



Quality. Guaranteed







Quality. Guaranteed

Looking back on our legacy of over 100 years, we revel in our identity as one of Sri Lanka's iconic brands, beloved by consumers from generation to generation. What sets us apart is our stringent determination to maintain quality. Every time.

We, as Sri Lanka's largest distillery, operate on the highest standards of business practices and ethics, the best principles of corporate governance, and with commitment to provide our consumers with products with highest quality.

Our AAA rating from Fitch Ratings reinforces this, as only a select few are afforded that accolade. Our shareholders enjoy high returns, and our employees are rewarded for their innovation and hard work, and consumers provided with the very best.

That is why, at DCSL, quality is always guaranteed.



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FINANCIAL HIGHLIGHTS

		2024	2023
SUMMARY OF RESULTS			
Gross Turnover	Rs. Mn	115,396	123,358
Excise Duty	Rs. Mn	69,142	66,399
Net Turnover	Rs. Mn	46,254	56,959
Profit After Tax	Rs. Mn	14,340	18,843
Shareholders Fund	Rs. Mn	10,621	12,248
Working Capital	Rs. Mn	(100)	7,175
Total Assets	Rs. Mn	30,980	29,713
Staff Cost	Rs. Mn	3,421	2,903
No. of Employees		921	938
PER SHARE			
Basic Earnings	Rs.	3.12	4.10
Net Assets	Rs.	2.31	2.66
Dividends	Rs.	3.88	2.20
Market Price-High	Rs.	29.00	22.00
- Low	Rs.	17.10	12.60
-Year End	Rs.	26.90	19.60
RATIOS			
Price Earnings	times	8.62	4.78
Return on Shareholder Funds	%	135.02	154.14
Current Ratio	times	0.99	1.47
Interest Cover	times	157.04	143.4
Stock Turnover (Finish Goods)	days	20	20
Debt to Equity	%	25.57	0.04
Debt to Total Assets	%	8.77	0.02
Dividend Payout	%	124	54
Dividend Yield	%	14	11

A HISTORICAL PERSPECTIVE

Present in Sri Lanka for over a century, The Distilleries Company of Sri Lanka PLC (DCSL), is one of the most profitable and well-respected corporate entities in the country. Its proud tradition, rich heritage and proven credentials have made the Company a beacon of inspiration for others. Over the past 100 years, our corporate DNA has been strengthened with our values of tradition, quality, innovation, resilience and the determination to succeed.

DCSL's roots can be traced back to 1913, when the Excise Department of Ceylon, which was initially created as the enforcement authority to distribute and sell liquor products in Sri Lanka, branched out into the distillation and manufacture of liquor products. In 1974, the State Distilleries Corporation

was incorporated by statute, to take over this venture, while the Excise Department realigned its operations as a monitoring body.

Thus, DCSL has the distinction of being the pioneer distiller in Sri Lanka. In 1989, under a government policy decision, the State Distilleries Corporation was converted into a limited liability company. This transfer of ownership took place at the Colombo Stock Exchange (CSE) in 1992, making it the largest transaction in the history of the CSE at that time.

Under new private management, the Company entered an era of modernisation that witnessed upgrading of machinery and equipment.



argenté

The ultimate expression
of distinguished taste

As the largest and oldest distiller of pure coconut arrack in the world, we have perfected the process of extraction, distilling and blending for over a century. Made exclusively from coconut spirit aged for a minimum of 20 years, Argenté Centenary Blend is the result of this progression, where the finest raw materials are transformed by our master-craftsmen, into a creation that is the essence of excellence and an icon of distinguished taste.



Narikela

Pure Coconut



www.dclgroup.com

PASSION POP

Iconic Australian Alcoholic Beverage



Passion Pop is an iconic Australian alcoholic beverage, labeled as a carbonated "Passion Flavoured" Wine - based beverage. The product was created by Frank 'Pop' Miranda and Ron Potter in 1977-78 at Pop's Winery (Miranda Wines Pty Ltd) in Griffith, New South Wales. Passion Pop is now owned and produced by Australian Vintage and comes in four different flavours: Original (passionfruit-flavoured), Mixed Berry, Pink (Strawberry) and its newest addition Watermelon.

Passion Pop is now an Australian icon and has been a market leader in the Flavoured Sparkling Wine category for over 30 years.

A legacy

The destiny of a dynasty

The vitality and reach of the Taittinger brand is based on the values of those who embody it today. These values are inherited from those who created the Champagne House. Over three generations, a number of people have left their mark on the history, spirit and style of Taittinger and, beyond that, on the image of Champagne itself. Vision, inspiration, strategy, development and influence have all contributed to permanently shaping the destiny of the family and the reputation of the Champagne House.

TAITTINGER





THE SPIRIT OF CHANGE™



STOLI PREMIUM

STOLI SYDNEY

Espresso Martini

Sun, Sand, Sea & Coffee culture. The only delight bigger than Sydney's coffee culture is their national Lamington cake, with lashings of chocolate and desiccated coconut.

STOLI SYDNEY Espresso Martini is an unforgettable classic Martini, twisted with a touch of shredded coconut and crunchy chocolate nibs.



STOLI CITROS

STOLI NEW YORK

Cosmopolitan

If there is a cocktail that lives and breathes the heart and soul of the Big Apple, it's THE COSMO. Born and raised in NY, this classic goes extremely well with a twist of zest coming from STOLI Citrus.



STOLI RAZBERI

STOLI LONDON

Vodka Soda

Berries and mint are the staple of the British summer. London STOLI & Soda, with a fruity, sweet kick of Raspberry, is the ultimate cocktail that will inspire the British capital to celebrate refreshing outdoor moments and picnics.



STOLI VANIL

STOLI RIO

Spritz

Rio is known for its warm soul, golden sunsets and vibrant colors. Rio Spritz embraces the "carioca spirit" with a dash of tropical taste; passion fruit mixed with exotic vanilla in a colorful, unique, refreshing drink.

DISTILLED TO PERFECTION. ENJOYED WITHOUT RESERVATION.

BLUE LABEL ARRACK

Share a moment, catch up with friends, or enjoy one of life's simple pleasures with this unique blend of spirits that's perfectly balanced. Every bottle is an expression of tradition, passion, and good taste.



SPECIAL ARRACK

Celebrate the spirit of the moment with this brilliant blend. Here's an arrack that is traditionally taken straight or enjoyed with soda or water.



EXTRA SPECIAL ARRACK

A legend among blended arracks, Extra Special lives up to its name, with a unique and distinctive taste. If you are looking for a spirited beverage, known for its authentic intensity, your search ends here.



WHITE LABEL ARRACK

A crystal-clear arrack that offers a clean, smooth, uplifting taste, this is the perfect drink for anytime or place. Offering a hint of lime, White Label really comes into its own when mixed in a tropical cocktail, but it can also be enjoyed with just ice..



NARIKELA

The Spirit of Sri Lanka. A pure Coconut liqueur, with a subtle taste and aroma of desiccated coconut and embodying a delicate sweetness. Narikela encapsulates the spirit of our Island and its people- joyful, carefree, hospitable and versatile. It can be served straight, on the rocks, with a chaser or mixed into a cocktail.



VERY SPECIAL OLD ARRACK

Arrack is not just another beverage, it is a tradition, an institution, a pastime. Want to know what makes this arrack so 'very special'? The proof is in the tasting.

Enjoy it straight, mixed, with chasers, or in your favourite cocktail. Here is a drink that will put sunshine in your heart and a smile on your face.



DOUBLE DISTILLED ARRACK

A time-tested romance between the science of distilling and the art of blending. Distilled twice for extra purity and smoothness, this is the drink for those who know the difference. However, for the committed connoisseur who demands a beverage with real character, nothing else will do.



OLD ARRACK

An arrack that has inspired generations and has remained a local favourite through the ages. Smooth, swanky and with plenty of attitude. Mixes well with good company, but it might be even better when enjoying the sweet bliss of solitude.



PURE COCONUT SRI LANKA ARRACK

A bold and adventurous blend of pure coconut spirits. The perfect drink for those warm tropical days or heady nights. Mixes perfectly with soda, water and a generous helping of ice. Sri Lankan Arrack is the ideal accompaniment to a good time.



COCONUT ARRACK

With Coconut Arrack you get a lesson in tradition and a masterclass in blending. By using only the purest spirits, we have produced a drink that doesn't need a special occasion for imbibing, though opening a bottle will make any occasion a very special one.



THE DEFINITIVE COLLECTION OF INTERNATIONAL BESTSELLERS.

BURONGA HILL

Buronga Hill Estate is the flagship brand of the Buronga Hill Winery. Located in the Sunraysia district of southern NSW, Buronga Hill Winery is one of the largest wineries in Australia.



WINCARNIS - TONIC WINE

First produced in 1887, Wincarnis Tonic Wine is a natural tonic, incorporating a unique infusion of herbs and spices rich in energy-giving vitamins.



GRAND CHAI DE FRANCE

Founded in 1979, the owners of over 30 domains and chateaux with 20 years of experience in wines and spirits.



ALBERT BICHOT - "THE EPIC STORY" OF A GREAT HOUSE

In 1350, the Bichot family was established in Burgundy. In the XIXth century the family ventured into the wine business. In 1831 Bernard Bichot founded a wine brokerage, which has been passed down from father to son until now.



PASSION POP

There is nothing serious about this little number! Passion Pop is low in alcohol and loaded with soft, approachable passion fruit sweetness.



DOÑA PAULA - LOS CARDOS

Doña Paula is among the main Argentinean wineries that export premium wines; 97% of production is exported to more than 60 countries and the international press has assigned our wines at very high ratings.



CAPE DREAMS

The name Cape Dreams reflects our personal aspiration to build an internationally recognised brand. Our objective is to develop and grow Cape Dreams into a brand synonymous with wines of superb quality.



MISIONES DE RENGO

Its birth was in 2001, breaking all traditional paradigms of the Chilean wine Industry, its eye catching presentation and oenological quality has enabled it to become one of Chile's main brands. The company also offers Cuveé and Varietal ranges.



DOÑA PAULA - LOS CARDOS

Doña Paula is among the main Argentinean wineries that export premium wines; 97% of production is exported to more than 60 countries and the international press has assigned our wines at very high ratings.



TERRA ANDINA - BY SUR ANDINA

Blending grapes from different valleys, of Chile's different wine growing regions. Terra Andina is focused on making quality wines to capture the full potential of Chilean viticulture.



DISTILLED TO PERFECTION. ENJOYED WITHOUT RESERVATION.

SOMERTON

The Somerton range reflects the bright fruit flavours that are the hallmark of Australia's sunny climate regions at incredible value for money.



TEMPUS TWO

Style, Substance, Sophistication Launched in 1998, the vision for TempusTwo remains; to create a unique and distinctive range of wines from Australia's premier wine growing regions. Blending substance with style, we have designed a luxurious, artesian and elegant range of wines for those who appreciate the finer things in life.



OLD PULTENEY

Pulteney distillery is one of the most northerly distilleries on the Scottish mainland. The extreme location and unique stills have resulted in a Single Malt Scotch Whisky that is bursting with the power and subtlety of the sea.



SPEYBURN - SINGLE MALT SCOTCH WHISKY

Carving our own path since 1897. For over 100 years Speyburn have trusted in their instincts and challenged whisky norms to create a single malt Scotch worthy of the vibrancy of the Speyside region.



MARCEL MARTIN ROSE D'ANJOU

Composed of Grolleau and CabernetFranc, this Rosé d'Anjou La Jaglerie has a pink pale color. The nose reveals red fruits and floral notes. The palate is balanced, supple and fresh. Served at 10° C, this wine is ideal as an aperitif and it is the perfect accompaniment to cakes and ice cream.



TAITTINGER - CHAMPAGNE
This high proportion of Chardonnay, unique among fine non-vintage champagnes, is aged for three years in cellars, where it reaches the peak of aromatic maturity. Known for its consistently excellent quality all over the world..



ELIT
Since the dawn of the 20th Century. Produced to the same traditions and highest quality standards for more than 80 years.



STOLICHNAYA VODKA

Since the dawn of the 20th Century. Produced to the same traditions and highest quality standards for more than 80 years..



12-YEAR-OLD REGENCY (PREMIUM)

Left to mature in American ex-bourbon casks for 12 long years, it is then expertly combined to create this spicy, sweet and distinctively balanced, blended Scotch Whisky.



AGAVITA - TEQUILA

A time-tested Tequila Blanco, or white Tequila, is a Mexican spirit that can be served as a shot or mixed in cocktails. Even though it is colourless, it gives a slight taste of mint and pepper.



A FLAVOUR FOR EVERY OCCASION. A TOAST TO THE SPIRIT OF CELEBRATION.

HOUSE OF TILBURY WHISKY

A combination of Islay malts from the southernmost island chain of Scotland and fine-grained spirits, combined to create a blend of whisky which is rich and smooth on the palate. A taste that deserves to be shared.

BLACK OPAL ARRACK

With a rich and smooth mouthfeel, this is an arrack that offers a distinctively well-rounded taste, combined with a clean, upbeat rush. An absolute joy to drink, whether you like them on the rocks or mixed.



TILL SIDER WHISKY

A refined blend of Islay malts and scotch whiskey with fine grain spirits. Every bottle tells a story of fiery passion, rugged coast, and windswept highlands. Best enjoyed liberally, whether on the rocks, mixed, or in your favourite whisky cocktails.



PETROFF VODKA

For those days or nights when you want to feel like a Russian czar. Petroff Vodka goes well with just about anything. Crystal clear, with a subtle taste you're sure to enjoy, this is vodka for casual enthusiasts and aficionados alike.



TRIPLE BLUE

The pursuit of happiness and pleasure requires a certain passion and dedication, which reveals itself in this brave and intense blend. Offering a rich final product, Triple Blue is a definitive statement in quality.



GALERIE BRANDY

A blend of renowned French brandy and premium quality spirits, matured in the finest barrels. This gives Galerie its distinctively smooth finish, for a brandy with plenty of style and a distinguished character.



FLINTON DRY GIN/ LEMON GIN

Carefully combining high-quality original gin spirits and fine grain spirits, produce a gin with a classic taste, which is as versatile as it is vivacious. The distinctively refreshing taste of Lemon Gin for gin lovers, with its subtle natural flavour and bouquet.



FRANKLIN BRANDY

An exquisite blend of the best French brandy with select spirits, offering a taste that's refreshingly contemporary. One of the finest blended brandies with a smooth, full-bodied, and artfully blended finish.



EXCELLA TEQUILA BLANCO

Excella Tequila Blanco is a smooth and refreshing Tequila. On the nose, it has aromas of citrus, mint and honey with a hint of earthiness. On the palate, it is light and crisp, with flavors of lemon, lime, grapefruit and agave nectar, balanced by a touch of pepper and mineral.

The finish is clean and refreshing, with a lingering citrus zest. Excella Tequila Blanco is perfect for sipping on its own or mixing into a variety of cocktails, such as margaritas, palomas or ranch waters.



DARK RUM

A combination of spirits that deliver an authentic tasting rum, which stays true to its Caribbean roots. Balmora mixes well with any occasion and is the perfect addition for creating those magical moments.



BEER PORTFOLIO



HEINEKEN

Heineken® stands as a leading international premium lager, recognized globally for its consistent quality and crisp taste. Available in nearly every country, Heineken® has upheld its reputation for excellence for almost 150 years. In Sri Lanka, it remains the only brew crafted with 100% pure malt, using the finest A-Yeast and undergoing a meticulous 28-day brewing process in horizontal tanks.



TIGER

Tiger has firmly established itself as Asia's leading international premium beer and ranks among the fastest-growing brands worldwide, with presence in more than 60 countries. Tiger has been uncaging new ways to take refreshment to the next level - making the impossible possible for decades. It is best complemented with the Sri Lanka's vibrant and spicy cuisine.

Marketed by DCSL Breweries Lanka Limited, a member of DCSL Group



BISON

A 100% homegrown brew, Bison Beer is Sri Lanka's first strong beer with an ABV of 8.8%. Crafted with care from premium natural ingredients, Bison promises a potent taste of world-class strength, uniquely authentic to our island paradise!.

ANCHOR

Anchor beer is brewed following a traditional European recipe that has been refined over time to create an award-winning flavor and experience. The brewing process is marked by the careful selection of premium European malt and hops, along with expert craftsmanship, ensuring that Anchor beer consistently delivers its signature taste and exceptional mouthfeel.



CHAIRMAN'S STATEMENT

A handwritten signature in black ink, appearing to read "D. H. S. Jayawardena".

D. H. S. Jayawardena
Chairman



GROSS TURNOVER

Rs. 115 Bn



TAXES PAID

Rs. 79 Bn



PROFIT AFTER TAX

Rs. 14 Bn

Dear Shareholder,

It gives me great pleasure to present to you the Company's annual report and the audited financial statements for the year ended 31st March 2024.

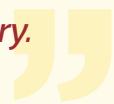
The year 2023/24 marked a crucial turning point for Sri Lanka as the country began rebuilding after its severe economic crisis in 2022/23. Through strategic monetary and fiscal measures, supported by the IMF's External Funding Facility, the nation experienced significant economic recovery. Inflation plummeted from 50.3% in March 2023 to 0.9% by March 2024, while the Government revenue-to-GDP ratio improved from 8.2% to 11.0%. Domestic interest rates fell after a 700 basis point reduction in policy rates, and the Sri Lankan rupee appreciated by 8.2%, leading to a

current account surplus for the first time since 1977.

This recovery underscores the importance of continued policy corrections to maintain long-term stability. The previous economic crisis was driven by poor governance and undisciplined economic strategies, highlighting the need for Sri Lanka to adhere to IMF-guided reforms focused on a sustainable balance of payments and an export-driven economy. The IMF's governance diagnostic assessment identified key areas for improvement, including closing legal gaps, strengthening regulations, and enhancing public oversight to combat corruption. Despite these challenges, Sri Lanka's resilience and commitment to sound policies and strategic reforms are gradually guiding the country towards long-term economic stability and growth.



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The alcohol industry in Sri Lanka has faced an unprecedented number of challenges this past year. Among the most impactful has been the series of excise duty increases, which have significantly affected both pricing and consumer behaviour. The most significant increases were a Rs. 1,000 hike per absolute litre, raising the duty from Rs. 5,000 to Rs. 6,000 effective from July 1, 2023, followed by an additional Rs. 840 per absolute litre, taking the duty up to Rs. 6,840 as of January 1, 2024. These hikes have not only increased the price of alcohol products by approximately 58% but have also widened the gap between legal and illicit alcohol markets, inadvertently driving growth in the latter. It must be pointed out that it is disheartening to note that the Excise Department is doing nothing with regards to the illegal production and some officers of the Excise Department running some FL4

CHAIRMAN'S STATEMENT

licenses. Tax policy has consistently been a point of debate within our industry. It is generally accepted that every industry has an ideal tax rate that maximizes revenue while supporting growth and minimizing illicit trade. Unfortunately, the taxes levied on the alcohol sector have surpassed this ideal point, leading to unintended consequences. As these taxes have risen beyond what the industry can reasonably bear, we have seen a drop in legal sales and a subsequent decline in government tax revenue. The steep prices of legally produced alcohol have driven consumers toward illegal alternatives, which pose significant risks to public health and safety.

COMPANY'S PERFORMANCE

I am pleased to announce that your company has maintained its National Long-Term Rating of "AAA" (lka) by Fitch Ratings, with a Stable Outlook., which indicates the ability of the Company to withstand challenging business conditions.

DCSL has maintained its leadership position, although the financial results for the year reflect the difficult conditions we have navigated. The company's gross turnover for 2023/2024 was Rs. 115Bn a decline of 6.45% compared to Rs. 123Bn in 2022/2023. This contraction was largely driven by the aforementioned excise duty increases. This decline is a clear reflection of the reduced sales volume, due to higher prices and diminished consumer purchasing power.

The Company contributed Rs. 79 Bn as taxes to State coffers in the current year.

Despite challenging conditions, our stringent determination to maintain quality and our steadfast commitment to regulatory compliance remain unwavering. We have consistently invested in research and development to ensure our products meet the highest international standards. When a DCSL product is purchased, the customer is assured of Quality Guaranteed. This dedication reinforces our identity as one of Sri Lanka's iconic brands, cherished by consumers across generations.

Looking ahead, it is evident that the current tax policies, if maintained, will have detrimental effects on the legal alcohol sector. The affordability of legal alcohol is likely to decrease further, pushing consumers towards harmful, illegal alternatives, including drugs. This situation is concerning, and we strongly urge policymakers to re-evaluate the taxation approach for legal alcohol. It is essential to find a balance that makes alcohol accessible while discouraging the use of illicit substances.

At DCSL, we advocate for strong governance and disciplined policy implementation as key factors for the industry's long-term viability. It is also crucial for authorities to act swiftly to protect consumers and prevent bootleggers from capitalizing on tax increases and curb the proliferation of illicit and illegal liquor, which have reached alarming proportions due to the continuous increase in taxes on legally manufactured liquor.

When a DCSL product is purchased, the customer is assured of Quality. Guaranteed. This dedication reinforces our identity as one of Sri Lanka's iconic brands, cherished by consumers across generations.

As we move forward, our priority will be to cope despite these challenges while continuing to provide value to our shareholders, customers, and the communities we serve. We remain committed to maintain the highest standards of quality, compliance, and transparency across all our operations, while we continue to push for a fair and sustainable operating environment for Sri Lanka's alcohol industry.

DIVIDEND

I am pleased to announce that in line with our dividend policy, your Board of Directors declared three interim dividends totalling to Rs.2.83 per share for the year 2023/24.

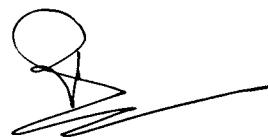
COMPLIANCE

The Company has complied to all relevant provisions of the Code of Best Practice on Corporate Governance, jointly issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the Securities and Exchange Commission of Sri Lanka (SEC). We remain dedicated to upholding the highest standards of Corporate Governance. The steps we have taken in this regard are detailed in the Corporate Governance Report.

APPRECIATION

I am delighted to welcome Dr. Ravi Fernando to our Board of Directors. His diverse background and extensive experience will undoubtedly bring valuable insights that will contribute to the ongoing success of our organization.

I would like to express my heartfelt gratitude to the Board of Directors for their generous support, and to the management and employees for their consistent dedicated efforts, especially during these challenging times. I am also profoundly grateful to our shareholders for their continued trust and confidence in our company. Our stakeholders are an integral part of our journey and I would like to thank them for their continuous loyalty. Most importantly, I extend my heartfelt thanks to the loyal customers of our Group for their steadfast commitment to our products..



D. H. S. Jayawardena

Chairman

27th August 2024
Colombo

We advocate for strong governance and disciplined policy implementation as key factors for the industry's long-term viability. It is also crucial for authorities to act swiftly to protect consumers and prevent bootleggers from capitalizing on tax increases.



BOARD OF DIRECTORS



MR. D. H. S. JAYAWARDENA
Chairman



MR. C. R. JANSZ
Executive Director



CAPT. K. J. KAHANDA (RETD.)
Managing Director



MR. N. DE S. DEVA ADITYA
Independent Non-Executive Director



DR. NAOMAL BALASURIYA
Independent Non-Executive Director



MR. D. HASITHA S. JAYAWARDENA

Non-Independent Non-Executive Director



MS. D. S. T. JAYAWARDENA

Non-Independent Non-Executive Director



MR. M. A. N. S. PERERA

Executive Director



DR. RAVINDRA A. FERNANDO

Non-Executive, Independent Director



MS. V. J. SENARATNE

Company Secretary & Chief Legal Officer

Alternate Director to Capt. K. J. Kahanda

(Ceased to be an Alternate Director w.e.f. 01.01.2024)

BOARD OF DIRECTORS

MR. D. H. S. JAYAWARDENA

Chairman

Mr. Harry Jayawardena is one the most successful and prominent business magnates in Sri Lanka. He was elected as Chairman of the DCSL Group in 2006 after serving as its Managing Director for almost two decades. He heads many successful ventures in diversified fields of business.

He is the founder Director and the present Chairman/Managing Director of the Stassen Group of Companies. He is the Chairman of Lanka Milk Foods (CWE) PLC., Milford Exports (Ceylon) (Pvt) Ltd., Ceylon Garden Coir (Pvt) Ltd., Ambewela Products (Pvt) Ltd., Ambewela Livestock Co. Ltd., Danish Dairy Products Lanka (Pvt) Ltd., Lanka Dairies (Pvt) Ltd., Melstacorp PLC and its subsidiaries, Aitken Spence PLC., Aitken Spence Hotel Holding PLC., Balangoda Plantations PLC., Madulsima Plantations PLC., Browns Beach Hotels PLC., Lanka Bell Ltd., Periceyl (Pvt) Ltd., Bogo Power (Pvt) Ltd., Texpro Industries Ltd., Melsta Health (Private) Ltd and Melsta GAMA (Pvt) Ltd.

He is a former Director of Hatton National Bank PLC., the largest listed bank in Sri Lanka and former Chairman of Ceylon Petroleum Corporation and Sri Lankan Airlines.

Mr. Jayawardena is the Honorary Consul for Denmark and was honoured with the prestigious "Knight's Cross of Dannebrog" by Her Majesty, Queen Margrethe II of Denmark, for his significant

contribution to the Danish arts, sciences and business life.

He has also been awarded the title, "Deshamanya" in recognition of his services to the Motherland, since November 2005.

MR. C. R. JANSZ

Executive Director

Mr. Jansz is a Director of Stassen Group, Melstacorp Group, Lanka Milk Foods Group & Aitken Spence PLC. He is the Chairman of Melsta Hospitals Ragama (Pvt) Ltd and Melsta Hospitals Colombo North (Pvt) Ltd.

He has been the Chairman of DFCC Bank and the Sri Lanka Shippers Council. Mr. Jansz holds a Diploma in Banking and Finance from London Metropolitan University, UK. He is a Chevening Scholar and an UN-ESCAP Certified Training Manager on Maritime Transport for Shippers.

Mr. Jansz specialises in the movement and finance of international trade.

CAPT. K. J. KAHANDA (RETD.)

Managing Director

Captain Kahanda joined the Company in 1993 as Regional Manager (Central Region) and was appointed as a Director in December 2006. He was appointed as the Joint Managing Director of the Company in September 2022. Being a former officer of the Sri Lanka Army, he spearheaded the reorganisation of the operations of the Central Region since privatisation. He

specialises in logistics, distribution and security matters, and he is also a Director of Melstacorp PLC, G4S Security Services (Pvt) Ltd., Pelwatte Sugar Distilleries (Pvt) Ltd and Melsta GAMA (Private) Ltd.

MR. N. DE S. DEVA ADITYA

DL, FRSA

Independent Non-Executive Director

Mr. Deva Aditya was the first Post War Asian born Conservative Member of the British House of Commons and served in Government as the Parliamentary Private Secretary to the Scottish Office after which he was elected as the first Asian-born British Member of the European Parliament, representing over 8 million people, British people in Berkshire, Hampshire, Buckinghamshire, Oxfordshire, Surrey, Sussex and Kent for 20 years.

He was the Vice President of the International Development Committee for 15 years, overseeing the Euro 25 billion European Aid Budget. He was the Chairman of the EU Korean Peninsula Delegation working towards a lasting Peace with North Korea, Chairman of the EU China, EU Bangladesh, EU Indonesia, EU Myanmar and EU India Friendship Groups in the EU Parliament and was nominated by his political group ECR to be the President of the European Parliament and was the Chairman of the EU Delegation to the UN General Assembly. Currently, he is the Publisher of the global media platform the only Commonwealth-wide media

outlet reaching out to 2.4 billion people in the Commonwealth.
www.commonwealthunion.com

For his Tsunami Relief work he was made a Chevalier of the Catholic Church and Vishwa Keerthi Sri Lanka Abhimani by the Buddhist Clergy of Sri Lanka.

DR. NAOMAL BALASURIYA

MBBS [Sri Lanka], MBA [Sri.J], CIM[UK], MCGP [SL], MSLIM, MIMSL

Independent Non-Executive Director

Dr. Naomal Balasuriya, a medical doctor turned-entrepreneur, is internationally sought after as a life-changing motivational speaker. His professional expertise ranges from medicine, military, management, marketing, mentoring to motivational speaking. He holds both the Master of Business Administration (MBA) and CIM (UK) qualifications. Having worked in the Government sector, private sector and the Sri Lanka Air Force as a medical doctor, he now leads his entrepreneurial training company, Success Factory. He is also a Director of Melstacorp PLC.

MR. D. HASITHA S. JAYAWARDENA

BBA (Hons) (UK)

Non-Independent Non-Executive Director

Mr. Hasitha Jayawardena holds a Bachelor's Degree in Business Administration BBA (Hons) from the University of Kent in the United Kingdom.

Mr. Jayawardena joined the Stassen Group in February 2013. He is a Director of Stassen Exports (Pvt) Ltd., Milford Exports (Ceylon) (Pvt) Ltd., Stassen International (Pvt) Ltd., Stassen Natural Foods (Pvt) Ltd., Ceylon Garden Coir (Pvt) Ltd., Milford Developers (Pvt) Ltd., Stassen Foods (Pvt) Ltd.,

C. B. D. Exports (Pvt) Ltd., Lanka Milk Foods (CWE) PLC., Lanka Dairies (Pvt) Ltd., Ambewela Livestock Company Ltd., Pattipola Livestock Company Ltd., Ambewela Products (Pvt) Ltd., United Dairies Lanka (Pvt) Ltd., Melstacorp PLC., Periceyl (Pvt) Ltd., Balangoda Plantations PLC., Madulsima Plantations PLC., Melsta Health (Pvt) Ltd., Melsta Hospitals Ragama (Pvt) Ltd., Melsta Hospitals Colombo North (Pvt) Ltd., Zahra Exports (Pvt) Ltd., Mcsen Range (Pvt) Ltd., DCSL Brewery (Pvt) Ltd. and an alternative Director of Melsta GAMA (Pvt) Ltd.

Mr. Jayawardena has also worked as an Intern at the Clinton Global Initiative programme (CGI) in New York in 2007.

MS. D. S. T. JAYAWARDENA

Non-Independent Non-Executive Director

Ms. Stasshani Jayawardena was appointed to the Board of Distilleries Company of Sri Lanka PLC since 2022 and marks several milestones for Aitken Spence PLC and Aitken Spence Hotel Holdings PLC as the youngest Board Member, and the first female member on the Board. Ms. Jayawardena heads the Tourism

sector of Aitken Spence PLC inclusive of hotels, destination management and overseas travel.

With a career spanning over 10 years at Aitken Spence, she wields a fresh perspective in management and leads strategic business units across the Group. She leads several key strategic teams as the Chairperson of Aitken Spence Hotel Managements (Pvt) Ltd., as a member on the Board of Directors of Aitken Spence PLC and group companies, Aitken Spence Hotel Holdings PLC, Stassen Group, Lanka Milk Foods (CWE) PLC and Melstacorp PLC.

A graduate of St. James' & Lucie Clayton College and Keele University in the United Kingdom and Emeritus Institute of Management, Singapore; she has also received extensive overseas business exposure and training including executive education. Ms. Jayawardena made waves from a young age and was the youngest intern to work under US Senator Hilary Rodham Clinton and the Former US President Bill Clinton in 2003; and was appointed as the Sri Lankan Ambassador for EY NextGen Club from 2017 to 2019.

Ms. Stasshani Jayawardena was appointed to the Executive Board of The Hotel Association of Sri Lanka (THASL) and represents THASL at the Ceylon Chamber of Commerce Committee since 2019. She is an Executive Committee Member at the International Chamber of Commerce in Sri Lanka since 2020 and a Steering Committee Member of the Ceylon Chamber of Commerce Tourism.

BOARD OF DIRECTORS

She was appointed as Chairperson of the Employers' Federation of Ceylon (EFC) Hotels and Tourism Employers Group for the financial year 2020/21. Ms. Jayawardena is also a member of the PWC NextGen Advisory Board.

Ms. Jayawardena is the Ambassador from Aitken Spence PLC at the Target Gender Equality initiative of the UN Global Compact since 2020. In recognition of her work and commitment to inspire, she was recognised at Top 50 Professional & Career Women Awards in Sri Lanka with a Gold award in the Hotel & Hospitality Sector in 2017, and in 2020 by Sri Lankan business magazine, Echelon, listing her among the most innovative and influential young leaders who have succeeded in business and shaping the future of Sri Lanka.

Ms. Jayawardena became the award recipient of the Expatriate Contribution Award – Gold category by Women in Management Maldives. The Professional and Career Women Awards Maldives 2022 presented this award to Ms. Jayawardena for her exceptional contributions and achievements in the field of Hotel & Hospitality.

Her passion remains in designing the next generation of business with the core values of integrity, sustainability, empowerment, and equal opportunities. She believes driving her business decisions by using data and technology.

MR. M. A. N. S. PERERA

FCA, MBA

Executive Director

Mr. Perera is an experienced professional with a diverse background in finance, investment, and strategic leadership. He joined the Board of Melstacorp PLC as the Managing Director in January 2023. He also serves as a Board member for Aitken Spence PLC, Aitken Spence Hotel Holdings PLC and Browns Beach Hotels PLC.

Mr. Perera holds an MBA from the University of Cambridge and is a Fellow of the Institute of Chartered Accountants, Sri Lanka. He is also a Certified Management Accountant and has other qualifications and exposure to investment and financial strategy, risk management and international tax planning.

Having started his UK career with PWC London he spent close to two decades in London's financial and technology hub. During this time, he led and contributed to strategic projects with global top tier banks such as JP Morgan, ING, Bank of Montreal,

National Australia Bank, and BNP Paribas. Notably, he played a crucial role in establishing two international investment banks and a FinTech banking institution in London. During his tenure, he assumed various leadership positions including Finance Director, Chief Financial Officer, Head of Strategy, and part-time Chief Risk Officer.

Mr. Perera possesses extensive experience in financial and investment strategy, specialising in restructuring, turnaround, mergers and acquisitions, and leading strategic and economic research initiatives. His professional endeavours have taken him across Europe, Asia, the Americas, the Middle East, and Southern Africa, accumulating over 25 years of international expertise.

DR. RAVINDRA A. FERNANDO

Non-Executive, Independent Director

Dr. Ravi Fernando is an Alumni of the University of Cambridge having completed both a Post Graduate Certificate in Sustainable business in 2008 and Master of Studies in Sustainability Leadership in 2014. He has an MBA from the University of Colombo. He holds a Doctor of Business Administration Degree from the European Business School in 2016. He completed the Advanced Management Program at the INSEAD Business School (France) and is an Executive in Residence since 2010. He is a Member of the Board of Study at the Post Graduate Institute of Management (PIM) since March 2023 and is a Visiting Faculty member. In April 2020, he created the '21st Century Board Leadership Model-MasterClass'© for the Institute of Directors of Luxembourg. In February 2023 he published '21st Century Leadership to Fight the Code Red for Business' (Archway Publishing USA). His career with Multinationals spanned 1981-2007

with Unilever, Reckitt Benckiser, Smithkline Beecham International covering Africa, Middle East and Asia. He was the first CEO of the Sri Lanka Institute of Nanotechnology 2008-2011 and Operations Director of the Malaysia Blue Ocean Strategy Institute 2011-2016. He was the first UN Global Compact Focal point 2007 and set up the UNGC Sri Lanka Network. He serves on the Boards of Global Strategic Corporate Sustainability Pvt.Ltd, Dilmah Ceylon Tea Company, Aitken Spence Plantations Management PLC, Aitken Spence Hotels Ltd, UN Global Compact Sri Lanka Network, LOLC Holdings, Ceylon Graphene Technologies Ltd. In 2007 "Global Strategy Leadership award" was presented to him by Professor Renee Mauborgne of INSEAD at the World Strategy summit.

(Pvt) Ltd., and Melsta Health (Private) Ltd.

She also currently serves as a Director on the Board of Paradise Resort Pasikudah (Pvt) Ltd., Amethyst Leisure Limited, DFCC Bank PLC and as an alternate Director of Melstacorp PLC and Distilleries Company of Sri Lanka PLC.

MS. V. J. SENARATNE

*Attorney-at-Law, Notary Public,
Solicitor (Eng. & Wales)*

Company Secretary & Chief Legal Officer
Alternate Director to Capt.
K. J. Kahanda (Ceased to be an Alternate Director w.e.f.
01.01.2024)

Ms. Senaratne was appointed as the Company Secretary in 1993. She was admitted to the Bar in 1977 and was enrolled as a Solicitor (England & Wales) in June 1990. She also holds the position as Company Secretary of Periceyl

DCSL MANAGEMENT



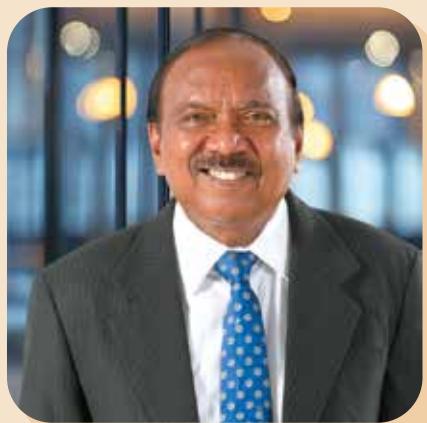
MS. V. J. SENARATNE

Company Secretary & Chief Legal Officer



NIMAL NAGAHAWATTE

Head Of Finance



S. RAJANATHAN

Head of Procurement



MS. GAYATHRI CHAKRAVARTHY

Head of Human Resources



MAJ. GEN. MANO PERERA (RETD.)

