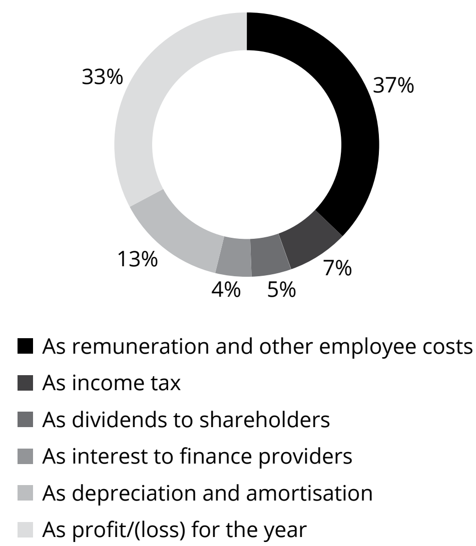
For the year ended 31 March	Group				Company			
	2022 Rs.	%	2021 Rs.	%	2022 Rs.	%	2021 Rs.	%
Distributed as follows:								
To Employess								
as remuneration and other employee costs	**681,644,796**	**38%**	562,820,158	**37%**	**146,232,788**	**23%**	124,017,056	**26%**
To Government								
as income tax	**71,738,659**	**4%**	112,414,567	**7%**	**46,546,920**	**7%**	34,205,625	**7%**
To Providers of Capital								
as dividends to shareholders	**128,874,210**	**7%**	73,642,406	**5%**	**128,874,210**	**19%**	73,642,406	**15%**
as interest to finance providers	**74,152,645**	**4%**	66,659,937	**4%**	**3,415,273**	**1%**	1,373,295	**0%**
Retained in Business								
as depreciation and amortisation	**200,649,211**	**11%**	202,638,840	**13%**	**31,468,394**	**5%**	37,094,166	**8%**
as profit/(loss) for the year	**649,698,724**	**36%**	496,901,059	**33%**	**288,492,426**	**45%**	210,213,249	**44%**

Statement of Value Added

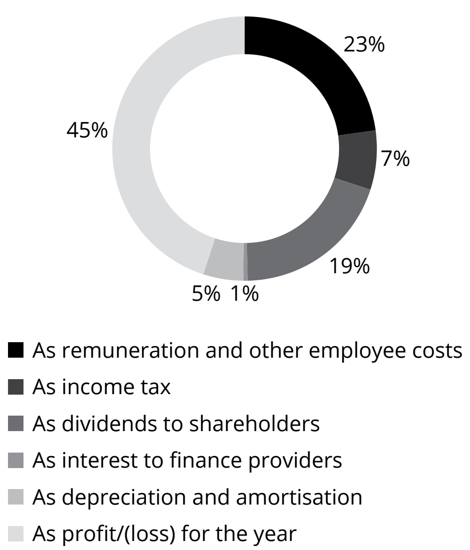
Group – 2022



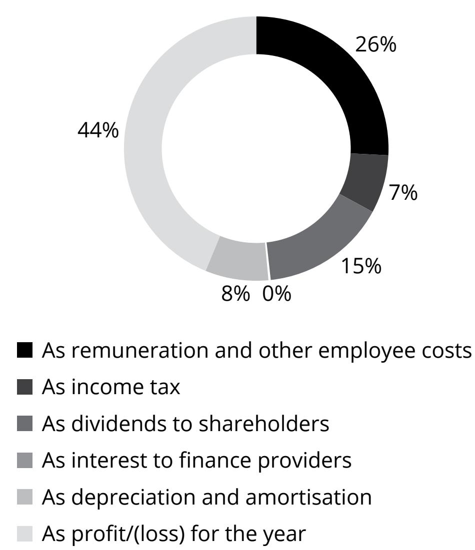
Group – 2021



Company – 2022



Company – 2021



Five Year Summary

For the year ended 31st March	2022 Rs.	2021 Rs.	2020 Rs.	2019 Rs.	2018 Rs.
Revenue	**4,834,955,216**	3,437,997,243	2,626,193,275	2,741,355,255	2,616,348,715
Profit Before Tax	**721,437,383**	609,315,626	506,747,158	421,787,603	414,124,665
Taxation	**(71,738,659)**	(112,414,567)	(101,192,265)	(52,296,862)	(48,510,393)
Profit for the Year	**649,698,724**	496,901,059	405,554,893	369,490,742	365,614,272
Equity Funds Employed					
Stated Capital	**100,371,584**	100,371,584	100,371,584	100,371,584	100,371,584
Reserves	**(339,127,122)**	398,904,310	446,037,530	259,933,800	259,933,800
Retained Earnings	**3,307,947,574**	2,741,832,707	2,328,866,790	2,063,171,470	1,819,860,551
Assets Employed					
Non-Current Assets	**4,616,528,388**	3,549,897,954	3,222,247,828	2,846,897,970	2,288,452,436
Current Assets	**3,629,723,399**	2,279,316,126	1,810,229,815	1,472,267,086	1,371,683,861
Current Liability	**2,925,900,419**	1,405,759,356	1,499,404,542	1,250,032,281	713,614,837
Capital Employed (Net Debt Basis)	**3,827,184,662**	4,772,824,660	3,923,106,773	3,874,532,037	3,255,369,669
Cash Flow					
Net Cash Inflow/(Outflow) from Operating Activities	**166,777,042**	134,842,898	986,158,666	475,199,862	327,313,645
Net Cash Inflow/(Outflow) from Investing Activities	**(1,028,344,967)**	(775,186,756)	(376,370,764)	(648,018,007)	(924,209,936)
Net Cash Inflow/(Outflow) from Financing Activities	**878,939,635**	164,682,293	(95,648,108)	188,966,682	606,671,582
Net Increase/(Decrease) in Cash and Cash Equivalents	**17,371,710**	(475,661,564)	514,139,794	16,148,536	9,775,291
Key Indicators					
Current Ratio	**1.24**	1.62	1.21	1.18	1.92
Gearing Ratio	**125%**	47%	36%	60%	49%
Asset Turnover Ratio	**0.59**	0.59	0.52	0.63	0.71
Earnings per Share (Rs)	**2.12**	1.62	1.32	1.20	1.19
Dividends per Share (Rs)	**0.42**	0.24	0.42	0.42	0.42
Net assets per Share (Rs)	**10.00**	10.56	9.37	7.90	7.11
Return on Equity	**21%**	15%	14%	21%	17%
Return on Capital Employed	**11%**	13%	14%	11%	13%
Interest Cover (Times)	**14.72**	19.68	16.05	18.97	20.40
Dividend Payout Ratio	**20%**	15%	32%	35%	35%