Head of Operations



MAJ. ROSHAN CABRAL (RETD.)

Head of Northern Region



COL. RANJITH RUPASINGHE (RETD.)

Head of Extra Special Heritage Arena



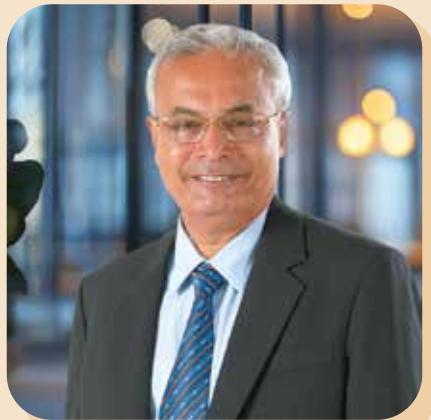
**CAPT. CHULA RANASINGHE
(RETD.)**

Head of Central Region



**LT. COL. SUSANTHA MARAPANA
(RETD.)**

Head of Southern Region



ROSHANTH PERERA

Head of Transport & Logistics



LALITH RATNAYAKE

Head of Inventory Control



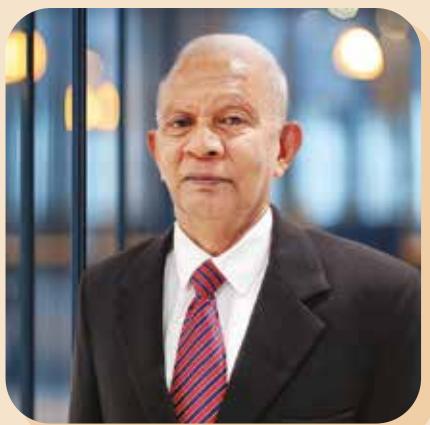
**DESHABANDU LAKSHMAN
BANDARA SSP (RETD.)**

Deputy Director Corporate Risk Management



CHANDANA BANDARA

Chief Internal Auditor



UPALI VITHANAGE SSP (RETD.)

Deputy Director Compliance

MANAGEMENT DISCUSSION AND ANALYSIS



The global alcohol industry is witnessing significant shifts driven by evolving consumer preferences, regulatory changes, and economic pressures. Key trends include the growing demand for low-alcohol and non-alcoholic beverages, driven by health-conscious consumers. Premiumization continues to be a strong trend, with consumers willing to pay more for higher-quality products. However, challenges such as supply chain disruptions, rising costs of raw materials, and economic uncertainties, particularly in emerging markets, are impacting the industry's profitability.

The Sri Lankan alcohol industry has faced an unprecedented number of challenges over the past year, most notably the significant increases in excise duties. In July 2023, the excise duty on alcohol was raised by Rs. 1,000 per absolute litre, from Rs.

5,000 to Rs. 6,000. This was followed by an additional increase of Rs. 840 per absolute litre in January 2024, bringing the duty to Rs. 6,840. These hikes have led to a 58% increase in the price of alcohol products, which has drastically affected consumer behaviour, driving many toward illicit alternatives. The widening gap between legal and illegal alcohol markets poses significant risks to public health and safety, while also reducing government tax revenue.

It is generally accepted that every industry has an ideal tax rate that maximizes revenue while supporting growth and minimizing illicit trade. Unfortunately, the taxes levied on the alcohol sector have surpassed this ideal point, leading to unintended consequences. As taxes have risen beyond what the industry can reasonably bear, we have seen a decline in legal sales and

"DCSL acquired 99.4% of the issued capital of Heineken Lanka Ltd. The acquisition, which resulted in the renaming of the company to DCSL Breweries Lanka Ltd., allows DCSL to brew and distribute internationally renowned beer brands such as Heineken, Tiger, and Anchor, alongside its own brand, Bison beer"

a subsequent drop in government revenue.

The broader economic environment in Sri Lanka has been marked by volatility, with inflationary pressures, fluctuating exchange rates, and increased excise duties impacting consumer spending. Despite these challenges, Sri Lanka has recorded three consecutive quarters of economic growth after six quarters of negative growth, creating a mood of cautious optimism. However, the uncertainty surrounding upcoming elections has led to a "wait and see" approach among many investors, while constrained discretionary spending continues to impact key sectors, including beverages. Given these conditions, DCSL has maintained a cautious approach to expansion, prioritizing cashflow preservation for optimal investment opportunities.

In a strategic move to expand its market presence, DCSL acquired 99.4% of the issued capital of Heineken Lanka Ltd. from Heineken Asia Pacific Pte. Ltd. for Rs. 4.2 billion. The acquisition, which resulted in the renaming of the company to DCSL Breweries Lanka Ltd., allows DCSL to brew and distribute internationally renowned beer brands such as Heineken, Tiger, and Anchor, alongside its own brand, Bison beer. This acquisition marks a significant milestone in DCSL's expansion strategy and strengthens its position in the beverage industry with a diversified portfolio of world-class brands.

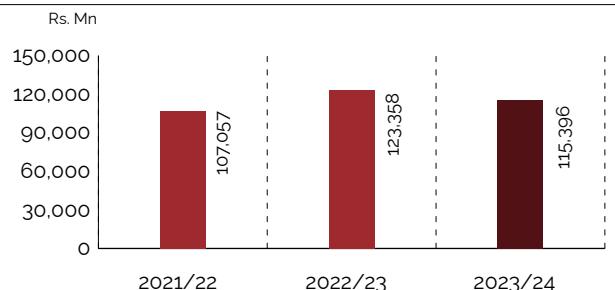
DCSL's financial performance over the past five years reflects both the challenges and resilience of the company. For the year 2023/24, DCSL recorded a Gross Turnover of Rs. 115 billion, a slight decrease from Rs. 123 billion in 2022/23, largely due to the impact of excise duty increases and economic conditions. Despite the revenue decline, the company maintained a robust Profit Before Tax of Rs. 24 billion, although this was lower than the previous year's Rs. 31 billion.

The increase in excise duties has also had a direct impact on DCSL's profitability. While the company managed to navigate these challenges effectively, the overall impact of the increased excise burden is evident in the reduction of Profit After Tax to Rs. 14 billion in 2024, down from Rs. 19 billion in 2023.

Looking ahead, DCSL's ability to adopt, invest in innovation, and expand its market presence will be crucial for sustained growth. With a strong market position and strategic focus on premiumization and sustainability, the company is well-positioned to overcome challenges and seize opportunities in the alcohol markets.

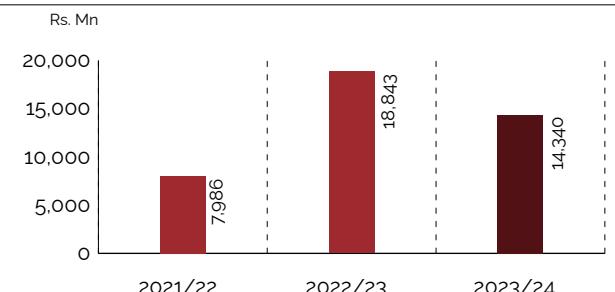
Gross Turnover

**Rs. Mn
115,396**



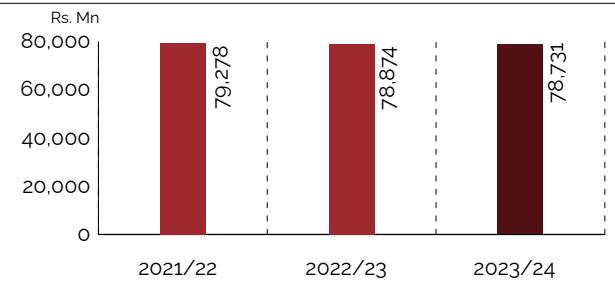
Profit After Tax

**Rs. Mn
14,340**



Taxes Paid

**Rs. Mn
78,731**



A YEAR OF CHERISHED MEMORIES

A new beginning for a new year!



Dedication and determination define champions – DCSL Sports Tournament 2024



DCSL Sports Tournament 2024 – Champions – The Specials



Best Sportsman of the Tournament



Best Sportswomen of the Tournament



DCSL Sports Tournament 2024 – Runners - up – Central Heroes



"Her Voice, Her Choice"; a celebration of International Women's Day 2024



"Every question is a step closer to victory!" - DCSL Quiz 2023



DCSL Quiz 2023 – Winners – Dakshina Shoorayo



DCSL Quiz 2023 – Runners-up-Central Heroes

"Strength in unity, victory in harmony." - DCSL Cricket Tournament 2024



DCSL Cricket Tournament 2024 – Champions – The Specials

"Dancing to the rhythm" at the DCSL Annual Get-together 2023



Embracing the journey of learning



CORPORATE GOVERNANCE

At DCSL, corporate governance is continuously adapting to the increasing influence of environmental and societal factors on our business activities. While some of these changes, such as shifts in legal, political, and technological landscapes, are immediately visible, others may subtly affect our value chains, supply chains, and our social license to operate. To address these challenges, DCSL is actively enhancing its risk management processes and expanding the scope of its governance and reporting systems. Staying attuned to the evolving operating environment and stakeholder concerns is crucial for us, as understanding these dynamics is essential for strengthening our corporate resilience.

DCSL operates with a well-tested organizational structure that has continuously evolved over the years. This evolution reflects changing societal expectations and adherence to best practices, ensuring that our governance framework remains robust and relevant. Our structure has been carefully adapted to meet the growing demands of our stakeholders and the shifting landscape of corporate governance. By aligning with contemporary standards and addressing emerging challenges, DCSL is committed to maintaining its ability to create sustained value for all stakeholders while reinforcing our resilience and operational effectiveness.

THE BOARD OF DIRECTORS

Key responsibilities of the Board

- i. Providing direction and guidance to the Group in formulating and implementing corporate strategies aimed at value creation in the short, medium, and long term, as well as monitoring the execution of these strategies.
- ii. Making decisions on Board appointments, evaluating Board performance, ensuring

- succession planning, and maintaining the Company's ability to operate seamlessly without disruptions.
- iii. Overseeing the Company's financial performance and adopting appropriate accounting policies to ensure accurate and transparent financial reporting.
- iv. Ensuring adherence to best practices in corporate governance, including upholding ethical business practices, compliance with rules, regulations, and internal policies of the Group, and addressing concerns related to ethics, bribery, and corruption.
- v. Establishing and overseeing robust systems of internal control and risk management to ensure that the Company effectively identifies, assesses, and mitigates risks.
- vi. Ensuring that business operations are conducted in alignment with environmental, social, and governance (ESG) considerations, fostering sustainability and responsible practices.
- vii. Building and enhancing relationships with stakeholders to support the Company's long-term success.
- viii. Reviewing and approving major investments, acquisitions, disposals, and capital expenditures, with careful consideration of their impacts on society and the environment.

Segregation of Key Roles

Roles of Chairman and Managing Director are segregated strengthening Board balance ensuring principles of good corporate governance.

Role of the Chairman

- I. Leading the Board, upholding strong corporate governance, and ensuring the Board functions effectively.
- II. Establishing the Board's annual work plan and setting the agendas.
- III. Ensuring the Board maintains control over the Company's affairs.
- IV. Promoting active participation from all Board members during meetings and ensuring they are conducted efficiently.

V. Building and sustaining trust and confidence among stakeholders.

Role of the Managing Director

- I. Executing strategy and driving performance.
- II. Overseeing succession planning for the corporate management team and evaluating their performance.
- III. Developing the Company strategy for the Board's consideration and approval, aligned with the Board's guidance.
- IV. Preparing and recommending budgets to the Board that support the Company/Group's long-term strategy.
- V. Collaborating with the Chairman and Company Secretaries to set the Board agenda.

VI. Monitoring and reporting to the Board on the Company's performance and ensuring compliance with applicable laws and Corporate Governance principles.

VII. Establishing an organizational structure that effectively supports the execution of the Company's strategy.

VIII. Fostering a culture rooted in the Company's core values.

IX. Ensuring the Company operates within the Board-approved risk appetite.

Role of Company Secretary

- I. Ensuring that Board and General Meetings are conducted in accordance with the Articles of Association and relevant legislation.

II. Maintaining statutory registers and keeping accurate minutes of Board, General, and Subcommittee Meetings.

III. Facilitating prompt communication with regulators and shareholders.

IV. Filing statutory returns and providing access to legal advice in consultation with the Board, when necessary.

V. Monitoring and ensuring compliance with regulatory requirements, while keeping the Board informed of any developments in these areas.

All Directors have access to the advice and services of the Secretary as necessary. The Secretary maintains minutes of Board meetings, which are open for inspection by any Director.

The composition of the Board and its Subcommittees is critical as they collectively set the tone at the top for the company. Profiles of the Board members are set out on pages 26 to 29 and their roles are set out below.

Board of Directors	Directorship Status	Attendance
Deshamanya D.H.S. Jayawardena Chairman (Re-designated as a Non-Executive Director w.e.f. 30th October 2023)	Non-Executive Non-Independent Director	1/2
Mr. C. R. Jansz	Executive Director	2/2
Capt. K. J. Kahanda	Executive Director	2/2
Mr. N. de S. Deva Aditya	Independent Non-Executive Director	2/2
Dr. A. N. Balasuriya	Independent Non-Executive Director	2/2
Mr. D. Hasitha S. Jayawardena	Non-Independent Non-Executive Director	2/2
Ms. D. S. T. Jayawardena	Non-Independent Non-Executive Director	2/2
Mr. M. A. N. S Perera	Executive Director	2/2
Dr. R. A. Fernando (Appointed w.e.f 06 Feb 2024)	Independent Non-Executive Director	1/1

INDEPENDENCE OF THE DIRECTORS

There were three Independent Non-Executive Directors at the close of the financial year 2023/2024. Independence of Directors is determined by the Board, based on annual declarations submitted by the Directors in compliance with the

Listing Rules of the CSE and in line with Schedule C of the Code of Best Practice on Corporate Governance, 2023 issued by The Institute of Chartered Accountants of Sri Lanka. Accordingly, the Board determined the below Directors as nevertheless independent under the exception

given in Rule 9.1.4(3) of the Listing Rules of the CSE.

Mr. N. de S. Deva Aditya

The Board is of the view that the period of service of Mr. N. de S. Deva Aditya as a Board Member, which exceeds nine years does not compromise his independence and

CORPORATE GOVERNANCE

objectivity in discharging his functions as a Director. Therefore, the Board determined that Mr. Deva Aditya is nevertheless 'independent' of Distilleries Company of Sri Lanka PLC as per the Listing Rules.

Dr. A. N. Balasuriya

The Board is of the view that the period of service of Dr. A. N. Balasuriya as a Board Member, which exceeds nine years does not compromise his independence and objectivity in discharging his functions as a Director. Therefore, the Board determined that Dr. A. N. Balasuriya is nevertheless 'independent' of Distilleries Company of Sri Lanka PLC as per the Listing Rules.

Dr. R. A. Fernando

Dr. R. A. Fernando was appointed to board as an Independent Non-Executive Director with effect from 06th February 2024.

BOARD SUBCOMMITTEES

The Board has delegated certain responsibilities requiring greater attention to three Board Subcommittees with oversight responsibility for same. This arrangement enables the Board to allocate sufficient time to matters reserved for its decision making, particularly the execution of strategy and forward-looking agenda items, while ensuring that delegated matters receive in-depth focus. Committee Chairmen are accountable for the effective functioning of their Committees and report regularly to the Board on Committee activities.

Audit Committee

With effect from 01 April 2023, the Audit Committee of the parent company comprising of the following commenced to function as the Audit Committee of the Company.

Mr. M. R. Mihular - Chairman

Dr. A. N. Balasuriya

Mr. N. de S. Deva Aditya

Mr. D. Hasitha S. Jayawardena

The detailed report of the Audit Committee is on pages 60 to 61.

Remuneration Committee

The Remuneration Committee has two independent Non-Executive Directors and one Non-Independent Non-Executive Director as follows:

Dr. A. N. Balasuriya - Chairman

Mr. N. de S. Deva Aditya

Mr. D. Hasitha S. Jayawardena

The report of the Remuneration Committee is given on page 62.

Related Party Transactions Review Committee

With effect from 01 April 2023, the Related Party Transactions Review Committee of the parent company comprising of the following, commenced to function as the Related Party Transactions Review Committee.

Mr. M. R. Mihular - Chairman

Dr. A. N. Balasuriya

Mr. D. Hasitha S. Jayawardena

The report of the Related Party Transactions Review Committee is given on page 63.

Shareholder Communications

Shareholder communications are managed by the Company Secretary, with the Annual General Meeting (AGM) serving as the primary platform for engagement. Shareholders are also encouraged to ask questions, provide comments, or make suggestions to the Board through the Company Secretary. Any significant issues or concerns raised by shareholders are referred to the Board, along with the Management's views. The Company Secretary respond to shareholder queries on behalf of the Management. Shareholders are also given the opportunity to address the Board directly during AGMs.

The Board approves the quarterly Financial Statements, which are promptly disseminated to shareholders through the Colombo Stock Exchange (CSE). Additionally, all other price-sensitive information, including major acquisitions, disposals, and share transactions, are promptly reported to the CSE.

DISCLOSURE IN TERMS OF RULE 9.10.4(E) OF THE LISTING RULES ON CORPORATE GOVERNANCE ISSUED BY THE COLOMBO STOCK EXCHANGE: COMPANIES IN WHICH THE DIRECTORS OF DISTILLERIES COMPANY OF SRI LANKA PLC SERVE AS DIRECTORS

Deshamanya D.H.S. Jayawardena

Non-Executive Chairman

- » Aitken Spence Hotel Holdings PLC
- » Melstacorp PLC
- » Browns Beach Hotels PLC
- » Aitken Spence PLC
- » Madulsima Plantations PLC
- » Balangoda Plantations PLC
- » Lanka Milk Foods (CWE) PLC
- » Lanka Dairies (Private) Limited
- » Aitken Spence Hotel Managements Asia (Pvt) Ltd
- » Negombo Beach Resorts (Pvt) Ltd.
- » Lanka Power Projects (Pvt) Ltd.
- » Milford Holdings (Pvt) Ltd.
- » Timpex (Pvt) Ltd.
- » Texpro Industries Limited
- » Periceyl (Pvt) Ltd.

- » Melsta Health (Pvt) Ltd.
- » Bogo Power (Pvt) Ltd.
- » Bellactive (Pvt) Ltd.
- » Lanka Bell Ltd.
- » Bell Solutions (Pvt) Ltd.
- » DCSL Breweries Lanka Limited

- » Ambewela Livestock Company Ltd
- » Pattipola Livestock Company Ltd
- » United Dairies Lanka (Pvt) Ltd

Managing Director

- » Stassen Real Estate Developers (Pvt) Ltd.

Chairman

- » Stassen Exports (Pvt) Ltd
- » Stassen Natural Foods (Pvt) Ltd
- » Stassen International (Pvt) Ltd
- » Stassen Foods (Pvt) Ltd
- » Milford Exports (Ceylon) (Pvt) Ltd
- » Milford Developers (Pvt) Ltd
- » CBD Exports (Pvt) Ltd
- » Ceylon Garden Coir (Pvt) Ltd
- » Ambewela Products (Pvt) Ltd

Director

- » McSen Range (Pvt) Ltd.
- » Melsta Gama (Pvt Ltd.
- » Hospital Management Melsta (Pvt) Ltd.
- » DCSL Brewery (Pvt) Ltd.
- » Aitken Spence Aviation (Private) Limited

Mr. C.R. Jansz

Chairman

- » Melsta Hospitals Ragama (Pvt) Ltd.
- » Melsta Hospitals Colombo North (Pvt) Ltd.

Non-Executive Director

- » Aitken Spence PLC
- » Balangoda Plantations PLC
- » Madulsima Plantations PLC

- » Milford Holdings (Pvt) Ltd.

Deputy Chairman

- » Melstacorp PLC

Director

- » Stassen Exports (Pvt) Ltd
- » Stassen Natural Foods (Pvt) Ltd
- » Stassen International (Pvt) Ltd
- » Stassen Foods (Pvt) Ltd
- » Milford Exports (Ceylon) (Pvt) Ltd
- » Milford Developers (Pvt) Ltd
- » CBD Exports (Pvt) Ltd
- » Ceylon Garden Coir (Pvt) Ltd
- » Ambewela Livestock Company Ltd
- » Ambewela Products (Pvt) Ltd
- » Pattipola Livestock Company Ltd
- » United Dairies Lanka (Pvt) Ltd
- » Lanka Power Projects (Pvt) Ltd
- » Indo Lanka Exports (Pvt) Ltd
- » Lanka Bell Ltd.

- » Periceyl (Pvt) Limited

- » DCSL Brewery (Pvt) Ltd.

- » Melsta Health (Pvt) Ltd.

- » Bogo Power (Pvt) Ltd

- » DCSL Breweries Lanka Limited

Executive Director

- » Lanka Milk Foods (CWE) PLC
- » Lanka Dairies (Private) Limited

CORPORATE GOVERNANCE

Capt. K. J. Kahanda (Retd.)

Non-Executive Director	Director	
» Melstacorp PLC	» Melsta Properties (Pvt) Ltd » Pelwatte Sugar Industries PLC	» Melsta Gama (Pvt) Ltd » DCSL Breweries Lanka Limited » DCSL Group Marketing (Pvt) Ltd

Mr. N. de S. Deva Aditya

Non-Executive Director	
» Melstacorp PLC » Aitken Spence PLC	» Browns Beach Hotels PLC » Aitken Spence Hotel Holdings PLC

Dr. Naomal Balasuriya

Non-Executive Director	Director	
» Melstacorp PLC	» Success Factory (Pvt) Ltd » Peace of Mind Residencies (Pvt) Ltd	» Company Doctors (Pvt) Ltd » Melsta Health (Pvt) Ltd

Mr. D. Hasitha S. Jayawardena

Non-Executive Director		
» Melstacorp PLC	» Stassen Foods (Pvt) Ltd..	» United Dairies Lanka (Pvt) Ltd.
» Lanka Milk Foods (CWE) PLC	» Ceylon Garden Coir (Pvt) Ltd..	» Melsta Health (Private) Limited.
» Balangoda Plantations PLC.	» Milford Developers (Pvt) Ltd.	» Melsta Hospitals Ragama (Pvt) Ltd
» Madulsima Plantations PLC	» C B D Exports (Pvt) Ltd.	» Melsta Hospitals Colombo North (Pvt) Ltd
Director	» Periceyl (Pvt) Ltd.	» DCSL Brewery (Pvt) Ltd
» Stassen Exports (Pvt) Ltd.	» Lanka Dairies (Pvt) Ltd.	» DCSL Breweries Lanka Limited
» Milford Exports (Ceylon) (Pvt) Ltd..	» Ambewela Livestock Company Ltd.	» Melsta House (Private) Limited
» Stassen International (Pvt) Ltd.,	» Pattipola Livestock Company Ltd.	» DCSL Group Marketing (Pvt) Ltd.
» Stassen Natural Foods (Pvt) Ltd.,	» Ambewela Products (Pvt) Ltd.	
	» Zahra Exports (Pvt) Ltd.	
	» Mcsen Range (Pvt) Ltd.	
Alternate Director		
		» Melsta Gama (Private) Limited.

Ms. D. S. T. Jayawardena

Chairperson		Joint Deputy Chairperson/ Joint Managing Director
» Aitken Spence Exports (Private) Limited	» Nilaveli Holidays (Private) Limited	» Aitken Spence PLC
» Aitken Spence Hotels Limited	» Nilaveli Resorts (Private) Limited	» Aitken Spence Hotel Holdings PLC
» Aitken Spence Resources (Private) Limited	» Paradise Resort Pasikudah (Private) Limited	» Aitken Spence Hotel Managements (Private) Limited
» Amethyst Leisure Limited	» Turyaa (Private) Limited	
» Heritance (Private) Limited	» A.D.S Resorts Private Limited - Maldives	
» Hethersett Hotels Limited	» Jetan Travel Services Company Pvt Ltd- Maldives	
» Kandalama Hotels (Private) Limited	» Unique Resorts Private Limited - Maldives	
» Meeraladuwa (Private) Limited		
» Neptune Ayurvedic Village (Private) Limited		
Non-Executive Director		
		» Melstacorp PLC
Executive Director		
		» Lanka Milk Foods (CWE) PLC
		» Browns Beach Hotels PLC

- Director**
- » Ace Apparels (Private) Limited
 - » Ace Power Embilipitiya (Private) Limited
 - » Ahungalla Resorts Limited
 - » Aitken Spence (Garments) Limited
 - » Aitken Spence Apparels (Private) Limited
 - » Aitken Spence Aviation (Private) Limited
 - » Aitken Spence Corporate Finance (Private) Limited
 - » Aitken Spence Hotel Managements Asia (Private) Limited
 - » Aitken Spence Hotels International (Private) Limited
 - » Negombo Beach Resorts (Private) Limited
 - » Royal Spence Aviation (Private) Limited
 - » Western Power Company (Pvt) Ltd
 - » Ace Resorts Private Limited - Maldives
 - » Cowrie Investment Pvt Ltd - Maldives
 - » Aitken Spence Resorts (Middle East) LLC - Oman
 - » Aitken Spence Travels Mynmar Ltd - Myanmar
 - » Aitken Spence International Pte. Ltd. - Singapore
 - » Crest Star (B.V.I.) Ltd - British Virgin Island
 - » Aitken Spence Travels (Private) Limited
 - » Sagasolar Power (Private) Limited
 - » Port City BPO (Private) Limited
 - » Aitken Spence Ports International (Middle East) - FZCO (UAE)
 - » Stassen Exports (Pvt) Ltd
 - » Milford Exports (Ceylon) (Pvt) Ltd
 - » CBD Exports (Pvt) Ltd
 - » Stassen International (Pvt) Ltd
 - » Stassen Natural Foods (Pvt) Ltd
 - » Ceylon Garden Coir (Pvt) Ltd
 - » Milford Developers (Pvt) Ltd
 - » Stassen Foods (Pvt) Ltd
 - » Splendor Media (Pvt) Limited
 - » Lanka Dairies (Private) Limited
 - » Ambewela Products (Private) Limited
 - » Ambewela Livestock Company Limited
 - » Pattipola Livestock Company Limited
 - » United Dairies Lanka (Private) Limited
 - » DCNL Breweries Lanka Limited

Mr. M. A. N. S. Perera

- | | | |
|------------------------------------|---|---|
| Managing Director | Director | |
| » Melstacorp PLC | » Periceyl (Pvt) Ltd. | » Formula World (Private) Limited |
| Non-Executive Director | » Melsta Health (Pvt) Ltd. | » Melsta Hospitals Ragama (Private) Limited |
| » Browns Beach Hotels PLC | » Lanka Bell Limited | » Bellactive (Private) Limited |
| » Aitken Spence PLC | » Melsta Logistics (Private) Limited | » Bell Solutions (Private) Limited |
| » Aitken Spence Hotel holdings PLC | » Melsta Tower (Private) Limited | » Bogo power (Private) Limited |
| Executive Director | » Bellvantage (Private) Limited | » Paradise Resort Pasikudah (Private) Limited |
| » Balangoda Plantations PLC | » Melsta Pharmaceuticals (Private) Limited | » Amethyst Leisure Limited |
| » Madulsima Plantations PLC | » Melsta Labs (Private) Limited | » DCNL Breweries Lanka Limited |
| | » Melsta Healthcare Colombo (Private) Limited | » Melsta House (Private) Limited |

Dr. Ravindra A. Fernando

- | | | |
|---|--|---------------------------------------|
| Chairman/Chief Executive Officer | » Aitken Spence Plantation Managements PLC | Hon. Director |
| » Global Strategic Corporate Sustainability Pvt Ltd | » Melstacorp PLC | » UN Global Compact Sri Lanka Network |
| Non-Executive Director | Director | |
| » Dilmah Ceylon Tea Company | » LOLC Holdings PLC | |
| » Aitken Spence Hotels Ltd | » Ceylon Graphene Technologies Ltd | |

CORPORATE GOVERNANCE

COMPLIANCE WITH THE COMPANIES ACT NO. 7 OF 2007

Section	Requirement	Disclosure Reference for Compliance	Compliance status
168 (1) (a)	Any change during the accounting period in the nature of business of the Company or any of its subsidiaries and the classes of business in which the Company has an interest	Refer Annual Report of the Board of Directors of this Annual Report	Compliant
168 (1) (b)	Financial Statements of the Company and the Group for the accounting period completed and signed	Refer Financial Statements and Annual Report of the Board of Directors of this Annual	Compliant
168 (1) (c)	Auditors Report on Financial Statements of the Company and the Group	Refer Financial Statements of this Annual Report	Compliant
168 (1) (d)	Change of accounting policies during the accounting period	Refer Annual Report of the Board of Directors of this Annual Report	Compliant
168 (1) (e)	Particulars of entries in the interest register made during the accounting period	Refer Annual Report of the Board of Directors of this Annual Report	Compliant
168 (1) (f)	Remuneration and other benefits paid to the Directors during the accounting period	Refer Annual Report of the Board of Directors of this Annual Report	Compliant
168 (1) (g)	Total amount of donations made by the Company and the Group during the accounting period	Refer Annual Report of the Board of Directors of this Annual Report	Compliant
168 (1) (h)	Directorate of the Company and the Group as at the end of accounting period along with the changes occurred during the accounting period	Refer Annual Report of the Board of Directors of this Annual Report	Compliant
168 (1) (i)	Amounts payable to the Auditors as audit fees and fees payable for other related services provided by them	Refer Annual Report of the Board of Directors of this Annual Report	Compliant
168 (1) (j)	Relationship or interest of the Auditors with the Company or any of its subsidiaries	Refer Annual Report of the Board of Directors of this Annual Report	Compliant
168 (1) (k)	Annual Report of the Board of Directors signed on behalf of the Board	Refer Annual Report of the Board of Directors of this Annual Report	Compliant

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

CSE Rule	Requirement	Disclosure Reference for Compliance	Compliance status
7.6 i)	Names of Directors of the entity	Refer Corporate Information of this Annual Report	Compliant
7.6 ii)	Principal activities of the entity and its subsidiaries during the year under review	Refer Annual Report of the Board of Directors	Compliant
7.6 iii)	20 largest holders of voting and non-voting shares and the percentage of shares	Refer shareholder Information of this Annual Report	Compliant
7.6 iv)	The float adjusted market capitalisation, Public Holding percentage (%), number of public shareholders and under which option the Listed Entity complies with the Minimum Public Holding requirement	Refer shareholder Information of this Annual Report	Not Compliant
7.6 v)	Directors and CEO's holding in shares of the entity at the beginning and end of reporting year	Refer Annual Report of the Board of Directors of this Annual Report	Compliant
7.6 vi)	Information pertaining to material foreseeable risk factors	Refer Enterprise Risk Management of this Annual Report	Compliant
7.6 vii)	Details of material issues pertaining to employees and industrial relations	Refer Annual Report of the Board of Directors this Annual Report	Compliant
7.6 viii)	Extents, locations, valuations and the number of buildings of the entity's land holdings and investment properties	Refer Note 11.3 to 11.6 to the Financial Statements of this Annual Report	Compliant
7.6 ix)	Number of shares representing the stated capital	Refer shareholder Information of this Annual Report	Compliant
7.6 x)	Distribution schedule of the number of holders and the percentage of their total holding	Refer shareholder Information of this Annual Report	Compliant
7.6 xi)	Ratios and market price information	Refer shareholder Information of this Annual Report	Compliant
7.6 xii)	Significant changes in the entity's or its subsidiaries fixed assets and the market value of land	Refer Note 11.0 to 11.2 to the Financial Statements of this Annual Report	Compliant
7.6 xiii)	Funds, (if any) raised either through a public issue, rights issue and private placement	The Company had no public issue, rights issue or private placement during the year under review	N/A
7.6 xiv)	Employee share option/purchase schemes	As at date, the Company has no share option/ purchase schemes made available to its Directors or employees	N/A
7.6 xv)	Corporate Governance Disclosures	Refer Corporate Governance Report of this Annual Report	Compliant
7.6 xvi)	Related Party Transactions	Refer Note 28.2 to the Financial Statements	Compliant

CORPORATE GOVERNANCE

COMPLIANCE WITH SECTION 9 OF THE LISTING RULES ISSUED BY THE COLOMBO STOCK EXCHANGE

CSE Rule	Requirement	Effective Date	How We Comply
9.1 Corporate Governance Rules			
9.1.1	Statement confirming the extent of compliance with the Corporate Governance Rules	01st October 2023	The extent of compliance with Section 9 of the Listing Rules of the Colombo Stock exchange on Corporate Governance Rules is tabulated in the table given below Also refer 'Corporate Governance of this Annual Report'
9.2 Policies			
9.2.1	<p>Listed Company shall establish and maintain the following policies and disclose the fact of existence of such policies together with the details relating to the implementation of such policies by the Company on its website:</p> <ul style="list-style-type: none"> a) Policy on the matters relating to the Board of Directors b) Policy on Board Committees c) Policy on Corporate Governance, Nominations and Re-election d) Policy on Remuneration e) Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities f) Policy on Risk management and Internal controls g) Policy on Relations with Shareholders and Investors h) Policy on Environmental, Social and Governance Sustainability i) Policy on Control and Management of Company Assets and Shareholder Investments j) Policy on Corporate Disclosures k) Policy on Whistleblowing l) Policy on Anti-Bribery and Corruption 	01st October 2024	The Company is in the process of developing the policies and the polices will be made available on the corporate website on or before the effective date
9.2.2	Any waivers from compliance with the Internal Code of business conduct and ethics or exemptions granted	01st October 2024	N/A
9.2.3	<ul style="list-style-type: none"> i List of policies in place as per Rule 9.2.1, with reference to website ii Any changes to policies adopted 	01st October 2024	Refer 'How We Comply' under Rule 9.2.1 above
9.2.4	Listed Company shall make available all such policies to shareholders upon a written request being made for any such Policy	01st October 2024	Refer 'How We Comply' under Rule 9.2.1 above

CSE Rule	Requirement	Effective Date	How We Comply
9.3 Board Committees			
9.3.1	<p>Listed Company shall ensure that the following Board committees are established and maintained at a minimum and are functioning effectively. The said Board committees at minimum shall include:</p> <ul style="list-style-type: none"> (a) Nominations and Governance Committee (b) Remuneration Committee (c) Audit Committee (d) Related Party Transactions Review Committee 	01st October 2023	<p>Partially complied.</p> <p>Remuneration Committee, Audit Committee and a Related Party Transactions Review Committees are already in place.</p> <p>The Company will establish Nominations and Governance Committee.</p>
9.3.2	Listed Company shall comply with the composition, responsibilities and disclosures required in respect of the above-Board committees as set out in these Rules	01st October 2023	Refer 'How we Comply' under Rules 9.11, 9.12, 9.13 and 9.14 below
9.3.3	The Chairperson of the Board of Directors of the Company shall not be the Chairperson of the Board Committees referred to in Rule 9.3.1 above	01st October 2024	Compliant
9.4 Principles of Democracy in Shareholder Dealings			
9.4.1	<p>Listed Company shall maintain records of all resolutions and the following information upon a resolution being considered at any General Meeting of the Company. The Company shall provide copies of the same at the request of the Exchange and/or the Securities and Exchange Commission (SEC).</p> <ul style="list-style-type: none"> a) The number of shares in respect of which proxy appointments have been validly made; b) The number of votes in favour of the resolution; c) The number of votes against the resolution; and d) The number of shares in respect of which the vote was directed to be abstained 	01st October 2023	The Company Secretaries maintain records of all resolutions of General Meetings and information related thereto
9.4.2	<ul style="list-style-type: none"> a) Listed Company should have a policy on effective communication and relations with shareholders and investors b) Listed Company should disclose the contact person for such communication c) The policy on relations with shareholders and investors on the process to make all Directors aware of major issues and concerns of shareholders 	01st October 2024	This will be compliant with the establishment of the Policy on Relations with Shareholders and Investors
9.5 Policy on matters related to the Board of Directors			
9.5.1	Listed Company shall establish and maintain a formal policy governing matters relating to the Board of Directors and such policy shall include the matters listed under this Rule	01st October 2024	This will be compliant with the establishment of the Policy on matters relating to Board of Directors

CORPORATE GOVERNANCE

CSE Rule	Requirement	Effective Date	How We Comply
9.5.2	Confirmation on compliance with the requirements of the Policy on matters relating to the Board of Directors. If non-Compliant reasons for the same with proposed remedial action	01st October 2024	This will be compliant with the establishment of the Policy on matters relating to Board of Directors
9.6 Chairperson and CEO			
9.6.1	The Chairperson of every Listed Company shall be a Non-Executive Director and the positions of the Chairperson and CEO shall not be held by the same individual, unless otherwise a SID is appointed by such Entity in terms of Rule 9.6.3 below	01st October 2023	Compliant Chairman is a Non-Executive Director
9.6.2	Where the Chairperson of a Listed Company is an Executive Director and/or the positions of the Chairperson and CEO are held by the same individual, such Entity shall make a Market Announcement within a period of one (1) month from the date of implementation of these Rules or an Immediate Market Announcement if such date of appointment and/or combination of the said roles falls subsequent to the implementation of these Rules	01st October 2023	N/A
9.6.3	Report of Senior Independent Director demonstrating the effectiveness of duties	01st October 2023	N/A
9.6.4	Rationale for appointing Senior Independent Director	01st October 2023	N/A
9.7 Fitness of Directors and CEOs			
9.7.1	Listed Company shall take necessary steps to ensure that their Directors and the CEO are, at all times, fit and proper persons as required in terms of the Listing Rules In evaluating fitness and propriety of the persons referred in these Rules, the Company shall utilise the 'Fit and Proper Assessment Criteria' set out in Rule 9.7.3 of the Listing Rules	01st October 2023	The Company Secretaries obtain annual declarations from the Directors of the Company to ensure that they are at all times fit and proper persons as specified in the criteria given in Rule 9.7.3 of the Listing Rules of the CSE
9.7.2	Listed Company shall ensure that persons recommended by the Nominations and Governance Committee as Directors are fit and proper as required in terms of these Rules before such nominations are placed before the shareholders' meeting or appointments are made	01st October 2023	Compliant Being the Meeting of the Nominations Committee of the Parent Company, Melstacorp PLC functioning as the Nomination Committee of the subsidiary Company, Distilleries Company of Sri Lanka PLC

CSE Rule	Requirement	Effective Date	How We Comply
9.7.3	A Director or the CEO of a Listed Company shall not be considered as 'fit and proper' if he or she does not meet with the fit and proper assessment criteria specified under "Honesty, Integrity and Reputation", "Competence and Capability" and "Financial Soundness" as set out in Rule 9.7.3 (a), (b) and (c) respectively	01st April 2024	Refer 'How We Comply' under Rule 9.7.1 above
9.7.4	Listed Company shall obtain declarations from its Directors and CEO on an annual basis confirming that each of them have continuously satisfied the Fit and Proper Assessment Criteria set out in the Listing Rules during the financial year concerned and satisfies the said criteria as at the date of such confirmation	01st October 2023	Annual declarations from Directors confirming that each of them has continuously satisfied the fit and proper assessment criteria set out in the CSE revised Listing Rules were obtained as at 31st March 2024
9.7.5	(a) Statement on Directors and CEO satisfying Fit and Proper Assessment Criteria (b) Any non-compliance/s and remedial action taken	01st April 2024	Compliant N/A
9.8 Board Composition			
9.8.1	The Board of Directors of a Listed Company shall, at a minimum, consist of five (05) Directors	01st October 2024	As of the date of the publication of this Annual Report, the Company consists of 9 Directors, thereby complying with the requirement stipulated under Rule 9.8.1 of the Listing Rules of the CSE However, the Articles of Association of the Company will be amended at the forthcoming Annual General Meeting to increase the minimum number of Directors from two (02) to five (05)
9.8.2	Minimum Number of Independent Directors: (a) The Board of Directors of a Listed Company shall include at least two (2) Independent Directors or such number equivalent to one third (1/3) of the total number of Directors of the Company at any given time, whichever is higher (b) Any change occurring to this ratio shall be rectified within ninety (90) days from the date of the change	01st October 2024	Compliant
9.8.3	A Director shall not be considered independent if he/she does not meet the criteria for determining independence as set out in Rule 9.8.3 of the Listing Rules	Criteria 9.8.3 (i) to (viii) - 01st October 2023 Criteria 9.8.3 (ix) - 01st January 2025	Compliant in terms of Rule 9.1.4(3)

CORPORATE GOVERNANCE

CSE Rule	Requirement	Effective Date	How We Comply
9.8.5	<ul style="list-style-type: none"> a) Each Independent Director to submit a signed and dated declaration annually of his or her "independence" or "non-independence" against the criteria specified in Rule 9.8.3 of the Listing Rules and in the format in Appendix 9A of the said Rules (b) Make an annual determination as to the "independence" or "non-independence" of each Independent Director based on the Directors' declaration and other information available to it and shall set out the names of Directors determined to be 'independent' in the Annual Report (c) If the Board of Directors determines that the independence of an Independent Director has been impaired against any of the criteria set out in Rule 9.8.3, it shall make an immediate Market Announcement thereof 	01st October 2023	The Independent Directors to submit signed declarations annually with regard to their independence/non-independence against the specified criteria stipulated under Rule 9.8.3 of the Listing Rules of the CSE.
9.9 Alternate Directors			
9.9	If a Listed Company provides for the appointment of Alternate Directors, it shall be required to comply with the requirements set out in Rule 9.9 of the Listing Rules and such requirements shall also be incorporated into the Articles of Association of the Company	01st January 2024	The Articles of Association of the Company will be amended at the forthcoming Annual General Meeting of the Company to incorporate the requirements referred to in this Rule
9.10 Disclosures Relating to Directors			
9.10.1	Listed Company shall disclose its policy on the maximum number of directorships its Board members shall be permitted to hold in the manner specified in Rule 9.5.1. In the event such number is exceeded by a Director(s), the Company shall provide an explanation for such non-compliance in the manner specified in Rule 9.5.2 of the Listing Rules	01st October 2023	This will be compliant with the establishment of the Policy on matters relating to Board of Directors
9.10.2	Listed Company shall, upon the appointment of a new Director to its Board, make an immediate Market Announcement setting out the following: a brief resume of such Director; his/her capacity of directorship; and, Statement by the Company indicating whether such appointment has been reviewed by the Nominations and Governance Committee of the Company	01st October 2023	Compliant
9.10.3	Listed Entities shall make an immediate Market Announcement regarding any changes to the composition of the Board of Directors or Board Committees referred to in Rule 9.3 above containing, at minimum, the details of changes including the capacity of directorship with the effective date thereof	15th May 2024	Would comply if a need arise

CSE Rule	Requirement	Effective Date	How We Comply
9.10.4	<p>Directors details</p> <ul style="list-style-type: none"> a) name, qualifications and brief profile b) nature of his/her expertise in relevant functional areas c) whether either the Director or Close Family Members has any material business relationships with other Directors d) whether Executive, Non-Executive and/or independent Director e) total number and names of companies in Sri Lanka in which the Director concerned serves as a Director and/or KMP stating whether listed or unlisted, whether functions as executive or non-executive (If the directorships are within the Group names need not be disclosed) 	01st October 2023	<p>a), b) and d) - Refer 'Board profiles' of this Annual Report</p> <p>c) - Based on the individual declarations obtained from the Directors, it was evident that none of the Directors or their close family members have material business relationships with other Directors of the Company. A Statement to this effect is included in the 'Annual Report of the Board of Directors' of this Annual Report</p>
	<ul style="list-style-type: none"> f) number of Board meetings attended g) names of Board Committees in which the Director serves as Chairperson or a member h) Attendance of board committee meetings i) Terms of Reference and powers of Senior Independent Directors 		<p>e) - Refer 'Corporate Governance Report' of this Annual Report</p> <p>f) and g) - Refer 'Composition' and 'Details of Directors' Attendance at Board Meetings held during the financial year 2023/2024' in the Corporate Governance Report of this Annual Report</p> <p>h) - Refer Committee Reports of this Annual Report</p> <p>i) - N/A</p>

9.11 Nominations and Governance Committee

9.11.1	Listed Company shall have a Nominations and Governance Committee that conforms to the requirements set out in Rule 9.11 of the Listing Rules	01st October 2024	Will be fully compliant on or before the effective date
9.11.2	Listed Company shall establish and maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board through the Nominations and Governance Committee	01st October 2024	Will be fully compliant on or before the effective date
9.11.3	The Nominations and Governance Committee shall have a written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings	01st October 2024	Will be fully compliant on or before the effective date

CORPORATE GOVERNANCE

CSE Rule	Requirement	Effective Date	How We Comply
9.11.4	<p>(1) The members of the Nominations and Governance Committee shall;</p> <ul style="list-style-type: none"> (a) comprise of a minimum of three (03) Directors of the Listed Company, out of which a minimum of two (02) members shall be Independent Directors of the Company (b) not comprise of Executive Directors of the Listed Company. <p>(2) An Independent Director shall be appointed as the Chairperson of the Nominations and Governance Committee by the Board of Directors</p> <p>(3) The Chairperson and the members of the Nominations and Governance Committee shall be identified in the Annual Report of the Listed Company</p>	01st October 2024	Will be fully compliant on or before the effective date
9.11.5	The functions of the Nominations and Governance Committee	01st October 2024	Will be fully compliant on or before the effective date
9.11.6	<p>The Annual Report of a Listed Company shall contain a report of the Nominations and Governance Committee signed by its Chairperson</p> <p>Nominations and Governance Committee Report shall include the following:</p> <ul style="list-style-type: none"> (a) Names of chairperson and members with nature of directorship (b) Date of appointment to the committee (c) Availability of documented policy and processes when nominating Directors (d) Requirement of re-election at regular intervals at least once in 3 years (e) Board diversity (f) relating to appointment and reappointment of Directors (g) Details of directors re-appointed <p>Board Committees served</p> <p>Date of first appointment</p> <p>Date of last re-appointment Directorships or Chairpersonships and other principal commitments, present and held over the preceding three years</p> <p>Any relationships – close family member, more 10% shareholding</p>	01st October 2024	<p>Nominations and Governance Committee Report containing the requirements stipulated under this Rule will be included in the Annual Report of the Company for the financial year 2024/2025</p>

CSE Rule	Requirement	Effective Date	How We Comply
	<ul style="list-style-type: none"> (h) Performance of periodic evaluation of board (i) Process adopted to inform independent directors of major issues. (j) Induction / orientation programs for new directors on corporate governance, Listing Rules, securities market regulations or negative statement (k) Annual update for all directors on corporate governance, Listing Rules, securities market regulations or negative statement (l) Compliance with independence criteria (m) Statement on compliance with corporate governance rules, if non-compliant reasons and remedial actions 		
9.12 Remuneration Committee			
9.12.2	Listed Company shall have a Remuneration Committee that conforms to the requirements set out in Rule 9.12 of the Listing Rules	01st October 2023	Compliant Refer 'Remuneration Committee Report' of this Annual Report
9.12.3	The Remuneration Committee shall establish and maintain a formal and transparent procedure for developing policy on Executive Directors' remuneration and for fixing the remuneration packages of individual Directors. No Director shall be involved in fixing his/her own remuneration	01st October 2023	Compliant
9.12.4	Remuneration for Non-Executive Directors should be based on a policy which adopts the principle of non-discriminatory pay practices among them to ensure that their independence is not impaired	01st October 2023	Refer 'How We Comply' under Rule 9.2.1 above
9.12.5	Remuneration Committee shall have a written term of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings	01st October 2023	Compliant Refer 'Remuneration Committee Report' of this Annual Report
9.12.6	<ul style="list-style-type: none"> (1) The members of the Remuneration Committee shall; <ul style="list-style-type: none"> (a) comprise of a minimum of three (03) Directors of the Listed Company, out of which a minimum of two (02) members shall be Independent Directors of the Company (b) not comprise of Executive Directors of the Listed Company (2) In a situation where both the parent company and subsidiary are "Listed Entities" the Remuneration Committee of the parent company may be permitted to function as the Remuneration Committee of the subsidiary. (3) An Independent Director shall be appointed as the Chairperson of the Remuneration Committee by the Board of Directors 	01st October 2024 01st October 2023	Compliant Refer 'Composition of the Committee' in the Remuneration Committee Report of this Annual Report

CORPORATE GOVERNANCE

CSE Rule	Requirement	Effective Date	How We Comply
9.12.7	The functions of the Remuneration Committee	01st October 2023	Compliant Refer 'Remuneration Committee Report' of this Annual Report
9.12.8	Remuneration Committee Report shall contain the following: (a) Names of chairperson and members with nature of directorship (b) A statement regarding the Remuneration Policy (c) The aggregate remuneration of the Executive and Non-Executive Directors	01st October 2023	Compliant Refer 'Remuneration Committee Report' of this Annual Report Refer Note 09 to the Financial Statements of this Annual Report
9.13 Audit Committee			
9.13.1	Where Listed Company does not maintain separate Committees to perform the Audit and Risk Functions, the Audit Committee of such Company shall additionally perform the Risk Functions set out in Rule 9.13 of the Listing Rules	01st October 2023	The Audit Committee of the Company also performs the risk functions
9.13.2	The Audit Committee shall have a written terms of reference clearly defining its scope, authority and duties	01st October 2023	Compliant
9.13.3	(1) The members of the Audit Committee shall; (a) comprise of a minimum of three (03) directors of the Listed Company, out of which a minimum of two (02) or a majority of the members, whichever higher, shall be Independent Directors. (b) not comprise of Executive Directors of the Listed Company. (2) The quorum for a meeting of the Audit Committee shall require that the majority of those in attendance to be independent directors. (3) The Audit Committee may meet as often as required provided that the Audit Committee compulsorily meets on a quarterly basis prior to recommending the financials to be released to the market. (5) An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors. (6) Unless otherwise determined by the Audit Committee, the CEO and the Chief Financial Officer (CFO) of a Listed Company shall attend the Audit Committee meetings by invitation. (7) The Chairperson of the Audit Committee shall be a Member of a recognised professional accounting body	01st October 2024	Compliant Refer 'Audit Committee Report' of this Annual Report Being the Meeting of the Audit Committee of the Parent Company, Melstacorp PLC, functioning as the Audit Committee of the subsidiary Company, Distilleries Company of Sri Lanka PLC
9.13.4	The functions of the Audit Committee	01st October 2024	Will be fully compliant on or before the effective date

CSE Rule	Requirement	Effective Date	How We Comply
9.13.5	<p>Disclosures in the Annual Report</p> <p>(1) Listed Company shall prepare an Audit Committee Report which shall be included in the Annual Report</p> <p>(2) The Audit Committee Report shall contain disclosures set out in Rule 9.13.5 (2)</p>	01st October 2024	Compliant
9.14 Related Party Transactions Review Committee			
9.14.1	Listed Company shall have a Related Party Transactions Review Committee that conforms to the requirements set out in Rule 9.14 of the Listing Rules.	01st October 2023	Compliant Refer 'Related Party Transactions Review Committee Report' of this Annual Report
9.14.2	(1) The Related Party Transactions Review Committee shall comprise of a minimum of three (03) Directors of a Listed Company, out of which two (02) members shall be Independent Directors of the Company. It may also include executive directors, at the option of the Company. An Independent Director shall be appointed as the Chairperson of the Committee	01st April 2024	Compliant Refer 'Related Party Transactions Review Committee Report' of this Annual Report
9.14.3	The functions of the Related Party Transactions Review Committee	01st October 2023	Compliant Refer 'Related Party Transactions Review Committee Report' of this Annual Report
9.14.4	<p>1) The Related Party Transactions Review Committee shall meet at least once a calendar quarter. It shall ensure that the minutes of all meetings are properly documented and communicated to the Board of Directors.</p> <p>2) The members of the Related Party Transactions Review Committee should ensure that they have, or have access to, enough knowledge or expertise to assess all aspects of proposed Related Party Transactions and where necessary, should obtain appropriate professional and expert advice from an appropriately qualified person.</p> <p>3) Where necessary, the Committee shall request the Board of Directors to approve the Related Party Transactions which are under review by the Committee. In such instances, the approval of the Board of Directors should be obtained prior to entering into the relevant Related Party Transaction.</p> <p>4) If a Director of a Listed Company has a material personal interest in a matter being considered at a Board Meeting to approve a Related Party Transaction as required in Rule 9.14.4(3), such Director shall not:</p> <ul style="list-style-type: none"> (a) be present while the matter is being considered at the meeting; and, (b) vote on the matter 	01st October 2023	Compliant Refer 'Related Party Transactions Review Committee Report' of this Annual Report

CORPORATE GOVERNANCE

CSE Rule	Requirement	Effective Date	How We Comply
9.14.5	Review of Related Party Transactions by the Related Party Transactions Review Committee	01st October 2023	Compliant Refer 'Related Party Transactions Review Committee Report' of this Annual Report
9.14.6	Listed Company shall obtain Shareholder approval for the Related Party Transactions set out in Rule 9.14.6 of the Listing Rules	01st October 2023	There were no Related Party Transactions during the year which required shareholder approval The Company would comply with this Rule should a need arise
9.14.7	Listed Company shall make an immediate Market Announcement to the Exchange for the Related Party Transactions as set out in Rule 9.14.7 (a) and (b)	01st October 2023	There were no Related Party Transactions during the year which required an immediate Market Announcement The Company would comply with this Rule should a need arise
9.14.8 (1)	Related Party Disclosures Non-recurrent RPT exceeding 10% of the Equity or 5% of the Total Assets, whichever is lower (in the specified format)	01st October 2023	Compliant Refer 'Related Party Transactions Review Committee Report' and the 'Annual Report of the Board of Directors' of this Annual Report
9.14.8 (2)	Recurrent Related Party Transactions exceeding 10% of the gross revenue/income (in the specified format)	01st October 2023	Compliant Refer 'Related Party Transactions Review Committee Report' and the 'Annual Report of the Board of Directors' of this Annual Report
9.14.8 (3)	Related Party Transactions Review Committee Report Names of the Directors comprising the Committee Statement that committee has reviewed RPTs and communicated comments/observations to the Board Policies and procedures adopted by the Committee	01st October 2023	Compliant Refer 'Related Party Transactions Review Committee Report' of this Annual Report
9.14.8 (4)	Affirmative declaration by the Board of Directors on compliance with RPT Rules or negative statement to that effect	01st October 2023	Compliant Refer 'Annual Report of the Board of Directors' of this Annual Report

CSE Rule	Requirement	Effective Date	How We Comply
9.14.9	<p>Acquisition and disposal of assets from/to Related Parties</p> <p>Except for transactions set out in Rule 9.14.10, Listed Company shall ensure that neither the Company nor any of its subsidiaries, acquires a substantial asset from, or disposes of a substantial asset to, any Related Party of the Company without obtaining the approval of the shareholders of the Company by way of a Special Resolution</p>	01st October 2023	<p>N/A</p> <p>The Company has not acquired or disposed of any assets from/to Related Parties during the year under review</p> <p>The Company would comply with this Rule should a need arise</p>
9.16 Additional Disclosures			
	<p>Additional disclosures by Board of Directors Declaration on the following:</p> <p>All material interests in contracts and have refrained from voting on matters in which they were materially interested</p> <p>Reviewed of the internal controls covering financial, operational and compliance controls and risk management and obtained reasonable assurance of their effectiveness and successful adherence and, if unable to make any of these declarations an explanation on why it is unable to do so;</p> <p>Made themselves aware of applicable laws, rules and regulations and are aware of changes particularly to Listing Rules and applicable capital market provisions;</p> <p>Disclosure of relevant areas of any material non-compliance with law or regulation and any fines, which are material, imposed by any government or regulatory authority in any jurisdiction where the Entity has operations</p>	01st October 2023	<p>Compliant</p> <p>Refer 'Annual Report of the Board of Director' of this Annual Report</p>

ENTERPRISE RISK MANAGEMENT

Robust risk management is fundamental to making informed business decisions. At DCSL, we are committed to identifying and implementing measures to mitigate material risks that could impact our performance, future growth, or reputation. Our approach is both holistic and integrated, combining risk management, internal controls, and business ethics to ensure that we address the risks with the most significant potential impact on our operations.

Enterprise Risk Management (ERM) at DCSL is a cornerstone of our corporate governance framework, designed to identify, assess, and manage the risks inherent in our business environment effectively. Our ERM framework is strategically aligned with our corporate objectives, ensuring that we not only safeguard stakeholder value but also support the achievement of our long-term goals. This comprehensive approach enables us to anticipate potential challenges and respond proactively, minimizing the impact on our operations and maximizing our ability to seize opportunities in a dynamic business landscape.

Through continuous risk assessment and the integration of risk management into our daily operations, we ensure that all levels of our organization are equipped to handle potential disruptions. By fostering a culture of risk awareness and accountability, we can navigate uncertainties with confidence, securing the sustainability and resilience of our business in the face of evolving challenges.

RISK MANAGEMENT FRAMEWORK

At DCSL, our Enterprise Risk Management (ERM) framework is meticulously designed to safeguard the company against uncertainties

and ensure resilience in a dynamic business environment. The framework is built around the proactive identification, thorough assessment, and strategic mitigation of key risks that could potentially affect our business operations, financial performance, and overall reputation.

1. Risk Identification and Assessment

We adopt a systematic approach to identifying risks across all dimensions of our business, including strategic, operational, financial, and compliance risks. These risks are evaluated based on their potential impact and likelihood of occurrence. By categorizing risks as high, medium, or low priority, we are able to allocate resources and attention where they are most needed. This comprehensive risk assessment process ensures that we stay ahead of potential challenges, enabling us to anticipate and address risks before they escalate.

2. Risk Mitigation Strategies

For each identified risk, DCSL develops tailored mitigation strategies designed to either avoid, transfer, mitigate, or accept the risk. These strategies may involve implementing operational improvements, enhancing financial controls, or initiating strategic projects that reduce the risk's impact. By embedding risk management into

our decision-making processes, we ensure that our actions align with our overall risk appetite and corporate objectives. This proactive approach enables us to manage uncertainties while capitalizing on growth opportunities.

3. Risk Monitoring and Reporting

Continuous monitoring is a critical component of our ERM framework. We conduct regular risk assessments and internal audits to ensure that emerging risks are promptly identified and managed. The results of these assessments are reported to the Board of Directors, who play a pivotal role in overseeing the company's risk management practices. This ongoing oversight ensures that risks remain within acceptable levels and that our risk mitigation efforts are effective. Regular reporting also facilitates informed decision-making at the highest levels of the organization.

4. Integration and Accountability

Our ERM framework is not a standalone process but is integrated into the fabric of our daily operations. Risk management accountability is embedded across all levels of the organization, ensuring that every employee understands their role in managing risks. This integrated approach fosters a risk-aware culture, where risk considerations are factored

into every business decision, from strategy formulation to operational execution.

5. Continuous Improvement

The ERM framework at DCSL is aligned with industry best practices and is regularly reviewed to remain relevant in a rapidly changing business landscape.

We are committed to continuous improvement, constantly refining our risk management processes to adapt to new challenges and opportunities. This agility allows us to maintain our competitive edge while protecting the interests of our stakeholders.

By focusing on these core elements, DCSL's ERM framework supports the achievement of our strategic

objectives, ensures compliance with regulatory requirements, and safeguards long-term stakeholder value. In a complex and uncertain world, our robust risk management practices provide the foundation for sustainable growth and resilience.

Risk & Impact	Mitigation Strategies
Regulatory and Taxation Risks	
Significant increases in excise duties and changes in regulatory policies can adversely affect the pricing of our products, consumer demand, and overall profitability. The alcohol industry in Sri Lanka has seen considerable tax hikes, driving consumers toward illicit alternatives, which in turn, reduces legal sales and government revenue.	We actively engage with policy makers to advocate for balanced tax structures that minimize adverse impacts on the industry. Additionally, we continually adjust our pricing strategies to remain competitive and explore opportunities for efficiency gains to offset tax-related costs.
Market and Economic Risks	
Economic volatility, including inflation, fluctuating consumer disposable income, and global uncertainties, can affect consumer spending patterns, particularly in the alcohol sector. A reduction in discretionary spending could lead to a decline in sales volumes.	We maintain a diversified product portfolio that caters to various consumer segments, including premium and value offerings, to cushion against economic downturns. Strategic investments, such as the acquisition of Heineken Lanka Ltd., help strengthen our market presence and enhance revenue streams.
Geopolitical Events	
Potential adverse effects on the DCSL's operations and performance due to political instability, diplomatic conflicts, regulatory changes, trade restrictions, and other government actions in various regions.	DCSL actively monitors geopolitical developments on its operations and markets to mitigate exposure, and engages in proactive dialogue with government entities and stakeholders to anticipate and respond to regulatory changes.
Outbreak of Epidemics/Pandemics	
Adverse effects on operations and financial health due to widespread health crises, similar to COVID-19.	DCSL has strengthened its business continuity plans, implemented health and safety protocols, and developed contingency strategies to ensure operational resilience in the face of such events.
Climate Change	
Potential adverse impacts from intensified floods, wildfires, and other extreme weather events on the group's operations.	DCSL invests in sustainable practices, reduces carbon footprints, and adapts infrastructure to be more resilient to climate change, while continuously monitoring environmental regulations.

ENTERPRISE RISK MANAGEMENT

Risk & Impact	Mitigation Strategies
<p>Counterfeiting and Unethical Competition</p> <p>Counterfeiting and unethical competition can severely harm DCSL's reputation by linking the brand to substandard or unsafe products. This can erode consumer trust, damage brand loyalty, and generate negative publicity, leading to a potential decline in market share and profitability.</p> <p>The presence of counterfeit products can confuse customers, making them believe they are purchasing genuine DCSL products when they are not. This can lead to dissatisfaction, complaints, and a negative perception of the brand.</p> <p>Protecting the brand from counterfeiters and unethical competitors can result in high legal costs and financial penalties. Additionally, financial losses may occur due to reduced sales or damaged relationships with distributors and retailers.</p>	<p>Secure trademarks, copyrights, and patents for all DCSL products across relevant markets. Actively monitor the market for counterfeit products and pursue legal action against violators.</p> <p>Partner with reputable suppliers and distributors to ensure a secure supply chain that minimizes the risk of counterfeit infiltration. Conduct regular audits of suppliers and distribution channels to detect and prevent counterfeiting activities.</p> <p>Collaborate with law enforcement, industry groups, and regulatory authorities to combat counterfeiting and unfair competition.</p> <p>Regularly monitor competitors to identify any unethical practices that could harm DCSL's brand image. Respond quickly to unethical competition through legal channels or regulatory complaints to protect the brand's integrity. Maintain transparent communication with customers, stakeholders, and the public during such events to preserve trust and protect the brand.</p>
<p>Operational Risks</p> <p>Disruptions in supply chains, rising raw material costs, and operational inefficiencies can hinder our ability to meet market demand and maintain profitability.</p>	<p>We implement robust supply chain management practices, seek long-term contracts with suppliers, and continually invest in operational improvements to enhance efficiency. Our risk management team conducts regular audits and assessments to ensure operational resilience.</p>
<p>Financial Risks</p> <p>Currency fluctuations, interest rate changes, and liquidity challenges can impact financial stability and profitability.</p>	<p>Staying closely aligned with our bankers to monitor frequent fluctuations in foreign currency rates, maintain a balanced capital structure to manage interest rate exposure. Continuous monitoring of cash flows ensures that we can meet our financial obligations and invest in growth opportunities.</p> <p>Please refer financial risk management note on pages 120 to 122.</p>

Risk & Impact	Mitigation Strategies
Legal, Regulatory and Compliance Risk Potential adverse impacts arising from non-compliance with legal requirements, breaches of privacy, and failures in adherence to compliance standards	DCSL enforces strict compliance programs, regular audits, and continuous training for staff to maintain adherence to legal and regulatory obligations.
Organizational and People Risk These include challenges in attracting and retaining skilled employees, which could limit innovation and overall productivity. Gaps in leadership development and succession planning could hinder strategic decision-making and disrupt operational continuity. Impeding the company's ability to remain competitive and innovative in the market.	Offer above industry compensation, clear career development opportunities, and strengthen employer branding to attract and retain skilled employees. Foster a positive work environment through employee engagement initiatives, recognition programs, and inclusive leadership practices to boost morale and productivity. Clearly define roles and responsibilities, and promote cross-functional collaboration to align with business goals and improve operational efficiency.
Technology & Data Risk Vulnerabilities and failures in the company's technological systems and data management processes. Potential for technology failures and the company's ability to recover swiftly. Potential threats to the company's IT systems, including unauthorized access, data breaches, and cyber-attacks.	We continuously upgrade IT infrastructure, implement cybersecurity measures, and ensure data integrity through rigorous controls. DCSL has implemented backup systems, and regularly tests recovery processes to ensure swift restoration of services. We enforce robust cybersecurity protocols, conduct regular security assessments, and continuously enhance IT security measures to protect our systems and data.

BOARD AUDIT COMMITTEE REPORT

COMMITTEE

The Board Audit Committee appointed by and responsible to the Board of Directors is made up of three Independent Non-Executive Directors and one Non-independent Non-Executive Director. The Chairman of the Audit Committee is Mr. M. Reyaz Mihular who is fellow member of the Chartered Accountant of Sri Lanka and is a Fellow member of Chartered Institute of Management. The other members of the Audit Committee comprise of Dr. A. N. Balasuriya, Independent Non-Executive Director, Mr. N. de S. Deva Aditya Independent Non-Executive Director, and Mr. D. Hasitha S. Jayawardena, Non-Independent Non-Executive Director. A brief profile of each member is given on pages 26 to 29.

Ms. N. C. Gunawardena functions as the Secretary to the Audit Committee.

MEETING

The Board Audit Committee met five (5) times during the year. Mr. N. de S. Deva Aditya could not attend certain meetings during the year, due to their engagements overseas.

Nevertheless, Mr. Deva Aditya was kept informed of all the proceedings of the Audit Committee and their opinion was sought on important matters.

The attendance of the members at these meetings is as follows:

Name of Director	Attendance
Mr. M. Reyaz Mihular	5/5
Dr. A. N. Balasuriya	5/5
Mr. D. Hasitha S. Jayawardena	5/5
Mr. N. de S. Deva Aditya	3/5

Group Managing Director, Group Financial Controller, Head of Finance and Chief Internal Auditor also attend these meetings by invitation when needed.

TERMS OF REFERENCE

The Board Audit Committee Charter approved and adopted by the Board clearly sets out the terms of reference governing the Audit Committee ensuring the highest compliance with the Corporate Governance Rules applicable to Listed Companies in accordance with the Rules of the CSE and the Code of Best Practice on Corporate Governance. As allowed by the Listing Rules of the Colombo Stock Exchange, the Audit Committee of the Parent Company, functions as the Audit Committee of each of the subsidiary companies which have not appointed a separate Audit Committee. All matters are dealt with the Agenda of the Parent Company Audit Committee.

ROLE OF THE BOARD AUDIT COMMITTEE

The Board Audit Committee in its role assists the Board in fulfilling their responsibility with regard to:

Ensuring the integrity of the statements of the Company and that good financial reporting systems are in place and is managed in order to give accurate, appropriate and timely information to the management, regulatory authorities and shareholders in accordance with the financial reporting standards of the Institute of Chartered Accountants of Sri Lanka, Companies Act No: 07 of 2007, the Sri Lanka Accounting and Auditing Standards and the Continuing Listing Rules of the Colombo Stock Exchange.

- » Assessing the independence and monitoring the performance of external auditors.
- » Ensuring the Company's internal control and risk management process operates efficiently and effectively.
- » Ensure compliance with applicable laws, regulations and policies of Melstacorp Group and Company.
- » Assess the Company's ability to continue as a going concern in the foreseeable future.

INTERNAL AUDIT

The internal audit function of the Company was carried out by the Internal Audit Division. The Committee reviewed the effectiveness of the internal audit plan to ensure that it was designed to provide reasonable assurance that the financial reporting system adopted by the Company can be relied upon in the preparation and presentation of the Financial Statements. The Committee also reviewed the findings of the Internal Auditors and their recommendations together with the management responses and regularly followed up the progress of the implementation of such recommendations in order to enhance the overall control environment.

EXTERNAL AUDIT

The Audit Committee met with the External Auditors to discuss the scope and the audit strategy. The Committee also reviewed the Report of the Auditors & Management Letters issued by them on separate occasions to ensure that no limitations were placed on their independence of work and conduct of the audit. The

Committee carried out an annual evaluation of the External Auditors to establish their independence and objectivity and also obtained a written declaration from the Auditors in this regard. The Committee stipulated that the Lead Audit Partner is rotated every seven years. The Audit Committee recommended to the Board of Directors that Messrs. KPMG be reappointed as Auditors for the financial year ending 31st March 2025.

COMPLIANCE WITH LAWS AND REGULATIONS

The Committee reviewed the quarterly compliance reports submitted by the relevant officers to ensure that the Company complied with all statutory requirements.

CONCLUSION

The Audit Committee is satisfied that the Company's accounting policies, operational controls and risk management processes provide reasonable assurance that the affairs of the Company are managed in accordance with Company policies and that Company assets are properly accounted for and adequately safeguarded.



M. R. Mihular

Chairman, Audit Committee

27th August 2024
Colombo.

REMUNERATION COMMITTEE REPORT

COMMITTEE

The Remuneration Committee is appointed by and is responsible to its Board of Directors. It consists of two Independent Non-Executive Directors, namely Mr. N. de S. Deva Aditya, and Dr. Naomal Balasuriya who chairs the Committee and one Non-Independent Non-Executive Director Mr. D. Hasitha S. Jayawardena. Brief profiles of these Directors are given on pages 26 to 29. Ms. N. C. Gunawardena functions as the Secretary to this Committee.

TERMS OF REFERENCE

The Remuneration Committee is governed by the Remuneration Committee Charter, which has been approved and adopted by the Board of Directors. It is responsible for determining the Remuneration Policy of the Key Management Personnel of the Company. The Remuneration Policy of the Company is based on evaluation of personnel on eight criteria. An annual assessment is carried out and increments and incentives are awarded based on the rating / ranking of each individual.

MEETINGS

The Board Remuneration Committee met Four (4) times during the year.

Mr. N.de S. Deva Aditya could not attend a meeting during the year, due to his engagements overseas. Nevertheless, Mr. Deva Aditya was kept informed of all the proceedings of the Remuneration Committee and their opinion was sought on important matters.

The attendance of the members at these meetings is as follows:

Name of Director	Attendance
Dr. A. N. Balasuriya	4/4
Mr. D. Hasitha S. Jayawardena	4/4
Mr. N. de S. Deva Aditya	3/4

The Managing Director also assisted the Remuneration Committee with its deliberations.



Dr. Naomal Balasuriya

Chairman, Remuneration Committee

27th August 2024
Colombo.

BOARD RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

COMMITTEE

The Related Party Transactions Review Committee comprises of two Independent Non-Executive Directors and one Non-Independent Non-Executive Director. The Chairman of the Related Party Transactions Review Committee is Mr. M. Reyaz Mihular who is Fellow member of the Chartered Accountant of Sri Lanka and is a Fellow member of Chartered Institute of Management Accountants (CIMA)- UK. The other members of the Committee comprise of Dr. A. N. Balasuriya, Independent Non-Executive Director, Mr. D. Hasitha S. Jayawardena, Non-Independent Non-Executive Director. A brief profile of each member is given on pages 26 to 29 Ms. N. C. Gunawardena functions as the secretary to this committee.

The attendance of the members at the meeting is as follows:

Name of Director	Attendance
Mr. M. Reyaz Mihular	3/4
Dr. A. N. Balasuriya	4/4
Mr. D. Hasitha S. Jayawardena	4/4

The Group Financial Controller and Head of Finance also attend these meetings by invitation when needed.

The Committee has reviewed all related party transactions in respect of the financial year and communicated the activities of the Committee to the Board on a quarterly basis through circulating the minutes of the meetings of the Committee to the Board of Directors.

AS THE SECRETARY TO THIS COMMITTEE. PURPOSE OF THE COMMITTEE

The Committee's key focus is to review all proposed related party Transactions prior to entering into or completion of the transaction according to the procedures laid down by Section 9 of the Listing Rules of the Colombo Stock Exchange



M. R. Mihular

Chairman, Related Party Transactions Review Committee

MEETINGS

The Related Party Transactions Review Committee met four (4) times during the year. Mr. M. Reyaz Mihular could not attend a meeting during the year, due to his other engagements. Nevertheless, Mr. M. Reyaz was kept informed of all the proceedings of the Related Party Transactions Review Committee and his opinion was sought on important matters.

27th August 2024

Colombo.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

GENERAL

Board of Directors of Distilleries Company of Sri Lanka PLC has the pleasure of presenting the Annual Report and the Audited Financial Statements of the Company for the financial year ended 31st March 2024. The details set out herein provide the pertinent information requested under Section 168 of the Companies Act No. 07 of 2007, the Colombo Stock Exchange Listing Rules and the recommended best practices on Corporate Governance, 2017 as amended in 2023 and issued by the Institute of Chartered Accountants of Sri Lanka and the best accounting practices.

PRINCIPAL BUSINESS ACTIVITIES

The principal activities of Distilleries Company of Sri Lanka PLC are distillation, manufacture and distribution of liquor products. There were no significant changes to the principal activities of the Company during the year.

REVIEW OF BUSINESS

A review of the Company's business, providing a comprehensive analysis of the financial and operational performance along with future outlook and business development activities are described in the 'Chairman's Statement' and Management Discussion and Analysis of the Annual Report. These reports together with the Audited Financial Statements of the Company reflect the state of affairs of the Company.

ACCOUNTING POLICIES AND CHANGES DURING THE YEAR

The Company prepared the Financial Statements in accordance with the Sri Lanka Accounting Standards (SLFRSs/LKASs). There were no

changes to the accounting policies used by the Company and the Group during the year. Accounting policies adopted in the preparation of the Financial Statements of the Company are given on pages 82 to 92 and under the respective notes to the Financial Statements given on pages 82 and 129 of this Report.

REVENUE

The gross revenue generated by the company during the year amounted to Rs. 115,396 Mn (2022/23 – Rs. 123,358 Mn). An analysis of gross revenue based on the revenue stream are disclosed in Notes 5 to the Financial Statements.

PROFITS AND APPROPRIATIONS

The profit after tax was Rs. 14,340 Mn (2022/23 – Rs. 18,843 Mn). The Board of Directors declared three interim dividends totalling Rs. 2.83 per share for the year ending 31st March 2024. (2022/23 - Rs. 3.95 per share). The Directors were satisfied that the Company would meet the solvency test requirement under Section 56 (2) of the Companies Act No. 7 of 2007 immediately after the payment the dividends.

DONATIONS

Total donation made by the company during the year amounting to Rs. 1.3 Mn (2022/23 – Rs. 0.3 Mn)

FINANCIAL STATEMENTS

The Financial Statements of the Company for the year ended 31st March 2024 approved by the Board of Directors on 27th August 2024 are given on pages 76 to 81.

AUDIT REPORT

The Auditor's Report on the Financial Statements of the Company is given on pages 71 to 75.

INVESTMENTS

Total investments of the Company amounted to Rs. 2,556 Mn (2022/23 – Rs. 1,923 Mn). The details of the investments are given in Note 16 to the Financial Statements.

PROPERTY, PLANT AND EQUIPMENT

The net book value of property, plant and equipment of the Company as at 31st March 2024 was Rs. 5,797 Mn (2022/23 – Rs. 4,481 Mn). Total capital expenditure during the year for acquisition of property, plant and equipment by the Company amounted to Rs. 73 Mn (2022/23 – Rs. 150 Mn). The details of property, plant and equipment are given in Note 11 to the Financial Statements.

MARKET VALUE OF FREEHOLD LANDS AND BUILDINGS

All freehold lands and buildings of the company were revalued by a professionally qualified independent valuer as at 31st March 2024 and brought into the Financial Statements. The directors are of the opinion that the re-valued amounts are not significantly different from the market values as at 31st March 2024. Information in respect of extent, location, valuation of land and building held by the Company are detailed in Notes 11.3 to the Financial Statements.

STATED CAPITAL AND RESERVES

The Stated Capital of the Company as at 31st March 2024 was Rs. 3,000 Mn consisting of 4,600 Mn Ordinary Shares. The total Company Reserves

as at 31st March 2024 amounted to Rs. 10,621Mn (2022/23 – Rs. 12,248 Mn) comprising of Capital Reserves of Rs. 2,934 Mn (2022/23 – Rs. 1,863 Mn) and Revenue Reserves & Retained Earnings of Rs. 4,686 Mn (2022/23 - Rs. 7,385 Mn) the movement of which is disclosed in the Statement of Changes in Equity.

INTERNAL CONTROLS AND RISK MANAGEMENT

The Directors acknowledge their responsibility for the Companies system of internal control. The systems are designed to provide reasonable assurance that the assets of the Company are safeguarded and to ensure that proper accounting records are maintained. The Board, having reviewed the system of internal control is satisfied with the systems and measures in effect at the date of signing this report. Through the Enterprise Risk Management process of the company, risks faced by the company identified, evaluated and mitigation strategies adapted by the company. Enterprise Risk Management Report of the company is on pages 56 to 59 of this Annual Report.

CAPITAL AND OTHER COMMITMENTS

Contingent liabilities and capital commitments are disclosed in Note 29 to 30 to the Financial Statements of the Company.

EVENTS AFTER THE REPORTING PERIOD

There were no material events or circumstances that have arisen since the reporting date that would require adjustment, other than the information disclosed in Note 32 to the Financial Statements.

GOING CONCERN

The Directors, after considering the financial position, operating conditions, regulatory and other factors including matters addressed in the Corporate Governance Code, have a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future. Therefore, the going concern basis has been adopted in the preparation of the Financial Statements. Basis of conclusion on the going concern for the Company is further described in Note 2.8 to the Financial Statement

EMPLOYEES

The number of persons employed by the Company as at 31st March 2024 was 921 (2022/23 – 938). There have been no material issues pertaining to employees of the company.

BOARD OF DIRECTORS

The names of the Directors who held office during the Financial Year 2023/2024 are given below. The brief profiles of the Board of Directors are given on pages 26 to 29 of this Annual Report.

Executive Directors

- » Mr. C.R. Jansz
- » Mr. K. J. Kahanda
- » Mr. M. A. N. S Perera

Non-Independent Non-Executive Directors

- » Deshamanya D.H.S. Jayawardena -Chairman (Re-designated as a Non-Executive Director w.e.f. 30th October 2023)
- » Mr. D. Hasitha S. Jayawardena
- » Ms. D. S. T. Jayawardena

Independent Non-Executive Directors

- » Mr. N. J. de S. Deva Aditya
- » Dr. A. N. Balasuriya
- » Dr. R. A. Fernando
(Appointed w.e.f 06th Feb 2024)

All of the above Directors held office during the entire year, with the exceptions of Dr. R. A. Fernando who was appointed as an Independent Non-Executive Director of the Company w.e.f. 06th February 2024. The basis on which Directors are classified as Independent Non-Executive Directors is discussed on page 98 of the Corporate Governance Report. All the Directors have continuously satisfied the Fit and Proper Assessment Criteria set out in the Listing Rules during the year under review and as at the date of such confirmation

BOARD COMMITTEES

The Board has appointed three Sub-Committees i.e. the Audit Committee, the Remuneration Committee and Related Party Transaction Review Committee. The composition of the Committees are as follows,

Audit Committee

With effect from 01 April 2023, the Audit Committee of the parent company comprising of the following commenced to function as the Audit Committee of the Company.

- » Mr. M. R. Mihular - Chairman
- » Dr. A. N. Balasuriya
- » Mr. N. de S. Deva Aditya
- » Mr. D. Hasitha S. Jayawardena

ANNUAL REPORT OF THE BOARD OF DIRECTORS

Remuneration Committee

The Remuneration Committee has two independent Non-Executive Directors and one Non-Independent Non-Executive Director as follows:

- » Dr. A. N. Balasuriya - Chairman
- » Mr. N. de S. Deva Aditya
- » Mr. D. Hasitha S. Jayawardena

Related Party Transactions Review Committee

With effect from 01st April 2023, the Remuneration Committee of the parent company comprising of the following, commenced to function as the Remuneration Committee of the Company.

- » Mr. M. R. Mihular - Chairman
- » Dr. A. N. Balasuriya
- » Mr. D. Hasitha S. Jayawardena

RE-APPOINTMENT & RE-ELECTION OF DIRECTORS

In term of section 211 of the Companies Act No.07 of 2007 an ordinary Resolution will be put before the shareholders for the re-appointment of. Mr. D.H.S. Jayawardena, Mr. C. R. Jansz and Mr. N. de S. Deva Aditya who are over 70 years of age, notwithstanding the age limit of seventy years stipulated by section 210 of the Companies Act.

Capt. K. J. Kahanda retire by rotation and being eligible offer himself for re-election at the Annual General Meeting in terms of Article 30 of the Articles of Association, as a Director of the company.

Dr. R. A. Fernando who was appointed on 06th February 2024 will come up for re-election by the shareholders at the Annual General Meeting in term of Article 32(ii) of the Articles of Association, as a Director of the company.

DIRECTORS' SHAREHOLDINGS

The shareholdings of Directors of the Company as defined under the Colombo Stock Exchange Rules are as follows.

As at 31 March	2024	2023
Mr. D. H. S. Jayawardena	Nil	Nil
Mr. C. R. Jansz	Nil	Nil
Mr. N. de S. Deva Aditya	Nil	Nil
Capt. K. J. Kahanda (Retd.)	Nil	Nil
Dr. A. N. Balasuriya	Nil	Nil
Mr. D. Hasitha S. Jayawardena	2,231,505	2,231,505
Ms. D. S. T. Jayawardena	11,437	11,437
Mr. M. A. N. S. Perera	Nil	Nil
Dr. R. A. Fernando	Nil	Nil

INTEREST REGISTER

An Interest Register is maintained by the Company as per the Companies Act No. 7 of 2007. Any interest in transactions disclosed to the Board by a Director in accordance with Sections 192 and 200 of the Companies Act No.7 of 2007 are duly recorded in the Interest Register.

DIRECTORS' REMUNERATION

The Directors' remuneration and fees in respect of the Company and the Group for the Financial Year ended 31st March 2024 are disclosed in Note 08 to the Financial Statements.

RELATED PARTY TRANSACTIONS

Related Party Transactions of the Company are disclosed in Note 28.2 to the Financial Statements. These are Recurrent and Non- Recurrent Related Party Transactions, which required disclosures in the Annual Report in accordance with the Sri Lanka Accounting Standard No. 24 – Related Party Disclosures However, there were Recurrent Related Party Transactions which in aggregate value exceeded 10% of the consolidated revenue of the Group as per the Audited Financial Statements as at 31st March 2024. There were no Non- Recurrent Related Party Transactions which in aggregate value exceeding lower of 10% of the equity or 5% of the total assets of the Company as per the Audited Financial Statements as at 31st March 2024, which required additional disclosures in the Annual Report under Rule 9.14.8(1) of the Listing Rules of the Colombo Stock Exchange.

CORPORATE GOVERNANCE

The Company complies with the Corporate Governance Rules contained in Section 9 of the

Listing Rules of the Colombo Stock Exchange and the Code of Best Practice on Corporate Governance 2017, as amended in 2023, issued by the Institute of Chartered Accountants of Sri Lanka. The measures taken and the extent to which the Company has complied with the said Section and the Code are given on pages 42 to 55 of the Corporate Governance Report of this Annual Report.

SHARE INFORMATION

Information relating to Earnings, Dividends, Net Assets and Market Value per Share is given on page 3. The shareholding details of the Company are given on page 133 of the Annual Report.

SUSTAINABILITY PRINCIPLES

The Company carries out its business adherence to the best sustainable practices and has not engaged in any activity that was detrimental to the environment and has been in due compliance with all applicable laws and regulations of the country to the best of its ability.

STATUTORY PAYMENTS

The Directors, to the best of their knowledge and belief are satisfied that all statutory obligations due to the government and its employees have been duly paid or adequately provided for in the Financial Statements as confirmed by the Statement of Directors' Responsibility.

AUDITORS

Messrs. KPMG, Chartered Accountants are deemed reappointed, in terms of section 158 of the Companies Act No. 07 of 2007, as Auditors of the Company for the year ending 31st March 2024. A resolution to authorise the Directors to determine their

remuneration will be proposed at the Annual General Meeting. Total audit fees paid to Messrs. KPMG are disclosed in Note 08 to the Financial Statements. The Auditors of the Company have confirmed that they do not have any relationship with the Company (other than that of Auditor) that would have an impact on their independence.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held as a virtual meeting at the "Mini Auditorium" Distilleries Company of Sri Lanka PLC No 110, Norris Canal Road, Colombo 10, Sri Lanka on 19th September 2024 at 10.00 a.m. The Notice of Meeting appears on pages 137 to 139 of the Annual Report.

For and on behalf of the Board of Directors,



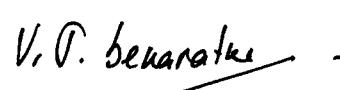
D. H. S. Jayawardena

Chairman



C. R. Jansz

Director



Ms. V. J. Senaratne

Company Secretary

27th August 2024

Colombo.

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STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are responsible under the Companies Act No.07 of 2007, to ensure compliance with the requirements set out therein to prepare Financial Statements for each financial year giving a true and fair view of the state of the affairs of the Company as at the Reporting date and the profit of the Company for the financial year. The Directors are also responsible for ensuring that proper accounting records are kept to disclose, with reasonable accuracy, the financial position and enable preparation of the Financial Statements.

The Board accepts the responsibility for the integrity and the objectivity of the Financial Statements presented. The Directors confirm that proper accounting records have been maintained and appropriate accounting policies have been selected and applied consistently in the preparation of such Financial Statements which have been prepared and presented in accordance with the Sri Lanka Accounting Standards and provide the information required by the Companies Act and the Listing Rules of the Colombo Stock Exchange.

Further, the Directors confirm that the Financial Statements have been prepared on a going concern basis and are of the view that sufficient funds and other resources are

available within the Company to continue its operations and facilitate planned future expansions and capital commitments. The Directors have taken adequate measures to safeguard the assets of the Company and in this regard have established appropriate systems of internal control with a view to preventing and detecting fraud and other irregularities. The External Auditors were provided with all information and explanations necessary to enable them to form their opinion on the Financial Statements.

COMPLIANCE REPORT

The Directors confirm that to the best of their knowledge and the belief that all statutory payments in relation to regulatory and statutory authorities that were due in respect of the Company as at the reporting date have been paid or where relevant, provided for.

By Order of the Board,

V.J. Senaratne -

Ms. V.J. Senaratne

Company Secretary

27th August 2024

Colombo.

INDEPENDENT AUDITOR'S REPORT



KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
P. O. Box 186,
Colombo 00300, Sri Lanka.

Tel : +94 - 11 542 6426
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**TO THE SHAREHOLDERS OF
DISTILLERIES COMPANY OF SRI LANKA PLC
Report on the Audit of the Financial Statements**

Opinion

We have audited the financial statements of Distilleries Company of Sri Lanka PLC ("the Company") and the consolidated financial statements of the Company and its subsidiary ("the Group"), which comprise the statement of financial position as at 31st March 2024, and statements of profit and loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information set out on pages 76 to 129 of the annual report.

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 31st March 2024, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics for professional Accountants issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company and the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Company and the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KPMG, a Sri Lankan partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

C.P. Jayatilake FCA	T.J.S. Rajakarier FCA
Ms. S. Joseph FCA	W.K.D.C. Abeyrathne FCA
R.M.D.B. Rajapakse FCA	Ms. B.K.D.T.N. Rodrigo FCA
M.N.M. Shameel FCA	Ms. C.T.K.N. Perera ACA
M. P. Wijesinghe FCA	EWAN JAMES HARRIS FCA

W.W.J.C. Perera FCA
G.A.U. Karunaratne FCA
R.H. Rajan FCA
A.M.R.P. Alahakoon ACA

Principals: S.R.I. Perera FCMA(UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, Ms. F.R. Ziyard FCMA (UK), FCIT, K. Somasundaram ACA(IUK) R.G.H. Radfella ACA

INDEPENDENT AUDITOR'S REPORT



RECOGNITION OF REVENUE

Refer to the material accounting policies in Note 3.14 and explanatory Note 5 to the financial statements

Risk Description	Our Response
<p>The Company has recognized a revenue of Rs. 115,396.2 Mn for the year ended 31st March 2024.</p> <p>Revenue is a key performance indicator used to evaluate the performance of the Company. Given the significance of the total value, the number of transactions, geographical locations and the dependence on IT systems over recognition of revenue, the recognition of revenue was considered as a key audit matter for the year ended 31st March 2024.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none">» Testing the design and operating effectiveness of key IT application and manual controls over revenue, in addition to evaluating the integrity of the general IT control environment.» Testing, on a sample basis, specific revenue transactions recorded before and after the financial year end date with the underlying goods delivery notes and/or invoices to assess whether the related revenue had been recognised in the correct financial period.» Developing expectations over revenue amount for the year based on trend analysis considering historical sales patterns.» Testing, on a sample basis, revenue transactions recorded to the supporting documents to assess whether the revenue transactions have been recorded accurately.» Assessing the adequacy of the disclosures made in the financial statements in accordance with the relevant accounting standards.

REVALUATION OF FREEHOLD LANDS AND BUILDINGS

Refer to the material accounting policies in Note 3.5 and explanatory Note 11 to the financial statements.

Risk Description	Our Response
<p>As disclosed in explanatory note 11 to the financial statements, the Group has revalued its lands and buildings as at 31st March 2024 and recognized a net revaluation gain of Rs. 1,765 Mn in its consolidated financial statements. The Group has engaged an independent external valuation specialist to determine the fair values of lands and buildings as at 31st March 2024.</p> <p>We considered this as a key audit matter due to the significance of the judgements exercised by the external valuation expert engaged by the management, estimation uncertainty and possible management bias.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none">» Assessing the competency, objectivity and capabilities of the independent external valuer engaged by the management.» Assessing the reasonableness of the valuer's assumptions and methods used in the valuation and comparing the same with evidence of current market values.» Engaging our own internal resources to assess the reasonability of the valuation technique, per perch and per square feet prices determined by the management specialist.» Assessing the adequacy of disclosures made in relation to the revaluation of lands and buildings in the Financial Statements, including the description and appropriateness of the inherent degree of subjectivity and key assumptions used.



ACQUISITION OF DCSL BREWERIES LANKA LIMITED

Refer to the material accounting policies in Note 3.2.1 and explanatory Note 15.1 to the financial statements.

Risk Description

As disclosed in explanatory note 15.1 to the financial statements, the Company acquired the subsidiary, DCSL Breweries Lanka Limited (Previously known as Heineken Lanka Limited) during the year ended 31st March 2024. The Company has recorded Rs. 4,170 Mn as investment in subsidiary and Rs. 143.6 Mn as goodwill on acquisition as at 31st March 2024.

We considered this as a key audit matter due to the significance of the consideration transferred and significance over judgements exercised by the management in calculating the goodwill on consolidation including the estimation of fair values related to identifiable net assets of the subsidiary at the acquisition.

Our Response

Our audit procedures included:

- » Checking the accuracy of the calculations related to consideration transferred, fair value of identifiable assets and liabilities and the goodwill on acquisition as at 31st March 2024.
- » Engaging our own internal resources to assess the reasonability of the valuation techniques, per perch and per square feet prices determined by the management specialist in determining the fair value of lands and buildings of the subsidiary.
- » Assessing the adequacy of the disclosures made in relation to the acquisition of subsidiary and related goodwill on acquisition in the Financial Statements,

OTHER INFORMATION

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

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

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

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

INDEPENDENT AUDITOR'S REPORT



AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- » Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- » Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- » Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- » Conclude on the appropriateness of management's use of the going concern basis of accounting and,

based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- » Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- » Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 3029.

A handwritten signature in black ink that reads "KPMG".

Chartered Accountants

27th August 2024
Colombo.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st March	Note	Company	
		2024 Rs. '000	2023 Rs. '000
Revenue	5	115,396,167	123,357,922
Direct Taxes		(69,142,005)	(66,399,229)
Cost of Sales		(20,066,852)	(24,201,269)
Gross Profit		26,187,310	32,757,424
Other Operating Income	6	79,879	94,703
Distribution Expenses		(1,175,044)	(1,147,066)
Administrative Expenses		(2,234,024)	(2,096,254)
Results from Operating Activities		22,858,121	29,608,807
Finance Income	7.1	1,041,216	1,665,702
Finance Costs	7.2	(145,554)	(206,473)
Net Finance Income		895,662	1,459,229
Profit Before Income Tax Expense	8	23,753,783	31,068,036
Taxation	9	(9,413,742)	(12,224,677)
Profit for the Year		14,340,041	18,843,359
Other Comprehensive Income			
Items that will never be Reclassified to Profit or Loss			
Actuarial Gain/ (Loss) on Retirement Benefit Obligations	23	74,079	(99,421)
Revaluation Surplus on Property plant and Equipment		1,786,196	-
Deferred tax on Other Comprehensive Income	17.1	(744,110)	39,768
		1,116,165	(59,653)
Items that are or may be Reclassified to Profit or Loss			
Net Change in Fair Value of Financial Assets Measured as FVOCI		764,953	288,786
		764,953	288,786
Total Other Comprehensive Income for the Year		1,881,118	229,133
Total Comprehensive income for the year		16,221,159	19,072,492
Basic Earnings per Share	10.1	3.12	4.10

The notes from pages 82 to 129 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st March,	Note	Group	Company	2023 Rs. '000		
		2024 Rs. '000	2024 Rs. '000			
Assets						
Non Current Assets						
Property, Plant and Equipment	11	8,077,045	5,796,799	4,481,728		
Right-of-use Asset	12	578,604	523,580	938,924		
Net Investment in Sub Lease	13	-	-	20,116		
Intangible Assets	14	55,084	-	-		
Goodwill	15.1.4	143,627	-	-		
Investment in Subsidiaries	15	-	4,169,978	-		
Other Non Current Financial Investments	16.1	2,465,438	2,465,438	1,900,485		
		11,319,798	12,955,795	7,341,253		
Current Assets						
Inventories	18	7,612,127	6,628,705	6,822,811		
Trade and Other Receivables	19	11,828,760	10,034,967	9,577,889		
Net Investment in Sub Lease	13	20,116	20,116	16,658		
Amounts Due From Related Companies	28.1.1	710,095	710,209	4,480,764		
Other Current Financial Investments	16.2	90,771	90,771	22,459		
Cash and Cash Equivalents	20	553,744	539,131	1,451,212		
		20,815,613	18,023,899	22,371,793		
Total Assets		32,135,411	30,979,694	29,713,046		
Equity and Liabilities						
Share Capital and Reserves						
Stated Capital	21	3,000,000	3,000,000	3,000,000		
Reserves	22	4,172,048	4,172,048	2,335,377		
Retained Earnings		3,448,776	3,448,776	6,912,288		
Equity attributable to parent		10,620,824	10,620,824	12,247,665		
Non Controlling Interest		23,489	-	-		
Total Equity		10,644,313	10,620,824	12,247,665		
Non Current Liabilities						
Deferred Tax Liabilities	17	1,977,912	1,800,533	1,232,074		
Retirement Benefit Obligation	23	357,969	290,924	313,168		
Lease Liability	24	178,227	143,411	723,798		
		2,514,108	2,234,868	2,269,040		
Current Liabilities						
Trade and Other Payables	25	5,760,482	5,214,965	4,586,532		
Amount due to Related Companies	28.1.2	484,449	484,449	24,714		
Lease Liability	24	608,795	577,003	496,229		
Taxes Payable	26	9,392,355	9,132,052	10,084,261		
Interest Bearing Loans and Borrowings	27	2,715,533	2,715,533	4,605		
Bank Overdrafts	20	15,376	-	-		
		18,976,990	18,124,002	15,196,341		
Total Liabilities		21,491,098	20,358,870	17,465,381		
Total Equity and Liabilities		32,135,411	30,979,694	29,713,046		
Net Assets per Share (Rs.)		2.31	2.31	2.66		

The notes from pages 82 to 129 form an integral part of these Financial Statements.

I certify that these Financial Statements are prepared and presented in compliance with the requirements of the Companies Act No. 07 of 2007.

N. N. Nagahawatte
Head of Finance

The Board of directors is responsible for the preparation and presentation of these Financial Statements.

Approved and signed for and on behalf of the Board of Directors.

D. H. S. Jayawardena
Chairman
Colombo,
27th August 2024

C. R. Jansz
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Group	Stated Capital Rs.'000	Revaluation Reserve Rs.'000	Capital Reserve Rs.'000	General Reserve Rs.'000	FVOCI Reserve Rs.'000	Retained Earnings Rs.'000	Attributable to parent Rs.'000	Equity attributable to parent Rs.'000	Non controlling interest Rs.'000	Total Rs.'000
Balance as at 1st April 2023	3,000,000	1,754,636	107,882	10,000	462,859	6,912,288	12,247,665	-	12,247,665	
Total comprehensive income for the year							14,340,041	14,340,041	-	14,340,041
Profit for the year	-	-	-	-	-	-	14,340,041	14,340,041	-	14,340,041
Other comprehensive income										
Net charge in fair value of financial assets measured at FVOCI	-	-	-	-	764,953	-	764,953	-	764,953	
Revaluation surplus on Property Plant and Equipment	-	1,786,196	-	-	-	-	1,786,196	-	1,786,196	
Actuarial loss on retirement benefit obligations	-	-	-	-	-	74,079	74,079	-	74,079	
Deferred tax on Other Comprehensive Income	-	(714,478)	-	-	-	(29,632)	(744,110)	-	(744,110)	
Acquisition through business combination	-	-	-	-	-	-	-	23,489	23,489	
Total other comprehensive income for the year	-	1,071,718	-	-	764,953	44,447	1,881,118	23,489	1,904,607	
Total comprehensive income for the year	-	1,071,718	-	-	764,953	14,384,488	16,221,159	23,489	16,244,648	
Transactions with Owners directly recorded in the Equity										
Dividends paid during the year	10.3	-	-	-	-	(17,848,000)	(17,848,000)	-	(17,848,000)	
Total contributions by and distributions to owners										
Balance as at 31st March 2024	3,000,000	2,826,354	107,882	10,000	1,227,812	3,448,776	10,620,824	23,489	10,644,313	

The notes from pages 82 to 129 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

Company	Note	Stated Capital Rs.'000	Revaluation Reserve Rs.'000	Capital Reserve Rs.'000	General Reserve Rs.'000	FVOCI Reserve Rs.'000	Retained Earnings Rs.'000	Total Rs.'000
Balance as at 1st April 2022		3,000,000	1,754,636	107,882	10,000	174,073	1,325,870	6,372,461
Surcharge tax paid		-	-	-	-	-	(3,077,288)	(3,077,288)
Adjusted balance as at 1st April 2022		3,000,000	1,754,636	107,882	10,000	174,073	(1,751,418)	3,295,173
Total comprehensive income for the year								
Profit for the year		-	-	-	-	-	18,843,359	18,843,359
Other comprehensive income								
Net change in fair value of financial assets measured at FVOCI		-	-	-	-	288,786	-	288,786
Actuarial loss on retirement benefit obligations		-	-	-	-	-	(99,421)	(99,421)
Deferred tax on Other Comprehensive Income		-	-	-	-	-	39,768	39,768
Total other comprehensive income/ expense for the year		-	-	-	-	288,786	(59,653)	229,133
Total comprehensive income for the year								
Transactions with Owners directly recorded in the Equity								
Dividends paid during the year	10.3	-	-	-	-	-	-	(10,120,000) (10,120,000)
Total contributions by and distributions to owners		-	-	-	-	-	-	(10,120,000) (10,120,000)
Balance as at 31st March 2023		3,000,000	1,754,636	107,882	10,000	462,859	6,912,288	12,247,665
Balance as at 1st April 2023		3,000,000	1,754,636	107,882	10,000	462,859	6,912,288	12,247,665
Total comprehensive income for the year								
Profit for the year		-	-	-	-	-	14,340,041	14,340,041
Other comprehensive income								
Net change in fair value of financial assets measured at FVOCI		-	-	-	-	764,953	-	764,953
Revaluation surplus on Property Plant and Equipment		-	1,786,196	-	-	-	-	1,786,196
Actuarial gain on retirement benefit obligations		-	-	-	-	-	74,079	74,079
Deferred tax on Other Comprehensive Income		-	(714,478)	-	-	-	(29,632)	(744,110)
Total other comprehensive income for the year		-	1,071,718	-	-	764,953	44,447	1,881,118
Total comprehensive income for the year		-	1,071,718	-	-	764,953	14,384,488	16,221,159
Transactions with Owners directly recorded in the Equity								
Dividends paid during the year	10.3	-	-	-	-	-	-	(17,848,000) (17,848,000)
Total contributions by and distributions to owners		-	-	-	-	-	-	(17,848,000) (17,848,000)
Balance as at 31st March 2024		3,000,000	2,826,354	107,882	10,000	1,227,812	3,448,776	10,620,824

The notes from pages 82 to 129 form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31st March	Note	Group		Company
		2024 Rs. '000	2024 Rs. '000	2023 Rs.'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit Before Tax		23,753,783	23,753,783	31,068,036
<i>Adjustment for:</i>				
Gain on Sale of Property, Plant and Equipment	6	(4,600)	(4,600)	(2,000)
Gain on disposal of investment at FVTPL	6	(1,035)	(1,035)	-
Depreciation of Property Plant and Equipment	11	523,191	523,191	507,568
Amortization of right-of-use asset	12	415,344	415,344	459,923
Provision for Retirement Benefits Obligations	23	77,957	77,957	46,190
Provision for slow moving and obsolete inventory	18.1	175,802	175,802	257,752
Provision for impairment of other receivables	19.2	15,600	15,600	-
Provision for impairment of amounts due from related companies	28.1.3	21,946	21,946	-
Loss on Revaluation of Property, Plant and Equipment	8	21,178	21,178	-
Change in Fair Value of Financial Assets Measured at FVTPL	6	1,953	1,953	(1,245)
Interest Income	7.1	(1,041,216)	(1,041,216)	(1,665,702)
Dividend Income	6	(2)	(2)	(3)
Interest Expenses	7.2	145,554	145,554	206,473
Operating Profit Before Working Capital Changes		24,105,455	24,105,455	30,876,992
Working Capital Changes				
Increase in Trade and Other Receivables		(472,678)	(472,678)	(3,344,220)
Decrease/(Increase) in Inventories		18,304	18,304	(3,699,555)
Decrease/(Increase) in Amounts Due from Related Companies		3,748,609	3,748,609	(3,884,663)
Increase in Trade and Other Payables		581,628	581,628	219,060
Increase in Amounts Due to Related Companies		459,735	459,735	693
Cash Generated from Operations		28,441,053	28,441,053	20,168,307
Income Tax and Economic Service Charge Paid		(10,507,703)	(10,507,703)	(10,029,576)
Surcharge Tax Paid		-	-	(3,077,288)
Retiring Gratuity Paid	23	(26,122)	(26,122)	(7,450)
Net Cash Generated from Operating Activities		17,907,228	17,907,228	7,053,993
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of Property, Plant and Equipment	11	(73,244)	(73,244)	(150,162)
Proceeds from the Sale of Property, Plant and Equipment		4,600	4,600	2,000
Proceeds on Sale of Investments		7,724	7,724	-
Sub lease rental income	13	20,701	20,701	20,701
Net (acquisitions) of Other Financial Investments		(76,953)	(76,953)	-
Proceeds from Debenture Investment		200,000	200,000	-
Consideration paid on Acquisition of Subsidiary	15.1.1	-	(4,169,978)	-
Acquisition of Subsidiary, Net of Cash Acquired	15.1.5	(4,170,741)	-	-
Interest Received		1,037,173	1,037,173	1,658,537
Dividend Received		2	2	3
Net Cash (Used in)/ Generated from Investing Activities		(3,050,738)	(3,049,975)	1,531,079

For the year ended 31st March	Note	Group		Company
		2024 Rs. 'ooo	2024 Rs. 'ooo	2023 Rs.'ooo
CASH FLOWS FROM FINANCING ACTIVITIES				
Finance Cost Paid		(9,330)	(9,330)	(4,475)
Lease rent paid	24	(632,804)	(632,804)	(624,877)
Loans obtained during the year	27	12,422,000	12,422,000	-
Loans repayments during the year	27	(9,714,105)	(9,714,105)	(5,500)
Dividend Paid		(17,835,095)	(17,835,095)	(13,329,222)
Net Cash Used in Financing Activities		(15,769,334)	(15,769,334)	(13,964,074)
Net Increase/(Decrease) in Cash and Cash Equivalents During the Year		(912,844)	(912,081)	(5,379,002)
Cash and Cash Equivalents at the Beginning of the year		1,451,212	1,451,212	6,830,214
Cash and Cash Equivalents at the End of the Year		538,368	539,131	1,451,212
Analysis of Cash and Cash Equivalents at the End of the Year				
Cash in Hand	20	9,066	9,066	10,700
Cash in Bank	20	470,992	456,379	1,390,784
Cash in Transit	20	73,686	73,686	49,728
Bank Overdraft	20	(15,376)	-	-
		538,368	539,131	1,451,212

The notes from pages 82 to 129 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

1.1. Domicile & Legal Form

Distilleries Company of Sri Lanka PLC (the "Company/ DCSL") is a quoted public limited liability Company incorporated and domiciled in Sri Lanka. The Company has been registered under the Companies Act No. 17 of 1982 and re-registered under the Companies Act No. 07 of 2007. The registered office and principal place of business of the Company are located at No.110, Norris Canal Road, Colombo 10.

The Consolidated Financial Statements of Distilleries Company of Sri Lanka PLC as at and for the year ended 31st March 2024 compromise the Company and its Subsidiary DCSL Breweries Lanka Limited (previously known as Heineken Lanka Limited) (together referred to as the "Group").

1.2. Principal Activities and Nature of Operation

1.2.1. Company

The principal activity of the Company is distillation, manufacture and distribution of liquor products.

There were no significant changes in the nature of the principal business activities of the Company during the financial year under review.

1.3. Subsidiary

DCSL Breweries Lanka Limited (Previously known as Heineken Lanka Limited - "the Company") is a limited liability Company incorporated and domiciled in Sri Lanka. The parent Company is Distilleries Company of Sri Lanka PLC, and the ultimate parent is Milford Exports Ceylon (Private) Limited. The 99.42% of the shareholding of the Company has been transferred from Heineken Asia Pacific Pte. Ltd to Distilleries Company of Sri Lanka PLC (DCSL) on 10th January 2024. The registered office of the Company is situated at No.116/10, Rosmead Place, Colombo 07 and the head office is situated at 7th Floor, Aitken Spence Tower 2 - 315, Vauxhall Street, Colombo 02.

The Company was incorporated on 17th May 1994 and re-registered on 5th March 2009 under the Companies Act No. 7 of 2007. The Company is primarily involved in the brewing and selling of beer.

1.4. Parent Enterprise and Ultimate Parent Enterprise

The immediate parent of the Group is Melstacorp PLC and ultimate parent entity is Milford Exports Ceylon (Private) Limited.

2. BASIS OF PREPARATION

2.1. Statement of Compliance

The Financial Statements of the Company and Group have been prepared in accordance with Sri Lanka Accounting Standards (referred "SLFRS/LKAS") as laid down by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the requirements of the Companies Act No. 07 of 2007.

Details of the Company's and Group's accounting policies and changes there to, are included in Note 3 to these financial statements.

2.2. Basis of Measurement

The Financial Statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis as at each reporting date.

Property, Plant and Equipment- Land and Buildings	Fair value	Note 11
Retirement Benefit Obligation	Present value of the defined benefit obligation	Note 23
Financial Assets Measured at Fair Value Through Other Comprehensive Income	Fair value	Note 16.1
Financial Assets Measured at Fair Value Through Profit or Loss	Fair value	Note 16.2

2.3. Functional and Presentation Currency

The functional currency is the currency of the primary economic environment in which the entities of the Group operates. These Consolidated Financial Statements are presented in Sri Lankan Rupees (LKR), which is the Group's functional currency and the presentation currency. All financial information has been rounded to the nearest thousand unless stated otherwise.

2.4. Materiality and Aggregation

As per LKAS – 1 "Presentation of Financial Statements", each material class of similar items are presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

Notes to the Financial Statements are presented in a systematic manner which ensures the understandability and comparability of Financial Statements of the Group. Understandability of the Financial Statements is not compromised by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.

2.5. Use of Judgments and Estimates

The preparation of the Consolidated financial statements in conformity with SLFRSs/LKASs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results which form the basis of making the judgments about the carrying amount of assets and liabilities that are not readily apparent from other sources.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments, estimates and assumptions in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are included in the following notes.

Critical accounting estimate/judgment	Disclosure reference
Recognition of deferred tax assets/liabilities	Note 17
Recognition and measurement of provisions for impairment	Note 18.1 / 19.1
Measurement of retirement benefit obligations; key actuarial assumptions.	Note 23.2
Recognition and measurement of provisions for contingencies; key assumptions about the likelihood and magnitude of an outflow of resources.	Note 29

2.6. Approval of Financial Statements

The Consolidated Financial Statements for the year ended 31st March 2024 were approved and authorized for issue by the Board of Directors in accordance with Resolution of the Directors on 27th August 2024.

2.7. Comparative Information

Comparative information including quantitative, narrative and descriptive information is disclosed in respect of the previous period in the Financial Statements in order to enhance the understanding of the current period's Financial Statements and to enhance the inter period comparability. The presentation and classification of the Financial Statements of the previous year are amended, where relevant for better presentation and to be comparable with those of the current year.

2.8. Going Concern

The Management has made an assessment of its ability to continue as a going concern and is satisfied that it has resources to continue in business for the foreseeable future. Furthermore, the Management is not aware any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the Financial Statements of the Group continue to be prepared on a going concern basis.

2.9. Directors' Responsibility for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of these Financial Statements in accordance with Sri Lanka Accounting Standards (SLFRSs/ LKAs) and as per the provisions of the Companies Act No. 07 of 2007.

This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of Financial Statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Board of Directors acknowledges their responsibility as set out in the "Annual Report of the Board of Directors on the Affairs of the Group" and "Director's Responsibility for Financial Reporting".

These Financial Statements include the following components

- » The Statement of Financial Position providing information on the financial position of the Company and the Group as at the year-end.
- » The Statement of Profit or Loss and other comprehensive income providing information on the financial performance of the Company for the year under review;
- » The Statement of Changes in Equity depicting all changes in shareholders' funds during the year under review of the Company and the Group;
- » The Statement of Cash Flows providing the information to the users, on the ability of the Company and the Group to generate cash and cash equivalents and utilize those cash flows, and
- » Notes to the Financial Statements comprising material Accounting Policies and other explanatory information.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Except as stated below, the Group has consistently applied all the accounting policies set out below to all periods presented in these financial statements.

3.1. Changes in Material Accounting Policies

The Group has adopted the following disclosures from 1st April 2023.

3.1(a) Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Group adopted Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to LKAS 12) from 1st April 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences - e. g. leases. For leases, the Group is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date.

For all other transactions, the Group applies the amendments to transactions that occur on or after the beginning of the earliest period presented. The Group previously accounted for deferred

NOTES TO THE FINANCIAL STATEMENTS

tax on leases by applying the 'integrally linked' approach, resulting in a similar outcome as under the amendments, except that the deferred tax asset or liability was recognised on a net basis. Following the amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets.

However, there was no impact on the Statement of Financial Position because the balances qualify for offset under LKAS 12. There was also no impact on the opening retained earnings as at 1st April 2023 as a result of the change. The key impact for the Group relates to disclosure of the deferred tax assets and liabilities recognised.

3.1(b) Material Accounting Policy Information

The Group also adopted Disclosure of Accounting Policies (Amendments to LKAS 1) from 1st April 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements. The amendments require the disclosure of 'material', rather than 'significant', accounting policies.

The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements. Management reviewed the accounting policies and made updates to the information disclosed in Note 3 Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments.

3.2 Basis of consolidation

The financial statements of the Company and Group comprise the Financial Statements of the Company for the year ended 31st March 2024 and its subsidiary whose financial year end is on 31st December. The difference between the reporting date of the subsidiary and that of the parent does not exceed three months but adjustments are made for any significant truncations or events upto 31st March.

3.2.1 Business Combination

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except for related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

3.2.2 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity if it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date when control ceases.

3.2.3 Non-controlling interest ("NCI")

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

3.2.4 Loss of Controls

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

3.2.1 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses (except for foreign currency transaction gains and losses) arising from intra-group transactions, are eliminated.

3.3 Foreign Currency Transactions

Transactions in foreign currencies are translated to the respective functional currency (Sri Lankan Rupees-LKR) at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items are the difference between amortized cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortized cost in foreign currency translated at the exchange rate at the end of the year.

Foreign currency differences arising on retranslation are recognized in Statement of Profit or Loss.

3.4 Financial Instruments

3.4.1 Recognition and initial measurement

The Group initially recognizes receivables and deposits on the date they are originated. All other financial assets are recognized initially on the trade date at which the Group becomes party to the contractual provision of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not an FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

3.4.1.1 Classification and subsequent measurement

3.4.1.1.1 Financial Assets

On initial recognition, a financial asset is classified as measured at; amortized cost; FVOCI –debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequently to their recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL;

- » It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- » Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL;

- » It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- » Its contractual terms give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

On the initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial assets that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

a) Business Model Assessment

The Group makes an assessment of the objectives of the business model in which a financial asset is held as a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- » The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- » How the performance of the portfolio is evaluated and reported to the Group's management.
- » The risks that affect the performance of the business model (and the financial assets held within the business model) and how those risks are managed;
- » How managers of the business are compensated – e.g. whether compensation is based on the fair value of the asset managed or the contractual cash flows collected; and
- » The frequency, volume and timing of sales of financial assets in prior periods, the reason for such sale and expectation about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

b) Assessment whether contractual cash flows are solely payment of principal and interest

For the purpose of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is

NOTES TO THE FINANCIAL STATEMENTS

defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative cost), as well as a profit margin.

In assessing whether the contractual cash flows are solely payment of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the group considers:

- » Contingent events that would change the amount or timing of cash flows
- » Terms that may adjust the contractual coupon rate, including variable rate features
- » Prepayment and extension features; and
- » Terms that limits the Group's claim to cash flows from specific assets (e.g. non-recourse features)

The prepayment feature is consistent with the solely payment of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable addition compensation for early termination of the contract.

c) Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

3.4.1.2 Financial Liabilities

i) Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost. Other financial liabilities are subsequently measured at amortized cost using effective interest method.

Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

3.4.2 Derecognition

3.4.2.1 Financial Assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

3.4.2.2 Financial Liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

3.4.3 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

3.5 Property, Plant and Equipment

3.5.1 Freehold Assets

3.5.1.1 Recognition

Property, plant and equipment are tangible items that are held for servicing, or for administrative purposes and are expected to be used during more than one period. Property, Plant and Equipment are recognized if it is probable that future economic benefits associated with the assets will flow to the Group and cost of the asset can be measured.

3.5.1.2 Measurement

Items of property, plant and equipment are measured at cost or at fair value in the case of land and buildings less accumulated depreciation and accumulated impairment losses.

The cost of property, plant and equipment includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

3.5.1.3 Subsequent Cost

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the Group and the cost of the item can be measured reliably. The cost of the day-to-day servicing of property, plant and equipment are recognized in the profit or loss.

3.5.1.4 De-recognition

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognizing 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 in the year the asset is de-recognized.

3.5.1.5 Revaluation

The Group revalues its land and buildings at least once in every five years which is measured at its fair value at the date of revaluation less any accumulated depreciation and any accumulated impairment losses. On revaluation of land and buildings, any increase in the revaluation amount is credited to the revaluation reserve in shareholder's equity unless it offsets a previous decrease in value of the same asset that was recognized in the profit or loss. A decrease in value is recognized in the profit or loss where it exceeds the increase previously recognized in the revaluation reserve. Upon disposal, any related revaluation reserve is transferred from the revaluation reserve to retained earnings and is not taken into account in arriving at the gain or loss on disposal.

3.5.1.6 Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated values using straight-line basis over the estimated useful lives, and is generally recognized in profit or loss. Freehold land is not depreciated. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately. The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Freehold Buildings	10 - 20 years
Plant, Machinery and Other Equipment	10 – 30 years
Furniture and Fittings, Office Equipment and Fire Fighting Equipment	5 - 10 years
Vats and Casks	10 years
Oil Storage Tanks	10 years
Computers	03 years
Motor Vehicles	04 – 05 years
Drums	02 years
Returnable packing materials	02 – 06 years

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is de-recognized.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.5.1.7 Capital Work-in-progress

Capital work-in-progress is stated at cost. These are expenses of a capital nature directly incurred in the construction of buildings, major plant and machinery, awaiting capitalization.

3.6 Leases

3.6.1 Group acting as a lessee

At commencement or modification of a contract that contains a lease component, the Group allocates consideration in the contract to each lease component on the basis of its stand-alone price.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability 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 end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the 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 cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its *incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by analyzing its borrowings from various

External sources and makes certain adjustments to reflect the terms of the lease and type of the lease asset.

NOTES TO THE FINANCIAL STATEMENTS

- » Lease payments included in the measurement of lease liability includes
- » Fixed payments
- » Variable lease payments that depend on an index or rate
- » Amount expected to be payable under residual value guarantee
- » The exercise price under a purchase option that the Group is reasonably certain to exercise

Lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable or if there is a fixed in substance lease payment.

When the lease liability is remeasured as such, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in the profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents the right-of-use asset and the lease liability as separate line items in the Statement of Financial Position.

Short term leases and leases of low value assets

The Group elected not to recognize right-of-use assets and lease liabilities for lease of low-value assets and short-term leases. The Group recognizes the lease payments associated with these leases as an expense on the straight-line basis.

3.6.1 The Group acting as a lessor

When the Group acts as the lessor, it determines at lease inception whether the lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of risks and rewards incidental to ownership of the underlying asset. If this is the case, lease is a finance lease; if not it is an operating lease.

When the Company is an intermediate lessor, it accounts for its interest in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the underlying asset.

The Group applies derecognition and impairment requirements in SLFRS 9 to the net investment in the lease.

3.7 Intangible Asset

3.7.1 Recognition and Measurement

An intangible asset is recognized if it is probable that future economic benefits will flow to the entity and the cost of the asset can be measured reliably in accordance with LKAS 38 "Intangible Assets". Intangible assets with finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

3.7.2 Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

3.7.3 Amortization

Amortization is calculated to write off the cost of intangible assets less their estimated residual values using straight-line basis over the estimated useful lives from the date that they are available for use and is generally recognized in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

Computer Software - 3 years

3.7.4 Derecognition

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use and subsequent disposal.

3.8 Inventories

Inventories are measured at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and selling expenses. The general basis on which cost is determined is: all inventory items, except manufactured inventories and work-in progress are measured at weighted average directly attributable cost. Manufactured inventories and work-in-progress are measured at weighted average factory cost which includes all direct expenditure and appropriate shares of production overhead based on normal operating capacity.

3.9 Impairment

3.9.1 Financial assets

Non-derivative financial assets

The Group recognizes loss allowances for Expected Credit Loss (ECL) on:

» Financial assets measured at amortised cost;

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the bank balances for which credit risk has not increased significantly since initial recognition which are measured at 12-month ECLs:

Loss allowance for trade receivables are always measured at an amount equal to lifetime ECLs.

The Group considers a financial asset to be in default when:

- » The debtors are unlikely to pay its credit obligation to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- » The financial asset is more than 365 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit impaired. A financial asset is "credit impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- » Significant financial difficulty of the borrower or issuer;
- » A breach of contract such as a default or being more than 90 days past due;
- » It is probable that the borrower will enter bankruptcy or other financial reorganization; or
- » The disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowance for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. The Group initially makes an assessment with respect to the timing and amount to write off based on whether there is a reasonable expectation of recovery.

3.9.2 Non – Financial Assets

The carrying amounts of the Group's non-financial assets, other than, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or cash generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing

value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognized in Profit or Loss. Impairment losses recognized in respect of CGUs are allocated reduce the carrying amount of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

3.10 Stated Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

3.11 Liabilities and provisions

All material liabilities as at the reporting date have been included in the statement of financial position and adequate provisions have been made for liabilities which are known to exist but the amount of which cannot be determined accurately.

Liabilities classified as current liabilities in the statement of financial position are those which will fall due for payment on demand or within one year from the reporting date. Items classified as non-current liabilities will be due for payment after one year from the reporting date.

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

If the effect 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, were appropriate, the risk specific to the liability.

3.12 Employee Benefits

3.12.1 Defined Contribution Plans

Defined contribution plan is a post-employment benefit plan under which contributions are made into a separate fund and the entity will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plan are recognized as an employee benefit expense in profit or loss in the periods during services is rendered by employees. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

NOTES TO THE FINANCIAL STATEMENTS

3.12.1.1 Employees' Provident Fund (EPF)

The Group and employees contribute in the range of 12% - 15% and 8% - 10% respectively on the basic salary of each employee to the above-mentioned fund.

3.12.1.2 Employees' Trust Fund (ETF)

The Group contributes 3% of the basic salary of each employee to the Employees' Trust Fund.

3.12.2 Defined Benefit Plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value.

The valuation is performed annually by a qualified actuary using the projected unit credit method. When the valuation results in a benefit to the Group, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. An economic benefit is available to the Group if it is realisable during the life of the plan, or on settlement of the plan liabilities. When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in profit or loss.

The Group recognizes all actuarial gains and losses arising from defined benefit plans directly in the other comprehensive income and all expenses related to defined benefit plan in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

3.12.3 Short-term Employee Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short term cash bonus if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.13 Provisions, Contingent Assets and Contingent Liabilities

Provisions are made for all obligations (legal or constructive) existing as at the reporting date when it is probable that such an obligation will result in an outflow of resources and a reliable

estimate can be made of the quantum of the outflow. The amount recognized is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation at that date.

All contingent liabilities are disclosed as a note to the Financial Statements unless the outflow of resources is remote. Contingent assets are disclosed, where inflow of economic benefit is probable.

Statement of Profit or Loss and Other Comprehensive Income

3.14 Revenue Recognition

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, taking into account contractually defined terms of payment.

3.14.1 Sale of Goods

Revenue from the sale of goods is recognized when the identified performance obligations are satisfied i.e. the Group transfers control over a good or service to a contract. Revenue is measured based on the consideration specified in a contract with a customer.

Disaggregation of revenue

SLFRS 15 requires an entity to disaggregate revenue from contracts with customers into categories that depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors. The Group's revenue represent amount received and receivable for goods supplied to the customers and no disaggregation is required.

3.15 Other Income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established.

Rental Income is recognized in profit and loss as it accrues. Gains and losses on the disposal of investments held by the Group have been accounted for in the Statement of profit or loss.

Gains and losses on the disposal of property, plant and equipment are determined by comparing the net sales proceeds with carrying amount. These are included in profit and loss.

3.16 Expenditure recognition

Expenses, including cost of sales, distribution expenses, administrative expenses, finance costs and foreign exchange losses on transactions, are recognized in profit or loss when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen and can be measured reliably.

An expense is recognized immediately in profit or loss when an expenditure produces no future economic benefits, or when, and to the extent that, future economic benefits do not qualify or cease to qualify for recognition in the statement of financial position as an asset, such as in the case of asset impairments.

3.17 Finance Income and Expenses

Finance income comprises interest income on debenture investment, interest on loans and receivables and interest on lease receivables. Interest income is recognized as it accrues in the profit or loss, using the effective interest method. Finance cost comprise interest expenses on borrowings and overdrafts and interest expenses on lease liabilities. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest rate method.

3.18 Taxation

Income tax expense comprises current, deferred tax and other statutory taxes. Income tax expense and deferred tax expense is recognized in statement of profit or loss except to the extent that it relates to items recognized directly in equity or in statement of other comprehensive income.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under LKAS 37 Provisions, Contingent Liabilities and Contingent Assets.

a) Current Income Tax

Current tax is the expected tax payable or recoverable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes. Current tax payable also includes any tax liability arising from the tax on dividend income.

Current tax assets and liabilities are offset only if certain criteria are met.

b) Deferred Tax

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

Deferred tax assets and liabilities are recognized for all temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits 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 credits and unused tax losses can be utilized.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to Income Taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

3.19 Statement of Cash Flows

The Statement of Cash Flows has been prepared using the 'Indirect Method' of preparing Cash Flows in accordance with the Sri Lanka Accounting Standard - LKAS 7 'Statement of Cash Flows.' Cash and cash equivalents comprise short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Cash and cash equivalents comprise of cash in hand and cash at banks and other highly liquid financial assets which are held for the purpose of meeting short-term cash commitments with original maturities of less than three months which are subject to insignificant risk of changes in their fair value.

3.20 Subsequent Events

All material post reporting events have been considered and where appropriate adjustments or disclosures have been made in the respective notes to the Financial Statements.

3.21 Earnings Per Share

The Group presents basic earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the Profit or Loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year.

3.22 Commitments and contingent liabilities

Contingent Liabilities are possible obligations whose existence will be confirmed only by occurrence or non-occurrence of uncertain future events not wholly within the control of the Group or present obligations where the transfer of economic benefits is not probable or cannot be reliably measured. Capital Commitment and Contingent Liabilities of the Group are disclosed in the respective notes to the Financial Statements.

3.23 Fair Value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

NOTES TO THE FINANCIAL STATEMENTS

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Group measures the fair value of an investment using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e., the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any observable inputs are judged to be measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, the difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

4. NEW ACCOUNTING STANDARD AMENDMENTS ISSUED BUT NOT EFFECTIVE AS AT THE REPORTING DATE

The Institute of Chartered Accountants of Sri Lanka has issued the following amendments to Sri Lanka Accounting Standards (SLFRSs/LKASs) which will become applicable for financial period beginning on or after 1st April 2024.

Accordingly, the Group has not applied these amendments in preparing these Financial Statements. The following amendments are not expected to have a significant impact on the Financial Statements.

- » Classification of liabilities as current or non-current (Amendments to LKAS 1).

Under the existing LKAS 1 requirement, Group classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the Board has removed the requirement for a right to be unconditional and instead, now requires that right to defer settlement must have substance and exist at the end of the reporting period.

- » Non-Current Liabilities with Covenants (Amendments to LKAS 1)
- » Lease liability in a sale and leased back (Amendment to SLFRS 16).
- » Supplier Finance Arrangements (Amendments to LKAS 7 and SLFRS 7).
- » Lack of Exchangeability (Amendments to LKAS 21).

Further, the Institute of Chartered Accountants of Sri Lanka has issued the following amendments to Sri Lanka Accounting Standards (SLFRSs/LKASs) which will become applicable for financial period beginning on or after 1st April 2025. Accordingly, the Group has not applied these standards in preparing these Financial Statements.

- » SLFRS S1 – General Requirements for Disclosure of Sustainability related Financial Information
- » SLFRS S2 – Climate Related Disclosures

5 REVENUE

	For the year ended 31st March	2024 Rs. '000	2023 Rs. '000
5.1 Revenue Streams			
Revenue from contracts with customers			
Sales of goods	115,396,167	123,357,922	
Total gross revenue (Note 5.2)	115,396,167	123,357,922	
5.2 Major Products			
Liquor bottles	115,396,167	123,357,922	
Total Gross Revenue	115,396,167	123,357,922	
Region			
Domestic sales	115,357,927	123,312,792	
Export Sales	38,240	45,130	
Total Gross Revenue	115,396,167	123,357,922	
Timing of revenue recognition			
Products transferred at a point in time	115,396,167	123,357,922	
Total Gross Revenue	115,396,167	123,357,922	

6 OTHER OPERATING INCOME

	For the year ended 31st March	2024 Rs. '000	2023 Rs. '000
Gain on sale of Property, Plant and Equipment	4,600	2,000	
Profit on Sale of Shares	1,035	-	
Rent Income	7,609	8,241	
Other Sundry Income	68,586	83,214	
Dividend Income	2	3	
Change in Fair Value of Financial Assets at Fair Value Through Profit or Loss	(1,953)	1,245	
	79,879	94,703	

7 NET FINANCE INCOME

	For the year ended 31st March	Note	2024 Rs. '000	2023 Rs. '000
7.1 Finance Income				
Interest Income on Debentures			25,500	25,500
Interest Income on Lease Receivables	13		4,043	7,165
Interest income on investments measured at amortised cost			1,011,673	1,633,037
			1,041,216	1,665,702
7.2 Finance Cost				
Interest Expense on Bank Loan and Overdrafts			(12,363)	(4,475)
Interest Expense on Lease Liability	24		(133,191)	(201,998)
			(145,554)	(206,473)
Net Finance Income			895,662	1,459,229

NOTES TO THE FINANCIAL STATEMENTS

8 PROFIT BEFORE INCOME TAX EXPENSE

Profit before income tax expense is stated after charging all the expenses including the following:

For the year ended 31st March	Note	2024 Rs. '000	2023 Rs. '000
Remuneration to Directors		133,447	174,194
Auditor's Remuneration		8,355	7,595
- Audit		4,854	2,204
- Non - audit			
Personnel Costs	8.1	3,421,293	2,903,479
Depreciation and Amortization			
Depreciation of Property, Plant and Equipment	11	523,191	507,568
Amortization of Right of Use Asset	12	415,344	459,923
Loss on Revaluation of Property, Plant and Equipment		21,178	-
Donations		1,337	269
Legal Expenses		27,334	11,946

8.1 Personnel Costs

For the year ended 31st March	Note	2024 Rs. '000	2023 Rs. '000
Salaries, Wages and Other Benefits		3,194,585	2,716,795
Defined Contribution Plans - EPF and ETF		148,751	140,494
Retirement Benefit Obligations	23.1	77,957	46,190
		3,421,293	2,903,479

9 INCOME TAX EXPENSE

For the year ended 31st March	Note	2024 Rs. '000	2023 Rs. '000
Current Tax Expense	9.1	9,589,393	12,475,985
Deferred Tax Reversal	17	(175,651)	(251,308)
		9,413,742	12,224,677

9.1 Reconciliation of Accounting Profits to Income Tax Expense

For the year ended 31st March	2024 Rs. '000	2023 Rs. '000
Profit Before Income Tax Expense	23,753,783	31,068,036
(-) Other Income/ Exempt Income	(1,054,462)	(1,760,405)
(+) Disallowable Expenses	1,365,080	1,473,739
(-) Allowable Expenses	(877,538)	(835,290)
Taxable Business Profit	23,186,863	29,946,080
Taxable Other Income	1,048,825	1,802,961
Taxable Income	24,235,688	31,749,041
Income Tax at,		
- 40%	9,274,745	11,978,432
- 30%	314,648	340,347
- 24%	-	152,689
- 14%	-	4,517
Total Current Tax Charge	9,589,393	12,475,985

For the year ended 31st March,	2024	2023
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Effective tax rate (%)	39.57%	39.30%
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As per Inland Revenue Amendment Act No.45 of 2022, the Group and Company are liable for income tax at the rates of 40% and 30% on its business income and investment income respectively. Prior to 1st October 2022, the profits from "investment income" was taxed at the rate of 24%.

9.2 Accumulated Tax Losses

	Group 2024 Rs. 'ooo
For the year ended 31st March	
Tax Losses Brought Forward	-
Acquisition through Business Combination	6,930,922
Tax Losses Carried Forward	6,930,922

10 EARNINGS PER SHARE

10.1 Basic Earnings Per Share

Basic Earnings Per Share has been calculated by dividing profit for the year attributable to Ordinary Shareholders of the group by the weighted average number of Ordinary Shares outstanding during the year.

	2024	2023
For the year ended 31st March		
Profit for the year (Rs'ooo)	14,340,041	18,843,359
Weighted Average Numbers of Ordinary Shares (ooo)	4,600,000	4,600,000
Basic Earnings per Share (Rs.)	3.12	4.10

10.2 Diluted Earnings per Share

There was no dilution of ordinary shares outstanding at any time during the year. Therefore, diluted earnings per share is same as basic earnings per share.

10.3 Dividend per Share

Equity dividend on ordinary shares declared and paid during the year.

For the year ended 31st March	2024		2023	
	Per Share	Total Rs. 'ooo	Per Share	Total Rs. 'ooo
Fourth Interim Dividend 2022/23	1.75	8,050,000	0.50	2,300,000
First Interim Dividend 2023/24	1.43	6,578,000	1.10	5,060,000
Second Interim Dividend 2023/24	0.70	3,220,000	0.60	2,760,000
	3.88	17,848,000	2.20	10,120,000

NOTES TO THE FINANCIAL STATEMENTS

11 PROPERTY, PLANT AND EQUIPMENT

11.1 Group

		Cost or Valuation						
		At the Beginning of the Year	Additions During the Year	Acquisition through business combination	Adjustment on revaluation	Revaluation Surplus	Disposals/ Write Offs	At the End of the Year
	Note	Rs. 'ooo	Rs. 'ooo	Rs. 'ooo	Rs. 'ooo	Rs. 'ooo	Rs. 'ooo	Rs. 'ooo
Land	11.3	2,000.317	-	5,200	-	554.859	-	2,560.376
Buildings	11.3	2,023.737	-	501,000	(598,878)	1,155.183	-	3,081,042
Buildings Constructed on Leasehold Lands	11.3	115.932	-	-	(34,098)	54.976	-	136,810
Plant, Machinery and Other Equipment	3,846.862	66,556	3,004,101	-	-	-	-	6,917,519
Motor Vehicles	619.886	5,000	35,555	-	-	-	(2,200)	658,241
Furniture, Fittings and Office Equipment	69,974	-	254,752	-	-	-	-	324,726
Computer Equipment	62,692	1,688	-	-	-	-	-	64,380
Fire Fighting Equipment	4,883	-	-	-	-	-	-	4,883
Oil Storage Tanks	315	-	-	-	-	-	-	315
Vats and Casks	72,918	-	-	-	-	-	-	72,918
Drums	80	-	-	-	-	-	-	80
Equipment/ Commercial Assets	-	-	223,175	-	-	-	-	223,175
Returnable packing materials	-	-	1,415,037	-	-	-	-	1,415,037
Total Freehold Property, Plant and Equipment		8,817,596	73,244	5,438,820	(632,976)	1,765,018	(2,200)	15,459,502
Capital Work In Progress				167,295				167,295
Total Property, Plant and Equipment		8,817,596	73,244	5,606,115	(632,976)	1,765,018	(2,200)	15,626,797

11.2 Company

		Cost or Valuation						
		At the Beginning of the Year	Additions During the Year	Adjustment on revaluation	Revaluation Surplus	Disposals/ Write Offs	At the End of the Year	
	Note	Rs. 'ooo	Rs. 'ooo	Rs. 'ooo	Rs. 'ooo	Rs. 'ooo	Rs. 'ooo	
Land	11.3	2,000.317	-	-	554.859	-	2,555.176	
Buildings	11.3	2,023.737	-	(598,878)	1,155.183	-	2,580,042	
Buildings Constructed on Leasehold Lands	11.3	115.932	-	(34,098)	54.976	-	136,810	
Plant, Machinery and Other Equipment	3,846.862	66,556	-	-	-	-	3,913,418	
Motor Vehicles	619,886	5,000	-	-	-	(2,200)	622,686	
Furniture, Fittings and Office Equipment	69,974	-	-	-	-	-	69,974	
Computer Equipment	62,692	1,688	-	-	-	-	64,380	
Fire Fighting Equipment	4,883	-	-	-	-	-	4,883	
Oil Storage Tanks	315	-	-	-	-	-	315	
Vats and Casks	72,918	-	-	-	-	-	72,918	
Drums	80	-	-	-	-	-	80	
Total Property, Plant and Equipment		8,817,596	73,244	(632,976)	1,765,018	(2,200)	10,020,682	

At the Beginning of the Year	Accumulated Depreciation					Carrying Value As at 31 March 2024
	Charge for the Year	Acquisition through Business Combination	Adjustment on revaluation	Disposals/ Write Offs	At the End of the Year	
	Rs. 'ooo	Rs. 'ooo	Rs. 'ooo	Rs. 'ooo	Rs. 'ooo	
-	-	-	-	-	-	2,560,376
478,620	120,258	-	(598,878)	-	-	3,081,042
27,279	6,819	-	(34,098)	-	-	136,810
3,207,206	320,682	1,885,889	-	-	5,413,777	1,503,742
422,553	71,983	35,555	-	(2,200)	527,891	130,350
63,636	1,989	191,502	-	-	257,127	67,599
61,259	1,058	-	-	-	62,317	2,063
4,753	68	-	-	-	4,821	62
315	-	-	-	-	315	-
70,167	334	-	-	-	70,501	2,417
80	-	-	-	-	80	-
-	-	123,775	-	-	123,775	99,400
-	-	1,089,148	-	-	1,089,148	325,889
4,335,868	523,191	3,325,869	(632,976)	(2,200)	7,549,752	7,909,750
-	-	-	-	-	-	167,295
4,335,868	523,191	3,325,869	(632,976)	(2,200)	7,549,752	8,077,045

At the Beginning of the Year	Accumulated Depreciation					Carrying Value As at 31 March 2024
	Charge for the Year	Adjustment on revaluation	Disposals/ Write Offs	At the End of the Year		
	Rs. 'ooo	Rs. 'ooo	Rs. 'ooo	Rs. 'ooo	Rs. 'ooo	
-	-	-	-	-	-	2,555,176
478,620	120,258	(598,878)	-	-	-	2,580,042
27,279	6,819	(34,098)	-	-	-	136,810
3,207,206	320,682	-	-	3,527,888	-	385,530
422,553	71,983	-	(2,200)	492,336	-	130,350
63,636	1,989	-	-	65,625	-	4,349
61,259	1,058	-	-	62,317	-	2,063
4,753	68	-	-	4,821	-	62
315	-	-	-	315	-	-
70,167	334	-	-	70,501	-	2,417
80	-	-	-	80	-	-
4,335,868	523,191	(632,976)	(2,200)	4,223,883	-	5,796,799
					-	4,481,728

NOTES TO THE FINANCIAL STATEMENTS

11.3 Revaluation of Lands and Buildings

11.3.1 Details of Lands and Buildings stated at Valuation

Distilleries Company of Sri Lanka PLC

A Valuation of freehold Lands and Buildings of Distilleries Company of Sri Lanka PLC was carried out by incorporated valuer Mr. S. Sivaskanthan as at 31st March 2024 using "Comparable Market Value" method and "Depreerated Replacement Cost" method incorporated in the financial statements of the Group. The surplus on revaluation of Land and Buildings has been credited to the revaluation reserve while loss being charged to Profit and Loss.

Location	Land Extent	Building Area	Number of Buildings	Revalued Amount	
				Land	Building
				Sq.Ft.	Rs'ooo
Hatton - Norwood Road,Dickoya	-	18,286	4	-	136,810
No.18, Sri Saddatissa Road, Kaluhara North, Kaluthara	01A - 00R - 23P	-	-	56,730	-
No.375,Dutugemunu Mawatha, Mawilmada, Kandy	02A - 00R - 00P	-	-	67,340	-
No.375/1-2,Dutugemunu Mawatha, Mawilmada, Kandy	00A - 01R - 20P	-	-	21,000	-
1st Lane Off New Nuge Road, Peliyagoda.	-	15,406	4	-	57,500
No.35/12, Bandarawaththa Road, Seeduwa	15A - 02R - 17.09P	192,069	18	1,785,419	2,230,855
No.35/13, Distillery Road, Seeduwa	00A - 00R - 16.70P	-	-	13,336	-
No.35/13B, Distillery Road, Seeduwa	00A - 00R - 16.70P	-	-	13,336	-
No.37/8A, Distillery Road, Seeduwa	00A - 00R - 13.25P	-	-	10,600	-
No.37/20A, Distillery Road, Seeduwa	00A - 00R - 08P	-	-	5,600	-
No.65/84, Distillery Road, Seeduwa	05A - 02R - 15.10P	101,611	22	581,815	291,687
				2,555,176	2,716,852

DCSL Breweries Company Limited

A Valuation of freehold Lands and Buildings of DCSL Breweries Company Limited was carried out by incorporated valuer Mr. S. Sivaskanthan as at 31st March 2024 using "Comparable market value" method and "Depreerated Replacement Cost" method incorporated in the financial statements of the Group. The Board of Directors of the Group are of the view that the fair values of lands and buildings based on the revaluation carried out as at 31st March 2024 represent the market value of the properties at the date of acquisition of the subsidiary. Therefore, revaluation surplus related to these properties were considered as a part of the fair value of identifiable assets at the date of acquisition.

Location	Land Extent	Building Area	Number of Buildings	Revalued Amount	
				Land	Building
				Sq.Ft.	Rs'ooo
Anankele - Doluwa road, Hakirilla, Wewalagama.	01A - 02R - 20P	-	-	2,400	-
Millawa, Kurunegala.	00A - 00R - 28P	-	-	2,800	-
Kandy road, Kottikapola, Mawathagama.	-	98,214	10	-	501,000
				5,200	501,000

11.3.2 Measurement of Fair Values

(i) Fair value hierarchy

The fair value of lands and buildings of the Group and Company were determined by external, independent property valuer (Mr. S. Sivaskantha, F.I.V (Sri Lanka)), having appropriate recognized professional qualifications and recent experience in the location and category of the property being valued.

The fair value measurement for all lands and buildings have been categorised as level 3 fair value based on the inputs to the valuation techniques used.

(ii) **Valuation technique and significant unobservable inputs**

The market value has been used as the fair value of property. In determining the revalued amounts, the condition of the properties and future usability have been considered. Valuer has also made reference to market evidence of transaction prices for similar properties, with appropriate adjustments for size, usage and location. Accordingly, the lands and buildings have been valued on an open market value on existing use basis.

Sensitivity of the Company's lands and buildings stated at valuation are indicated below:

	Total Lands sensitivity on per perch value			Total Buildings sensitivity on per square feet		
	+5%	Value as stands	-5%	+5%	Value as stands	-5%
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Company	2,682,935	2,555,176	2,427,418	2,852,696	2,716,853	2,581,011
Group	2,688,395	2,560,376	2,432,357	3,378,745	3,217,852	3,056,959

Distilleries Company of Sri Lanka PLC

Location	Effective date of Valuation	Significant unobservable inputs		Sensitivity of fair value to unobservable inputs
		Lands	Buildings	
Hatton - Norwood Road,Dickoya	31st March 2024	-	Estimated price per Square feet - Rs. 4,000 - Rs. 10,000	Positively correlated sensitivity
No.18, Sri Saddatissa Road, Kaluhara North , Kaluthara	31st March 2024	Estimated price per perch - Rs. 310,000	-	Positively correlated sensitivity
No.375,Dutugemunu Mawatha, Mawilmada, Kandy.	31st March 2024	Estimated price per perch - Rs. 227,500	-	Positively correlated sensitivity
No.375/1-2,Dutugemunu Mawatha, Mawilmada, Kandy.	31st March 2024	Estimated price per perch - Rs. 350,000	-	Positively correlated sensitivity
1st Lane Off New Nuge Road, Peliyagoda.	31st March 2024	-	Estimated price per Square feet - Rs. 4,250 - Rs. 6,500	Positively correlated sensitivity
No.35/12, Bandarawaththa Road, Seeduwa.	31st March 2024	Estimated price per perch - Rs. 715,000	Estimated price per Square feet - Rs. 3,250 - Rs. 17,000	Positively correlated sensitivity
No.35/13, Distillery Road, Seeduwa.	31st March 2024	Estimated price per perch - Rs. 798,563	-	Positively correlated sensitivity
No.35/13B, Distillery Road, Seeduwa.	31st March 2024	Estimated price per perch - Rs. 798,563	-	Positively correlated sensitivity
No.37/8A, Distillery Road, Seeduwa.	31st March 2024	Estimated price per perch - Rs. 800,000	-	Positively correlated sensitivity
No.37/20A, Distillery Road, Seeduwa.	31st March 2024	Estimated price per perch - Rs. 700,000	-	Positively correlated sensitivity
No.65/84, Distillery Road, Seeduwa.	31st March 2024	Estimated price per perch - Rs. 650,000	Estimated price per Square feet - Rs. 3,000 - Rs. 6,250	Positively correlated sensitivity

NOTES TO THE FINANCIAL STATEMENTS

DCSL Breweries Company Limited

Location	Effective date of Valuation	Significant unobservable inputs		Sensitivity of fair value to unobservable inputs
		Lands	Buildings	
Anankele - Doluwa road, Hakirilla, Wewalagama.	31st March 2024	Estimated price per perch - Rs. 9,375	-	Positively correlated sensitivity
Millawa, Kurunegala.	31st March 2024	Estimated price per perch - Rs. 100,000	-	Positively correlated sensitivity
Kandy road, Kottikapola, Mawathagama.	31st March 2024	-	Estimated price per square feet Rs. 4,000 - Rs. 17,500	Positively correlated sensitivity

11.4 The carrying amount of revalued land and buildings if they were carried at cost less depreciation would be as follows;

	2024				2023	
	Group		Company		Company	Company
	Lands Rs.'ooo	Buildings Rs.'ooo	Lands Rs.'ooo	Buildings Rs.'ooo	Lands Rs.'ooo	Buildings Rs.'ooo
Cost	168,698	444,859	164,956	46,248	164,956	46,248
Accumulated Depreciation	-	(385,848)	-	(46,248)	-	(46,248)
Carrying Value	168,698	59,011	164,956	-	164,956	-

11.5 Gross Carrying Value of Fully Depreciated Assets

The cost of the fully depreciated assets of the Group and Company amounting to Rs.3,109 Mn and Rs.1,193 Mn (2023 - Rs.1,162 Mn) respectively.

11.6 Property, Plant and Equipment that have been Pledged

There were no items of Property, Plant and Equipment pledged as security as at 31st March 2024. (2023 - None)

12 RIGHT OF USE ASSETS

12.1 Group

For the year ended 31st March	2024		
	Land and Building Rs. 'ooo	Motor vehicles Rs. 'ooo	Total Rs. 'ooo
Cost			
Balance as at 1st April	1,456,292	1,200,063	2,656,355
Acquisition through Business Combination	108,017	60,275	168,292
Balance at 31st March	1,564,309	1,260,338	2,824,647
Accumulated Amortization			
Balance as at 1st April	917,389	800,042	1,717,431
Charge for the year	132,705	282,639	415,344
Acquisition through Business Combination	66,263	47,005	113,268
Balance at 31st March	1,116,357	1,129,686	2,246,043
Net Carrying Value	447,952	130,652	578,604

12.2 Company

For the year ended 31st March	2024			Total Rs. 'ooo	2023 Total Rs. 'ooo
	Land and Building Rs. 'ooo	Motor vehicles Rs. 'ooo	Total Rs. 'ooo		
Cost					
Balance as at 1st April	1,456.292	1,200,063	2,656.355	2,656.355	2,656.355
Balance at 31st March	1,456.292	1,200,063	2,656.355	2,656.355	2,656.355
Accumulated Amortization					
Balance as at 1st April	917.389	800,042	1,717,431	1,257,508	
Charge for the year	132,705	282,639	415,344	459,923	
Balance at 31st March	1,050,094	1,082,681	2,132,775	1,717,431	
Net Carrying Value	406,198	117,382	523,580	938,924	

Land and Buildings

The Group and Company has presented the right of use assets arising from lands and buildings together since the lease agreements are related to both assets.

13 NET INVESTMENT IN SUB LEASE

	Group / Company		Company 2023 Rs. 'ooo	
	2024			
	Rs. 'ooo			
Balance as at 1st April		36,774	50,310	
Interest Income on net lease receivables		4,043	7,165	
Settlements during the year		(20,701)	(20,701)	
Balance as at 31st March		20,116	36,774	
Lease receivables				
Non Current Assets		-	20,116	
Current Assets		20,116	16,658	
		20,116	36,774	

- 13.2** The Group has sub leased a warehouse building that it obtained on lease for a term of 6 years. This sub lease is classified as a finance lease because the sub lease is for the entire term of the head lease.

The following table sets out a maturity analysis for the undiscounted lease payments to be received after the reporting period.

	2024		2023 Rs. 'ooo
	Rs. 'ooo		
Less than 1 year		20,701	20,701
1 to 2 years		-	20,701
Total undiscounted lease payments receivables		20,701	41,402
Unearned finance income		(585)	(4,628)
Net investment in the lease		20,116	36,774

NOTES TO THE FINANCIAL STATEMENTS

14 INTANGIBLE ASSETS

As at 31st March	Group		Company
	2024		2024
	Rs. 'ooo	Rs. 'ooo	Rs. 'ooo
Cost			
Balance at 1st April		23,640	23,640
Acquisition through Business Combination		508,899	-
Balance at 31st March		532,539	23,640
Accumulated amortization			
Balance at 1st April		23,640	23,640
Acquisition through Business Combination		453,815	-
Balance at 31st March		477,455	23,640
Net Carrying Value		55,084	-

Intangible assets includes software which is not an intangible part of the related hardwares.

15 INVESTMENTS IN SUBSIDIARIES

As at 31st March	2024			2023		
	Note	Number of Shares	Effective Holding %	Cost Rs. 'ooo	Number of Shares	Effective Holding %
DCSL Breweries Lanka Limited	15.1	1,446,476,178	99.42%	4,169,978	-	-
AION SG Residencies (Private) Limited		2,500,000	100%	25,000	2,500,000	100%
Less : Provision for Impairment				(25,000)		(25,000)
				4,169,978		-

15.1 Acquisition of Subsidiary

On 10th of January 2024, Distilleries Company of Sri Lanka PLC acquired 99.42 % of the shares and voting interest in DCSL Breweries Lanka Limited (formally known As Heineken Lanka Limited). The Board of Directors of the Company consolidated 31st December 2023 as the effective date of acquisition for the preparation of consolidated Financial Statements.

15.1.1 Consideration Transferred

The following table summaries the acquisition date fair value of each major class of consideration transferred.

As at 31st March,		Amount
	Note	Rs. 'ooo
Cash		803,962
Settlement of Existing Liabilities of the acquire	15.1.1	3,366,016
Total Consideration		4,169,978

15.1.1.1 Settlement of Existing Liability in the Company

The Company has settled external debts owed by the acquire amounting to Rs. 3.37 Bn as a part of the consideration transferred on the acquisition of the Company.

15.1.2 Acquisition - related costs

The Company has incurred acquisition related costs of Rs. 2 Mn on legal fees and due diligence. These costs have been included under "administrative expenses".

15.1.3 Identifiable assets acquired and liabilities assumed

The following table summarises the recognized amounts of assets and liabilities assumed at the date of acquisition.

As at 31st December	Note	Amount Rs. 'ooo
Property, plant and equipment	11.1	2,280,246
Right of use asset	12.1	55,024
Intangible assets	14	55,084
Inventories		983,422
Trade and other receivables		1,793,680
Cash and Cash equivalents		14,613
Deferred Tax Liability	17	(177,379)
Lease Liabilities	24.1	(66,608)
Retirement benefit obligations	23	(67,045)
Trade and other payables		(805,821)
Bank overdrafts		(15,376)
Total identifiable net assets acquired		4,049,840

Fair Value - Land and buildings

As explained in note 11.3 to the financial statements, the fair value of land and buildings of the subsidiary as at 31st March 2024 were considered as the fair values of land and buildings of the acquiree at the effective date of acquisition.

15.1.3.1 Impairment of Goodwill on acquisition

As required by LKAS 36 - "Impairment of Assets", the Group assessed the impairment of goodwill on acquisition of the subsidiary as at 31st March 2024. The Group concluded that the consideration paid at the time of acquisition reflects a valid reference value for the recoverable value of the subsidiary as at 31st March 2024 since the time gap between the date of acquisition and the reporting date is only 3 months and no significant circumstances have arisen to suggest a reduction in the fair value of the acquiree compared to the date of acquisition. Accordingly, the Group concluded that no provision for impairment is required for the goodwill on consolidation as at 31st March 2024.

15.1.3.2 Measurement of fair values

The Valuation techniques used for measuring the fair value of material assets acquired were as follows.

Assets acquired	Valuation Technique
Property Plant and Equipment	Market Comparison technique and cost technique. The valuation method considers market prices for similar items when they are available, and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolesces.

The Trade receivables comprise gross contractual amounts due of Rs. 1,443 Mn of which Rs. 450 Mn was expected to be uncollectable at the date of acquisition.

15.1.4 Goodwill on acquisition

Goodwill arising from acquisition has been recognized as follows.

As at 31st March	Note	Amount Rs. 'ooo
Consideration transferred	15.1.1	4,169,978
NCI based on their proportionate interest in the recognized amounts the assets and liabilities		23,489
Fair Value of Identifiable net assets	15.1.3	(4,049,840)
Goodwill		143,627

NOTES TO THE FINANCIAL STATEMENTS

The goodwill is attributable mainly to the brand names of DCSL Breweries Lanka Limited (Previously known as Heineken Lanka Limited), and the synergies expected to be achieved from integrating the Company in to the Group's existing standard business. None of the goodwill recognised is expected to be deductible for tax purpose.

15.1.5 Consideration paid net of cash acquired

	2024 Rs. 'ooo
Consideration transferred	4,169,978
Less: Cash and cash equivalents acquired	763
Tax Losses Carried Forward	4,170,741

Non Controlling Interest

The following table summarize the information relating to the subsidiary of the company that has material NCI before any intra group eliminations.

As at 31st December	Amount Rs. 'ooo
NCI percentage	0.58%
Non - current assets	2,390,354
Current assets	2,791,715
Non - current liabilities	(311,032)
Current liabilities	(821,197)
Net assets	4,049,840
Net assets attributable to NCI	23,489

16 OTHER FINANCIAL INVESTMENTS

	Note	Group / Company 2024 Rs. 'ooo	Company 2023 Rs. 'ooo
Non Current Investments			
Financial assets measured at Fair Value Through Other Comprehensive Income	16.1	2,465,438	1,900,485
		2,465,438	1,900,485
Current Investments			
Financial assets measured at Fair Value Through Profit or Loss	16.2	90,771	22,459
		90,771	22,459

16.1 Financial Assets measured at Fair Value Through Other Comprehensive Income

The Group designated the investments shown below as Financial Assets measured at Fair Value Through Other Comprehensive Income because these investments represent instruments that the Group intends to hold for the long term for strategic purposes.

	Note	Group / Company 2024 Rs. 'ooo	Company 2023 Rs. 'ooo
Quoted Equity Securities	16.1.1	2,465,431	1,701,430
Unquoted Equity Securities	16.1.2	7	7
Investment in Debentures	16.1.3	-	199,048
		2,465,438	1,900,485

16.1.1 Quoted Equity Securities

As at 31st March	Group / Company 2024			Company 2023		
	No. of shares/Units	Cost	Fair value	No. of shares/Units	Cost	Fair value
		Rs. 'ooo	Rs. 'ooo		Rs. 'ooo	Rs. 'ooo
Bank, Finance and Insurance						
Hatton National Bank PLC	13,696,840	3,007,241	2,465,431	13,138,456	3,007,241	1,701,430
Total Quoted Equity Securities		3,007,241	2,465,431		3,007,241	1,701,430

The fair value of quoted investments are calculated based on the market prices as at 31st March 2024.

16.1.2 Unquoted Equity Securities

As at 31st March	Group / Company 2024			Company 2023		
	No. of shares/Units	Cost	Fair value	No. of shares/Units	Cost	Fair value
		Rs. 'ooo	Rs. 'ooo		Rs. 'ooo	Rs. 'ooo
Amethyst Leisure Limited	214,080,600	271,489	-	214,080,600	271,489	-
International Distilleries Lanka Limited	100	3	3	100	3	3
W.M.Mendis & Co., Limited	200	4	4	200	4	4
		271,496	7		271,496	7

No strategic investments were disposed during 2023/24, and these were no transfers of any cumulative gain or loss within equity relating to these investments.

Investments valued at Level 3 fair value inputs (Unquoted Equity Securities)

(a) Fair value hierarchy

The fair value measurement of unquoted equity securities were measured at level 3 fair value based assumptions.

b) Valuation technique and significant unobservable inputs

Following table shows the valuation techniques used in measuring Level 3 fair value of equity securities as well as the significant unobservable inputs used for the valuation as at 31st March 2024.

Type	Valuation Technique used	Significant Unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Unquoted Equity Securities			
Amethyst Leisure Limited	Net asset basis	Book values of net assets	Positively correlated sensitivity
International Distilleries Lanka Limited	Net asset basis	Book values of net assets	Positively correlated sensitivity
W.M. Mendis & Co., Limited	Net asset basis	Book values of net assets	Positively correlated sensitivity

The fair value is calculated using the net book value of net assets using the most recent financial statements.

NOTES TO THE FINANCIAL STATEMENTS

16.1.3 Investment in Debentures

As at 31st March	Group / Company			Company		
	2024		Fair value Rs. 'ooo	No. of shares/Units	2023	
	No. of shares/Units	Cost Rs. 'ooo			Cost Rs. 'ooo	Fair value Rs. 'ooo
DFCC Bank PLC	-	-	-	2,000,000	200,000	199,048
	-	-	-		200,000	199,048

These debentures were matured during the year ended 31st March 2024.

16.2 Financial Assets measured at fair value through profit or loss (FVTPL)

Quoted Equity Securities	Note	Group / Company		Company	
		2024 Rs. 'ooo	2023 Rs. 'ooo	2023 Rs. 'ooo	2023 Rs. 'ooo
Quoted Equity Securities	16.2.1	90,771	90,771	22,459	22,459

16.2.1 Quoted Equity Securities

As at 31st March	Group / Company			Company	
	2024		Fair value Rs. 'ooo	2023	
	No. of shares/ Units	Rs. 'ooo		No. of shares/ Units	Fair value Rs. 'ooo
Hotel and Travels					
The Kingsbury Hotel PLC		1,237,200	13,362	1,237,200	7,349
John Keells Hotels PLC		-	-	388,850	12,248
Diversified Investments					
Softlogic Holdings PLC		180,000	1,620	180,000	2,862
Bank and Finance					
Cargills Bank PLC		9,593,555	75,789	-	-
Total Quoted Equity Securities -Fair Value Through Profit or Loss			90,771		22,459

The fair value of quoted investments are calculated based on the market prices as at 31st March 2024.

17 NET DEFERRED TAX LIABILITIES

As at 31st March	Group		Company		2023 Rs. '000	
	2024		2024			
	Rs. '000	Rs. '000	Rs. '000	Rs. '000		
Balance as at 1 April			1,232,074	1,232,074	1,523,150	
Charge / (Reversal) during the year			568,459	568,459	(291,076)	
Acquisition through business combination			177,379	-	-	
Balance as at 31st March			1,977,912	1,800,533	1,232,074	

Group	2024					Balance as at 31st March 2024 Rs. '000	
	Balance as at 1st April 2023 Rs. '000	Recognised in Profit or Loss Rs. '000	Recognised in Other Comprehensive Income Rs. '000	Acquisition through business combination Rs. '000			
				Rs. '000			
On Property, Plant and Equipment	390,592	(111,638)	-	128,395	407,349		
On Revaluation Surplus on Lands and Buildings	1,169,758	-	714,478	177,379	2,061,615		
On net investment in Sublease	14,710	(6,664)	-	-	8,046		
On Right of Use Asset	375,570	(166,138)	-	22,010	231,442		
On Retirement Benefit Obligations	(125,267)	(20,735)	29,632	(26,818)	(143,188)		
On Provision for slow moving inventory	(105,278)	(70,321)	-	-	(175,599)		
On Lease Liability	(488,011)	199,845	-	(26,643)	(314,809)		
On Accumulated Tax Losses	-	-	-	(96,944)	(96,944)		
	1,232,074	(175,651)	744,110	177,379	1,977,912		

17.1 Movement in Recognized Deferred Tax Assets and Liabilities

Company	2024				2023			
	Balance as at 1st April 2023 Rs. '000	Recognised in Profit or Loss Rs. '000	Recognised in Other Comprehensive Income Rs. '000	Balance as at 31st March 2024 Rs. '000	Balance as at 1st April 2022 Rs. '000	Recognised in Profit or Loss Rs. '000	Recognised in Other Comprehensive Income Rs. '000	Balance as at 31st March 2023 Rs. '000
					Rs. '000	Rs. '000	Rs. '000	Rs. '000
On Property, Plant and Equipment	390,592	(111,638)	-	278,954	500,894	(110,302)	-	390,592
On Revaluation Surplus on Lands and Buildings	1,169,758	-	714,478	1,884,236	1,169,758	-	-	1,169,758
On net investment in Sublease	14,710	(6,664)	-	8,046	20,124	(5,414)	-	14,710
On Right of Use Asset	375,570	(166,138)	-	209,432	559,539	(183,969)	-	375,570
On Retirement Benefit Obligations	(125,267)	(20,735)	29,632	(116,370)	(70,003)	(15,496)	(39,768)	(125,267)
On Provision for slow moving inventory	(105,278)	(70,321)	-	(175,599)	-	(105,278)	-	(105,278)
On Lease Liability	(488,011)	199,845	-	(288,166)	(657,162)	169,151	-	(488,011)
	1,232,074	(175,651)	744,110	1,800,533	1,523,150	(251,308)	(39,768)	1,232,074

NOTES TO THE FINANCIAL STATEMENTS

17.2 The recognized deferred tax (assets)/liabilities of the company is attributable to the following

For the year ended 31st March	Group				Company	
	2024		2024		2023	
	Taxable / (Deductible)		Taxable / (Deductible)		Taxable / (Deductible)	
	Temporary Difference	Tax effect	Temporary Difference	Tax effect	Temporary Difference	Tax effect
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
On Property Plant and Equipment	1,018,373	407,349	697,385	278,954	976,481	390,592
On Revaluation Surplus on Lands and Buildings	5,154,037	2,061,615	4,710,590	1,884,236	2,924,394	1,169,758
On net investment in Sublease	20,116	8,046	20,116	8,046	36,774	14,710
On Right of use asset	578,604	231,442	523,580	209,432	938,924	375,570
On Retirement Benefit Obligation	(357,969)	(143,188)	(290,924)	(116,370)	(313,168)	(125,267)
On Provision for slow moving inventory	(438,997)	(175,599)	(438,997)	(175,599)	(263,195)	(105,278)
On Lease Liability	(787,022)	(314,809)	(720,414)	(288,166)	(1,220,027)	(488,011)
On Accumulated Tax Losses	(242,360)	(96,944)	-	-	-	-
	4,944,782	1,977,912	4,501,336	1,800,533	3,080,183	1,232,074

Deferred Tax of the Company is calculated at the normal business tax rate of 40% (2023 : 40%).

Unrecognized Deferred Tax Asset

Deferred tax asset of Rs. 2,675,425 Mn as at 31st March 2024 arising out of the below temporary difference related to the subsidiary has not been recognised since it is not probable that future taxable profits will be available against which the Group will utilize the benefits therefrom.

As at 31st March	Group		Temporary Difference Rs.'000	Tax Effect Rs.'000
	2024	2024		
On Accumulated Tax Losses			6,688,562	2,675,425
			6,688,562	2,675,425

18 INVENTORIES

As at 31st March	Note	Group		Company
		2024 Rs.'000	2024 Rs. '000	2023 Rs. '000
Raw Materials		3,469,950	3,112,188	2,230,234
Packing Material		1,931,563	1,642,745	2,302,465
Work in Progress		636,208	510,639	561,331
Finished Goods		1,283,687	1,090,821	1,307,374
Input Materials, Consumables and Spares		919,493	711,309	684,602
		8,240,901	7,067,702	7,086,006
Less: Provision for Slow Moving and Obsolete Inventories	18.1	(628,774)	(438,997)	(263,195)
		7,612,127	6,628,705	6,822,811

18.1 Provision for slow moving inventories

As at 31st March	Group		Company
	2024	2024	2023
	Rs.'000	Rs. '000	Rs. '000
Balance as at 1st April	263,195	263,195	5,443
Provision made during the year	175,802	175,802	257,752
Acquisition through business combination	189,777	-	-
Balance as at 31st March	628,774	438,997	263,195

19 TRADE AND OTHER RECEIVABLES

As at 31st March	Group		Company	
	2024	2024	2023	
	Note	Rs.'000	Rs. '000	Rs. '000
Trade Receivables		7,707,371	6,264,821	5,156,869
Allowance for impairment of Trade receivables	19.1	(450,739)	-	-
		7,256,632	6,264,821	5,156,869
Other Financial Receivables		229,445	-	150
Refundable Deposits		52,172	7,426	6,721
Prepayments and Advances		4,179,632	3,816,178	4,327,641
Accrued Income		233,307	70	30,435
Other Non Financial Receivables		99,201	99,201	193,202
Other receivables		16,180	-	-
		12,066,569	10,187,696	9,715,018
Less: Provision for Impairment of other Receivables	19.2	(237,809)	(152,729)	(137,129)
		11,828,760	10,034,967	9,577,889

19.1 Provision for impairment of Trade Receivables

As at 31st March	Group		Company
	2024	2024	2023
	Rs.'000	Rs. '000	Rs. '000
Balance as at 1st April	-	-	-
Acquisition through business combination	450,739	-	-
Balance as at 31st March	450,739	-	-

19.2 Provision for impairment of Other Receivables

As at 31st March	Group		Company
	2024	2024	2023
	Rs.'000	Rs. '000	Rs. '000
Balance as at 1st April	137,129	137,129	137,129
Provision made during the year	15,600	15,600	-
Acquisition through business combination	85,080	-	-
Balance as at 31st March	237,809	152,729	137,129

NOTES TO THE FINANCIAL STATEMENTS

20 CASH AND CASH EQUIVALENTS

As at 31st March	Group		Company
	2024	2024	2023 Rs.'ooo
	Rs.'ooo	Rs. 'ooo	
Favourable Balances			
Cash at Bank	470,992	456,379	1,390,784
Cash in Hand	9,066	9,066	10,700
Cash in Transit	73,686	73,686	49,728
	553,744	539,131	1,451,212
Unfavourable Balances			
Bank Overdraft	15,376	-	-
	15,376	-	-
Cash and Cash Equivalents for Cash Flows purpose	538,368	539,131	1,451,212

21 STATED CAPITAL

As at 31st March	Group / Company		Company	
	2024		2023	
	No. of shares/ Units	Fair value Rs. 'ooo	No. of shares/ Units	Fair value Rs. 'ooo
Balance as at 1st April	4,600,000,000	3,000,000	4,600,000,000	3,000,000
Balance at the 31st March	4,600,000,000	3,000,000	4,600,000,000	3,000,000

The Group's Stated Capital consists with fully paid Ordinary Shares which provides entitlement to its holders to receive dividends as declared from time to time and to vote per share at a meeting of the Group.

22 RESERVES

As at 31st March	Note	Group / Company		Company
		2024	Rs.'ooo	2023 Rs. 'ooo
Capital Reserves				
Capital Reserves	22.1	107,882		107,882
Revaluation Reserve	22.2	2,826,354		1,754,636
Total Capital Reserves		2,934,236		1,862,518
Revenue Reserves				
General Reserve	22.3	10,000		10,000
FVOCI Reserve	22.4	1,227,812		462,859
Total Revenue Reserves		1,237,812		472,859
Total Reserves		4,172,048		2,335,377

22.1 Capital Reserves

Capital reserve comprises profits retained in order to utilize for the capital commitments.

22.2 Revaluation Reserve

The Revaluation Reserve comprises of the gain arisen from the revaluation of Property, Plant and Equipment. This reserve is realized upon the derecognition of the revalued Property, Plant and Equipment.

22.3 General Reserve

General reserve reflects the amount the Group has reserved over the years from its earnings.

22.4 FVOCI Reserve

This represents the cumulative net change in the fair value of Financial Assets Measured at FVOCI financial assets until the investments are derecognised.

23 RETIREMENT BENEFIT OBLIGATIONS

As at 31st March Note	Group		Company
	2024 Rs.'000	2024 Rs. '000	2023 Rs. '000
Balance as at 1st April	313,168	313,168	175,007
Expense Recognized in the Statement of Profit or Loss	23.1	77,957	46,190
Actuarial (Gain)/ Loss Recognized in Other Comprehensive Income		(74,079)	99,421
Benefits Paid by the Plan		(26,122)	(7,450)
Acquisition through Business Combination		67,045	-
Balance as at 31st March	357,969	290,924	313,168

23.1 Expense Recognized in the Income Statement

As at 31st March	Group / Company		Company
	2024 Rs.'000	2023 Rs. '000	2023
Current Service Costs	21,587	19,064	
Interest Costs	56,370	27,126	
	77,957	46,190	

LKAS 19 - Employee Benefit requires the use of actuarial techniques to make a reliable estimate of the amount of the retirement benefit as per Projected Unit Credit Method in order to determine the present value of the retirement benefit obligation as at the reporting date. The following key assumptions were made in computing the retirement gratuity obligation as at the reporting date. The Group has made payments in accordance with Gratuity Act No.12 of 1983.

Distilleries Company of Sri Lanka PLC

The Company engaged an external independent valuer, Actuarial & Management Consultants (Private) Limited to estimate the retirement benefit obligation as at 31st March 2024.

DCSL Breweries Lanka Limited

The Company engaged an external independent valuer, Smiles Global (Private) Limited to estimate the retirement benefit obligation as at 31st December 2023.

In addition to the above, demographic assumptions such as materiality, withdrawal and disability, and retirement age were considered for the actuarial valuation. A 1967/70 materiality table issued by Institute of Actuaries, Landon was used to estimate the retirement benefit obligation of the Group.

NOTES TO THE FINANCIAL STATEMENTS

Following key assumptions were met in the valuation of retirement benefit obligation of the Group and Company.

23.2 Actuarial Assumptions

As at 31st March	Group		Company
	2024	2024	2023
Principal actuarial assumptions at the reporting date			
Discount Rate (%)	12 % -13.75%	12.00%	18.00%
Future Salary Increases (%)	7 % - 12 %	7%	7%
Retirement Age (years)	57 - 60 years	60 years	60 years
Staff Turnover Rate	8%	8%	5%
Weighted Average Duration of Defined Benefit Obligation	4.56 - 5.4 years	5.4 years	5.5 years

A long term Treasury Bond rate of 12% p.a (2023-18%) has been used to discount future liabilities taking into consideration remaining working life of eligible employees

23.3 Sensitivity of Assumptions Used

The calculation of the retirement benefit obligation is sensitive to the assumptions set out above. The following table summarizes how the impact on the defined benefit obligation at the end of the reporting period would have increased/(decreased) as a result of a change in the respective assumptions by one percent.

Effect on Define Benefit Obligation Liability,

As at 31st March	Group				Company	
	2024		2024		2023	
	Discount Rate	Salary Increment	Discount Rate	Salary Increment	Discount Rate	Salary Increment
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Increase by 1 %	(78,122)	85,244	(13,507)	15,252	(14,035)	16,864
Decrease by 1 %	84,464	50,148	14,793	(14,127)	15,334	(15,631)

Effect on Comprehensive Income

As at 31st March	Group				Company	
	2024		2024		2023	
	Discount Rate	Salary Increment	Discount Rate	Salary Increment	Discount Rate	Salary Increment
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Increase by 1 %	78,122	(85,244)	13,507	(15,252)	14,035	(16,864)
Decrease by 1 %	(84,464)	(50,148)	(14,793)	14,127	(15,334)	15,631

23.4 The following payments are expected from the Retirement Benefit Obligation in future years.

As at 31st March	Group		Company
	2024		2024
	Rs.'000	Rs. '000	2023
Within the next 12 months		34,010	34,010
Between 1- 5 years		230,488	163,443
Between 5 – 10 years		59,834	59,834
Beyond 10 years		33,637	33,637
Total		357,969	290,924
			313,168

24 LEASE LIABILITIES

24.1 Group

As at 31st March	2024		
	Land and Building	Motor Vehicles	Total
	Rs. 'ooo	Rs. 'ooo	Rs. 'ooo
Balance as at 1st April	716,456	503,571	1,220,027
Interest expense for the year	71,251	61,940	133,191
Repayment during the year	(333,003)	(299,801)	(632,804)
Acquisition through Business Combination	66,608	-	66,608
Balance as at 31st March	521,312	265,710	787,022

24.2 Company

As at 31st March	2024			2023
	Land and Building	Motor Vehicles	Total	Total
	Rs.'ooo	Rs. 'ooo	Rs. 'ooo	Rs. 'ooo
Balance as at 1st April	716,456	503,571	1,220,027	1,642,906
Interest expense for the year	71,251	61,940	133,191	201,998
Repayment during the year	(333,003)	(299,801)	(632,804)	(624,877)
Balance as at 31st March	454,704	265,710	720,414	1,220,027

24.3 Analysis by maturity

As at 31st March	Group		Company
	2024	2024	2023
	Rs.'ooo	Rs. 'ooo	Rs. 'ooo
Non current liabilities	178,227	143,411	723,798
Current liabilities	608,795	577,003	496,229
	787,022	720,414	1,220,027

24.4 The Group leases lands, buildings and motor vehicles for its operational purposes. Lease of lands and buildings typically run for a period ranging from 5 to 7 years. Motor vehicles leases extend for 5 years.

Below note shows the contractual undiscounted future cash flows of lease liabilities.

As at 31st March	Group		Company
	2024	2024	2023
	Rs.'ooo	Rs. 'ooo	Rs. 'ooo
Less than one year	603,054	564,389	633,458
One to five years	193,719	160,418	802,797
Total undiscounted lease liabilities as at 31st March	796,773	724,807	1,436,255

NOTES TO THE FINANCIAL STATEMENTS

24.5 Amount recognised in statement of profit or loss

As at 31st March	Note	Group / Company	Company
		2024 Rs.'000	2023 Rs. '000
Lease under SLFRS 16			
Interest on lease liabilities	24	133,191	201,998
Amortisation of Right-of-use asset	12	415,344	459,923
Expenses relating to leases of low value assets		443	443
		548,978	662,364

25 TRADE AND OTHER PAYABLES

As at 31st March	Group		Company
	2024 Rs.'000	2024 Rs. '000	2023 Rs. '000
Trade Payables			
Other Financial Liabilities	309,105	124,820	160,165
Unclaimed Dividends	1,148,008	786,776	613,133
Other Non Financial Liabilities	190,509	190,509	177,604
	4,112,860	4,112,860	3,635,630
	5,760,482	5,214,965	4,586,532

26 TAXES PAYABLES

As at 31st March	Group		Company
	2024 Rs.'000	2024 Rs. '000	2023 Rs. '000
Income Tax Payable			
Excise Duty Payable	3,032,381	3,032,381	3,950,691
Value Added Tax (VAT) Payable	4,010,130	3,838,533	4,197,385
WHT Payable	1,599,943	1,525,080	1,665,979
SSCL Payable	495,663	495,075	9,172
Stamp Duty Payable	254,146	240,891	260,940
	92	92	94
	9,392,355	9,132,052	10,084,261

27 INTEREST BEARING LOANS AND BORROWINGS

As at 31st March	Group / Company		Company
	2024 Rs.'000	2023 Rs. '000	
Balance as at 1st April			
Loans obtained during the year	4,605	-	10,000
Interest for the year	12,422,000	-	-
Capital Repayments during the year	12,363	-	1,364
Interest payments during the year	(9,714,105)	-	(5,500)
Balance as at 31st March	2,715,533	4,605	(1,259)

27.1 Sources of finance

As at 31st March	Group / Company		Company 2023 Rs.'ooo	
	2024			
	Rs.'ooo			
Hatton National Bank PLC		2,713.033	-	
Medical Scheme Loan		2,500	4,605	
Balance as at 31st March		2,715.533	4,605	

27.2 Analysed by credit terms and security details of Term Loans

Company / Lender	Year Obtained	Interest Rate	Loan Amount Rs. 000	Purpose	Repayment terms	Assets pledged
Hatton National Bank PLC	2024	10.24%	2,900,000	Working Capital Requirements	No specific terms	Unsecured
DCSL Medical Scheme	2023	12.70%	10,000	Working Capital Requirements	No specific terms	Unsecured

28 RELATED PARTY DISCLOSURES

The Group carries out transactions in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standard (LKAS 24) "Related Party Disclosures", the details of which are reported below. The Pricing applicable to such transactions is based on the assessment of risk and pricing model of the group and is comparable with what is applied to transactions between the Group and its unrelated Customers.

28.1 Balances with Related Parties

28.1.1 Amounts Due from Related Companies

As at 31st March	Group		Company 2023 Rs.'ooo	
	2024			
	Note	Rs.'ooo		
Aion SG Residencies (Private) Limited		11,920	11,920	
Continental Insurance Lanka Limited		1,505	1,505	
Melstacorp PLC - Current Account	28.1.4	535,151	535,151	
Melstacorp PLC - Advance Account	28.1.4	-	3,660,115	
Madulsima Plantation PLC		87,430	87,430	
Periceyl (Private) Limited		-	275,334	
Balangoda Plantation PLC		3,456	3,456	
Melsta Properties (Private) Limited		86,530	86,530	
DCSL Breweries Lanka Limited		-	114	
Melsta Hospitals Ragama (Private) Limited		134	134	
Melsta Laboratories (Private) Limited		1,397	1,397	
Formula World (Private) Limited		15,491	15,491	
Stassens Food (Private) Limited		10	10	
Lanka Milk Foods (CWE) PLC		-	472	
Stassen Exports (Private) Limited		937	937	
		743,961	744,075	
Less: Provision for Impairment	28.1.3	(33,866)	(33,866)	
		710,095	710,209	
			4,480,764	

NOTES TO THE FINANCIAL STATEMENTS

28.1.2 Amounts Due to Related Companies

As at 31st March	Group		Company
	2024	2024	2023 Rs. 'ooo
	Rs. 'ooo	Rs. 'ooo	
Bellvantage (Private) Limited	1,562	1,562	1,514
Melsta Logistics (Private) Limited	25,053	25,053	7,999
Lanka Bell Limited	4,806	4,806	486
Melsta Properties (Private) Limited	-	-	6,477
Periceyl (Private) Limited	441,870	441,870	-
Lanka Milk Foods (CWE) PLC	1,613	1,613	-
Lanka Dairies (Private) Limited	28	28	-
Melsta Technologies (Private) Limited	9,517	9,517	8,238
	484,449	484,449	24,714

28.1.3 Provision for Impairment

As at 31st March	Group		Company
	2024	2024	2023 Rs. 'ooo
	Rs.'ooo	Rs.'ooo	
Balance as at 1st April	11,920	11,920	11,920
Provision made during the year	21,946	21,946	-
Balance as at 31st March	33,866	33,866	11,920

The provision for impairment on amounts due from related companies as at 31st March 2024 are attributable to followings:

As at 31st March	Group		Company
	2024	2024	2023 Rs. 'ooo
	Rs.'ooo	Rs.'ooo	
Aion SG Residencies (Private) Limited	11,920	11,920	11,920
Madulsima Plantation PLC	6,455	6,455	-
Formula World (Private) Limited	15,491	15,491	-
	33,866	33,866	11,920

28.1.4 The Group pays or recovers interest on the balances with the following related companies as per the basis explained below;

Company Name	Account type	Interest Rate
Melstacorp PLC	Current Account	3 Months Average of last published Average Weighted Prime Lending Rate (AWPLR) + 1% p.a. on the average monthly balance outstanding as at the last date of each month.
Melstacorp PLC	Advance Account	Weekly interest rate calculate at the average rate of Average Weighted Prime Lending Rate (AWPLR) and Average Weighted New Deposit Rate (AWNDR) on the balance remaining at the each day.

28.2 Transactions with Related Companies

No.	Name of Company	Name of Directors	Nature of Interest	Nature of Transaction	Transaction Value Rs.'ooo	Balance (due to/ due from as at 31-03-2024) Rs.'ooo
1	Ambewela Products (Pvt) Ltd.	Mr. D.H.S.Jayawardena Mr. C.R.Jansz Mr. D.Hasitha.S.Jayawardena Ms. D.S.T.Jayawardena	Related Co.	Purchase of Milk Products & Others Payment for Purchase of Milk Products & Others	18 18	-
2	Balangoda Plantations PLC	Mr. D.H.S.Jayawardena Mr. C.R.Jansz Mr. D.Hasitha.S.Jayawardena Mr. M.A.N.S.Perera	Related Co.	Supply of Goods & Services Payment Received for Supply of Goods & Services	12,285 8,839	3,456
3	Continental Insurance Lanka Ltd.		Related Co.	Supply of Goods & Services Insurance Premium Goods & Services Received Payment for Goods & Services Received Payment for Insurance Premium Insurance claim Received	1,072 66,329 191 191 66,761 1,073	1,505
4	Lanka Bell Ltd.	Mr. D.H.S.Jayawardena Mr. C.R.Jansz Mr. M.A.N.S.Perera	Related Co.	Telephone Bill Expenses Settlement of Telephone Bill Expenses	15,068 10,747	(4,806)
5	Bellvantage (Private) Limited.	Mr. M.A.N.S.Perera	Related Co.	Software Maintenance Charges Payment for Software Maintenance Charges	21,978 21,931	(1,562)
6	Madulsima Plantations PLC	Mr. D.H.S.Jayawardena Mr. C.R.Jansz Mr. D.Hasitha.S.Jayawardena Mr. M.A.N.S.Perera	Related Co.	Supply of Goods & Services RPT Current A/C Interest	3,792 11,823	87,430
7	Melstacorp PLC	Mr. D.H.S.Jayawardena Mr. C.R.Jansz Mr. N.De.S.Deva Aditya Capt. K.J.Kahanda Dr. A.N.Balasuriya Mr. D.Hasitha.S.Jayawardena Ms. D.S.T.Jayawardena Mr. M.A.N.S.Perera Dr. R.A.Fernando	Parent Co	RPT Current A/C Interest Supply of Goods & Services Fund Transfer Rent Expense Funds Settlement Payment of Rent Interest - Fund Transfer Payment Received for Supply of Goods & Services	71,740 4,954 105,440,000 228,626 109,085,000 287,556 622,089 26,626	535,151
8	Splendor Media (Pvt) Ltd.	Ms. D.S.T.Jayawardena	Related Co.	Purchase of Goods Payment for Purchase of Goods	277 277	-
9	Stassen Exports (Pvt) Ltd.	Mr. D.H.S.Jayawardena Mr. C.R.Jansz Mr. D.Hasitha.S.Jayawardena Ms. D.S.T.Jayawardena	Related Co.	Rent Income Supply of Goods & Services Rent Expense Purchase of Goods & Transport Services Payment for Purchase of Goods & Transport Services Payment of Rent Expense Receipt of Rent Income Receipt for Supply of Goods & Services	23,312 1,920 1,748 57,214 59,159 1,004 21,424 4,050	937

NOTES TO THE FINANCIAL STATEMENTS

No.	Name of Company	Name of Directors	Nature of Interest	Nature of Transaction	Transaction Value	Balance (due to/ due from as at 31-03-2024)
					Rs.'ooo	Rs.'ooo
10	Stassen Food (Pvt) Ltd.	Mr. D.H.S.Jayawardena Mr. C.R.Jansz Mr. D.Hasitha.S.Jayawardena Ms .D.S.T.Jayawardena	Related Co.	Rent Income Receipt for Supply of Goods & Services Receipt of Rent Income Supply of Goods & Services	220 86 248 86	10
11	Texpro Industries Ltd.	Mr. D.H.S.Jayawardena	Related Co.	Purchase of Materials Payment for Materials & Services	4,229 4,229	-
12	Lanka Daires (Pvt) Ltd.	Mr. D.H.S.Jayawardena Mr. C.R.Jansz Mr. D.Hasitha.S.Jayawardena Ms. D.S.T.Jayawardena	Related Co.	Purchase of Milk Products Payment for Purchase of Milk Products	621 593	(28)
13	Lanka Milk Foods (CWE) PLC	Mr. D.H.S.Jayawardena Mr. C.R.Jansz Mr. D.Hasitha.S.Jayawardena Ms. D.S.T.Jayawardena	Related Co.	Purchase of Milk Products Payment for Purchase of Milk Products Supply of Goods & Services Receipt for Supply of Goods & Services	21,708 19,243 383 3	(1,613)
14	Melsta Laboratories (Pvt) Ltd.	Mr. M.A.N.S.Perera	Related Co.	Supply of Goods & Services Receipt for Supply of Goods & Services	1,289 781	1,397
15	Periceyl (Pvt) Ltd.	Mr. D.H.S.Jayawardena Mr. C.R.Jansz Mr. D.Hasitha.S.Jayawardena Mr. M.A.N.S.Perera	Related Co.	Supply of Goods & Services Debtor Collections Purchases of Materials Transfer of Funds Receipt for Supply of Goods & Services	129,109 4,378,292 2,219 4,153,810 147,427	(441,870)
16	Melsta Technologies (Pvt) Ltd.		Related Co.	Supply of Goods & Services Receipt for Supply of Goods & Services Software Maintenance Fee Payment for Software Maintenance Fee	627 607 139,882 138,584	(9,517)
17	Melsta Properties (Pvt) Ltd.	Capt. K.J.Kahanda	Related Co.	Supply of Goods & Services Rent Expense Payment of Rent Receipt for Supply of Goods & Services	110,208 87,347 86,825 16,679	86,530
18	Melsta Logistics (Pvt) Ltd.	Mr. M.A.N.S.Perera	Related Co.	Vehicle Hiring Charges Rent Income Supply of Good & Services Payment of Vehicle Hiring Charges Payment Received for Rent Income Payment Received Supply of Good & Services	427,965 3,562 129,332 427,020 3,818 144,797	(25,053)
19	Formula World (Pvt) Ltd.	Mr. M.A.N.S.Perera	Related Co.	Supply of Good & Services Transfer of Funds Payment Received Supply of Good & Services	244 15,000 141	15,491
20	Melsta Hospitals Ragama (Pvt) Ltd.	Mr. C.R.Jansz Mr. D.Hasitha.S.Jayawardena Mr. M.A.N.S.Perera	Related Co.	Supply of Goods & Services	134	134

No.	Name of Company	Name of Directors	Nature of Interest	Nature of Transaction	Transaction Value	Balance (due to/ due from as at 31-03-2024)
						Rs.'ooo
21	Milford Exports Ceylon (Private) Limited.	Mr. D.H.S.Jayawardena Mr. C.R.Jansz Mr. D.Hasitha.S.Jayawardena Ms. D.S.T.Jayawardena	Ultimate Parent Co.	Supply of Goods & Services Receipt for Supply of Goods & Services	86 86	-
22	DCSL Breweries Lanka Ltd.	Mr. D.H.S.Jayawardena Mr. C.R.Jansz Capt.K.J.Kahanda Mr. D.Hasitha.S.Jayawardena Ms. D.S.T.Jayawardena Mr. M.A.N.S.Perera	Subsidiary Co.	Investment in Subsidiary Supply of Goods & Services	4,169,978 114	114

28.3 Transactions with Key Management Personnel

28.3.1 Key Management Personnel

Key Management Personnel include all the members of the Board of Directors (Executive and Non Executive) of the Group / Company having authority and responsibility for planning, directing and controlling the activities of the Group / Company.

28.3.2 Compensations to Key management Personnel

As at 31st March	Company	
	2024 Rs. 'ooo	2023 Rs. 'ooo
Short Term Employee Benefits	133.447	174.194

28.4 Transactions, Arrangements and Agreements Involving KMP and their Close Family Members (CFM)

CFM of a KMP are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity. They may include;

- (a) the individual's domestic partner and children;
- (b) children of the individual's domestic partner; and
- (c) dependents of the individual or the individual's domestic partner

There were no transactions with CFM during the year

28.5 Loans to Directors

There were no loans given to Directors during the year.

28.6 Recurrent Transactions

Related party transactions exceeding 10% of net revenue of the entity as per audited financial statements (CSE Ruling).

Name of Related Party	Relationship	Nature of Transaction	Aggregate Value of Related Party Transactions entered into during the financial year (Rs.'ooo)	Aggregate Value of Related Party Transactions as a percentage of Net Revenue Income	Terms and Conditions of the Related Party Transactions
Melstacorp PLC	Parent Co.	Short term loans given during the period	105,440,000	91%	Commercial Transaction
		Funds Settlement	109,085,000	95%	Commercial Transaction

NOTES TO THE FINANCIAL STATEMENTS

This inter-company lending/borrowing arrangement between Melstacorp PLC and the Company was introduced due to a significant increase in interest rates spread in bank deposit rates and bank lending rates prevailed during the period. The shareholders of the Company approved this arrangement in an Extraordinary General Meeting held on 24th November 2022 to comply with section 9.1.2 of CSE Listing Rules.

29 CONTINGENT LIABILITIES

There were no material contingent liabilities as at the reporting date, which require adjustment to or disclosure in the financial statements other than disclosed below.

- 29.1** Supreme court case No. SC/Appeal 31/2009 (Commercial high court of Colombo Case No. 147/2005) (1) . A. Pliant filed by the Censtar International (Pvt) Ltd against the company claiming a sum of Rs. 17,982,358.38 with interest and costs. A claim in reconvention filed for Rs. 500,000,000/- and the matter was argued 24.10.2023 and delivery of the judgement has been reserved with no further date.

29.2 Income Tax Assessment

The Company has received an income tax assessment dated 9th August 2022 from the Commissioner General of Inland Revenue imposing an additional income tax liability of Rs. 4.1 Bn and a penalty of Rs. 2.0 Bn against the Company for the year of assessment 2016/17 in relation to the Group's restructuring transactions.

The Company filed a writ application in the Court of Appeal challenging the legality of the assessment(s). Following the completion of oral and written submissions by the parties, the Court of Appeal issued an interim order on 28th June 2023, restraining the Commissioner General of Inland Revenue from taking any further steps pursuant to the Letter of Intimation, the Notice of Assessment, the Penalty Notice, and the Tax in Default Notice until a final determination is made on this petition.

Subsequently, on 28th July 2023, the Hon. Attorney General applied for Special Leave to appeal to the Supreme Court against the interim order. The interim order, delivered on 28th June 2023, was set aside, and in the Supreme Court case bearing No. SC/SPL/LA 205/23, the Hon. Attorney General has undertaken to inform the Inland Revenue Department not to take action until the application for interim relief is supported afresh. The case is now due to be called on 26th September 2024.

Having considered the procedural and substantive grounds against the assessment raised, the Company is of the view that this assessment is not likely to result in any tax liability to the Company.

30 CAPITAL COMMITMENTS

There were no material capital commitments which require disclosure in the Financial Statements as at reporting date.

31 ASSETS PLEDGED

There are no any assets pledged as securities for liabilities as at the reporting date.

32 EVENT AFTER THE REPORTING DATE

There were no material events occurring after the reporting date that requires adjustments to or disclosure in the Financial Statements other than what is disclosed below.

32.1 Interim Dividend

The Board of Directors of the Company has approved an interim dividend of Rs.0.70 per voting share on 13th June 2024 amounting to Rs.3,220 Mn.

33 FINANCIAL RISK MANAGEMENT

The Group has adopted practices to mitigate risks arising from adverse market conditions (prices, rates and volatile markets) by hedging (or not) using financial instruments. Financial risk derives from economic uncertainty. The inability to forecast with certainty would either erode profitability (e.g. adverse exchange rate) or could jeopardize the ability of the Group to raise finance from markets (e.g. volatile interest rates). The Group core business of beverage is essentially a cash business hence has a short cash cycle. This results in low financial risk adding to greater degree of control of finance.

Financial Instruments

The Group's financial instruments consist of Assets - its portfolio of equity investments, deposits in banks Government securities debentures and accounts receivable. Liabilities - Loan obligations, accounts payable and accrued liabilities such excise duty, taxes, payroll and pension account.

33.1 Financial Risk Management Objectives and Policies

Whilst 'risk management' is ingrained in the business from the Board down to operational level, financial risk management at the Group is entrusted to a niche of in-house financial professionals ably supported by external economists, financial consultants, legal counsel, tax experts, banks and auditors.

In the normal course of business, the Group is exposed to financial risks that have the potential to negatively impact its financial performance. The Group does not use derivative financial instruments to manage these risks, as management believes that the risks arising from the financial instruments are already at an acceptable level. This is further accredited by the AAA (lka) Stable rating assigned by Fitch this year.

The Group has exposure to following financial instruments.

33.1.1 Credit Risk

This is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to financial loss. The Group's credit risk arises primarily from credit exposure to customers, including outstanding receivable from select retail chains. The Group assesses the credit quality of its counter-parties, taking into account their financial position, past experience and seasonal factors. The Group trades only with recognized, credit worthy third parties. It is a Group policy that all clients who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Maximum Credit Exposure

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the reporting period was as follows,

As at 31st March	Group			Company		
	Note	2024	% from Total Exposure	2024	% from Total Exposure	2023
		Rs.'000	Rs. '000	Rs.'000	Rs. '000	Rs.'000
Trade and Other Receivables	19	8,238,475	69%	6,272,317	63%	5,194,175
Amounts Due From Related Companies	28.1.1	743,961	6%	744,075	7%	4,492,684
Corporate Debt Securities	16.1.3	-	0%	-	0%	199,048
Financial Assets measured at FVOCI	16.1	2,465,438	21%	2,465,438	25%	1,701,437
Financial Assets measured at FVTPL	16.2	90,771	1%	90,771	1%	22,459
Cash at Bank	20	470,992	4%	456,379	5%	1,390,784
		12,009,637	100%	10,028,980	100%	13,000,587
						100%

Impairment losses on financial assets recognised in profit or loss were as follows,

The maximum exposure to credit risk for trade and other receivables at the end of the reporting period by type of counterparty.

As at 31st March	Note	Group		Company	
		2024	2024	2023	2023
		Rs.'000	Rs. '000	Rs.'000	Rs.'000
Expected loss allowance - trade receivables	19.1	450,739	-	-	-
Expected loss allowance - Other Receivables	19.2	237,809	152,729	137,129	137,129
		688,548	152,729	137,129	137,129

NOTES TO THE FINANCIAL STATEMENTS

The aging of trade receivables as at the reporting date is as follows:

As at 31st March	Group 2024	
	Gross Carrying Amount Rs.'ooo	Loss Allowance Rs. 'ooo
Neither past due nor impaired	6,786,966	-
Past due 1 - 30 days	203,675	-
Past Due 31- 60 days	258,250	-
Past Due 61- 90 days	67,563	(59,822)
Past Due 91- 120 days	32,972	(32,972)
Past Due 120- 360 days	357,945	(357,945)
Over 365 days	7,707,371	(450,739)

33.1.1.1 Trade and Other Receivables

The impairment allowance made for trade receivables of the Group as at 31st March 2024 relates to outstanding debt from the logistic service providers who ceased operations with the transition from the Heineken Lanka Limited to Distilleries Company of Sri Lanka PLC. The Group believes that the unimpaired amounts due which are past due by more than 30 days are still collectible based on historical payment behavior and extensive analysis of the customers' credit ratings.

The movement in the allowance for impairment in respect of trade receivables.

For the year ended 31st March	Group Rs. 'ooo
At the beginning of the year	-
Acquisition through Business Combination	450,740
At the end of the year	450,740

33.1.1.2 Amounts Due From Related Companies

The amounts due from related parties mainly consist of receivables from associates and other related ventures and those are closely monitored by the Group.

33.1.1.4 Cash at Bank

Cash at bank is mainly consist of favorable balances in Savings and current accounts of private and government commercial banks.

The Group has selected its bankers by considering the credit ratings of the rating agencies, the reputation in the economy, efficiency in transaction processing by minimizing the transaction costs.

The financial institutions in which the deposits and cash at bank is existed are guaranteed by local and foreign credit rating agencies as AA- or Better.

33.1.2 Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations on time. Group's sources of liquidity are its short term deposits in banks and its cash generated by operating activities. The Group's total contractual maturities are represented by its accounts payable and accrued liabilities, and are mostly due to be paid within one year.

The Group believes that its deposits in cash management pools, ready bank lines (ODs, loans), debt with rollover options, combined with its historically strong and consistent operational cash flows, are more than sufficient to fund its operations, investing activities and commitments for the foreseeable future.

Group does not have any investments in asset-backed commercial papers and, therefore, has no exposure to this type of liquidity risk.

Maturity Analysis

The table below summarises the maturity profile of the Group's financial liabilities as at 31 March 2024.

31st March 2024	Carrying Contractual		Within 1 year Between 1 -3 years Between 3 - 5 years More than 5 years				Total Rs.'ooo
	amount	cashflow	Rs.'ooo	Rs.'ooo	Rs.'ooo	Rs.'ooo	
	Rs.'ooo	Rs.'ooo	Rs.'ooo	Rs.'ooo	Rs.'ooo	Rs.'ooo	
Lease Liabilities	787,022	796,773	603,054	193,719	-	-	796,773
Interest Bearing Loans and Borrowings	2,715,533	2,715,533	2,715,533	-	-	-	2,715,533
Trade and Other Payables	1,647,622	1,647,622	1,647,622	-	-	-	1,647,622
Amounts due to Related Companies	484,449	484,449	484,449	-	-	-	484,449
Bank Overdraft	15,376	15,376	15,376	-	-	-	15,376
	5,650,002	5,659,753	5,466,034	193,719	-	-	5,659,753

31st March 2024	Carrying Contractual		Within 1 year Between 1 -3 years Between 3 - 5 years More than 5 years				Total Rs.'ooo
	amount	cashflow	Rs.'ooo	Rs.'ooo	Rs.'ooo	Rs.'ooo	
	Rs.'ooo	Rs.'ooo	Rs.'ooo	Rs.'ooo	Rs.'ooo	Rs.'ooo	
Lease Liabilities	720,414	724,807	564,389	160,418	-	-	724,807
Interest Bearing Loans and Borrowings	2,715,533	2,715,533	2,715,533	-	-	-	2,715,533
Trade and Other Payables	1,102,105	1,102,105	1,102,105	-	-	-	1,102,105
Amounts due to Related Companies	484,449	484,449	484,449	-	-	-	484,449
	5,022,501	5,026,894	4,866,476	160,418	-	-	5,026,894

31st March 2023	Carrying Contractual		Within 1 year Between 1 -3 years Between 3 - 5 years More than 5 years				Total Rs.'ooo
	amount	cashflow	Rs.'ooo	Rs.'ooo	Rs.'ooo	Rs.'ooo	
	Rs.'ooo	Rs.'ooo	Rs.'ooo	Rs.'ooo	Rs.'ooo	Rs.'ooo	
Lease Liabilities	1,220,027	1,436,255	633,458	802,797	-	-	1,436,255
Interest Bearing Loans and Borrowings	4,605	4,605	4,605	-	-	-	4,605
Trade and Other Payables	950,902	950,902	950,902	-	-	-	950,902
Amounts due to Related Companies	24,714	24,714	24,714	-	-	-	24,714
	2,200,248	2,416,476	1,613,679	802,797	-	-	2,416,476

33.1.3 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: equity price risk, interest rate risk, currency risk (or foreign exchange risk), and other price risks such as commodity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, letters of credit and available for sale investments. The objective of market risk management is to manage and to control market risk exposures within acceptable parameters while optimising the return.

Equity Price Risk

Group has its major equity investment portfolios held on a long term basis; hence immune to daily fluctuations. Those are classified as FVOCI. Further, a small trading portfolio is managed by a Unit Trust company licensed by the SEC and individual companies manage their own short term portfolio as well. These investments are held by compiling with Group's investment policies.

The Group manages the equity price risk through diversification of its investments to each sector. Further the Management daily monitors the reports of the equity portfolios.

NOTES TO THE FINANCIAL STATEMENTS

The extend of diversification of short term equity investments are analysed below.

As at 31st March	Group /Company		Company	
	2024		2023	
	Rs.'ooo	%	Rs. 'ooo	%
Financial Assets Measured at FVOCI				
Beverage Food and Tobacco	7	0%	7	0%
Bank, Finance and Insurance	2,465,431	100%	1,701,430	100%
	2,465,438	100%	1,701,437	100%
Financial Assets Measured at FVTPL				
Diversified Investments	1,620	2%	2,862	13%
Hotel and Travels	13,362	15%	19,597	87%
Bank and Finance	75,789	83%	-	-
	90,771	100%	22,459	100%

The sensitivity analysis of the share trading portfolio at the shock level of 10% as at 31st March 2024 and 2023 are as follows.

As at 31st March	Group /Company			Company	
	Shock level	2024		2023	
		Impact on Income Statement due to fall in market value	Effect on Portfolio	Impact on Income Statement due to fall in market value	Effect on Portfolio
		Rs.'ooo	Rs.'ooo	Rs.'ooo	Rs.'ooo
Financial Assets Measured at FVOCI					
Beverage Food and Tobacco	-10%	(1)	6	(1)	6
Bank, Finance and Insurance	-10%	(246,543)	2,218,888	(170,143)	1,531,287
Hotel and Travels	-10%	-	-	-	-
		(246,544)	2,218,894	(170,144)	1,531,293
Financial Assets Measured at FVTPL					
Diversified Investments	-10%	(162)	1,458	(286)	2,576
Hotel and Travels	-10%	(1,336)	12,026	(1,960)	17,637
Bank and Finance	-10%	(7,579)	68,210	-	-
		(9,077)	81,694	(2,246)	20,213

As at 31st March	Group /Company			Company	
	Shock level	2024		2023	
		Impact on Income Statement due to fall in market value	Effect on Portfolio	Impact on Income Statement due to fall in market value	Effect on Portfolio
		Rs.'ooo	Rs.'ooo	Rs.'ooo	Rs.'ooo
Financial Assets Measured at FVOCI					
Beverage Food and Tobacco	10%	1	8	1	8
Bank, Finance and Insurance	10%	246,543	2,711,974	170,143	1,871,573
		246,544	2,711,982	170,144	1,871,581
Financial Assets Measured at FVTPL					
Diversified Investments	10%	162	1,782	286	3,148
Hotel and Travels	10%	1,336	14,698	1,960	21,557
Bank and Finance	10%	7,579	83,368	-	-
		9,077	99,848	2,246	24,705

Interest Rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group has short and long-term debt facilities. Interest rate risk exists as Group earns market rates of interest on its deposits in cash management pools.

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group as follows;

As at 31st March	Group		Company	
	2024	2024	2023	
		Rs. 'ooo	Rs.'ooo	
Financial Assets				
Fixed rate instruments				
Investment in Debentures	-	-	199,048	
Cash at Bank	470,992	456,379	1,390,784	
	470,992	456,379	1,589,832	
Variable rate instruments				
Amount Due From Related Company	535,151	535,151	4,131,153	
	535,151	535,151	4,131,153	
Financial Liabilities				
Variable rate instruments				
Interest Bearing Loans and Borrowings	2,715,533	2,715,533	4,605	
Bank Overdraft	15,376	-	-	
	2,730,909	2,715,533	4,605	

NOTES TO THE FINANCIAL STATEMENTS

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates as at the reporting date would have increased / (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

As at 31st March	Group		Company	
	Basis points	31-Mar-24	31-Mar-24	31-Mar-23
	Rs.'000	Rs. '000	Rs. '000	Rs.'000
Increase	+100	(21,958)	(21,804)	41,265
Decrease	-100	21,958	21,804	(41,265)

Foreign Currency Risk

The Group has no any foreign currency risk, since there are no any foreign currency instruments as at the reporting date.

Finance Risk

The Group has a very strong Financial Position and is among the most preferred among local providers of finance. This was further cemented by the high credit rating assigned by Fitch negating any doubts of Group's ability to secure funding at cheaper rates. Often the Group has access to bank lines sans security. However, the management as a policy maintains a healthy gearing ratio and a Debt Service Coverage Ratio always in par with the industry without overstretching the Financial Position. Since of late foreign funding lines too have been cautiously approached to benefit from low interest rates globally.

34 FAIR VALUES OF FINANCIAL INSTRUMENTS

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level I: Quoted market price (unadjusted) in an active market for an identical instrument.

Level II: Valuation techniques based on observable inputs, either directly – i.e. as prices or indirectly – i.e. derived from prices. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level III: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values versus the Carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Statement of Financial Position, are as follow;

As at 31st March	Group		Company		2023	
	2024		2024			
	Carrying Value	Fair Value	Carrying Value	Fair Value		
	Rs.'000	Rs. '000	Rs.'000	Rs.'000	Rs.'000	
Non Current Assets						
Financial Assets Measured at Fair Value through Other Comprehensive Income						
Quoted Equity Securities	2,465,431	2,465,431	2,465,431	2,465,431	1,701,430	
Unquoted Equity Securities	7	7	7	7	7	
Investment in Debentures	-	-	-	-	199,048	
	2,465,438	2,465,438	2,465,438	2,465,438	1,900,485	
					1,900,485	

As at 31st March	Group		Company		
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value
	Rs.'ooo	Rs. 'ooo	Rs.'ooo	Rs. 'ooo	Rs.'ooo
Financial Assets Measured at Fair Value through Profit or Loss					
Quoted Equity Securities	90,771	90,771	90,771	90,771	22,459
	90,771	90,771	90,771	90,771	22,459
Assets Carried at Amortised cost					
Trade and other receivables	8,238,475	8,238,475	6,272,317	6,272,317	5,194,175
Amount due from related Companies	743,961	743,961	744,075	744,075	4,492,684
Cash and cash equivalents	553,744	553,744	539,131	539,131	1,451,212
	9,536,180	9,536,180	7,555,523	7,555,523	11,138,071
Current Liabilities					
Liabilities carried at amortized cost					
Lease Liabilities	787,022	787,022	720,414	720,414	1,220,027
Trade and Other Payables	1,647,622	1,647,622	1,102,105	1,102,105	950,902
Amount Due to Related Companies	484,449	484,449	484,449	484,449	24,714
Interest Bearing Loans and Borrowings	2,715,533	2,715,533	2,715,533	2,715,533	4,605
Bank Overdrafts	15,376	15,376	-	-	-
	5,650,002	5,650,002	5,022,501	5,022,501	2,200,248

Financial instruments not carried at fair value and valuation bases

The table below analyse financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

Group	2024			
	Level I Rs.'ooo	Level II Rs.'ooo	Level III Rs.'ooo	Total Rs.'ooo
Non Current Assets				
Financial Assets Measured at Fair Value through Other Comprehensive Income				
Quoted Equity Securities	2,465,431	-	-	2,465,431
Unquoted Equity Securities	-	-	7	7
	2,465,431	-	7	2,465,438
Financial Assets Measured at Fair Value through Profit or Loss				
Quoted Equity Securities	90,771	-	-	90,771
	90,771	-	-	90,771
Assets Carried at Amortised cost				
Trade and other receivables	-	-	8,238,475	8,238,475
Amount due from related Companies	-	-	743,961	743,961
Cash and cash equivalents	-	553,744	-	553,744
	-	553,744	8,982,436	9,536,180
Liabilities Carried at Amortised Cost				
Lease Liabilities	-	-	787,022	787,022
Trade and Other Payables	-	-	1,647,622	1,647,622
Amount Due to Related Companies	-	-	484,449	484,449
Interest Bearing Borrowings	-	-	2,715,533	2,715,533
Bank Overdrafts	-	15,376	-	15,376
	-	15,376	5,634,626	5,650,002

NOTES TO THE FINANCIAL STATEMENTS

Company	2024			
	Level I Rs.'000	Level II Rs.'000	Level III Rs.'000	Total Rs.'000
Non Current Assets				
Financial Assets Measured at Fair Value through Other Comprehensive Income				
Quoted Equity Securities	2,465,431	-	-	2,465,431
Unquoted Equity Securities	-	-	7	7
	2,465,431	-	7	2,465,438
Financial Assets Measured at Fair Value through Profit or Loss				
Quoted Equity Securities	90,771	-	-	90,771
	90,771	-	-	90,771
Assets Carried at Amortised cost				
Trade and other receivables	-	-	6,272,317	6,272,317
Amount due from related Companies	-	-	744,075	744,075
Cash and cash equivalents	-	539,131	-	539,131
	-	539,131	7,016,392	7,555,523
Liabilities Carried at Amortised Cost				
Lease Liabilities	-	-	720,414	720,414
Trade and Other Payables	-	-	1,102,105	1,102,105
Amount Due to Related Companies	-	-	484,449	484,449
Interest Bearing Loans and Borrowings	-	-	2,715,533	2,715,533
	-	-	5,022,501	5,022,501

Company	2023			
	Level I Rs.'000	Level II Rs.'000	Level III Rs.'000	Total Rs.'000
Non Current Assets				
Financial Assets Measured at Fair Value through Other Comprehensive Income				
Quoted Equity Securities	1,701,430	-	-	1,701,430
Unquoted Equity Securities	-	-	7	7
Investment in Debentures	199,048	-	-	199,048
	1,900,478	-	7	1,900,485
Financial Assets Measured at Fair Value through Profit or Loss				
Quoted Equity Securities	22,459	-	-	22,459
	22,459	-	-	22,459
Assets Carried at Amortised cost				
Trade and other receivables	-	-	5,194,175	5,194,175
Amount due from related Companies	-	-	4,492,684	4,492,684
Cash and cash equivalents	-	1,451,212	-	1,451,212
	-	1,451,212	9,686,859	11,138,071
Liabilities Carried at Amortised Cost				
Lease Liabilities	-	-	1,220,027	1,220,027
Trade and Other Payables	-	-	950,902	950,902
Amount Due to Related Companies	-	-	24,714	24,714
Interest Bearing Borrowings	-	-	4,605	4,605
	-	-	2,200,248	2,200,248

Transfers between Level 1 and Level 2

There have been no transfers between level 1 and level 2 during the year.

Level 3 recurring fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values

As at 31st March	Unquoted equity securities	
	2024 Rs. 'ooo	2023 Rs. 'ooo
Balance as at 1st April	7	2,680
Loss included in OCI	-	(2,673)
- Net change in fair value (Unrealised)		
Balance as at 31st March	7	7

35 CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong financial position and healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and make adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may or may not make dividend payments to shareholders, return capital to shareholders or issue new shares or other instruments.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total borrowings by total equity. Total borrowings including non-current and current borrowings as shown in the statements of financial position.

The Group's Debt to Equity ratio at the end of the reporting periods is as follows:

As at 31st March	Group		Company
	2024	2024	2023
	Rs.'ooo	Rs. 'ooo	Rs. 'ooo
Total Liabilities	21,491,098	20,358,870	17,465,381
Less: Cash at Bank and Cash in Hand	(553,744)	(539,131)	(1,451,212)
Net debts	20,937,354	19,819,739	16,014,169
Total Equity	10,644,313	10,620,824	12,247,665
Debt to Equity ratio (Gearing Ratio)	197%	187%	131%

36 COMPARATIVE INFORMATION

The comparative information related to the Group is not presented in the financial statements since the subsidiary was acquired on 10th January 2024 as disclosed in Note 1.3 to the financial statements.

TEN-YEAR SUMMARY

In Rs Million-Company	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
RESULTS										
Gross Turnover	115,396.2	123,357.9	107,057.4	92,830.1	81,648.0	81,672.9	90,387.0	90,273.4	72,113.7	51,800.1
Excise Duty	69,142.0	66,399.2	73,988.7	63,592.1	53,752.0	53,957.3	61,204.1	63,254.0	50,572.8	34,883.6
Net Turnover	46,254.2	56,958.7	33,068.7	29,238.0	27,895.0	27,715.6	29,182.8	27,019.4	21,540.9	16,916.5
Profit/(Loss) Before Tax	23,753.8	31,068.0	13,184.9	11,934.3	9,492.0	8,968.8	7,324.8	8,063.7	8,222.6	13,070.3
Income Tax	9,413.7	12,224.7	5,199.1	4,666.2	3,731.0	3,574.2	2,975.4	3,088.7	2,920.5	2,785.6
Profit/(Loss) After Tax	14,340.0	18,843.4	7,985.8	7,268.1	5,761.0	5,394.6	4,349.5	4,975.0	5,302.1	10,284.7
FUNDS EMPLOYED										
Stated Capital	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	300.0	300.0	300.0
Capital Reserves	2,934.2	1,862.5	1,862.5	1,862.5	1,862.5	1,862.5	1,209.2	1,804.6	1,804.6	1,403.0
Revenue Reserves & Retained Earnings	4,686.6	7,385.2	1,509.9	4,218.8	2,033.3	2,959.9	1,503.7	130.2	50,951.1	48,580.3
SHAREHOLDERS FUNDS										
Total Borrowings	10,620.8	12,247.7	6,372.4	9,081.3	6,895.8	7,822.4	5,712.9	2,234.9	53,055.7	50,283.3
Non current Liabilities Net of Borrowings	2,715.5	4.6	10.0	13.0	5,187.8	5,187.4	5,300.0	7,339.2	5,197.4	6,476.4
Current Liabilities Net of Borrowings	2,234.9	2,269.1	2,918.2	3,183.7	3,662.0	2,201.4	1,903.3	1,386.0	1,112.7	669.3
Current Liabilities Net of Borrowings	15,408.5	15,191.7	15,661.6	10,793.9	5,132.3	10,573.8	11,170.8	11,892.5	10,050.5	7,599.2
	20,358.9	29,713.1	24,962.2	23,071.9	20,877.9	25,785.0	24,120.6	22,852.6	69,416.3	65,028.2
ASSET EMPLOYED										
Non-current Assets	12,955.8	7,341.3	7,885.5	8,644.2	10,053.8	8,855.2	9,110.7	10,447.0	57,439.7	57,208.1
Current Assets	18,023.9	22,371.8	17,076.7	14,427.7	10,824.1	16,929.8	15,009.9	12,405.6	11,976.6	7,820.1
	30,979.7	29,713.1	24,962.2	23,071.9	20,877.9	25,785.0	24,120.6	22,852.6	69,416.3	65,028.2
CASH FLOW										
Net cash flow from Operating Activities	(3,050.0)	7,054.0	12,273.8	11,949.0	6,386.9	3,773.9	2,245.6	6,918.0	1,570.0	4,079.8
Net cash flow from Investing Activities	(15,769.3)	(13,964.1)	(7,796.8)	(10,370.0)	(6,943.7)	(2,998.0)	(2,751.1)	(18,789.0)	(970.2)	(975.0)
Net Increase/(Decrease) in Cash & Cash Equivalents	(912.1)	(5,379.0)	4,896.4	1,691.6	(215.8)	1,212.9	702.8	(2,113.0)	1,325.4	3,314.0
KEY INDICATORS										
Earnings per share (Rs)	3.1	4.1	1.7	1.6	1.3	1.2	5.6	(233.4)	17.7	15.5
Net assets per share (Rs)	2.3	2.7	1.4	2.0	1.5	1.7	1.2	7.5	176.9	167.6
Market Value per share (Rs) Yer End	26.9	19.6	19.3	19.9	13.0	14.5	-	-	206.2	240.5
Return on Shareholder's Funds	135%	154.1%	125.2%	80.0%	83.5%	68.8%	76.6%	222.6%	10.0%	9.0%
Dividends per share (Rs)	3.9	2.2	1.6	1.1	1.2	0.8	0.7	18	3.4	3.3
Dividend payout	124%	54%	89.7%	70.9%	96.0%	68.0%	70.5%	-1.0%	19.0%	21.0%
Dividend Yield	14%	11%	8.1%	5.6%	9.2%	5.5%	-	-	1.6%	1.0%

STATEMENT OF VALUE ADDED

VALUE ADDED

		2024 Rs. '000	2023 Rs. '000
For the year ended 31st March			
Gross Turnover		115,396,167	123,357,922
Other Operating Income		79,879	94,703
Finance Income		1,041,216	1,665,702
		116,517,262	125,118,327

VALUE ADDED

		2024 Rs. '000	2024 As % of Total		2023 Rs. '000	2023 As % of Total
Value Distributed						
To the state as Taxes		78,731,398	67.57%	78,875,214	63.04%	
Operating Expenses		19,116,092	16.41%	23,573,621	18.84%	
To the Employees		3,421,293	2.94%	2,903,479	2.32%	
To Providers of Debt Capital		145,554	0.12%	206,473	0.17%	
To the Shareholders as Dividends		17,848,000	15.32%	10,120,000	8.09%	
Retained with the Business						
As Depreciation		938,535	0.81%	967,489	0.77%	
As Retained Earnings		(3,683,610)	(3.16%)	8,472,051	6.77%	
		116,517,262	100%	125,118,327	100%	

DETAILS OF REAL ESTATE 2023/2024

Location		Land Extent			Buildings		Revalued Land Amount Rs.'ooo	Revalued Building Amount Rs.'ooo	Total Rs.'ooo
		A	R	P	No of Units	Extent in (Sq. Ft.)			
Seeduwa	Seeduwa No: 03, New Bottling Plant Complex & Housing Complex	15	2	17.09	18	192,069	1,785,419	2,230,855	4,016,274
Seeduwa	No: 65/84, Distillery Road, Seeduwa	5	2	15.10	22	101,611	581,815	291,687	873,502
Seeduwa	35/13B, Distilleries Rd	-	-	16.70	-	-	13,336	-	13,336
Seeduwa	35/13, Distilleries Rd	-	-	16.70	-	-	13,336	-	13,336
Seeduwa	37/20A, Distilleries Rd	-	-	8.00	-	-	5,600	-	5,600
Seeduwa	37/8A, Distilleries Rd	-	-	13.25	-	-	10,600	-	10,600
Kandy	375, Dutugemunu Mw, Mawilmada	2	-	-	-	-	67,340	-	67,340
Kandy	375/1-2, Dutugemunu Mw, Mawilmada	-	1	20.00	-	-	21,000	-	21,000
Kalutara	No.18, Sri Saddatissa Road, Kalutara North, Kalutara	1	-	23.00	-	-	56,730	-	56,730
Dickoya	Hatton-Norwood Road, Dickoya	-	-	-	4	18,286	-	136,810	136,810
Peliyagoda	1st Lane Off New Nuge Road, Peliyagoda.	-	-	-	4	15,406	-	57,500	57,500
							2,555,176	2,716,852	5,272,028

SHAREHOLDER INFORMATION

1 STOCK EXCHANGE LISTING

The Issued Ordinary Shares of the Company are listed with the Colombo Stock Exchange.

Ticker Symbol – DIST.Noooo

Market Sector – Beverage, Food & Tobacco

2 NON FINANCIAL INFORMATION

Holding	31-Mar-24	31-Mar-23
Last Trade	26.90	19.60
Highest	29.00	22.00
Lowest	17.10	12.60

3 DISTRIBUTION OF SHAREHOLDING

As at Holding	31st March 2024			31st March 2023		
	No. of share Holders	Total Holding	% of Holding	No. of share Holders	Total Holding	% of Holding
1 - 1,000	8,869	2,333,813	0.05%	8,584	2,275,645	0.05%
1,001 - 10,000	2,768	7,497,151	0.16%	2,881	7,883,949	0.17%
10,001 - 100,000	122	38,046,494	0.83%	524	15,319,996	0.33%
100,001 - 1,000,000	557	17,691,659	0.38%	101	31,934,484	0.69%
1,000,001 & over	32	4,534,430,883	98.58%	26	4,542,585,926	98.76%
	12,348	4,600,000,000	100.00%	12,116	4,600,000,000	100.00%

4 ANALYSIS OF SHAREHOLDING

	31st March 2024			31st March 2023		
	No. of share Holders	Total Holding	% of Holding	No. of share Holders	Total Holding	% of Holding
Individuals	12,086	72,786,027	1.58%	11,857	57,436,498	1.25%
Institutions	262	4,527,213,973	98.42%	259	4,542,563,502	98.75%
	12,348	4,600,000,000	100.00%	12,116	4,600,000,000	100.00%
Resident	12,252	4,590,489,622	99.79%	12,023	4,594,227,605	99.87%
Non-Resident	96	9,510,378	0.21%	93	5,772,395	0.13%
	12,348	4,600,000,000	100.00%	12,116	4,600,000,000	100.00%

5 TOP 30 SHAREHOLDERS-31ST MARCH 2024

Rank	Name	2024		2023	
		Share Holding	%	Share Holding	%
1	MELSTACORP PLC	4,252,264,664	92.44%	4,252,262,664	92.44%
2	MILFORD EXPORTS (CEYLON) (PVT) LIMITED	147,520,592	3.21%	147,520,592	3.21%
3	LANKA MILK FOODS (CWE) PLC	44,991,407	0.98%	44,991,407	0.98%
4	SEYLAN BANK PLC/ARRC CAPITAL (PVT) LTD	9,497,774	0.21%	5,117,316	0.11%
5	RUBBER INVESTMENT TRUST LTD A/C NO 01	8,466,301	0.18%	18,058,452	0.39%
6	CEYLON GUARDIAN INVESTMENT TRUST PLC A/C # 02	6,944,799	0.15%	7,169,799	0.16%
7	CEYLON INVESTMENT PLC A/C # 02	6,868,923	0.15%	7,071,227	0.15%
8	PERERA AND SONS BAKERS (PVT) LIMITED	5,500,000	0.12%	500,000	0.01%
9	MR. K. BALEDRA	4,826,023	0.10%	-	0.00%
10	MR. K.N.J. BALEDRA	4,021,157	0.09%	30,017	0.00%
11	MRS. L.E.M. YASEEN	4,000,000	0.09%	5,978,334	0.13%
12	MRS. S.M. CHRYSOSTOM	3,874,814	0.08%	3,874,814	0.08%
13	MR. M.H. RAOUF	3,477,899	0.08%	3,120,000	0.07%
14	JAFFERJEE BROTHERS EXPORTS (PRIVATE)LIMITED	2,680,000	0.06%	1,000,000	0.02%
15	STASSEN EXPORTS (PVT) LIMITED	2,505,718	0.05%	2,505,718	0.05%
16	MR. D. HASITHA S. JAYAWARDENA	2,231,505	0.05%	2,231,505	0.05%
17	MR. A.R. GUNASEKARA	2,219,999	0.05%	-	0.00%
18	ODYSSEY CAPITAL PARTNERS (PRIVATE) LIMITED	2,050,000	0.04%	-	0.00%
19	EMFI CAPITAL LIMITED	1,935,445	0.04%	-	0.00%
20	UNION ASSURANCE PLC-UNIVERSAL LIFE FUND	1,894,360	0.04%	603,313	0.01%
21	PEOPLE'S LEASING & FINANCE PLC/L.P.HAPANGAMA	1,838,476	0.04%	2,032,428	0.04%
22	AIA INSURANCE LANKA LIMITED A/C NO.07	1,835,995	0.04%	1,735,995	0.04%
23	PEOPLE'S BANK	1,700,000	0.04%	1,700,000	0.04%
24	MCSEN RANGE PRIVATE LIMITED	1,617,737	0.04%	1,617,737	0.04%
25	MR. A.M. WEERASINGHE	1,500,000	0.03%	1,500,000	0.03%
26	GF CAPITAL GLOBAL LIMITED	1,400,000	0.03%	-	0.00%
27	MR. G.B.D. TILAKARATHNE	1,305,000	0.03%	915,806	0.02%
28	J.B. COCOSHELL (PVT) LTD	1,246,910	0.03%	2,881,507	0.06%
29	BNPP SIN/2S-BNP PARIBAS AS TRUSTEE FOR HARVEST FUND SERIES (HONG KONG)-ASIA FRONTIER EQUITY FUND	1,080,000	0.02%	-	0.00%
30	MR. D.C.D.L.S.D. PERERA	1,076,758	0.02%	1,076,758	0.02%
Sub Total		4,532,372,256	98.53%	4,515,495,389	98.16%
Others Shareholders		67,627,744	1.47%	84,504,611	1.84%
Total		4,600,000,000	100.00%	4,600,000,000	100.00%
Percentage of Shares held by the public :				3.27%	3.27%
Total No. of share holders who hold the public holding :*				12,338	12,107

*The public holding of the company as at 31st March 2024 was 3.27% Comprising of 12,338 Shareholders and a float adjusted market Capitalisation as at 31st March 2024 was Rs.4,047,535,400.00. The Company is not compliant with Rule 713.1(a) of the Listing Rules of the Colombo Stock Exchange on minimum public holding.

DCSL MANAGEMENT TEAM AND UNIT MANAGEMENT TEAM

HEAD OFFICE

OPERATIONS DIVISION

Head of Operations
Maj. Gen. Mano Perera (Retd.)
RWP, RSP, psc, MBA, MSc

FINANCE DIVISION

Head of Finance
Nimal Nagahawatte *B.Sc.*

Manager- Finance
Justin Algama
B.Sc., Dip. Acc.

Manager - IT
Ms. P. Gamagedara
Dip. (NIBM), AAC

Assistant Manager- Finance
Suranjan Lakmanaratchi

Assistant Manager- Finance
Ms. Surani Samarasinghe
CBA, MAAT

Assistant Manager- Finance
Tharanga Palamakumbura
ACMA (UK), CGMA (UK)

SUPPLIES DIVISION

Head of Procurement
S. Rajanathan
Assistant Manager - Procurement
M. K. Srinath Sanjeeva

INTERNAL AUDIT DIVISION

Chief Internal Auditor
Chandana Bandara
FCA, FCMA, BSc. Acct.(Sp.) – First class (SJP) MBA (UoC).

COMPANY SECRETARIAL & LEGAL DIVISION

Company Secretary and Chief Legal Officer
Ms. V. J. Senaratne
Attorney-At-Law & N. P., Solicitor (Eng. & Wales)
Legal Officer & Assistant Company Secretary
Ms. N. C. Goonawardena
Attorney-At-Law & N.P., Commissioner for Oaths, LLM (London), MBA (UK), ACCS (SL)

HUMAN RESOURCES DIVISION

Head of Human Resources
Ms. Gayathri Chakravarthy
LLB, Attorney-At-Law
Manager- Human Resources
Ms. Ishara Wickramathilake
MBA,BBA

Manager - HR Administration & Compliance

*Sqn. Ldr. Lakshini Gunathilaka (Retd.)
B.Sc. (DS) in Aero. Eng., ANDHRM*

Assistant Manager –Human Resources

*Ms. Dhanushika Jayewardene
MHRM, PQHRM (IPM)*

Assistant Manager –HR Analytics

*M. Dinesh Sanjeeva
MBM, EDHRM*

TRANSPORT DIVISION

Head of Transport & Logistics
Roshanth Kumar Perera

STOCK CONTROL DIVISION

Head of Inventory Control
Lalith Ratnayake *B.Sc. (B.Ad) Sp, MBA*

EXTRA SPECIAL HERITAGE ARENA

Head of Extra Special Heritage Arena

Col. D. J. Ranjith Rupasinghe (Retd.)
RSP, IG

Deputy Head of Extra Special Heritage Arena

Maj. Gen. B. V. D. Padmachula Abeynayaka (Retd.) *USP, VSV, Advanced Dip (D&SS)*

Senior Manager – Processing

Capt. K. G. N. Shyren Senanayake
*SLN (Retd.) psc, MSc (DS),
B.Sc. (DS) in EE Eng.*

Manager – Production

Cdr. Anuruddha. S. Galabadage SLN (Retd.)
psn, B.Sc. (DS) Mgt, M.Sc (WS) (Maritime), MISMM, CMILT

Manager –Engineering

J. Vivegananthan
B.Tech (Hons) in Eng. (OUSL), PgD in Electronics and Automation

Manager – No.03 W/H

R. M. Buddhi Lakshantha
A.I ChemC, Grad Chem

Manager – Security & Fire

Maj. A.M.Mahinda Abeysinghe (Retd.)
RSP

Manager – IT

R. Aravindh
B.Sc.(Hons)

Manager – Stores

Maj. Ranga Juwandarage (Retd.)
RWP RSP, PgD LRHRM (UoC)

Civil Engineer

R. W. D. M. Neville Senadhira,
NCT (Civil)

Manager – Distribution

H. D. A. Chamindra Herath *BA (Hons)*

Chemist

H. Aravinda Senanayake,
M.IChemC, Grad Chem. Pg Dip in Industrial Chemistry (Pera)

Engineer - Electrical

I. M. Sajith Milinda Rajarathna
BEng Electrical & Electronics (UWE), NDT Electrical Engineering (UOM)

Assistant Manager - Logistics

Major W. M. Manjula R. K. Wickramasinghe (Retd)
RWP RSP USP psc IG, Dip (SUSL)

Assistant Manager - Technical / Production Material Stores

D. Nimantha Ranasinghe
Dip. in Information,Tech., Higher Dip.in Electronic Eng. Tech.

NORTHERN REGION -SEEDUWA

Head of Northern Region Maj. Roshan Mark Cabraal (Retd.)	Manager-Production H. P. T. Shehan Wijerathna <i>BSc, PgD (Manufacturing Mgt)</i>	Zonal Manager - Peliyagoda (S) Athula D. Mallikaarachchi <i>Nat Dip (Sales Mgt)</i>
Deputy Head of Northern Region Maj. Gen. P. Ashoka Jayantha Peiris (Retd.), <i>MPM, MSc. NSWS, Dip. Human Rights</i>	Assistant Manager-Production W. G. Asiri M. Dolapihilla <i>B.Sc. (Applied Sciences)</i>	Zonal Manager - Rajakadaluwa K. P. Nishantha <i>Degree of AA (USA)</i>
Deputy Chief Chemist G. Chandana Kumara <i>B.Sc. (Hons), Dip in HRM</i>	Assistant Manager Empty Bottle Unit T. D. Sirisoma <i>USP</i>	Zonal Manager - Negombo P. H. R. Indika
Chief Engineer M. Neville Perera	Assistant Manager Security K. L. S. Thilakarathna	Zonal Manager - Kurunegala Maj. L. S. A. Saman P. K. Siriwardhana (Retd.) <i>MHRM, BA (DS)</i>
Manager – Transport Lt. Col. I. Yakandawela (Retd.) <i>B.Sc. (DS), MPM, MIM (SL)</i>	Zonal Manager - Peliyagoda (W) F. H. Dinesh M. Silva <i>Nat Dip (Sales Mgt), Pg Dip Marketing (SLIM), Pg Dip in professional Marketing(CIM,UK)</i>	Distillery Seeduwa
Manager – Operations Capt. K. V. G. Hishantha Harischandra (Retd.)		Warehouses New Warehouse, Old Warehouse
		Sales and Distribution Arenas Peliyagoda (W), Peliyagoda (S), Rajakadaluwa, Negombo, Kurunegala

SOUTHERN REGION – KALUTARA

Head of Southern Region Lt. Col. M. W. Susantha Marapana (Retd.) <i>RSP</i>	Zonal Manager - Kalutara A. D. C. Krishantha	Manager - Distillery F. H. Manjula S. Silva
Senior Manager - Operations D. H. L. Nissanka <i>B.Sc., Ad Dip. (Manuf.), TPM practitioner</i>	Zonal Manager - Ambalantota M. A. Chandana Mandanayake	Chemist K. Hiroshan Krishantha Perera <i>B.Sc.(Sp.) Environmental Sc. and Natural Resources Management, Grad Chem.</i>
Senior Manager- Production & Administration Maj. K. B. Manoj Indika Jayasena (Retd.) <i>USP psc, Dip.(SUSL), Diploma In Comp. Studies</i>	Zonal Manager - Galle Maj. R. Nalaka Sooriyarachchi (Retd.) <i>RSP, USP psc MPA&M (CBO), B.Sc.(SUSL)</i>	Assistant Manager – Distillery H. A. D. I. Umayanga <i>B.Sc. (Sp.) (Food Tech. Mgt), Dip. (Food Business)</i>
Manager Warehouse K. Bhathiya Benthotra Arachchi <i>B.Sc.</i>	Zonal Manager - Kuruwita P. Sriyan Heman Kumar	Distillery Beruwala
Chemist Dhanuka N. Manawaduge <i>B.Sc.</i>	Manager Warehouse- Mirishena Warehouse W. V. B. L. Asanka Deshapriya <i>(In addition, overseeing the functions at - No 02 Warehouse, Kalutara)</i>	Warehouses Kalutara No 02, Teak Stores, Mirishena
Assistant Engineer H. P. D. P. Mangala Gunasekara	Manager Warehouse - Teak Stores Warehouse L. Madushan D. Silva	Sales and Distribution Arenas Kalutara, Ratmalana, Ambalantota, Galle, Kuruwita

DCSL MANAGEMENT TEAM AND UNIT MANAGEMENT TEAM

CENTRAL REGION – KANDY

Head of Central Region Capt. Chula Ranasinghe SLN (Retd.) USP	Manager Production M. K. Samantha Kumara <i>BSc., Dip. in Comp. Programming, Dip.in Comp Hardware Eng.</i>	Zonal Manager - Dickoya K. Kingsley Gunaratne <i>Dip. in Mgt, Passed finalist - AAT Sri Lanka</i>
Deputy Head of Central Region V. Jeiyachandiran <i>B.Sc. (Hons)</i>	Manager Administration (Finance) Ms. W. Menaka P. Perera	Manager Wholesale Outlet- Trincomalee K. D. P. Pushpa Kumara
Deputy Head of North Central Region Lt.Col. W. C. Lasantha Ratnapala (Retd.) <i>psc, MSc (D&SS), MSc (A&SW)</i>	Manager Distribution R. W. M. Neranjan B. Kumburegedara	Zonal Manager – Jaffna B. Sivasathan <i>B.Sc., Dip. in Computer programming, Dip.in Microsoft Office</i>
Civil Engineer A. M. A. J. Bandara Abeykoon <i>NCT (Civil)</i>	Manager Empty Bottle Unit G. W. D. Sanjaya B. Abeyrathne, <i>Dip. in Comp.Application</i>	Zonal Manager - Anuradhapura Maj. K. A. C. Thisara Kalansooriya (Retd.)
Manager -Stores A. R. Nishantha Atapattu	Engineer-CRC Workshop Kandy A. M. Dilan T. Abeysinghe <i>BSc (DS) in EE Eng.</i>	Zonal Manager -Badulla W. M. Dayananda
Manager - Engineering Shanaka N. Ulpathakumbura <i>B.Sc. (Applied Sciences), Advanced Technician</i> <i>Dip. in EE Eng. (City & Guilds), AMIIESL</i>	Zonal Manager - Nawayalatenna <i>Cdr: D. K. S. Dilruk Perera</i> <i>SLN (Retd.) RSP & Bar</i>	Warehouse Nawayalatenna
Territory Manager-Sales Shirantha M. N. Manickam	Zonal Manager- Gampola L. R. M. D. Madusanka MDP, BSc	Sales and Distribution Arenas Nawayalatenna, Gampola, Vavuniya, Batticaloa, Dickoya, Trincomalee, Jaffna, Anuradhapura, Badulla, KDY- 095 (M)
Manager – Administration/IT M. R. Irosha K. Bandara <i>B.Sc. (Hons)</i>	Zonal Manager - Vavuniya N. Narendhiran <i>B.Sc. in Computation & Mgt</i>	
Manager - Operations (Production/Stores & Laboratory) <i>Cdr: K Kapila N. Pushpakumara SLN (Retd.), USP, psc, MSc (WS) (Maritime), MSc (D&SS), MMS (LM) BSc (DS) Mgt, ADSMM, MISMM, LLMC</i>	Zonal Manager - Batticaloa S. Sureshkumar <i>Dip. In Strategic Mgt. and Leadership</i>	

GROUP MANAGEMENT DIVISION

Group Chief Information Officer
Prasanna Karunanayake
B.Sc. (Eng), MBCS, ACMA, CGMA

CORPORATE RISK MANAGEMENT & COMPLIANCE DIVISION

Deputy Director Corporate Risk Management
Deshabandu R.M.L.N. Bandara SSP (Retd.)
MBA (Major) USA, UNMIT, UNTAIT, ONUMAZ

Deputy Director Compliance
Upali Vithanage
SSP (Retd.)

Assistant Director Compliance
P. K. Serasinghe
SSP (Retd.)

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the THIRTY FOURTH ANNUAL GENERAL MEETING OF DISTILLERIES COMPANY OF SRI LANKA PLC will be held as a virtual meeting at the "Mini Auditorium" Distilleries Company of Sri Lanka PLC, No 110, Norris Canal Road, Colombo 10. Sri Lanka on 19th September 2024 at 10.00 a.m. for the following purposes.

1. To receive and consider the Annual Report of the Directors and the Financial Statements of the Company for the year ended 31st March 2024.
2. To re-elect as a Director, Mr. D.H.S. Jayawardena, who is over 70 years as a Director by passing the following resolution.

"That the age limit stipulated in Section 210 of the Companies Act No. 07 of 2007 shall not apply to Mr. D.H.S. Jayawardena who has attained the age of 82 and that he be re-elected a Director of the company."

3. To re-elect as a Director, Mr. C.R. Jansz, who is over 70 years as a Director by passing the following resolution.

"That the age limit stipulated in Section 210 of the Companies Act No. 07 of 2007 shall not apply to Mr. C. R. Jansz who has attained the age of 71 and that he be re-elected a Director of the company."

4. To re-elect as a Director, Mr. N. de S. Deva Aditya who is over 70 years by passing the following resolution.

"That the age limit stipulated in Section 210 of the Companies Act No. 07 of 2007 shall not apply to Mr. N. de. Deva Aditya who has attained the age of 76 and that he be re-elected a Director of the company."

5. To re-elect Capt. K.J. Kahanda who retires by rotation at the Annual General Meeting in terms of Article 30 of the Articles of Association, as a Director of the Company

6. To elect Dr. Ravindra Ajith Fernando who retires in terms of Article 32(ii) of the Article of Association, as a Director of the Company

7. To authorise the Directors to determine contributions to charities.

8. To authorise the Directors to determine the remuneration of the Auditors, Messrs. KPMG who are deemed to have been reappointed as Auditors for year ended 31st March 2025 in terms of section 158 of the Companies Act No. 07 of 2007.

9. To pass the following special resolution to amend the Articles of Association of the Company, to comply with the Listing Rules of the Colombo Stock Exchange that are currently in force.

SPECIAL RESOLUTION NO 1:

IT IS HEREBY RESOLVED THAT Article 26(i) be deleted in entirety and be substituted with the following new Article 26 (i):

The directors of the Company shall not be less than five (5), not more than ten (10). Alternate Directors and an Alternate to nominee Directors shall not be taken into account for this purpose.

IT IS HEREBY RESOLVED THAT Article 26(ii) be deleted in entirety and be substituted with the following new Article 26 (ii):

So long as MELSTACORP PLC holds 40% of the aggregate of the issued share capital of the Company it shall be entitled to nominate and appoint six (6) directors to the Board. Such Directors shall be known as nominee Directors.

SPECIAL RESOLUTION NO 2:

IT IS HEREBY RESOLVED THAT Article 33(i) be deleted in entirety and be substituted with the following new Article 33 (i):

Alternate Directors shall only be appointed in exceptional circumstances. A Director may, if he is unable to attend to his duties as a Director due to illness or any other reason, by notice in writing under his hand left at the registered office of the company, appoint or nominate one of his co-Directors or any person approved by the Board of Directors to be an alternate director of the Company for a maximum period of One (1) year from the date of appointment.

IT IS HEREBY RESOLVED THAT Article 33(iii) be deleted in entirety and be substituted with the following new Article 33 (iii):

An alternate director shall (on his giving an address for such notices to be served upon him) be entitled to receive notices of all meetings of the directors and to attend and vote as director at any such meeting at which the director appointing him is not personally present and generally at such meeting (except where otherwise specifically provided in these presents) to perform all the functions of his appointer as a director in the absence of such appointer. The attendance of any alternate Director at any meeting, including a Board committee meeting, at which the appointer is absent, shall be counted for the purpose of quorum at such meeting.

NOTICE OF MEETING

IT IS HEREBY RESOLVED THAT Article 33(iv) be deleted in entirety and be substituted with the following new Article 33(iv):

An alternate director shall ipso facto cease to be an alternate director in any of the following events that is to say:

- (a) Upon the return of his appointer;
- (b) If his appointer ceases for any reason to be a Director. Provided that if any Director retires by rotation but is re-elected at the meeting at which such retirement took effect, any appointment made by him pursuant to this Article which was in force immediately prior to his retirement shall continue to operate after his re-election as if he had not so retired;
- (c) If the appointment of the alternate director is revoked by notice in writing left at the office by his appointer or by a notice purporting to have been sent by his appointer or by a notice purporting to have been sent by his appointer and received at the office;
- (d) If the Board resolves that the appointment of the alternate Director be terminated on a date determined by it;
- (e) If the alternate director becomes subject to any of the provisions of Article 29 hereof which, if he were a Director of the Company, would render his office vacated.

IT IS HEREBY RESOLVED THAT the following be included as a new Article 33(v):

If an alternate Director is appointed for a non-executive Director, such alternate Director shall not be an executive of the company

IT IS HEREBY RESOLVED THAT the following be included as a new Article 33(vi)

If an alternate Director is appointed by an independent Director, such alternate Director so appointed shall meet the criteria for independence of the Listing Rules of the Colombo Stock Exchange.

IT IS HEREBY RESOLVED that Article 33(v) be renumbered as Article 33(vii).

SPECIAL RESOLUTION NO 3:

IT IS HEREBY RESOLVED THAT the following be included as a new Article 36 (viii):

As long as the shares of the company are listed on the Colombo Stock Exchange, a Director having a material personal interest in a matter being considered at a Board meeting to approve a related party transaction (within the meaning of the Listing Rules of the Colombo Stock Exchange) shall not:

- (a) be present while the matter is being considered at the meeting and
- (b) vote on the matter

SPECIAL RESOLUTION NO 4:

"IT IS HEREBY RESOLVED THAT Article 19(i) be deleted in entirety and be substituted with the following new Article 19(i):

Voting at a meeting of shareholders held under Article 16aboveshall, unless a poll is demanded, be by shareholders signifying individually their assent or dissent by a show of hands or voice or any other method of expression as may be used in the context of and allowed by the electronic platform and/or application used by the company to conduct such meeting.

SPECIAL RESOLUTION NO 5:

"IT IS HEREBY RESOLVED THAT Article 52(i) be deleted in entirety and be substituted with the following new Article 52(ii):

Where the company is required to send any notice, financial statement, report or other document to a shareholder, it shall be sufficient for the company to send the notice, financial statement, report or other document by courier or by post to his registered address or by electronic mail to an electronic mail account notified by the shareholder in writing to the company. Any notice, financial statement, report or other document sent by courier or by registered post, is deemed to have been received by the shareholder within three (3) working days of the posting of a properly addressed letter containing the notice, financial statement, report or other document. Where electronic mail is used, the notice, financial statement, report or other document shall be deemed to have been received by the shareholder upon the dispatch of the same by the Company through electronic email.

"IT IS HEREBY RESOLVED THAT Article 52(vi) be deleted in entirety and be substituted with the following new Article 52(vi):

Any notice required to be given by the Company to the Directors, shareholders (or any of them) and/or auditors and any communication between the company, its Directors, shareholders not expressly provided for by these Articles shall be sufficiently given if the notice or communication is published on the official website of the Company and/or published on the official website of the Colombo Stock Exchange (if the Company is listed on the Colombo Stock Exchange) and /or published in Sinhala, Tamil and English national daily newspapers.

By Order of the Board,

V.J. Senaratne -

Ms. V.J. Senaratne

Company Secretary

27th August 2024

Colombo.

Notes:

1. The Thirty Fourth (34th) Annual General Meeting of Distilleries Company of Sri Lanka PLC will be held as a virtual meeting by participants joining in person or by proxy, through audio or audio visual means in the manner specified below.

I. Shareholder Participation

- a. The shareholders are encouraged to appoint a Director of the Company as their proxy to represent them at the meeting.
- b. The shareholders may also appoint any other persons other than a Director of the Company as their proxy and the proxy so appointed shall participate in the meeting through audio or audio visual means only.

- c. The shareholders who wish to participate at the meeting will be able to join the meeting through audio or audio visual means. To facilitate this process, the shareholders are required to furnish the details of the shareholder and proxy holder, if any, by perfecting Annexure II to the circular to shareholders and forward same to vyjayanthi.corp@melsta.com or by facsimile on +94112698718, or by post to reach the Secretary not less than five (05) days before the date of the meeting so that the meeting login information could be forwarded to the email address as provided. The circular to the shareholders will be posted to all the shareholders along with the Notice of meeting and the Form of Proxy.
- d. To facilitate the appointment of proxies, the Form of Proxy is attached hereto and the duly filled Form of Proxy should be sent to reach the Company Secretaries via e mail vyjayanthi.corp@melsta.com or facsimile on +94 11 2698718 or by post to the registered address of the company No. 110, Norris Canal Road, Colombo 10. Sri Lanka, not less than twenty-four (24) hours before the time fixed for the meeting.

II. Shareholder's queries

The shareholders are hereby advised that if they wish to raise any queries, such queries should be sent to reach the Company Secretary, via e-mail to vyjayanthi.corp@melsta.com or facsimile on +94 112698718 or by post to the registered address of the company No 110, Norris Canal Road, Colombo 10. Sri Lanka not less than Five (5) days before the date of the meeting. This is in order to enable the Company Secretary to compile the queries and forward same to the attention of the Board of Directors so that same could be addressed at the meeting.

2. The Annual Report of the Company for the year 2023/2024 will be available for perusal of the Company website www.dcslgroup.com and the Colombo Stock Exchange website on www.cse.lk. Shareholder may also access the Annual Report on their electronic devices by scanning the below QR code.

NOTES

FORM OF PROXY

Folio No.

I/We
of being a member / members
of Distilleries Company of Sri Lanka PLC hereby appoint Don Harold Stassen Jayawardena* or failing him Cedric Royle Jansz * or failing him Niranjan de Silva Deva Aditya* or failing him Kolitha Jagath Kahanda* or failing him Adrian Naomal Balasuriya* or failing him Don Hasitha Stassen Jayawardena *or failing her Don Stasshani Therese Jayawardena* or failing him Mellawatantrige Anton Niroshan Sampath Perera *or failing him Ravindra Ajith Fernando or
..... of

As my /our* Proxy to represent me/us* and vote for me /us * on my/our* behalf at the Thirty Fourth (34th Annual General Meeting of the Company will be held as a "Virtual Meeting" on 19th day of September 2024, at the "Mini Auditorium" DCSL, 110, Norris Canal Road, Colombo 10, Sri Lanka and at any adjournment thereof and at every poll which may be taken in consequence thereof.

	For	Against
1. To receive and consider the Annual Report of the Directors and the Financial Statements of the Company for the year ended 31st March 2024.	<input type="checkbox"/>	<input type="checkbox"/>
2. To re-elect as a Director, Mr. D.H.S.Jayawardena, who is over 70 years as a Director by passing the following resolution. "That the age limit stipulated in Section 210 of the Companies Act No. 07 of 2007 shall not apply to Mr. D.H.S. Jayawardena who has attained the age of 82 and that he be re-elected a Director of the company."	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-elect as a Director, Mr. C.R. Jansz, who is over 70 years as a Director by passing the following resolution. "That the age limit stipulated in Section 210 of the Companies Act No. 07 of 2007 shall not apply to Mr. C. R. Jansz who has attained the age of 71 and that he be re- elected a Director of the company."	<input type="checkbox"/>	<input type="checkbox"/>
4. To re-elect as a Director, Mr. N. de S. Deva Aditya who is over 70 years by passing the following resolution. "That the age limit stipulated in Section 210 of the Companies Act No. 07 of 2007 shall not apply to Mr. N. de. Deva Aditya who has attained the age of 76 and that he be re-elected a Director of the company."	<input type="checkbox"/>	<input type="checkbox"/>
5. To re-elect Capt. K.J. Kahanda who retires by rotation at the Annual General Meeting in terms of Article 30 of the Articles of Association, as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>
6. To elect Dr. Ravindra Ajith Fernando who retires in terms of Article 32(ii) of the Article of Association, as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>
7. To authorise the Directors to determine contributions to charities.	<input type="checkbox"/>	<input type="checkbox"/>
8. To authorise the Directors to determine the remuneration of the Auditors, Messrs. KPMG who are deemed to have been reappointed as Auditors for year ended 31st March 2025 in terms of section 158 of the Companies Act No. 07 of 2007.	<input type="checkbox"/>	<input type="checkbox"/>
9. To pass the following Special Resolutions to amend the Articles of Association of the Company	<input type="checkbox"/>	<input type="checkbox"/>
a. Special Resolution 1 IT IS HEREBY RESOLVED THAT Article 26(i) be deleted in entirety and be substituted with the new Article 26 (i) IT IS HEREBY RESOLVED THAT Article 26(ii) be deleted in entirety and be substituted with the new Article 26 (ii)		

FORM OF PROXY

	For	Against
b. Special Resolution 2		
IT IS HEREBY RESOLVED THAT Article 33(i) be deleted in entirety and be substituted with the new Article 33(i)		
IT IS HEREBY RESOLVED THAT Article 33(iii) be deleted in entirety and be substituted with the new Article 33(iii)		
IT IS HEREBY RESOLVED THAT Article 33(iv) be deleted in entirety and be substituted with the new Article 33(iv)		
IT IS HEREBY RESOLVED THAT the following be included as a new Article 33(v)		
IT IS HEREBY RESOLVED THAT the following be included as a new Article 33(vi)		
IT IS HEREBY RESOLVED that Article 33(v) be renumbered as Article 33(vii)		
c. Special Resolution 3		
IT IS HEREBY RESOLVED THAT the following be included as a new Article 36 (viii)		
d. Special Resolution 4		
IT IS HEREBY RESOLVED THAT Article 19(i) be deleted in entirety and be substituted with the new Article 19(i)		
e. Special Resolution 5		
IT IS HEREBY RESOLVED THAT Article 52(i) be deleted in entirety and be substituted with the new Article 52(i).		
IT IS HEREBY RESOLVED THAT Article 52(vi) be deleted in entirety and be substituted with the new Article 52(vi)		

*Please delete the inappropriate words.

*Please write your Folio Number which is given on the top left of the address sticker.

.....
Signature of Shareholder

Dated this day of 2024.

Notes:

- Proxy need to be a member of the company.
- In terms of the Articles 20(III) of the Articles of Association of the Company
A proxy shall be appointed by notice in writing signed
 - In the case of an individual, by the appointer or his attorney
 - In the case of a corporation, either under its common seal or by its attorney or by an officer on behalf of the corporation; and shall be addressed to the Chairman or the secretary. The notice of appointment shall state whether the appointment is for a particular meeting, or for a specified term.
- In terms of the Articles 20(IV) of the Articles of Association of the Company
No proxy is effective in relation to a meeting, unless a copy of the instrument which contained the notice of appointment together with the duly executed power of attorney (if any) is submitted to the secretary not less than twenty – four (24) hours before the start of the meeting.
- In terms of the Article 22 of the Articles of Association of the Company
Where two (02) or more persons are registered as the holder of a share, the vote of the person named first in the share register and voting on a matter shall be accepted to the exclusion of the votes of the other joint holders. Where there are several executors or administrators of a deceased shareholder in whose sole name any shares are registered, any one of such executors or administrators may vote in respect of such shares unless any other of such executors or administrators is present at the meeting at which such a vote is tendered and objects to the vote. In such an event, a vote in relation to such shares on any a matter shall not be accepted unless all such executors or administrators agree thereto.
- Instructions as to completion are noted overleaf.

Instructions as to Completion of Form of Proxy

1. Kindly perfect the Form of Proxy by filling in the mandatory details required above, signing in the space provided and filing in the date of signature.
2. If the Form of Proxy is signed by an Attorney, the relative power of attorney should also accompany the proxy form for registration, if such power of attorney has not already been registered with the Company.
3. In the case of a Company / Corporation, the Form of Proxy shall be executed in the manner specified in the Articles of Association.
4. In the absence of any specific instructions as to voting, the proxy may use his/her discretion exercising the vote on behalf of this appointer.
5. Duly filled forms of proxy should be sent to reach the Company Secretary via e – mail to vyjayanthi.corp@melsta.com, or facsimile on +94 11 2698718 or by post to the registered address of the Company No. 110, Norris Canal Road, Colombo 10. Sri Lanka, not less than twenty four (24) hours before the time appointed for the holding of the meeting.

මෙම වාර්තාව සම්පූර්ණයෙන්ම පිළියෙළ කර ඇත්තේ ඉංග්‍රීසි භාෂාවෙනි. ඔබට සහාපතිතුමාගේ පත්‍රවුවය, අධිකක්ෂවරුන්ගේ වාර්ෂික වාර්තාව සහ විගණක වාර්තාව සිංහල හෝ දෙමළ සාහාවෙන් සකසන දැන පරිවර්තනයක් අවශ්‍ය නම්, ඒ බව සමාගම් ලේකම්, ඩිස්ටිලරිස් කොමිෂන් ඔරු ශ්‍රී ලංකා පිවිල්ස් අංක 110, නොරස් කොළඹ පාර, කොළඹ 10 යන ලිපිනයට 2024, සැර්තැම්බර් මස 10 වෙති දිනට ප්‍රථම දැන්වන්න.

இவ்வறிக்கை முழுமையாக ஆங்கிலத்தில் உள்ளது. தலைவரின் செய்தி, பணிப்பாளர் சபையின் வருடாந்த அறிக்கை, கணக்காய்வாளரின் அறிக்கை, ஆகியவற்றின் சிங்களம் அல்லது தமிழ் மொழிபெயர்ப்பு வேண்டுமாயின், தயவுசெய்து கடிதம் மூலம் பின்வரும் விலாசத்திற்கு, 2024 செப்டெம்பர் மாதம் 10ஆம் நிகதிக்கு முன் அறிவிக்கவும்.
கம்பனி செயலாளர், டிஸ்டிலரிஸ் கம்பனி ஓப் யீலங்கா பி.எல்.சி,
இலக்கம் 110, நோரிஸ் கெலை வீதி, கொழும்பு 10.

This report is entirely in English. If you require a translated copy of The Chairman's Message, Annual Report of the Board of Directors and The Auditor's Report in Sinhala or Tamil, please make a request by letter addressed to the Company Secretary, Distilleries Company of Sri Lanka PLC, No. 110, Norris Canal Road, Colombo 10, before 10th day of September 2024.

CORPORATE INFORMATION

COMPANY NAME

Distilleries Company of Sri Lanka PLC

DOMICILE AND LEGAL FORM OF THE HOLDING COMPANY

Public Limited Liability Company Incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange

REGISTRATION NO.

PQ 112

ULTIMATE PARENT COMPANY

Milford Exports (Ceylon) (Pvt) Ltd.

REGISTERED OFFICE

110, Norris Canal Road,
Colombo 10, Sri Lanka.

Tel: +94 11 550 7000 / 269 5295-7

Fax: +94 11 269 6360

Web: www.dcslgroup.com

SUBSIDIARY COMPANIES

DCSL Breweries Lanka Limited

DCSL Brewery (Private) Limited

DCSL Group Marketing (Private) Limited

BOARD OF DIRECTORS

Mr. D. H. S. Jayawardena – Chairman

Mr. C. R. Jansz

Capt. K. J. Kahanda (Retd.) - Managing Director

Mr. N. de. S. Deva Aditya

Dr. A. N. Balasuriya

Mr. D. Hasitha S. Jayawardena

Ms. D. S. T. Jayawardena

Mr. M. A. N. S. Perera

Dr. R. A. Fernando (Appointed w.e.f. 06.02.2024)

Ms. V. J. Senaratne - (Alternate to Capt. K. J. Kahanda-
ceased to be a Director w.e.f. 01.01.2024)

AUDIT COMMITTEE

Mr. M. R. Mihular - Chairman (w.e.f. 01.04.2023)

Dr. A. N. Balasuriya

Mr. N. de. S. Deva Aditya

Mr. D. Hasitha S. Jayawardena

REMUNERATION COMMITTEE

Dr. A. N. Balasuriya - Chairman

Mr. N. de. S. Deva Aditya

Mr. D. Hasitha S. Jayawardena

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Mr. M. R. Mihular - Chairman (w.e.f. 01.04.2023)

Dr. A. N. Balasuriya

Mr. D. Hasitha S. Jayawardena

COMPANY SECRETARY

Ms. V. J. Senaratne

AUDITORS

Messrs KPMG (Chartered Accountants)

32A, Sir Mohamed Macan Marker Mawatha,
Colombo 03, Sri Lanka.

REGISTRARS

Central Depository Systems (Pvt) Ltd.
Registrar Services and Corporate Actions Unit
No.341/5, M &M Center,
Kotte Road, Rajagiriya, Sri Lanka.

Tel: +94 11 235 6456

Fax: +94 11 244 0396

BANKERS

Bank of Ceylon

Commercial Bank of Ceylon PLC

DFCC Bank PLC

Hatton National Bank PLC

Hongkong & Shanghai Banking Corporation

Nation's Trust Bank PLC

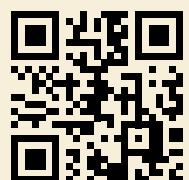
People's Bank

Seylan Bank PLC

Standard Chartered Bank

CREDIT RATING

The Company has been assigned 'AAA (lka)'
National Long Term Rating with a Stable
Outlook by Fitch Ratings Lanka Limited.



dcslgroup.com

DISTILLERIES COMPANY OF SRI LANKA PLC

110, Norris Canal Road, Colombo 10, Sri Lanka.

Tel +94 11 269 5295-7 Fax +94 11 2696360